



YOUR DISTRICT



Western Bay of Plenty
District Council

THE LONG TERM PLAN 2009 - 2019

+ YOUR FUTURE



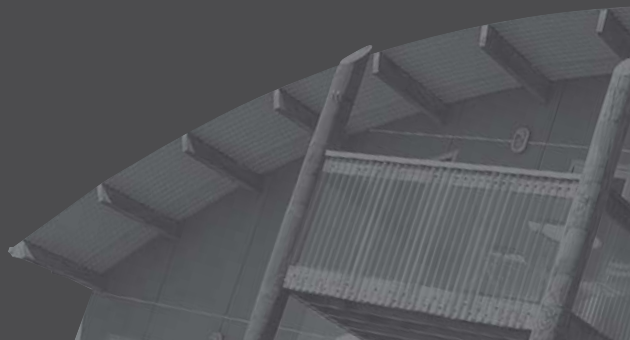


THE NEXT



Western Bay of Plenty
District Council

THE LONG TERM PLAN 2009 - 2019



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FOREWORD FROM THE MAYOR AND CHIEF EXECUTIVE

Welcome to the Long Term Plan 2009-2019. Every three years, Council is required to prepare a long-term plan which sets out what work the Council intends to do over the next ten years, why it will do that work and how much it will cost to complete. This plan was adopted following a consultation period of one month, ending on 1 May 2009. Submissions were received from 700 residents. The final plan was adopted on 30 June 2009.

All households and businesses are faced with increased risks over the next few years, as the effects of world-wide financial uncertainty and recession unfold. Council's role as a community leader is to act responsibly and manage those risks without unnecessarily exaggerating the effect of the recession on the local economy by over-reacting.

The economic situation is also expected to slow the rate of population growth and development in the District, so Council has revised its growth assumptions in the short term. However, we have taken a more optimistic view in the longer term and expect growth to pick up and reach projections over the period to 2021.

This assumption is very important because it drives forecast service demand for activities and timing of infrastructure projects and underpins the calculation of financial contributions. Details of the growth assumptions and the rationale for the changes is explained in the Key Risks, Issues and Assumptions section of this Plan, on page 24. The economic climate is changing rapidly, so the risk that Council's growth forecasts are not accurate is much higher now than in recent years. Council has noted the increased risk and reviewed all its projects and their timing, paying particular attention to those that are large and reliant on growth.

Council's critical focus is to remain financially sound, while delivering sustainable levels of service that address the social, cultural, environmental and economic needs of the community, to ensure the District can resume its growth and development once economic conditions improve.

At the same time Council needs to get the balance right between meeting the needs of today's residents and those of the future. Council has identified projects that are not essential in the short term and either delayed the timing to later in the 10-year period or deferred them beyond 2019. By taking this approach, Council has avoided deferring essential projects that would cost future residents too much if they were postponed.

This approach is consistent with SmartGrowth, the 50-year plan to manage growth in the subregion, which is the critical issue challenging our communities' progress towards sustainability. SmartGrowth is a partnership between our Council, Tauranga City Council and Environment Bay of Plenty and is in its fourth year of implementation.

A major challenge in the next few years is the management of Council's debt levels as growth slows. In recent years Council has invested in large projects that are dependent on growth to repay the debt, for example wastewater schemes in Waihi Beach and Omokoroa. As growth slows, interest costs rise because existing debt is

not paid off as quickly as first expected. Through this Long Term Plan, Council increased its treasury limits and ratios to accommodate this effect while still ensuring that debt remains within limits that are considered both prudent and financially sustainable.

In preparing this plan Council reviewed all its capital expenditure plans for the next ten years and reduced the total by \$33 million to \$335 million in the draft plan, and by a further \$3 million before adopting the final plan. If growth slows even more than Council expects, further delays in forecast capital expenditure would be considered and new proposals developed and consulted through Council's Annual Plan processes. For much of the proposed expenditure in this Plan, Council is not locked into the indicated timing and for many projects, delay would not noticeably reduce levels of service because without growth the need for some work is also delayed.

Financial contributions make up about 10% of Council's income and for some activities the risk of slower growth affecting debt levels is very low. In the Recreation and Leisure activity for example, financial contributions are only spent the year after they are collected, so capital projects can be scaled back if this income stream falls more than expected. Some projects, although large, are not dependent on growth, for example the Maketu/Little Waihi wastewater project, which will be funded by subsidies and targeted rates for those communities.

For Transportation, which has the largest share of expenditure, Council has some commitments in terms of its Performance Based Contract that runs to 2012, but some growth related projects could be delayed if growth did not occur.

The work done reviewing expenditure has enabled Council to keep the District Rate increase for the average ratepayer in 2009/10 to 4.1% (including inflation). Details of projected rates increases for subsequent years are listed on page 19.

Despite the restricted financial environment, Council is committed to maintaining its current levels of service and will endeavour to deliver all operational maintenance and renewal programmes. However, the belt has had to be tightened in many areas to minimise costs and it is difficult to deliver the same or improved services for lower cost.

Further investment will continue to be made in upgrading and renewing infrastructure (such as roading and stormwater) and in improving wastewater systems in our coastal communities.

Council will also continue to focus on helping communities to help themselves through the implementation of Comprehensive Development Plans for each of the District's communities (Te Puke, Katikati, Maketu, Waihi Beach, Te Puna and Omokoroa). Each of these plans takes an integrated approach to the social, economic, cultural and environmental wellbeing of each community.

Comprehensive Development Plans, together with a range of other strategies and plans (such as Built Environment Strategies for Te Puke, Omokoroa and Katikati and Town Centre plans for Te Puke, Katikati and Waihi Beach), have

played an important part in setting a framework for Council's revised District Plan and Code of Development which were publicly notified in February, 2009.

The proposed District Plan and Code of Development contain some significant changes across all aspects of development to ensure that our District accommodates SmartGrowth sustainable development principles.

For more details on decisions made by Council in adopting this plan, please refer to the Decisions on Highlights for Consultation section and to the detailed sections in this Long Term Plan.

Some of the major work included in this plan is listed below:

Wastewater System for Maketu and Little Waihi

For several years Council has been investigating the provision of a wastewater system to service Maketu, Little Waihi and Pukehina Beach, to address environmental issues mainly caused by the inadequacy of existing septic tank systems. The capital cost to service all three communities through a land-based treatment plant was estimated at \$30 million. Subsidies of \$10.5 million from central government and \$1.6 million from Environment Bay of Plenty are available, leaving a shortfall of \$17.9 million to be funded by the communities. Following submissions, this full scheme was considered unaffordable and the extent of the scheme limited to Maketu and Little Waihi, costing \$15.8 million. An increase in the Environment Bay of Plenty subsidy of \$0.5 million to \$2.1 million has further reduced the shortfall to be funded by the communities to \$3.2 million.

Wastewater – small communities

Wastewater solution investigations are planned for Ongare Point (\$10,000 in 2009/10), funded by an Environment Bay of Plenty subsidy. An advanced treatment system for the stormwater drain and the public toilet beside the boat ramp is planned for Tanners Point (\$160,000 in 2009/10) and further investigations into wastewater solutions are planned for Te Puna (\$30,620 spread over two years 2009/10 and 2010/11).

Water Supply

Council will introduce a range of water conservation initiatives, such as water supply prioritisation, delivery rate charging for customers with connections larger than 20mm and phased-in meter installation for all customers (resulting in increased uniform annual charges (UAC) of approximately 3% per year over and above inflation in all water supply zones). Council will also increase effort to identify and reduce water losses, including a service for customers that provides advice on water use and efficiency.

Funding Review – Revenue and Financing Policies

Council received many submissions opposing its proposal to move to Capital value rating. After considering the submissions Council resolved to leave the Rooding Rate on land value. For further details of this decision refer to the Decisions on Highlights for Consultation section.

Funding Economic Development

The public benefit of economic development work, (including job and education opportunities, wider customer choice, events and entertainment) reaches all ratepayers. Council previously funded economic development organisations like Priority One and Tourism Bay of Plenty from the General Rate. Council approved the proposal to move to a fixed amount per property. To improve rating efficiency, this amount will become part of the Uniform Annual General Charge, which is paid by every property in the District.

Community Board Rates

Council will change the way it charges Community Board rates to a targeted rate on a uniform (fixed) basis, as opposed to its previous policy under which they were charged according to property value.

Solid Waste

Council has signalled a commitment to reduce the total amount of waste produced in the District by means of reduction, reuse and recycling. From July 2009 landfill operators are required to collect a \$10/tonne levy for all material entering the landfill. Part of this money is allocated to Councils to use for waste minimisation activities. Council expects to be allocated \$160,000 per year and will use this on either district-wide projects (such as education) or local projects. The first year's funding will be spent on recycling facilities for the Eastern end of the District.

Recreation and Leisure

Reserve management plans for Maketu, Waihi Beach, Te Puke, Kaimai and Katikati wards have been completed and much of the expenditure over the next ten years will be focused on implementing these plans, particularly the development of subregional parks such as the 1638ha TECT All Terrain Park (\$8.8 million funded 50% by Western Bay of Plenty District Council and 50% by Tauranga City Council) and the 8.7ha Huharua Harbour Park at Plummer's Point (\$1.1 million). Other projects in this activity include expenditure on Omokoroa seawall and work to provide increased capacity at Omokoroa boat ramp.

Pensioner housing

Council will retain pensioner housing subject to rental income covering costs over the forecasted period of the Long Term Plan 2009-19.

Subregional Library Network

Western Bay of Plenty District Council will contribute an amount of \$80 per new lot (from the Recreation and Leisure Financial Contributions that Council already collects) towards subregional library facilities provided by Tauranga City Council.

Subregional Sports and Exhibition Centre

Tauranga City Council is planning to construct a Sports and Exhibition Centre which will provide 9 indoor courts and cater

for exhibitions. In recognition that this will be a district-wide facility, the two councils have agreed that the Sports and Exhibition Centre is an appropriate project to be partially funded by way of subregional financial contributions.

Transportation

In recent years cost increases have significantly exceeded the consumer price index, largely due to oil and construction prices, so increases in roading rates will be required in order to deliver the Council's programme of works. The roading rate increase will be 5% above the level of growth and consumer inflation for 2009/10 and 2.5% above growth and inflation for the remaining years of the plan.

To minimize rate increases, Council will reduce seal extensions from 10km per year to 5km per year from 2012/13 and reduce seal widening from 8km per year to 3km per year after 2012.

In 2006, Council committed to the establishment of an alternative route to divert through-traffic from Jellicoe Street, Te Puke. Council has undertaken further investigations into the feasibility of the proposal and the cost of the project is now estimated at \$30 million. This amount is considered unaffordable during the ten years of this plan and has not been included in the financial projections. Council considers that the Tauranga Eastern Motorway (TEM) will alleviate congestion in the long term and Council is focusing on that project in the interim. However, if the TEM should not proceed in terms of the Bay of Plenty Regional Transport Plan, Council will review this decision. Council is requesting that the New Zealand Transport Agency review traffic efficiency, congestion and safety in Jellicoe Street.

For the two years, 2009-11, \$50,000 per year is proposed to be spent on improvements and projects to meet the demand for walking and cycling facilities. In addition \$200,000 will be available from 2008/09 budgets. After 2012, \$187,000 per year is proposed for the implementation of the Walking and Cycling Strategy, including new footpaths.

Transportation infrastructure identified in adopted Structure Plans for the ten year period and funded through financial contributions, include Omokoroa (\$26.2 million), Katikati (\$6.5 million), Waihi Beach (\$4 million) and Te Puke (\$6.7 million), excluding inflation

In order to access a \$150 million grant from the Crown Account for a number of regional transport projects, local authorities in the region are required to match the Crown's contribution. Council has allocated approximately \$5 million for regional projects including the Katikati Bypass (\$400,000 per year for five years starting in 2015) and Tauranga Eastern Arterial (\$500,000 per year for four years starting in 2013). The remaining \$1 million to be spread over the ten years for investigations and studies to support significant regional transport initiatives.

Council's Significance Policy sets out criteria determining what constitutes a significant decision; such decisions require public consultation as described in the Local Government Act 2002. Through this Long Term Plan Council changed those criteria by increasing thresholds for expenditure and by

excluding some decisions on reserves, which would already have been through public consultation under the Reserves Act 1977. More details of these decisions are in the Decisions on Highlights for Consultation section on page 5.

Amendments to Treasury Policy

Council has changed two of the limits in its Treasury Policy relating to its debt and interest. The purpose of these changes is to give Council flexibility to increase borrowing during the next ten years so that it can continue to undertake investment in infrastructure without unduly increasing rates.

Council sought independent financial advice prior to making these changes and the ratios are still considered prudent and appropriate for a local authority.

We encourage you to use this document to learn about Council's plans for the next ten years.



Ross Paterson
Mayor



Glenn Snelgrove
Chief Executive

SUMMARY OF DECISIONS MADE ON CONSULTATION HIGHLIGHTS

In Council's draft Long Term Plan a list of the key proposals was included in a chapter called "Highlights for Consultation". The consultation period ran from 1 April 2009 to 1 May 2009 and 700 submissions were received. Hearings were held on six days between 18 and 27 May and Council considered submissions and made decisions on 4, 5 and 8 June, before adopting this plan on 30 June 2009.

This section summarises the outcome of the decisions on the key proposals made in the Draft Long Term Plan 2009-2019.

Wastewater – Maketu, Little Waihi and Pukehina Beach (see also page 147)

For several years Council has been investigating the provision of a wastewater system to service Maketu, Little Waihi and Pukehina Beach, to address environmental issues caused by the inadequacy of existing septic tank systems, which have affected the Maketu Estuary and Little Waihi Estuary environments.

To improve environmental wellbeing, Council proposed to build a wastewater treatment scheme for Maketu, Little Waihi and Pukehina Beach.

What Council proposed:

- Service to all three communities, estimated to cost \$30 million
- Subsidies of \$10.5 million from central government and \$1.6 from the Regional Council, leaving a shortfall of \$17.9 million to be funded by Council
- New on-site septic tanks for the primary treatment of solids, would be installed on each property
- Cost of the new septic tanks included in the cost of the scheme
- Wastewater would be reticulated to a land-based treatment plant in Arawa Avenue
- Estimated full Uniform Annual Charge (UAC) (covering both capital and operational costs) for the scheme would be \$1,055
- Pukehina properties would pay an increased development levy of \$159 in 2009/10 and \$319 in 2010/11
- Scheme would become operational in 2011/12

An alternative was identified whereby Council could phase the development of the scheme by only reticulating Maketu and Little Waihi and constructing a smaller treatment plant. This would cost \$15.6 million and would include \$350,000 to lay a pipeline across the estuary from Little Waihi to Pukehina to service Pukehina in future. Pukehina is not included in Environment Bay of Plenty's high-risk maintenance zone for septic tank contamination. The UAC required from Maketu and Little Waihi residents was estimated at \$922 per year.

Decisions taken

Many submitters opposed the inclusion of Pukehina Beach in the scheme and advised that the indicated charges would be unaffordable. Council resolved to:

- Proceed with a Maketu/Little Waihi Wastewater Scheme that excludes Pukehina Beach.

- The resource consent should include the pipeline crossing over the estuary from Little Waihi to Pukehina to facilitate a possible future connection of Pukehina.
- No provision in the 2009-19 LTCCP for a Pukehina Wastewater Scheme; the Pukehina works charge be reduced to \$20 per property per annum.
- The financial projections used include growth at 410 additional lots (or any other funding that may become available) and has a commencement 2011/12 UAC estimated at \$641 plus GST. This amount is indicative only, as an updated growth model, scheme option, estimated costs and affordability will be presented to Council prior to letting construction contracts.
- Prior to letting a construction tender, Council intends to enter into a Memorandum of Understanding with Te Arawa Lakes Trust Board with regard to their commitment to the scheme and their intention to develop residential land.
- It was noted if growth does not occur as predicted, the UAC would have to increase to reflect the lower growth, and could be between \$824 and \$970 for 2011/12 (indicative amounts only).

Wastewater – small coastal communities (page 147)

Council has worked with Environment Bay of Plenty and affected communities to investigate the options for on-site wastewater treatment for six small coastal communities (Tanners Point, Tuapiro Point, Ongare Point, Kauri Point, Te Puna West and Plummer's Point).

What Council proposed

- No further expenditure for Kauri Point, Plummer's Point and Tuapiro Point as they can comply with Environment Bay of Plenty's Operative On-site Effluent Treatment Regional Plan
- Project 3197 – Ongare Point wastewater solution - \$10,000 for investigations in 2009/10. No capital expenditure provided because a preferred solution and appropriate funding have not yet been identified.
- Project 3180 – Tanners Point wastewater solution - \$160,000 in 2009/10 for advanced treatment system for the stormwater drain and the public toilet beside the Tanners Point boat ramp.
- Project 3198 – Te Puna Wastewater investigation - \$30,620 spread over two years 2009/10 and 2010/11. No capital expenditure provided because a preferred solution and appropriate funding have not yet been identified.

Decision taken

All proposed changes were approved for inclusion in the Long Term Plan 2009-2019.

Water Supply (page 117)

Studies by Environment Bay of Plenty highlight the need to carefully manage demand for water. Universal metering can reduce water consumption as customers modify their behaviour in response to price signals and assists in the identification of water losses.

What Council proposed

- Prioritise supply for new customers on household, livestock (including dairy farm), commercial and industrial uses (where land is zoned for the purpose).
- Undertake a three-year investigation of water use patterns to better inform future pricing, with a review in 2011/12.
- Introduce delivery rate charging from July 2010 for customers with connections larger than 20mm to reflect the greater demand such connections place on the capacity of the network.
- Phase in meter installation for all customers, beginning with Omokoroa, 2010/11 and 2011/12 (\$696,900), Te Puna West, 2009/10 (\$125,000), Tanners Point and Ongare Point 2009/10 (\$125,000).
- Increase efforts to identify and reduce water losses, provide a water use and efficiency service for customers.
- Upgrade capacity for the Pongakawa Water Treatment Plant 2015/16 (\$967,605).

Decision taken

All proposed changes were approved for inclusion in the Long Term Plan 2009-2019.

Funding Review – Revenue and Financing Policies (page 221)

Council undertook a wide-ranging review of its revenue and financing policies, including its rating basis (land or capital value), rates remission and postponement policies and the basis of charging some targeted rates.

Rating Basis (page 221)

What Council proposed

- Move from land value rating to capital value rating, for all rates effective 1 July 2009
- Abolish the multiple dwelling differentials as rating on capital value adequately recognises the increased demand for services from intensively developed properties.
- Reduce the size of the rural works charge to 50% of the amount that was rated in the 2008/9 financial year (\$267), as under capital value rating, the share of rating for transportation for large pastoral farms relative to smaller rural properties would decrease, so the amount required from UAC charges would be less.
- Abolish the commercial/Industrial differential of 2 on Rooding rate as under capital value commercial/industrial properties would be paying a greater share than under land value
- No changes to rates postponement policies
- As an interim measure, provide \$10,000 for grants to charitable organisations as relief from rate increases under capital value rating.

Council also considered whether to spread the effect of a change to capital value rating by introducing it in two stages, i.e. applying capital value to only one of the two main property-based rates (Rooding Rate and General Rate), with all other rates remaining on land value for 2009/10 only. This was not Council's preferred option in the draft plan.

Decision taken

A substantial majority of submissions on Council's rating basis opposed the proposed move to capital value rating. Reasons included

- Affordability and fairness of the consequent rate increases for some ratepayers
- Perceived unfairness of the legislative requirement to include vines and fruit trees in capital value
- The perceptions that rating improvements would slow development in the district

In making its decision, Council noted that no rating system is perfect and acknowledged the difficulties of using current rating legislation to fairly reflect the costs individual users of Council services impose, especially given the diversity of the district.

Council decided to adopt a hybrid or mixed rating basis, using capital value to assess the general rate, and land value for the rooding rate. The effect of this decision will be to reduce the impact of full capital value rating on ratepayers; for 2009/10, the general rate makes up about 40% of the total rates levied on property values. This decision was seen as addressing some of the concerns about affordability heard in the submissions process. Council also noted that rates rebates were available to some sectors of the community on low incomes.

As the rooding rate basis will remain on land value, the proposals for halving the rural works charge and abolishing the commercial/industrial differential on the rooding rate (which were complementary to the capital value rating proposals) were no longer considered appropriate. Council resolved to reinstate the full rural works charge at \$267 per property and the commercial/industrial differential of 2 for the rooding rate.

The proposal to abolish the multiple dwelling differentials on the general rate was confirmed.

Council did not consider there were sufficient reasons for rates remissions for any particular sector of the community.

Funding Economic Development (page 180)

Council reviewed its policy for funding economic development and tourism support, aiming to achieve a fairer distribution of funding.

What Council proposed

- Charge all properties a fixed amount per property to fund sub-regional economic development (contracts with Tourism Bay of Plenty and Priority One BOP) as opposed to its previous policy which was to charge according to property value.

Decision taken

The proposed change was approved for inclusion in the Long Term Plan 2009-2019.

Community Board Rates (page 49)

Council reviewed the way Community Board rates are charged, aiming to achieve a fairer distribution of funding.

What Council proposed

- Charge Community Board rates as a targeted rate on a uniform (fixed) basis, as opposed to its previous policy which was to charge according to property value.

Decision taken

The proposed change was approved for inclusion in the Long Term Plan 2009-2019.

Policy on Rates Remission of Uniform Charges (page 207)

This policy sets out the conditions under which Council will remit uniform charges applicable to contiguous properties.

What Council proposed

- Clauses 3.1.3 and 3.2.2 were added to explain procedural matters;
- Notes i) and ii) were added to be explicit regarding current practice in interpreting the policy;
- Clause 3.1.1 specified the period for which contiguous rating units must be owned or leased by the same ratepayer, in order to be eligible for any remission under the policy. Council proposed to increase this period from three to five years. Rating legislation provides that properties leased for ten years automatically qualify and three years is considered too short a period.

Decision taken

The proposed changes were approved for inclusion in the Long Term Plan 2009-2019.

Solid Waste (page 161)

Council reviewed its solid waste strategy through the Long Term Plan process. From July 2009 landfill operators are required to collect a \$10/tonne levy for all material entering the landfill. Part of this money is allocated to Councils to use for waste minimisation activities. Western Bay expects to be allocated \$160,000 per year and will use this on either district-wide projects (such as education) or local projects.

What Council proposed

- That Council's role in planning for solid waste activities be education and enforcement to ensure individuals, households, businesses and communities are dealing with waste responsibly, rather than providing a service itself. 'User pays' was fundamental to the approach – requiring that those who produce the waste pay the appropriate cost of its disposal. This would enable residents and ratepayers to choose the most suitable service from a range of private contractors.
- Use levy money (\$160,000) from the Waste Minimisation Act to help set up the Eastern recycling centre in 2010/11, reducing to \$100,000 in 2011/12 and \$30,000 in 2012/13.
- Future uses for the remainder of the money would be identified and consulted through the annual plan and Long Term Plan processes.

Decision taken

The proposals were approved for inclusion in the Long Term Plan 2009-2019. In addition \$20,000 per year was allocated from District Rates to remedy and enforce litter clearance.

Recreation and Leisure (page 79)

Reserve management plans for Maketu, Waihi Beach, Te Puke, Kaimai and Katikati wards were completed and much of the expenditure over the next ten years focused on implementing these plans.

What Council proposed

- Contribute to subregional projects including TECT All Terrain Park (\$8.8 million - funded 50% by Western Bay of Plenty District Council and 50% by Tauranga City Council), Huharua Harbour Park (\$1.2 million).
- Omokoroa Seawall (\$1.5 million beginning in 2010 – funded by the environment protection rate).
- Omokoroa Boat ramp construction (\$3.6 million beginning in 2013). Site and size details developed as part of a study undertaken in 2009 to address the long term growth in Omokoroa (12,000 people by 2026). There is congestion at the existing ramp and conflict between users.
- Northern Harbour Boat Ramp - further investigation following public consultation, (\$200,000 in 2009/10). Postponement of construction to 2012/13 and 2013/14 (\$1.5 million).

Decision taken

The proposals were approved for inclusion in the Long Term Plan 2009-2019.

Economic (page 171)**What Council proposed**

- Additional funding of \$6,000 for Katikati town centre promotion was proposed, bringing the budget to \$41,900 per year (project 299401) for the service delivery contract currently held by Katch Katikati. To fund the increase, Council proposed an additional charge of \$50 per annum on every industrial and commercial property in Katikati.

Decision taken

The proposals were approved for inclusion in the Long Term Plan 2009-2019.

In response to a submission from Focus Te Puke, Council approved an increase in funding for the Te Puke town centre promotion project from \$89,000 to \$115,000 in the 2009/10 financial year and \$106,000 (inflation adjusted) in each subsequent year. The current level of funding for the Te Puke Town Centre Promotion project was considered insufficient and the additional funds are expected to enable Focus Te Puke to manage better the financial costs associated with delivering town centre promotion activities.

Significance Policy – Strategic Assets (page 190)

Council is required to define its strategic assets - this is done within its Policy on Significance. Strategic assets were previously defined as including reserves under the Reserves

Act 1977, meaning that if a reserve were to be sold, Council would have to explicitly provide for this in its Long Term Council Community Plan, even though public consultation on the proposed sale would have taken place through the Reserves Act 1977 and the Local Government Act 2002.

What Council proposed

Council proposed to amend the Council's significance policy on page 190 by adding to 5.1.2. "... excluding a) Reserves identified for investigation for disposal in an adopted Reserve Management Plan and b) Local Purpose Reserves". The proposal was aimed at avoiding duplication of public consultation processes under the Local Government Act 2002 that would take place in terms of the Reserves Act 1977.

Decision taken

The proposals were approved for inclusion in the Long Term Plan 2009-2019.

Significance Policy – Thresholds (page 190)

Council proposed increases to two of the thresholds in its significance policy, as follows:

3.2 Thresholds:

Proposals or decisions, which are likely to have financial implications in excess of the following thresholds, will be treated as significant:

3.2.1 Decisions or proposals in excess of \$8 million* or which would result in a 5% or more increase in the annual District Rates.

3.2.2 Decisions or proposals which would result in a new or increased targeted rate of more than 10% of existing rates per property.

3.2.3 Decisions or proposals relating to capital expenditure in excess of \$6 million (total project cost)** which has not been provided for in the three year term of the current Long Term Plan.

* (previously \$5m)

** (previously \$3m)

Decision taken

The proposals were approved for inclusion in the Long Term Plan 2009-2019.

Pensioner housing (page 64)

The strategy to divest of pensioner housing outlined in the Long Term Plan 2006-2016 was reviewed. Previous attempts to divest were unsuccessful and the pensioner housing activity is now expected to be self-funding because central government policy on accommodation supplements means that pensioners are able to pay increased rents.

What Council proposed

Council proposed to retain pensioner housing subject to rental income covering costs over the forecasted period of the Long Term Plan 2009-19.

Decision taken

The proposals were approved for inclusion in the Long Term Plan 2009-2019.

Subregional Financial Contribution projects (page 63)

Subregional Library Network

Tauranga City Council and Western Bay of Plenty District Council provide a library network within their respective areas. Western Bay of Plenty District residents have access to Tauranga City Council's libraries. The two councils agreed it would be appropriate for the library network to be partially funded by way of subregional financial contributions.

What Council proposed

Western Bay of Plenty to contribute an amount of \$80 per new lot (from the Recreation and Leisure Financial Contributions that Council already collects) towards subregional library facilities provided by Tauranga City Council.

Decision taken

The proposals were approved for inclusion in the Long Term Plan 2009-2019.

Subregional Sports and Exhibition Centre (page 80)

Tauranga City Council is currently planning to construct a sports and exhibition centre which will provide nine indoor courts and be able to cater for exhibitions. The intention was to provide the community with a network of indoor sporting facilities to provide a district-wide level of service of 1 court per 18,000 people (servicing the whole subregion).

The two councils agreed it would be appropriate for the Sports and Exhibition Centre to be partially funded by way of subregional financial contributions.

What Council proposed

• Western Bay of Plenty to contribute an amount of \$96 per new lot (from the Recreation and Leisure Financial Contributions that Council already collects) towards Sports and Exhibition Centre provided by Tauranga City Council.

Decision taken

The proposals were approved for inclusion in the Long Term Plan 2009-2019.

Natural Environment – Communities for Climate Protection® (page 141)

In 2009 Council joined the Communities for Climate Protection® – New Zealand (CCP-NZ) programme, which is a local government initiative designed to help Councils understand and measure their contributions to greenhouse gas emissions and to plan actions to reduce their impact. Council recognised that such initiatives often result in operational and maintenance savings, less waste sent to landfills and less pollution.

The first milestone in the programme was a stock-take and forecast of Council's emissions which has been completed. This has given Council a baseline from which to plan future actions.

What Council proposed

- A budget of \$1,000 per year was allocated to develop plans for future actions to address the impact of climate change.

Decision taken

Subsequent to adopting the draft plan, CCP-NZ advised that they would no longer be able to provide the tools Council expected to use to develop further plans and actions.

Nevertheless, Council approved the \$1,000 budget and will seek alternative tools to develop such plans.

Natural Environment – Pukehina Beach sand relocation project (page 141)

In the 2006-16 Long Term Plan, Council indicated it would rate the properties in Pukehina Beach, for three years, to fund a grant to Pukehina Ratepayers Association to undertake a sand relocation project, to replenish the beach. The grant was \$30,000 in 2006/7 and \$15,000 in 2007/8 and 2008/9.

What Council proposed

- Extend the project for another 3 years, at \$15,000 per year, funded according to the existing policy, whereby properties on the coastal side of Pukehina Parade pay 80% of the cost (\$46.40 for \$2009/10) and the remaining properties in Pukehina Beach pay 20% of the cost (\$8.30 for 2009/10).

Decision taken

The proposals were approved for inclusion in the Long Term Plan 2009-2019.

Transportation (page 103)

Seal widening and extension programme

The current 10-year Performance Based Contract (PBC) provides for cost increases using a series of official producer and construction price indices. In recent years the increases have significantly exceeded the consumer price index, largely due to oil and construction prices, so increases in roading rates will be required in order to deliver the programme of works in the contract.

What Council proposed

- Roading rate increase of 5% above the level of growth and consumer inflation for 2009/10 and 2.5% above growth and inflation for the following years of the plan.
- Reduction in seal extension from 10km per year to 3km per year effective after 2012.
- Reduction in seal widening from 8km per year to 3km per year effective after 2012

Decisions taken

- Reduction in seal extension to 3km per year after 2012 was modified to 5km per year starting in 2012/13 and costing \$600,000 per year for the extra 2km.
- Reduction in seal widening from 8km per year to 3km per year, effective after 2012, was approved.
- Council will review its level of service for seal extensions in 2010/11, prior to the end of the current performance based contract, to look at the specification of standards

for sealing of rural roads and review the criteria for assessing which roads will be sealed.

- Council will investigate ways to increase the length of seal extensions from 2013.

Savings in other transportation budgets were identified as follows:

- \$50,000 reduction in Community Rooding urban budget (for 2 years, 2009/10 and 2010/11)
- \$50,000 reduction in Community Rooding rural budget (for 2 years, 2009/10 and 2010/11)
- \$50,000 reduction in walking and cycling budgets for (for 2 years, 2009/10 and 2010/11) noting that \$200,000 will be available from 2008/9 budgets
- Rooding rate increase remained at the proposed 5% above the level of growth and consumer inflation for 2009/10 and 2.5% above growth and inflation for the following years of the plan. This followed reassessment of the expected escalation of the PBC-01 contract which was reduced from 3% to 2%.

Te Puke alternate route (page 103)

In 2006, Council committed to the establishment of an alternative route to divert through-traffic from Jellicoe Street, Te Puke. Further investigations show the estimated cost of the project is \$30m.

What Council proposed

- \$30 million for an alternative route for Te Puke was considered unaffordable during the ten years of the plan and was not included in the financial projections. No further work was proposed on this project during the ten years of this plan.

Decision taken

Council confirmed that the Te Puke Alternative Route project would not be included in the 2009/19 Long Term Plan 2009-2019. Council will explore options for Te Puke Alternate Route but considers the future Tauranga Eastern Motorway (TEM) will alleviate congestion in the long term, so Council is focusing on that project in the interim. However if the TEM should not proceed in terms of the Environment Bay of Plenty Regional Land Transport Plan, Council would review this decision.

Walking and cycling (page 103)

A Walking and Cycling Strategy is nearing completion and implementation will begin in 2009/10. The strategy focuses on walking and cycling as sustainable means of transportation and also providing opportunities for recreation and leisure. A Neighbourhood Access Plan will be developed in 2009/10. This is a New Zealand Transport Agency (NZTA) initiative which is 75% subsidised, to help Councils improve walking and cycling access and safety. A network plan is being mapped and this will include existing walkways and cycleways and some proposed walking and cycling infrastructure.

What Council proposed

- For the three years, 2009-12, \$100,000 per year would be spent on improvements and projects in addition to 950 metres per year of footpaths included in the PBC contract. Of this, \$15,000 per year was allocated for three years (2009-12) to fund a partnership with NZTA to develop Neighbourhood Access Plans.
- After 2012, \$187,000 per year was allocated for the implementation of the Walking and Cycling Strategy, including new footpaths.

Decision taken

Council approved the above proposals, apart from the budgets for 2009/10 and 2010/11 which were reduced from \$100,000 to \$50,000, noting that \$200,000 will be available from 2008/9 budgets

Contribution to significant regional transport initiatives

In order to access a \$150 million grant from the Crown Account for a number of regional transport projects, local authorities in the region are required to match the Crown's contribution.

What Council proposed

Council proposed to allocate approximately \$5 million to regional projects including the Katikati Bypass (\$500,000 per year for four years starting in 2019) and Tauranga Eastern Arterial (\$500,000 per year for four years starting in 2013). The remaining \$1million was spread over the ten years for investigations and studies to support significant regional transport initiatives.

Decisions taken

Council approved the proposals, but altered the timing of its budgeted \$2 million commitment for the Katikati Bypass, bringing it forward from to 2019 to 2015, funded at \$400,000 per annum for five years.

Strategic Roothing Initiatives

What Council proposed

- \$488,000 per year, funded from Roothing Rates, was proposed for strategic roading initiatives, being Council's share of funding to facilitate growth and development in the District. The projects were to be determined year by year depending on development proposals, funding available from other sources and cost sharing agreements.

Decisions taken

Council adopted an updated schedule of strategic roading works, totalling \$13.9 million over the ten years of the plan, which will be incorporated into the calculations for Transportation financial contributions. (Refer page 257 Schedule of Fees and Charges for 2009/10).

The updated schedule included some development projects that had previously been assumed to be undertaken by developers, but will now be Council projects funded by financial contributions. The rates contribution to the strategic roading projects was maintained at \$4.88 million over the ten years of the plan.

Amendment to Treasury Policy (page 198)

What Council proposed

- Change two of the limits in the Treasury Policy relating to its debt and interest. The purpose of these changes was to give Council flexibility to manage its debt appropriately during the next ten years.
- Add a new ratio to the Treasury Policy and reword the definition of the liquidity ratio to conform to industry norms. The proposed ratios were still considered to be prudent and appropriate for a local authority.

The proposed changes to the policy were:

Clause in current Treasury Policy	Proposed amendment to Treasury Policy
Limit of annual interest expense to 20% of rates revenue.	Limit of annual interest expense to 25% of rates revenue.
Require net cash flows from operating activities to exceed annual interest expense by at least 2 times.	Require net cash flows from operating activities to exceed annual interest expense by at least 1.8 times.
Liquidity Ratio – term debt and committed debt facilities must be maintained at an amount that averages 115% of projected peak net debt levels required over the next two years.	Liquidity ratio (term debt plus committed debt facilities minus liquid investments to current external debt) to be greater than 110%.
Not applicable (new ratio).	The percentage of net external debt to total revenue to be less than 250%.

Decisions taken

Amendments to Treasury Policy	Reasons for decision
Limit of annual interest expense to 22% of rates revenue. The percentage of net external debt to total revenue to be less than 220%.	The proposed Treasury Policy ratio changes are deemed to be consistent with the ratios of other growth Councils and are considered financially prudent. The capital works programme is based on detailed asset management planning that addresses major development priorities of the district over the next ten years. Note: The peak of forecast debt is now lower, given the decision to exclude Pukehina Beach from the Maketu Little Waihi Wastewater scheme.
Require net cash flows from operating activities to exceed annual interest expense by at least 1.8 times. Liquidity Ratio (term debt plus committed debt facilities minus liquid investments to current external debt) to be greater than 110%.	Proposed amendments confirmed

Stormwater

What Council proposed

Council proposed extensive stormwater projects over the 10-year period to upgrade ageing stormwater works in urban growth nodes and bring the small settlements management area up to a minimum level of service. This was in response to revised rainfall intensity projections provided by Environment Bay of Plenty. Structure plan works were also proposed for the urban growth nodes.

The expected impact of the proposed work on the projected targeted rates paid by each of the areas of benefit for the next two years is shown below.

Area of benefit targeted rate per property	Current Rate 2008/9	Proposed Rate 2009/10	Indicative Rate 2010/11
Small settlements (Tanners Point, Kauri Point, Te Puna, Paengaroa, Pukehina Beach, Maketu, Ongare Point)	\$85	\$173	\$236
Urban growth nodes (Te Puke, Katikati, Omokoroa, Waihi Beach, Pios Beach, Athenree)	\$200	\$241	\$267
Minden	\$124	\$169	\$137

Decision taken

In response to submissions opposing the increases in stormwater charges, Council reviewed the capital expenditure forecasts. For the growth nodes, Council postponed several projects beyond the 10 years of this plan, and removed some that could be completed using existing budgets.

For the small communities' area of benefit, Council resolved to reduce rate increases to an affordable level, noting that a review of the Stormwater Strategy is scheduled for 2009/10. Council requested staff to revise the capital expenditure programme for approval by the Services Committee. For the Minden area of benefit, review of the financial forecasts revealed that the charge could be reduced without affecting the level of service.

As a result, the charges for 2009/10 were revised as follows:

- Growth nodes \$200
- Small Settlements \$129 increasing by inflation for each year
- Minden \$124

Consequently, the speed at which Council will bring the network up to the standard of the code of practice has been reduced and is reflected in lower Levels of Service measures (refer page 131).

Waivers and Reductions of Recreation and Leisure Financial Contributions

What Council proposed

Council proposed to cap the market value used for the calculation of recreation and leisure financial contributions at \$250,000 per section. This would apply to resource consents lodged after 1 July 2009.

The purpose of this maximum value is to address fairness and equity and affordability issues raised by developers during consultation on the proposed District Plan, which was notified for consultation in February 2009.

Decisions taken

Council approved the proposal.

Matters Relating to the Electronic Presentation of the Audited Long-term Council Community Plan

This audit report relates to the Long Term Council Community Plan of Western Bay of Plenty District Council for the ten years commencing 1 July 2009 included on Western Bay of Plenty District Council's website. Western Bay of Plenty District Council is responsible for the maintenance and integrity of the Western Bay of Plenty District Council's website. We have not been engaged to report on the integrity of Western Bay of Plenty District Council's website. We accept no responsibility for any changes that may have occurred to the Long Term Council Community Plan since they were initially presented on the website.

The audit report refers only to the Long Term Council Community Plan named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the Long Term Council Community Plan. 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 audited Long Term Council Community Plan as well as the related audit report dated 30 June 2009 to confirm the information included in the audited Long Term Council Community Plan presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Report to the readers of Western Bay of Plenty District Council's Long-Term Council Community Plan for the ten years commencing 1 July 2009

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

The Auditor-General is required by section 94(1) of the Local Government Act 2002 (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.

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

Opinion

Overall Opinion

In our opinion the LTCCP of the District Council dated 30 June 2009 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.

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

Opinion on Specific Matters Required by the Act

In our view:

- **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 and assumptions used to prepare the LTCCP provide a reasonable and supportable basis for the preparation of the forecast information; and**
- **the extent to which the forecast information and performance measures within the LTCCP 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 30 June 2009, 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: 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. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

Our audit procedures included assessing whether:

- the LTCCP provides the community with sufficient and balanced information about the strategic and other key issues, choices and implications it faces to provide an opportunity for participation by the public in decision-making processes;
- the District Council's financial strategy, supported by financial policies as included in the LTCCP is financially prudent, and has been clearly communicated to the community in the LTCCP;
- the presentation of the LTCCP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTCCP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTCCP is based on materially complete and reliable asset or activity management information;
- the agreed levels of service are fairly reflected throughout the LTCCP;
- the key plans and policies adopted by the District Council have been consistently applied in the development 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 complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the District Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTCCP.

We do not guarantee complete accuracy of the information in the LTCCP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTCCP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Council and the Auditor

The District Council is responsible for preparing an 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 audit of the Statement of Proposal for adoption of the LTCCP and the annual audit, we have no relationship with or interests in the District Council.



David Walker
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand

COUNCIL'S LONG TERM FINANCIAL STRATEGY

Summary of Long Term Financial Strategy

- Historically, Council has had limited investments and reserves;
- Major expenditure driver is growth related infrastructure mainly relating to water supply, stormwater, wastewater, recreation and leisure and transportation;
- Council's funding philosophy is strongly user-pays where legislation and practical considerations allow;
- Residents across the district have different levels of service depending on community preference, patterns of settlement and level of infrastructure provided;
- Debt funding plays an important part in ensuring intergenerational equity and facilitating growth through implementing structure plans; infrastructure for growth is ultimately financed through financial contributions;
- Previous Treasury Policy limits would have been breached during eight years of the Long Term Plan unless increased, which was done through this Plan. (Refer to Descisions on Highlights for Consultation Section).

Looking back

Since its inception in 1989, Western Bay of Plenty District Council's major challenge has been to keep up with the pace of growth. Between 1991 and 1996, the population increased by 17% from less than 30,000 to 35,000 and by 2006 reached around 42,000. The infrastructure Council inherited was not coping with growth and it was obvious that development would continue to put demands on infrastructure.

When the Western Bay of Plenty District was created, Council received little in the way of investments and cash that it could use to bring the infrastructure up to standard apart from a relatively small amount of electricity reform shares, which it sold, the proceeds being transferred to Council's Disaster Contingency Fund. This is Council's only major reserve, which currently has a balance of \$5,188,000. The demands of growth have been exacerbated in the Western Bay by the nature of settlement, with satellite towns spread from one end of the district to the other, interspersed with rural land.

Meeting the challenges

Growth

To meet the demands of growth, extensions and upgrades of infrastructure were urgently required for roading, sewerage, potable water and stormwater. Since 1989, Council has invested heavily in new and upgraded infrastructure, including:

- Refurbished wastewater treatment plants in Katikati and Te Puke;
- New wastewater schemes in Waihi Beach and Omokoroa;
- Seal extensions and road widening;
- Improving stormwater levels of service by increasing capacity for new subdivisions and for anticipated future growth;
- Significantly increasing the quality of potable water and reliability of supply.

With no substantial reserves to fall back on, Council has had to develop policies and funding mechanisms to minimise the impact of financing infrastructure on Council's balance sheet and to reduce the impact of growth on existing ratepayers and to ensure that future ratepayers pay their fair share of the cost of infrastructure developed for their eventual use. As a result developers are levied financial contributions under the Resource Management Act 1991 and Council's revenue policies reflect a strong 'user-pays' philosophy, wherever practical.

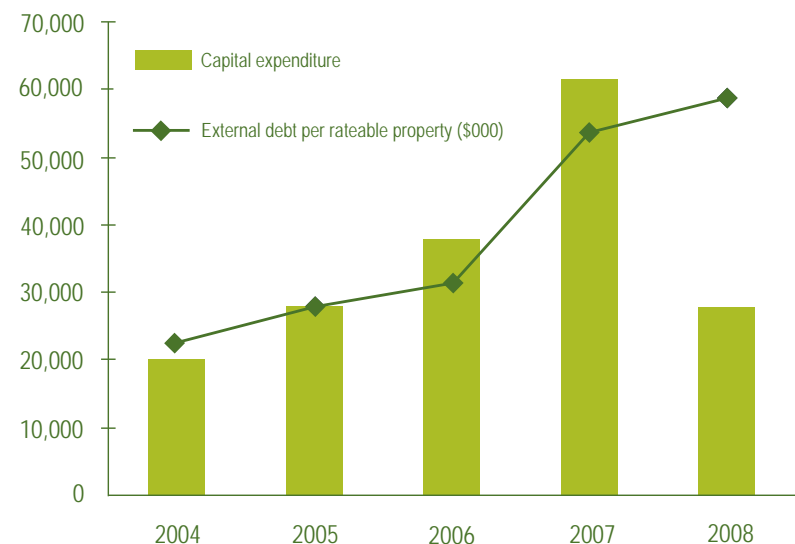
Long term planning and subregional co-operation were seen as essential to address these impacts of growth and to manage land use and infrastructure demands. In 2004, after several years of research, investigation, planning and consultation, the three local authorities in the subregion (Tauranga City Council, Western Bay of Plenty District Council and Environment Bay of Plenty) adopted the SmartGrowth strategy which provides growth management strategies and tools to deal with projected growth to 2051. This strategy was reviewed and updated in 2007.

Changes to Levels of Service

In recent years, central government has prescribed higher standards for many Council activities and encouraged or legislated that councils become involved in others. Examples of this are higher standards for building regulation and involvement in the regulation of prostitution and gambling. Together with the community's increased expectations for higher levels of service, expansion of Council's role has resulted in increased capital expenditure over and above the effect of price rises.

Debt levels per rateable property have risen accordingly. This is part of Council's strategy for intergenerational equity, which provides that infrastructure is loan funded, with interest and loan repayments funded by both current and future ratepayers (refer page 221).

Capital expenditure and debt levels (\$'000)



Looking ahead

Long term challenges

Between 2009 and 2019 the District's population is projected to increase by 19.7% to around 53,000, so growth will continue to make demands on Council expenditure. In view of the current economic recession, Council has reduced its growth forecasts for the next two years but expects that over the ten years of this Plan, the growth targets set out in the SmartGrowth strategy will still be met. Growth assumptions are detailed on page 23.

Council is committed to implementing the principles of SmartGrowth that take a sustainable development approach to managing growth. Council's structure planning processes identify the infrastructure required to accommodate growth, forming the basis for the calculation of financial contributions levied under the Resource Management Act 1991.

Medium term outlook

Council's financial position is currently sound but, to maintain that level, it will have to continue to exert financial discipline, regularly prioritise its spending and apply its funding philosophy of "user pays". The drivers for future spending are expected to be infrastructure to service growth and renewals and increased levels of service.

Challenges over the medium term include:

Financial market volatility and liquidity

- The instability of world financial markets is likely to affect Council operations through increased risk of higher interest rates and potential difficulty in securing or renewing debt to finance infrastructure. The extent of this impact on Council is difficult to determine and will depend on the response of the Reserve Bank and central government to the changing risks as they emerge.

Oil price volatility

- The world-wide economic recession during 2008 has prompted a fall in oil prices after months of record highs. Apart from fuel to power machinery and vehicles, oil derivatives are a major driver of Council expenditure, especially in its transportation activity (bitumen) and water, wastewater and stormwater activities (plastic pipes). Forecast prices for these products are very uncertain but Council is required to make assumptions about such prices to produce its 10-year financial forecasts. Inflation assumptions are detailed on page 23.

Emissions trading legislation

- The emission trading legislation passed on 10 September 2008, requiring producers (including the energy sector, industry, agriculture, forestry and waste) to meet a cost for carbon emissions will, unless amended or repealed, have both direct and indirect effects on Council's future costs. This impact will be felt as each sector of the economy is required to join the scheme, with the forestry sector included retrospectively, from 1 January 2008, energy and industrial processes

by 2010, liquid fossil fuels by 2011 and synthetic gases, agriculture and waste in 2013. Provisions have been made in the legislation to cushion the immediate effect in some sectors, but the details of these are not yet known. With the change to a National Party-led government in November 2008, the future of this legislation is unclear. For the purposes of this document, Council has assumed that some form of legislation will remain. The impact on costs for Council is uncertain but the assumption is that it will add 1.1% to general inflation over the period from 2010/11, which is based on the legislation as it stood in September 2008.

Sustainable Levels of Service

To sustain Council's current levels of service, renewals of assets are undertaken in accordance with Asset Management Plans that take into account the life cycle of each particular group of assets.

A moderate and sustainable amount of renewal work will be required for the Council's water supply network over the next 10 years. Renewals will peak for water supply reticulation in 20-30 years.

The wastewater treatment plants in Te Puke and Katikati will require upgrades during the life of this Long Term Plan to cater for growth but no substantial renewals will be required before 2045. The plant at Waihi Beach has capacity for growth until 2051 and no major renewals will be needed before 2051. No major renewals of reticulation will be needed before 2041. For Omokoroa wastewater no major renewals will be needed before 2065.

For stormwater assets, no major renewals are expected before 2059 and capital development will address existing deficiencies and respond to demands from growth of new subdivisions.

For Transportation, significant assets were created in the 1960s and these will require renewals during the 10-year Plan period. These include reseals, rehabilitation and pavement smoothing.

For Reserves assets renewals are an ongoing part of the annual expenditure on this activity. As the improvements to reserves are numerous and each is relatively low in value, this expenditure tends not to have peaks and troughs.

For corporate assets (which include Council offices and library buildings), more space will be required for libraries to cater for growth.

Major expenditure drivers for 2009-19

• *Transportation*

The roading network is under significant pressure from growth. Upgrades of State Highways are the responsibility of central government, but other arterial and feeder roads are Council's responsibility. Some projects on State Highways are supported by local contributions to capital costs and Council supports the principle of tolling such roads, for example the Eastern Arterial Route.

Rural subdivision that occurred ten or more years ago has resulted in the potential for 5,000 more households to locate in rural areas, so Council has a programme of seal widening and seal extension to increase the capacity of its

rural network. Council will reduce the annual amount of seal extension and seal widening work done after 2012. Within urban communities, transportation infrastructure for new subdivisions is planned through structure plans and is generally funded by financial contributions from developers, so urban development has less impact on rates. For the transportation activity as a whole, significant assets were created in the 1960s and these will require renewals during this Long Term Plan period.

Wastewater

In the last 10 years Council has upgraded its urban growth communities (Katikati, Waihi Beach, Te Puke and Omokoroa) to a high standard of wastewater treatment and has sufficient capacity for projected growth for 25 years. In the smaller coastal communities wastewater disposal is a major issue, from both the environmental and economic perspectives, as property owners face the prospect of ensuring their on-site treatment meets higher regional council standards by 2010. Plans to address this issue are contained in the Wastewater Strategy on page 147 of this Long Term Plan.

Water Supply

Council provides water supply to most properties below the 90m contour line and has recently upgraded its supply to wholly bore water to comply with quality standards. This has been financed through loans, with repayment periods matching the life of the assets. In future, the issue facing water supply networks relates to provision of sufficient capacity within its pipe network to cater for growth and the related issues of water conservation and pricing tools. The revised Water Supply Strategy addresses this issue; details are on page 117.

Stormwater

Stormwater assets within the growth communities are under pressure to ensure there is sufficient capacity to meet the rainfall intensity estimates provided by the regional council, which account for anticipated climate change up to 2030.

Several projects are planned to upgrade the existing network (refer Stormwater action plan page 130). In addition, Council will review its mapping of floodable areas which will take account of the new rainfall intensities and provide more accurate identification of areas that are prone to flooding.

Recreation and Leisure

Council has sufficient recreation and leisure assets to maintain its levels of service for its current ratepayers but additional facilities are required to meet the needs of the community resulting from increased population and densities of development. Reserves development is funded primarily by financial contributions and rates. For major subregional projects, for example TECT All-Terrain Park, Council works in partnership with neighbouring local authorities and seeks grants from community funding organisations.

Sustainable funding streams

Ratepayers have told Council that fairness and equity in rating is very important to them. Where communities within the district have differing levels of service, Council takes a “user pays” approach wherever practical. Where levels of service are more uniform or where it is impractical to identify groups of ratepayers that principally benefit, Council uses general rates which, like taxes, are charged according to an assessment of ability to pay. In the case of council rates, ability to pay is measured by property value. Council has previously rated on land value but, in future years will charge the general rate on a capital value basis. Refer to the Overall Revenue and Financing Policy on page 221.

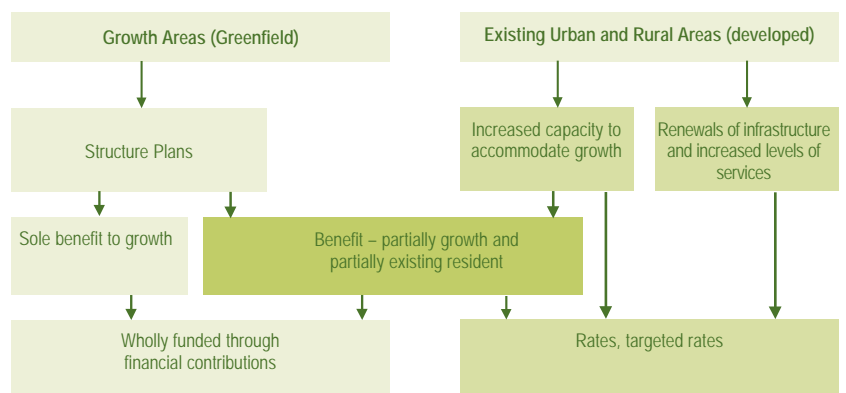
Council believes that the costs of growth (for example, extending the water supply network, widening roads, increasing capacity of wastewater treatment plants) should be met by the developers that create that demand. Financial contributions (levied under the Resource Management Act 1991), are payable by developers as development occurs.

Structure Plan funding

Funding for most of the infrastructure in Structure Plan areas is by financial contributions paid by developers and based on subdivision and development. Council’s District Plan provides the formula for how Council calculates the level of financial contributions. These calculations are determined by inputs into Council’s Annual Plan process and the projects identified in Council’s Long Term Plan.

Structure Plan development is not wholly paid for by financial contributions. A component of rates and annual charges (UACs) from existing ratepayers also contributes to the work programme in Structure Plan areas. This occurs where part of a project also provides an improved service for existing ratepayers, or includes renewal of existing infrastructure, as illustrated below.

Structure Plans funding streams



Relying on financial contributions to fund Structure Plans means that Council must loan fund the development of infrastructure because developers do not pay financial contributions until subdivisions are completed and titles issued. This can mean Council carrying that debt for several years during which time ratepayers are paying the cost of the interest on the loans.

Levels of Service and Areas of Benefit

The Western Bay of Plenty has several distinct communities, which often have different levels of service for Council activities. In some cases this is the result of community preference and in others there is a physical reason for the difference, for example, topography. While many services are provided across the district some are provided predominately in the urban communities. To recognise this, the funding of many of Council's services are borne by those properties that can be connected to Council infrastructure, or benefit directly from it, for example Water Supply. Likewise, where communities request a higher level of service compared to the rest of the district, Council tends to use targeted rates to

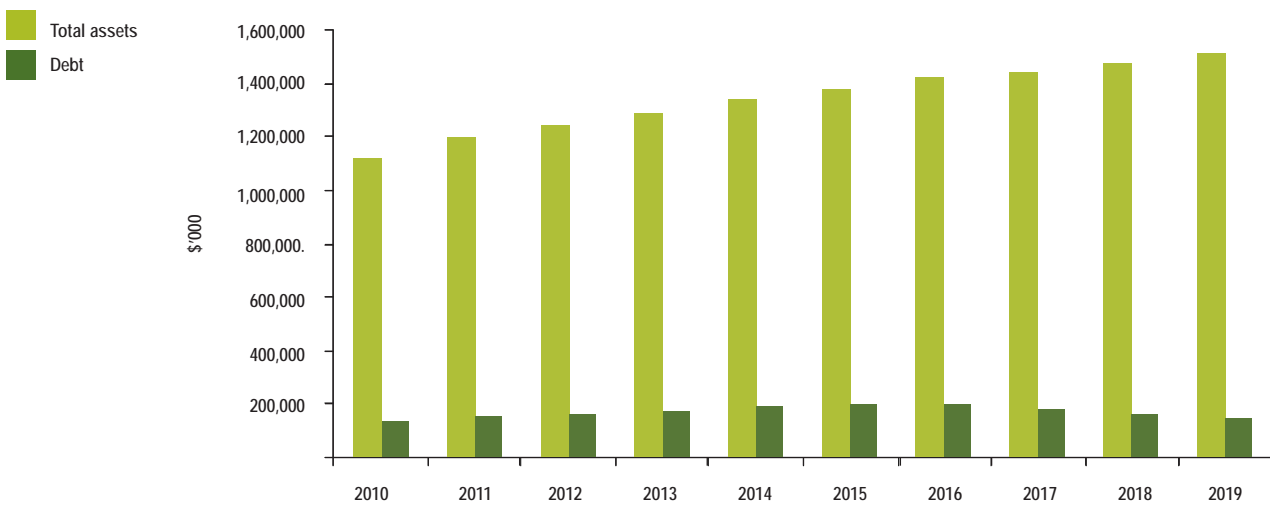
ensure that the link between the demand for higher levels of service and willingness to pay is evident.

For details of the rating and other tools Council uses to collect rates, refer to the Overall Funding Impact Statement on page 221.

Council's Forecast Financial Position

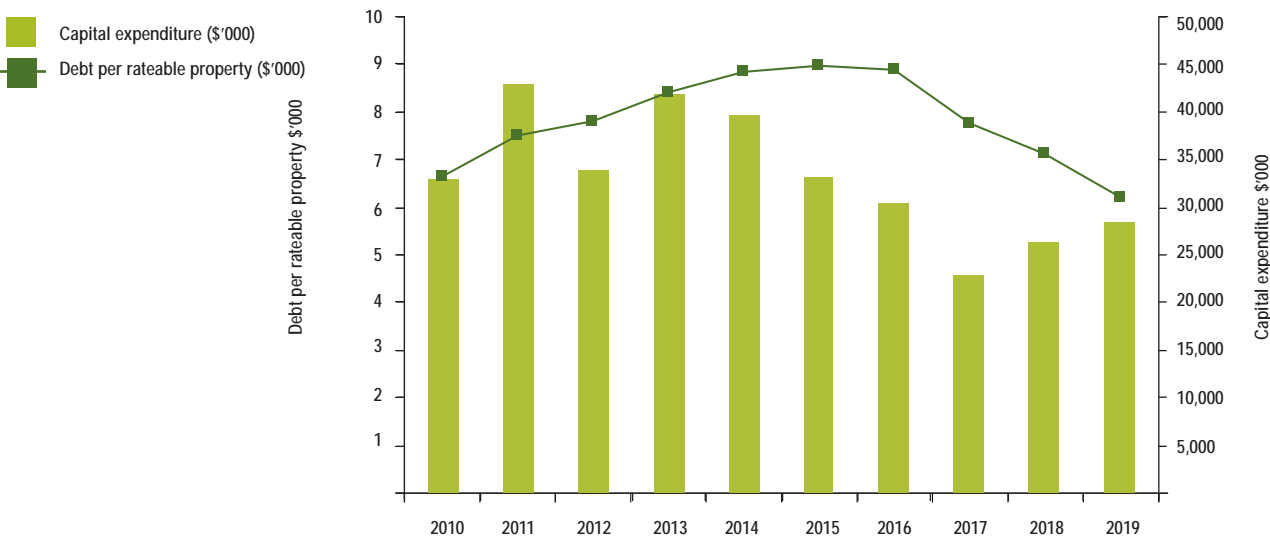
The graphs below illustrate key aspects of Council's financial health, forecast over the next ten years, based on this adopted plan. All figures are adjusted for expected inflation and assume growth in the ratepayer base. (For more details on inflation and growth assumptions, please refer to pages 22 and 23 in this Plan.)

Graph 1 | Forecast debt to total assets (inflated)



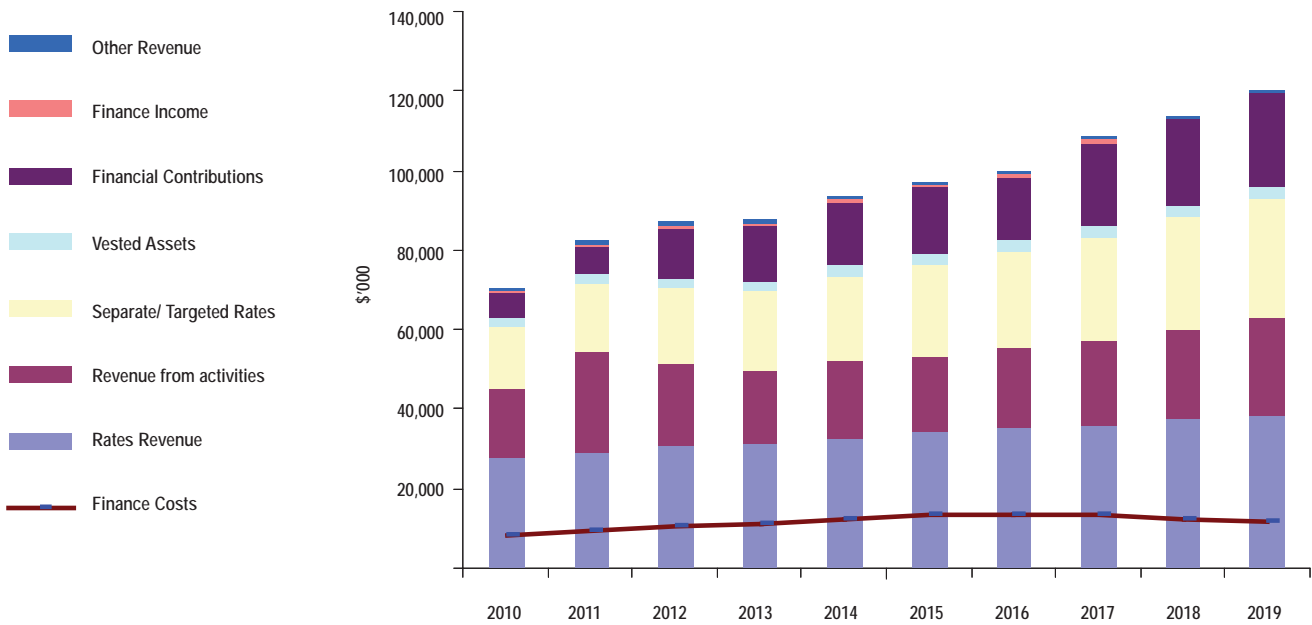
Council's assets far exceed its debt, (graph 1) which is raised to finance capital expenditure. Debt funding is an important part of Council's strategy to achieve intergenerational equity by ensuring that where assets have a long life, they are paid for over a similar period. Graph 2 shows Council's forecast capital expenditure and debt per ratepayer.

Graph 2 | Forecast capital expenditure and debt per ratepayer



An important test of Council's financial health is how comfortably it can meet interest payments to service debt from its various sources of revenue (graph 3).

Graph 3 | Forecast sources of income compared to interest cost (inflated)



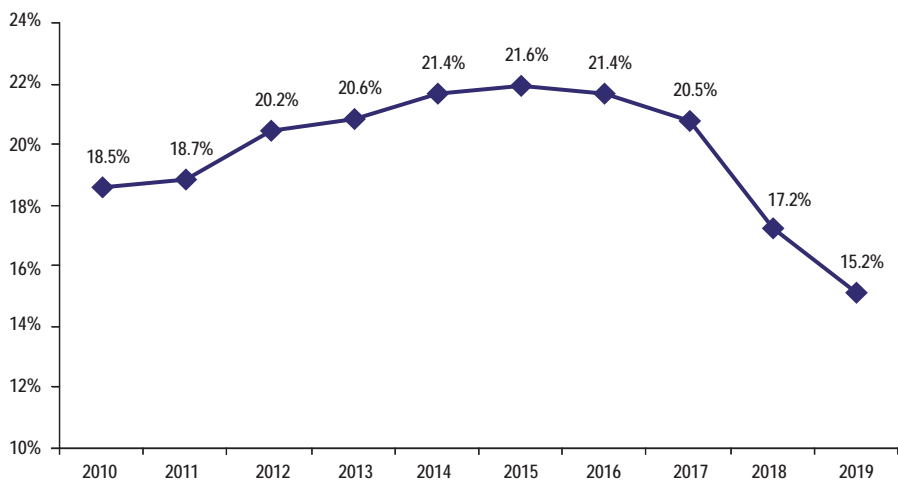
Part of the rates revenue shown in graph 3 is District rates, which are those that are paid by all ratepayers and include General Rate, Uniform Annual General Charge, Rooding Rates, Environment Protection Rate, District Library Rate and District Town Centre Development Rate. District Rates are forecast to increase as shown in the table below. All forecasts include inflation.

Year ended June	Increase in total District Rates collected	Growth in ratepayer base %	Increase in District Rates to average ratepayer* %
2010	4.68	0.58	4.10
2011	5.00	1.1	3.90
2012	4.63	2.0	2.63
2013	1.52	2.0	-0.48
2014	4.45	2.3	2.15
2015	3.96	2.2	1.76
2016	3.67	1.9	1.77
2017	1.53	2.4	-0.87
2018	5.37	2.3	3.07
2019	2.40	2.1	0.30

* Ratepayers that receive services, for example, water supply, wastewater schemes, stormwater, town centre promotion, which are rated over areas of benefit, will have a different average rate increase as the increase forecast for those rates vary considerably. For more details on rates refer to The Funding Impact Statement on page 228.

One of the important ratios that Council monitors to measure its financial health is the ratio of interest cost to rates revenue - rates being the most reliable and certain of the sources of Council revenue. This ratio is shown in graph 4 where the effect of accumulated debt on the interest cost faced by Council is apparent, especially for the years 2013 to 2017.

Graph 4 | Treasury ratio: Interest cost to rates revenue



Through this Long Term Plan, Council amended its policy by increasing this limit to 22%, which is still considered prudent. This will enable Council to go ahead with several large projects that are considered essential without unduly increasing rates. For details of this decision please refer to the Decisions on Consultation Highlights on page 12.

KEY RISKS, ISSUES AND ASSUMPTIONS

KEY RISKS AND ISSUES

Current economic climate

All households and businesses are faced with increased risks over the next few years, as the effects of world-wide financial uncertainty and recession unfold. Council's role as a community leader is to act responsibly and manage those risks without unnecessarily exaggerating the effect of the recession on the local economy by over-reacting and unnecessarily cutting back on investment in the District's future development.

Council's immediate priority is to remain a financially sound organisation that continues to deliver affordable and environmentally responsible and sustainable levels of service so that the district is poised to continue its growth and development once economic conditions improve. Council also needs to get the balance right between meeting the needs of today's residents and those of the future. To do that it must make sure it does not defer projects that may cost future residents too much as a result. Council's Financial Strategy (refer page 15) aims to ensure that it withstands the current economic recession without significantly affecting its service to residents.

Financial Sustainability

Council needs to ensure that it has the long term capacity to deliver the levels of service it has agreed to and, that it has identified revenue and financing sources to fund the development and maintenance of that capacity.

Debt and interest rates

A major challenge in the next few years will be the management of Council's debt levels as growth slows. Borrowing pays for investment in roads, water supply, wastewater and stormwater systems, often several years ahead of growth occurring. In recent years Council has invested in large projects that are dependent on growth to repay the debt, for example wastewater schemes in Waihi Beach and Omokoroa, to avoid pressure on rates to fund the interest. In preparing this plan Council has reviewed all its capital expenditure plans for the next ten years and reduced the total by \$33 million to \$335 million prior to the public consultation on this plan and by a further \$3 million following consultation, mainly by postponing projects.

Council has assumed that its cost of borrowing will be 6.5% p.a. for 2009/10 and 7% p.a. for the remaining nine years of the Plan. Recent falls in interest rates have made this a conservative assumption and some borrowing may occur at levels lower than this in the short term.

Inflation and costs

Council's expenditure forecasts are particularly sensitive to changes in key costs such as bitumen, piping and labour. Assumptions about a range of costs have been made in the forecasts, based on independent economic advice and are shown in detail in the section entitled Assumptions, Contingencies and Risks on page 211.

Project Management

When planning projects and reviewing strategies, Council will continue to focus on evaluating proposals over the entire project lifecycle to ensure sustainable solutions are found. New systems and processes to streamline this evaluation have recently been developed.

Environmental Sustainability and Climate Change

During 2008 Council focused on improving its environmental sustainability both internally as an organisation and in the way it delivers its services. This was done through the development of new strategies and reviews of existing strategies. The water strategy review has resulted in plans for using the district's water resources more efficiently (refer page 117). Built environment strategies for several towns have been completed and more are planned in future. These plans aim to make the urban environments more sustainable and better to live in. The implementation of the completed plans is included in the revised District Plan notified in February 2009 for public consultation. Council remains committed to working with central government to provide free eco-design advice to the public.

This document contains plans to improve wastewater treatment in small coastal communities and in Maketu, Little Waihi and Pukehina Beach (refer page 147) to improve those coastal environments. In the stormwater activity, the potential effects of climate change have been factored into planning through new rainfall intensity assumptions.

Council recognises that it has an opportunity to join business leaders that are setting an example by reducing its global footprint through a range of actions relating to:

- the physical works it undertakes;
- its in-house corporate practices;
- work done by key suppliers; and
- in developing its policies and plans.

In 2009 Council joined the Communities for Climate Protection® – New Zealand (CCP-NZ) programme, which is a local government initiative designed to help Council understand and measure its contribution to greenhouse gas emissions and to plan actions to reduce its impact. Council also recognises that such initiatives often also result in operational and maintenance savings, less waste sent to landfills and less pollution.

The first milestone in the programme was a stock-take of Council's emissions which has been completed. This has given us a baseline from which to plan future actions. A small budget of \$1,000 per year has been allocated to progress this work.

Community sustainability

Maintaining a close link with our communities becomes increasingly important in times of economic uncertainty. Comprehensive development planning, the community development programme and the community development team will continue to ensure that community perceptions, needs and concerns are conveyed to Council regularly.

Council is committed to ensuring that community wellbeing remains an integral component of all its planning processes.

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 2012/13 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

The table below is a guide to where assumptions are detailed in this document.

Assumption	Contained in this section of the document	Contained in Assumptions Contingencies and Risks section (page 211)	Contained in the relevant chapter for each group of activities (e.g. Stormwater, Recreation and Leisure)
Inflation	Summary of inflation assumption	Details of inflation assumptions used and reasons for chosen approach	Details of specific indices (e.g. energy costs, staff costs) used for that activity
Growth	Summary of growth assumption	Details of and rationale for growth assumptions	Summary of growth assumption if relevant to that activity
Interest rates		Details of and, rationale for, interest rate assumptions	
Activity specific assumptions			Details of assumptions made, generally about industry standards and specifications, or factors out of Council's control

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 Risks on page 211. The assumptions, dated February 2009, were prepared by BERL, an economic forecasting agency, for the local government sector.

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, particularly for years 2012 onwards.

Population growth

Assumptions about growth are important for Council because they drive forecast service demand for activities and timing of infrastructure projects and underpin the calculation of financial contributions per property.

In the event that the growth forecasts are too high, the likely consequences are that:

- there is over-investment in infrastructure, i.e. developing capacity too early;
- for some types of infrastructure, financial contributions are set too low;
- actual financial contribution income falls short of budget, so debt and interest costs increase;
- rates revenue falls short of expectations.

The District's population is expected to grow by 19.7% between 2009 and 2019 and the number of rateable properties is forecast to increase by 20.6% over the same period. This is consistent with the long term growth projections in the subregional growth strategy, SmartGrowth.

In developing detailed assumptions for growth, Council recognised that families (or households) may migrate to the District and set up home without a new lot necessarily being created in the short term. For example, they might live in a property that was formerly a holiday home, or they might build on an existing vacant lot and thereby run down the "stock" of vacant lots in the district. In the previous Long Term Plan it was assumed that the arrival of each new household would result in a new lot being created within a short time but, given the current uncertainty regarding the economy and the availability of finance particularly for property development, this assumption is no longer considered prudent.

As a result, the timing of growth in property numbers is projected to be slower in the first two years of the Long Term Plan (0.6% for 2009/10 and 1.1% for 2010/11) returning to more normal growth in later years. This is a significant change compared to the forecast growth pattern in the 2006-16 Long Term Plan.

Council has noted that any assumptions made about growth for this Plan may be less reliable than those made in the last Long Term Plan, which have proven to be reasonably accurate. This is because of the uncertainty in financial markets and the effects of the economic downturn.

Comparison of growth projections

30 June	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	10 yr average
NEW 2009-19 Long Term Plan Assumptions											
Additional Lots for Rates	114	225	392	415	470	468	416	524	515	481	402
Additional Lots for Financial Contributions	207	225	385	407	462	460	408	504	495	461	401
% growth in rateable properties	0.6%	1.1%	2.0%	2.0%	2.3%	2.2%	1.9%	2.4%	2.3%	2.1%	1.9%
Total Rateable Properties	19,666	19,891	20,284	20,699	21,169	21,637	22,053	22,576	23,091	23,572	
OLD 2006-16 Long Term Plan Assumptions											
Additional Properties	376	376	368	368	368	368	368	N/A	N/A	N/A	372
Incremental Growth	2.04%	2.04%	1.81%	1.81%	1.81%	1.81%	1.81%	N/A	N/A	N/A	1.92%
Estimated Rateable Properties	19,954	20,330	20,698	21,066	21,434	21,802	22,170	N/A	N/A	N/A	

If infrastructure was developed in anticipation of growth that does not eventuate, Council's debt would rise above forecast levels and may breach acceptable Treasury Policy prudential limits. To avoid this, Council will annually review its forecast expenditure on large structure plan infrastructure developments to take into account actual growth and current proposed developments at the time of review.

Corporate property – Te Tumu

In 2007 and 2008 Council entered into agreements to purchase a one third share in a property in Papamoa (Te Tumu) for a total of \$5 million. Tauranga City Council purchased the other two-thirds share of the property.

The seller of the property has an option to purchase the property from the two councils at a fixed price between December 2016 and December 2026. If the owner exercised the option in 2016 Western Bay of Plenty District Council would receive \$10.4 million for its share of the property. Council's financial forecasts for the Corporate Property activity include the assumption that the seller will exercise this option in December 2016.

If the seller does not exercise their option in 2016, the two councils would hold the property until the option is exercised. In that case, forecast debt would increase by \$10.4 million in 2017 compared to the forecast in this Plan.

LONG TERM PLAN 2009-2019 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.

+ DISTRICT PROFILE
+ SMARTFUTURE

PART I COMMUNITY OUTCOMES



*Western Bay of Plenty
District Council*

PROFILE – THE WESTERN BAY OF PLENTY DISTRICT

The Western Bay of Plenty District – Key settlements



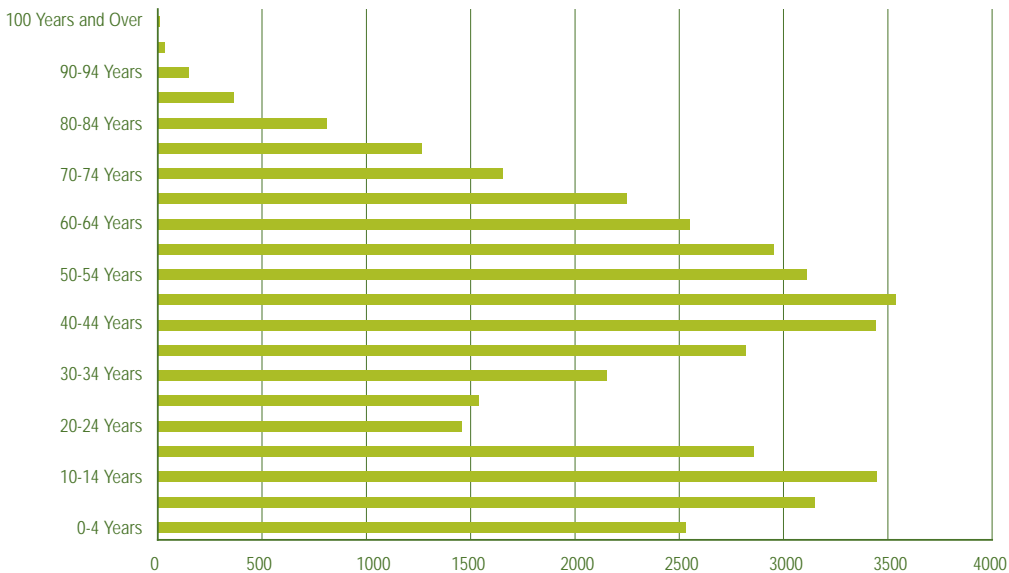
Our history

The Western Bay of Plenty District has a long history of settlement by Maori. Tangata whenua in the District are intrinsically associated to the Tainui waka, the Takitimu waka, Mataatua and Te Arawa waka. Hapu and iwi of today are direct descendents of these renowned waka.

Numerous archaeological sites are scattered throughout

the District as a result of long-term Maori settlement. While a number of these sites have been destroyed over the years in the process of development, some archaeological sites are held in public ownership, including Bowentown Domain, Kauri Point Historic Reserve, Papamoa Hills Cultural Heritage Regional Park and Huharua Harbour Park.

Age distribution of usually resident population of the Western Bay of Plenty District - 2006 Census of population and dwellings



Age distribution of usually resident population of the Western Bay of Plenty District – 2006 Census of population and dwellings

European settlements in the District date back to the 19th century, with traders and missionaries among the first Europeans to locate in the area. Early settlements formed at Maketu and Tauranga and George Vesey Stewart founded Ulster settlements at both Katikati in 1875 and Te Puke in 1880. Tauranga, Te Puke and Katikati formed the centres for subsequent expansion of European pastoral farms. Pockets of urban development grew around the shores of Tauranga Harbour, usually where there was boat access to the harbour. These settlements include Athenree, Island View, Omokoroa, Plummer's Point and Te Puna West.

Our people

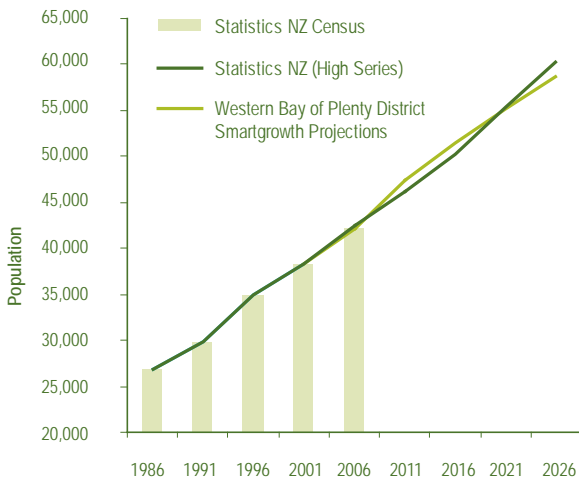
The Western Bay of Plenty subregion is one of the fastest growing areas in New Zealand. Between 1996 and 2001 the rate of growth was 9.3% and between 2001 and 2006 this increased to 10.1%¹. The District remains among the higher growth areas in the country (14th fastest compared with other territorial authorities). The majority of this growth is due to people moving into the District from other parts of the country. This growth trend is anticipated to continue over the next 20 years, with the District's population projected to increase from 42,075 in 2006 to over 60,000 by 2026.

The District is characterised by a larger proportion of older people (65 years and over) than the national average, 15.5% for the District, compared to 12.3% for the country. The effect of an older population is reflected in the median age of residents (41.3 years in 2006, compared with the national median of 35.9 years) and the number of couples without children, being 46.5% of families in the District, compared to 39.9% of all New Zealand families.

There are fewer one-parent-with-children families in the District (13.9%) than for the whole country (18.1%). The District is less ethnically diverse than the New Zealand population as a whole and is dominated by Europeans and New Zealanders (87%) and Maori (17.4%).

¹ Source: Statistics NZ Census 2001 and 2006

Population Projection



Our environment

The Western Bay of Plenty District covers approximately 212,000 hectares.

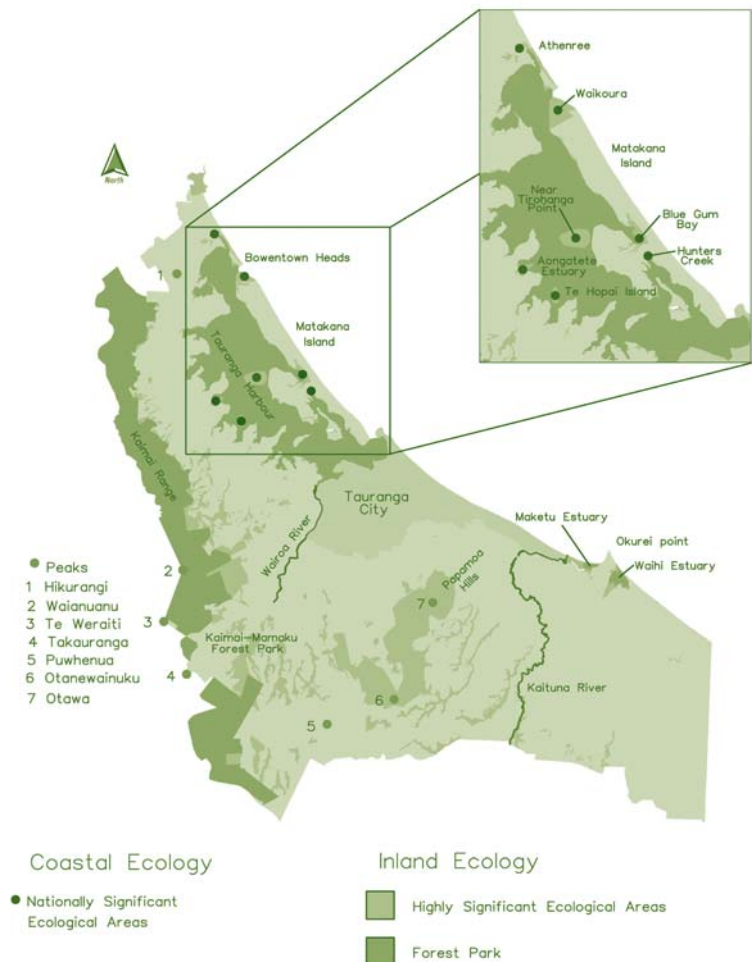
The District has a warm, sunny climate (an average of 1,900-2,300 hours per year) with moderate rainfall (1,200-2,400mm per year), making it one of New Zealand's most productive horticultural areas. Approximately one quarter of New Zealand's horticultural land is located in the District around the towns of Te Puke and Katikati.

Almost half of the District is covered by forest, both planted (12.8%) and indigenous (35.4%). A further 40% is pastoral land. Less than 1% of the total area of the District is urban.

Prior to human settlement, the District was largely covered in forest, scrub and wetlands. Pohutukawa forest occurred on many of the headlands and hill slopes adjacent to the harbour along with tall coastal forest including puriri, karaka, tawa, rewarewa and kohekohe.

Extensive swamps were located to the east of the District, while around Tauranga Harbour there were extensive freshwater and saltwater wetlands. Many more species of birds, animals and fish were present, including some species now extinct such as the huia. In the course of several centuries of Maori settlement, much of the original

Physical features and ecology



forest cover was cleared by fire and replaced by manuka and fern. European occupation resulted in the extensive drainage of freshwater wetland, with only a very small proportion of the freshwater wetlands and swamp forest remaining today.

Our economy

The economies of the Western Bay of Plenty District and Tauranga City are interdependent, with the Western Bay's primary industries providing exports and food for the subregion and the city's economy providing the majority of retail, manufacturing, health and social services for the subregion. Horticulture, agriculture, tourism, marine and food sectors provide the platform for the subregion's economic health and wealth by creating employment and triggering the growth of related industries. In recent years, population growth has driven strong construction demand, making this sector a major employer in the subregion. The economic recession, which began in 2008, will affect the ability of this sector to maintain its share of employment.

The unemployment rate in the Western Bay of Plenty District is 4.6% compared to 5.1% for the whole of New Zealand. The median income (half earn more and half earn less than this amount) in Western Bay is \$22,600 compared to a median of \$24,400 for all of New Zealand.²

SmartGrowth

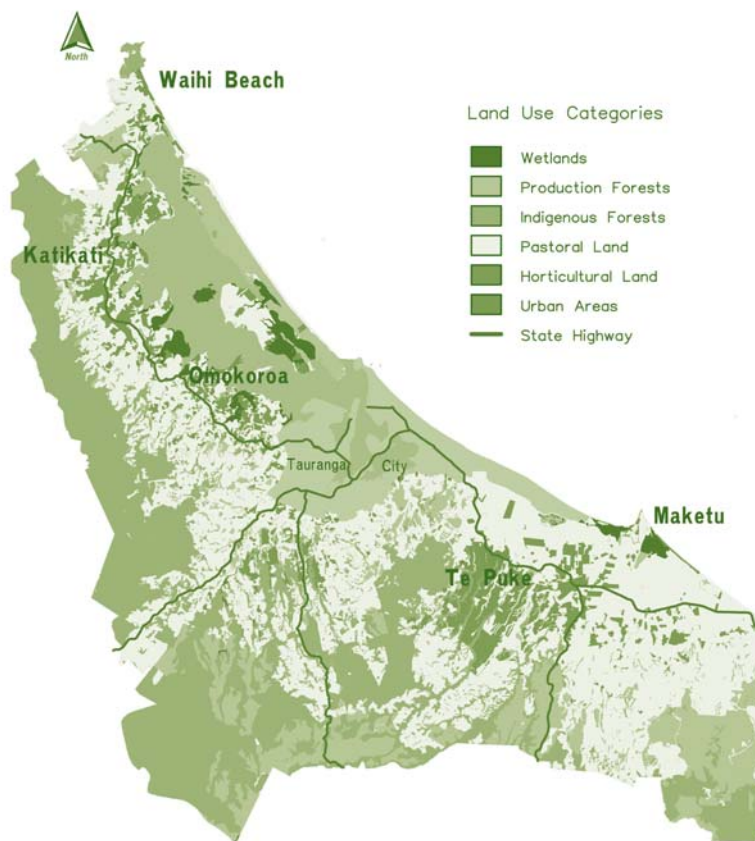
The SmartGrowth strategy is the 50-year plan to manage growth in the subregion. Its work programme, which is based around social, economic, cultural and environmental outcomes is led by Environment Bay of Plenty, Tauranga City Council, Western Bay of Plenty District Council and tangata whenua.

SmartGrowth supports a fundamental shift in growth management from focusing largely on accommodating, low-density suburban, residential development to support a compact and balanced "live, work and play" concept. This emphasises the concept of liveable urban and rural environment.

Many of the projects in this Long Term Plan are designed to implement the SmartGrowth programme

For more information please visit the SmartGrowth website www.smartgrowth.org.nz

Land use



Growth in the Western Bay of Plenty District's Economy – Employees



Source: Statistics NZ Census 2001 and 2006.

² Source: Statistics NZ Census 2001 and 2006.

SMARTFUTURE

One of the legislated purposes of local government is to promote the social, economic, environmental and cultural wellbeing of communities in the present and for the future. As part of this, Council has a duty to ask the community to help identify a direction and vision for the district.

Council also has a responsibility to pull together those organisations and groups with a part to play in achieving this vision.

Together – Council, the community and other stakeholders – are working to make the vision a reality.

SmartFuture is the name given to this united approach to achieving a community vision. Council is working alongside its communities to achieve the following outcomes:

- A healthy and safe lifestyle.
- Vibrant and welcoming communities.
- Informed and inclusive leadership.
- A clean, green and valued environment.
- A thriving economy.

SmartFuture links with other planning processes that are currently under way in the district and subregion such as SmartGrowth, Comprehensive Development Plans, District Plans, Structure Plans, Town Centre Plans, Asset Management Plans and Reserve Management Plans. Council endeavours to align its planning processes to ensure that community outcomes are delivered in a co-ordinated manner.

SmartFuture linkages to other planning processes are summarized below.

Community Outcomes

SmartFuture and the identification of Community Outcomes is not a new process. In 1997 Council ran a programme to determine where the community wanted to be in 20 years time and what had to be done to make progress towards that vision.

Recent legislation has required Council to check the Community Outcomes. Rather than starting from scratch, Council updated the 1997 vision using information from more recent planning exercises and undertook community consultation for confirmation. In July 2005 a SmartFuture brochure was circulated to every household and business in the District, asking for feedback on the draft outcomes and direction on key issues facing the District.

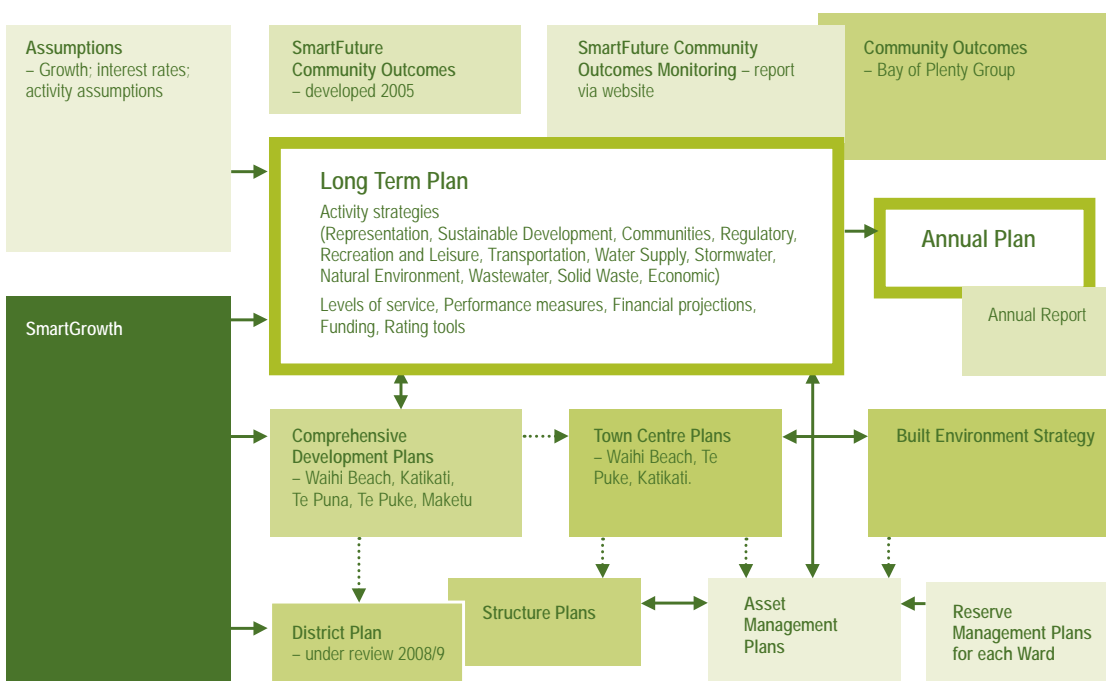
The Community Outcomes resulting from this process are outlined below.

Community Outcomes for the Western Bay of Plenty District

In future the Western Bay of Plenty District will be a place where:

- we can all enjoy a healthy and safe lifestyle
- our communities are vibrant and welcoming
- leaders are effective, informed and inclusive
- our environment is clean, green and valued
- our economy is thriving

SmartFuture linkages to planning processes



Working towards Community Outcomes

Community Outcome	What this means	We know we will have achieved this when:	We will measure progress by monitoring indicators related to:
We can all enjoy a healthy and safe lifestyle	We all have the opportunity to be healthy and safe and have access to services and facilities that support this lifestyle choice.	<ul style="list-style-type: none"> - We feel safe and secure in our homes and communities. - Housing is affordable and appropriate to our life-stages. - We have easy access to quality health and social services. - Transport and other infrastructural services are safe and meet our needs. 	<ul style="list-style-type: none"> - Frequency of moderate physical activity. - Mental health. - Barriers to primary and emergency healthcare. - Perceptions of personal health. - Life expectancy at birth. - Housing density*, types*, tenure, crowding and affordability. - Uptake of Maori/Papakainga housing. - Quality of reticulated water.* - Traffic levels on unsealed roads.*
Our communities are vibrant and welcoming	Our communities celebrate differences and strengths. We have pride in our communities.	<ul style="list-style-type: none"> - Our communities are caring, inclusive and work together. - We recognise and respect Maori as tangata whenua. - Our diverse cultural heritage and traditions are respected and celebrated. - A range of arts, culture, recreation and life long learning opportunities is available to us all. - Town centres are the heart of our communities and promote local identity. - The rural and coastal character of our District is maintained. - Growth and development are well planned for. 	<ul style="list-style-type: none"> - Perception of freedom from crime. - Level of road accidents. - Perception that people support each other in the local neighbourhood. - Involvement in community groups and voluntary work. - Perception of impact of diversity on the community. - Perception of a culturally rich and diverse arts scene. - Range of recreation and leisure opportunities.* - Perception that the unique characteristics of the District are being maintained.* - Perception of sense of pride in the District. - Perception of well used and vibrant town centres.* - Perception that the general community recognises and respects Maori culture.
Leaders are effective, informed and inclusive	We are represented by responsible and motivated people who support our participation in decision-making.	<ul style="list-style-type: none"> - Effective leadership is supported and fostered. - We are informed and have the opportunity to participate in decision-making. - Decision-making processes are easily understood. - Service providers work together to co-ordinate planning and delivery of service. 	<ul style="list-style-type: none"> - People say they can understand Council decision-making processes* - Residents' perception that they can influence the quality of life in their communities. - Degree of residents' say in what Council does. - Information that residents' have to participate in decision making.* - Openness of local government meetings.* - Degree of local government representation. - Diversity of local government representation. - Voter turnout. - Perception that leaders are getting better at working together. - Level of forums/programmes to develop and foster leaders.
Our environment is clean, green and valued	The natural environment is valued, protected and sustained for future generations.	<ul style="list-style-type: none"> - Service providers work with us to ensure the environment is sustainably managed. - Indigenous habitats and species are plentiful. - Rare and representative habitats and species are protected and enhanced. - Air, water and land quality are maintained to protect our health and ecological systems. 	<ul style="list-style-type: none"> - Soil health and stability - Changes in land use.* - Air pollution levels. - Level of protection of rare and endangered species. - Insect health. - Level of involvement in environmental care programmes.* - Water quality – coastal and freshwater. - Water quality of key waterways. - Fore-dune stability. - Perception of the state of the natural environment. - Perception of change in the state of the natural environment.
Our economy is thriving	A diverse, productive and competitive local economy supports long-term sustainable growth.	<ul style="list-style-type: none"> - Innovation and entrepreneurship add value and support diversification of the local economy. - The versatility of rural land is maintained. - Unique attributes of our District are turned into competitive advantages. - Infrastructure, services and facilities support and promote economic growth and development. - We are skilled, enterprising and adaptable. - A range of quality education and career opportunities are available locally. - Business, government and education sectors work effectively together. - Business practices are environmentally sustainable. 	<ul style="list-style-type: none"> - Value of exports by sector. - The skills gap. - Perception of works skills matched to occupations. - Growth of the economy. - Apprenticeships. - Youth employment. - Course diversity at secondary and tertiary levels. - Level of school qualifications. - Business participation in initiatives and programmes.

*Community Outcomes indicators marked with an asterisk are those that Council has a more direct role in influencing. In the Council Plan section of this document, Council's role in delivering the strategies within each group of activities is described as either Lead Agency, Partner, Facilitator, Advocate or Research and Monitoring. Where Council is a lead agency or partner it would have more influence over the community outcomes that the respective strategy is intended to influence.

Progressing towards Community Outcomes

Council is required under Section 92 Local Government Act 2002 to report on progress against the District's community outcomes every three years.

Since 2006 a Community Outcomes Bay of Plenty (COBOP) Monitoring and Reporting sub-group has led the development of the indicators, collection and interpretation of the data for SmartFuture. COBOP is an arrangement between local governments in the region and central government agencies to promote the achievement of local and regional community outcomes through effective co-operation and collaboration and efficient use of resources. The Monitoring and Reporting sub-group has succeeded in gaining efficiencies in community outcomes monitoring, building ongoing relationships as well as sharing expertise and best practice knowledge.

In August 2008 the SmartFuture monitoring report became an internet-based tool that can be accessed from Council's website. The monitoring report is a work in progress and changes can be made to accommodate new measures, more data and more advanced interpretations.

Council will continually review opportunities to work with other organisations, including government agencies, non-government organisations and tangata whenua, as priority actions are developed and critical issues reviewed.

At a local level, community outcomes are identified and monitored through Comprehensive Development Plans (CDPs), which focus on local communities rather than the District or subregion. To be successful, CDPs rely heavily on participation from local organisations and individuals as well as key central government agencies and, in some instances, may overlap or contribute to SmartFuture initiatives.

Council has worked with five communities to develop comprehensive development plans which are structured according to the four wellbeings – social, economic, cultural and environmental. There are current CDPs for Katikati (2000); Te Puke (2004); Maketu (2007); Waihi Beach (2007) and Te Puna (2007), Council provided project funding to Te Puna Heartlands Inc to develop the plan. Council staff have undertaken a stock-take of actions in these plans and workshopped these through with Community Boards and the Te Puna Heartlands Inc. Actions that are attributed to Council are embedded in staff work programmes. Community Boards, Te Puna Heartlands Inc and Maketu Project Team are mandated to drive community actions. The Community Boards have developed business plans which incorporate actions from the stock-take and will be reviewed annually.

CDPs have a 20-year time horizon, to be reviewed approximately every five years. Council also intends to facilitate CDPs for smaller communities over the next 10 years, such as Paengaroa (2012/2013).

Working with other organisations to deliver Community Outcomes

Council works with the Community Outcomes Bay of Plenty group (COBOP) which is a collaboration among central and local government, working together to achieve environmental, economic, and social wellbeing for communities in the Bay of Plenty.

The group consists of nine local authority and 22 central government agency representatives. The work programme is agreed each year and in 2007-2009, working groups have focused on the following themes:

- economic transformation;
- environmental wellbeing;
- housing;
- safe and healthy communities.

Council also works with community organisations at a local level to deliver Community outcomes. Through its community development staff, Council supports and co-operates with a number of organisations on an ongoing basis and with others on particular projects from time to time. The community development team represents all four wellbeings, with four staff concentrating on social, environmental, economic and cultural aspects, respectively. Their work programme is significantly influenced by the Comprehensive Development Plans that have been completed for Te Puke, Katikati, Maketu and Waihi Beach.

The table on page 32 lists the organisations that Council works with to improve the wellbeing of the community and deliver Community Outcomes.

Key organisations that may be involved with Council in delivering Community Outcomes

Wellbeings	Social				
			Environmental		
			Cultural		
					Economic
Outcomes	Healthy and safe lifestyle	Vibrant and welcoming communities	Effective informed and inclusive leaders	Clean green and valued environment	Thriving economy
Tangata Whenua	Maori Forum Iwi Hapu Marae	Maori Forum Hapu Marae	Maori Forum Resource Management Units Iwi Hapu Marae Maori Land Trusts	Maori Forum Resource Management Units	Maori Forum Maori Land Trusts Iwi
Local and Regional Government	Tauranga/Western Bay Emergency Management & Civil Defence Western Bay Moana Rural Fire Authority	Community Boards Tauranga Chamber of Commerce Focus Te Puke NZ Deer Farmers Association Tourism Bay of Plenty	Environment Bay of Plenty Neighbouring Councils	Environment Bay of Plenty Neighbouring Councils	Environment Bay of Plenty Neighbouring Councils
Central Government	Bay of Plenty District Health Board Housing NZ Child Youth and Family Ministry of Justice Ministry of Youth Affairs Work and Income New Zealand Ministry of Social Development Ministry of Economic Development	Te Puni Kokiri Bay of Plenty and Waikato Police Districts	Bay of Plenty and Waikato Police Districts Department of Corrections Department of Internal Affairs New Zealand Transport Agency Ministry of Education Statistics NZ Te Puni Kokiri Child Youth and Family Ministry of Youth Affairs Work and Income NZ Historic Places Trust Ministry for Culture & Heritage	Maritime Safety Authority (Tga) National Institute of Water and Atmospheric Research (NIWA) Ministry of Agriculture & Forestry Ministry for the Environment Department of Conservation Ministry of Fisheries	Ministry of Transport Ministry of Economic Development Ministry of Tourism Ministry of Agriculture & Forestry Ministry of Research Science & Technology Ministry of Fisheries
Others	Sport Bay of Plenty Maketu Health and Social Services Population Technical advisory Group (PATAG) Katikati Resource Centre	Priority One WBOP Inc Bay of Plenty Polytechnic University of Waikato School Board of Trustees Kindergarten Associations Te Kohanga Reo Tauranga Chamber of Commerce Industry NZ Western Bay of Plenty Safer Community Council Citizens Advice Bureau and Information Services Tauranga Electricity Consumers Trust BOP Community Trust Export NZ Focus Te Puke Katch Katikati	Telecom NZ United Networks Vodafone Ratepayers Associations Creative Tauranga Rural Women NZ Western BOP Regional Tertiary Providers Forum Federated Farmers of New Zealand Fish & Game NZ Queen Elizabeth II National Trust Tauranga/Te Puke and Katikati Fruitgrowers Association Small Farmers Association Forest and Bird Society Priority One WBOP	Federated Farmers of New Zealand Fish & Game NZ Landcare Research Tauranga/Te Puke and Katikati Fruitgrowers Association Small Farmers Association Forest and Bird Society NZ Deer Farmers Association NZ Archaeological Association Sustainable Business Network Communities for Climate Protection New Zealand (CCP-NZ) Local Environmental Care Groups	Industry NZ Federated Farmers of NZ Tauranga Chamber of Commerce NZ Deer Farmers Association Port of Tauranga Tourism Bay of Plenty

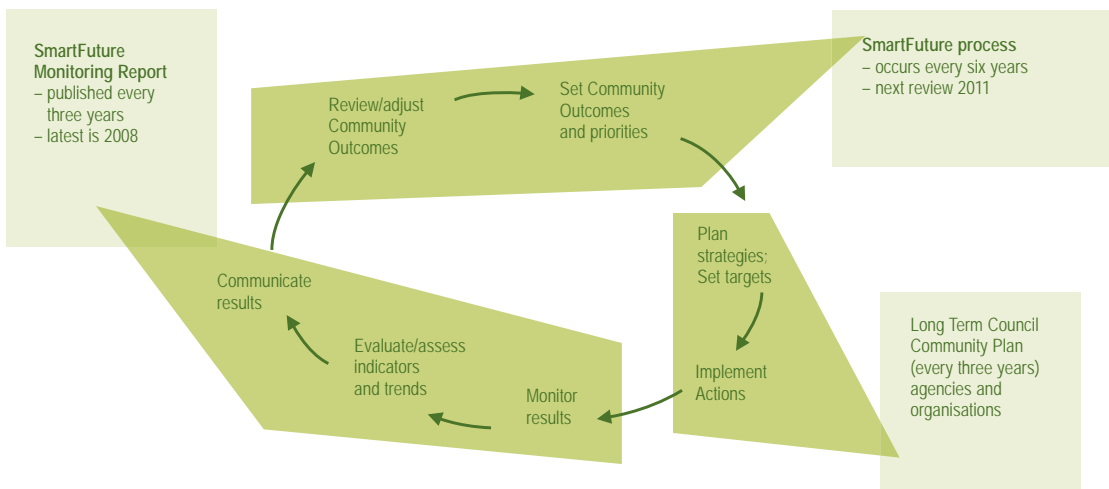
Monitoring progress towards Community Outcomes

The indicators for monitoring the SmartFuture outcomes are set out on page 32.

As noted above, development of the indicators, collection and interpretation of the data for SmartFuture was led by the Community Outcomes Bay of Plenty (COBOP) Monitoring and Reporting sub-group and reporting is now made available through a web-based tool which can be accessed from Council's website (www.westernbay.govt.nz). This web-based tool is a work in progress and changes can be made to accommodate new measures, more data and more advanced interpretations.

As these are Community Outcomes, Council will have varying degrees of influence over the progress towards achieving these outcomes and in some cases a government department or non-government agency may have more influence than Council. On page 32 Council has indicated where it has a more direct role in making a difference to the achievement of these Outcomes and, as required by legislation, Council will report on progress towards these Community Outcomes in its annual report, in addition to other reporting.

Illustration of Community Outcomes Feedback Process



Community Outcomes and Council Outcomes

There are many organisations that contribute significantly to the District's Community Outcomes and Council is only one such organisation. For some community outcomes Council is a major contributor with a lead role, for example, water, wastewater and stormwater networks provide a major contribution to public health. For other outcomes, Council's role is secondary to that of other organisations, for example supporting the Regional Council's role in maintaining clean waterways.

To explain Council's role in delivering Community Outcomes, it has developed Council Outcomes for each of its Groups of Activities. Council Outcomes are directly related to the performance measures and levels of service that Council undertakes to deliver. This performance framework is the method through which Council is accountable to the public for what it achieves and the results are reported in Council's Annual Report each year.

The relationship between Community Outcomes and Council Outcomes is illustrated below:

	Who defines the outcomes?	Who runs the process?	Who delivers the actions?	How is progress monitored?	Who reports on progress?	How is progress reported?
Community Outcomes	Community as a whole	Western Bay of Plenty District Council	Community groups, Government agencies, Non-government organisations, Councils	Government agencies, Non-government organisations and councils collect indicators and evaluate trends	Council	SmartFuture Monitoring Report published every three years – most recently in 2008
Council Outcomes	Council, after public consultation	Council	Council	Council monitors performance targets and levels of service measures	Council	Annual Report published each year

Part Two of this Long Term Plan is the Council Plan. For each group of activities it contains details of the relevant Council outcomes, strategies and projects, cost of service statement, performance measures, assumptions and revenue and financing policy.

LONG TERM PLAN 2009-2019 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.

- + COUNCIL PLAN OVERVIEW
- + COUNCIL ACTIVITIES INDEX
 - + STRATEGIES
- + POLICIES AND STATEMENTS
- + FINANCIAL INFORMATION
- + APPENDICES

PART II THE COUNCIL PLAN



*Western Bay of Plenty
District Council*

COUNCIL PLAN OVERVIEW

What the Council Plan tells us

The Council Plan makes up the second part of the Long Term Plan. It is Council's main strategic and financial planning document and has three main purposes.

Firstly, it sets out Council's contribution to help achieve Community Outcomes, as summarised below.

Secondly, the plan sets Council's strategic priorities for the next 10 years which feed into a number of other Council planning processes, as outlined in Council's Planning Framework, below.

Thirdly, the plan provides the community with important information on each group of activities, such as:

- What Council will do over the next 10 years.
- How it will do it.
- What it will cost.
- How it will be funded.
- How Council will measure its performance.

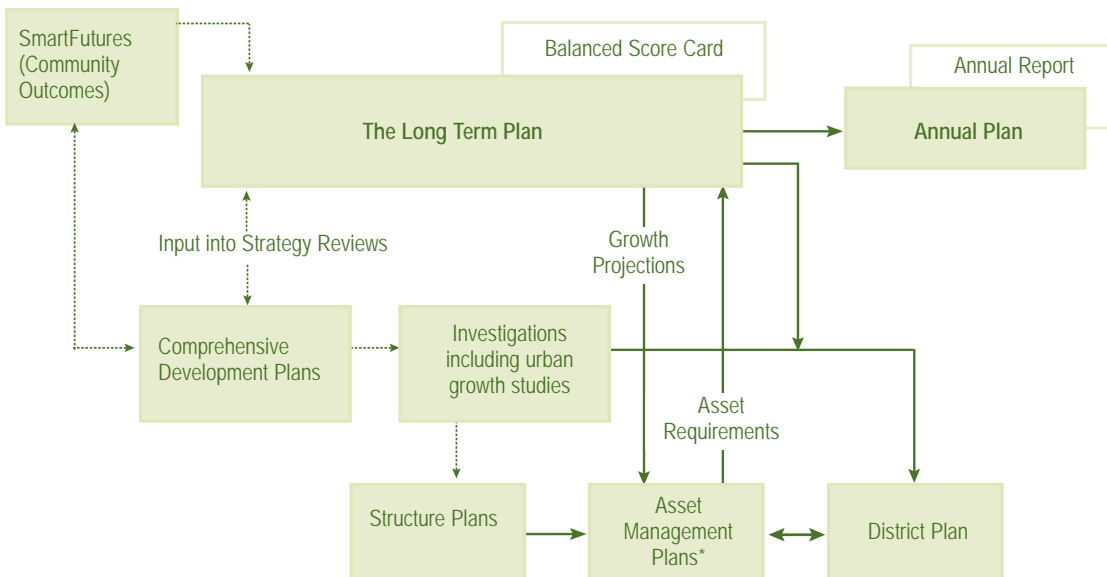
Contribution to Community Outcomes

Groups of Council activities	Community Outcomes				
	Healthy and safe lifestyle	Vibrant and welcoming communities	Effective, informed and inclusive leaders	Clean, green and valued environment	Thriving economy
Representation	○	○	●	○	○
Sustainable development	○	●	●	○	●
Communities	●	●	○		
Recreation and leisure	○	●		●	
Regulatory	●	○		○	
Transportation	●			○	●
Water supply	●			○	●
Stormwater	●				○
Economic		○			○
Natural environment				●	
Waste	●			●	○

● This group of activities makes a primary contribution to the Community Outcome.

○ This group of activities makes a secondary contribution to the Community Outcome.

Council's Planning Framework



* Asset Management Plans describe in detail how Council will manage its assets to enable it to deliver agreed Levels of Service.

How the Council Plan is set out

The Council Plan is divided into three main sections.

The Council Activities section is the main part of the plan. It provides detailed strategies and actions, performance measures, level of service and financial information for each group of activities undertaken by Council. An index to this section is provided on page 40 and a guide to the layout of this section of the plan is provided on pages 36-37.

The Policies and Statements section details Council's general policies and statements, together with specific rating and financial policies.

The Financial Information section contains detailed consolidated financial and rating information and statements of accounting policies.

A guide to the layout of the Council Activities section of the Council Plan

<p>In the Council Activities section of the plan, information for each group of activities follows a standard format, as explained below.</p> <p>Overview This section provides an overview of the strategic direction for the group of activities over the next 10 years.</p> <p>Council assets in this Group of Activities A description of the assets in this group of activities and how they will be managed.</p> <p>10 year programme highlights Where relevant, key projects and processes scheduled to be undertaken over the next 10 years for each group of activities.</p>	<p>What Council wants to achieve Council's desired outcomes for the group of activities. Council Outcomes express what Council wants to achieve through the delivery of a particular group of activities.</p> <p>Why Council wants to achieve this (rationale) A summary of reasons why Council wants to achieve its stated outcomes. This will include linkages to Community Outcomes and relevant statutory requirements.</p> <p>Activities in this Group of Activities List of activities included in the group of activities.</p> <p>Significant negative effects associated with these activities Negative effects that may occur due to Council delivering any activities within the group of activities.</p>
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How Council will achieve this

Council Outcome

Council's Outcome Statement

1.1 Strategy statement - explains how Council will achieve its stated outcomes.

Council's role: Council's role in delivering a particular strategy.

Definition of Council's roles

Lead agency - Council is the principal decision-making authority.

Partner - Council will fund and carry out activities in formal partnership (including contracts) with other agencies.

Facilitator - Council will encourage others to be involved by bringing together interested parties.

Advocate - Council will promote the interests of the community to other decision-making authorities.

Research and Monitoring - Council will undertake research and monitoring in order to promote informed decision-making.

Links to other Council Strategies - List of relevant Council strategies contained in other parts of the Council Plan, i.e. included in other groups of activities.

How Council will track progress

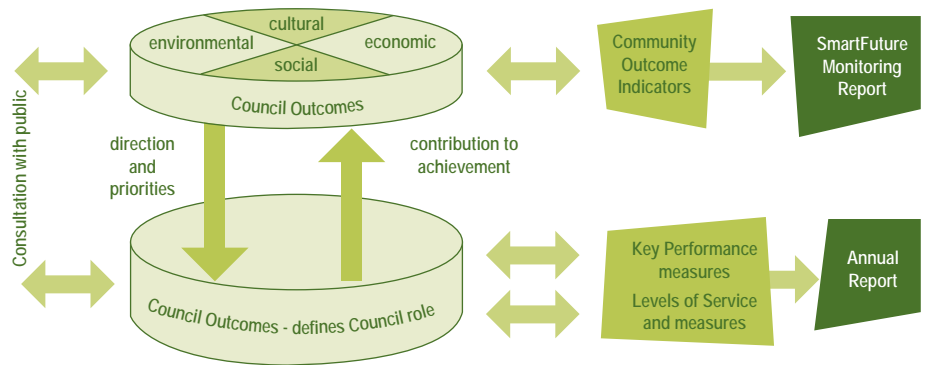
From Community Outcomes to Levels of Service

The Western Bay Balanced Scorecard

The Western Bay Balanced Scorecard is a performance measurement system that links Council's Outcomes to measurable actions.

The system identifies performance measures to monitor progress towards Council Outcomes. Targets clearly identify what is to be achieved and when.

The measures are designed to monitor what is actually being done and the level of customer satisfaction. This provides a balanced perspective to ensure Council is on the right track. Results from the performance measures are collated, analysed and presented in Council's Annual Report and other strategic monitoring reports.



Council uses performance measures to track its progress towards the achievement of Council Outcomes and delivery of levels of service.

Council Outcome	Performance Measures	Base	Target				
			2010	2011	2012	2015	2019
List of Council Outcomes	Key Performance Measure: Key measure(s) to assess Council's progress towards the achievement of all Council Outcomes.						
	Key Resident Measure: Key measure(s) to assess residents' satisfaction with Council's performance.						

Levels of Service	Performance Measures	Base	Target				
			2010	2011	2012	2015	2019
Statement of Council's intended levels of service for the group of activities.	Key measures to assess progress towards intended levels of service.						

Projected 10-year Financial Summary

A 10-year Financial Summary detailing all expenditure associated with the group of activities. It includes adjustments for inflation for 2011 onwards.

Council's additional asset requirements

Where relevant, a 10-year Financial Summary detailing all capital expenditure associated with additional capacity and renewal of assets.

Key assumptions

Assumption name	Description	Confidence (High, Med, Low)	Consequence of error in assumption
Key assumptions underpinning the development of the strategies, action plans, financials and performance measures.	Description of assumption.	An assessment of Council's confidence in the reliability of the assumption.	Assessment of implications for Council if assumptions are incorrect.

Revenue and Financing Policy

Statement of who will pay for the activity, why and how they will be charged.

Scope of policy

This section defines the scope or limitation of the Revenue and Financing Policy and identifies the activities or projects to which the policy applies. This section only appears where there are several revenue and financing policies relating to a group of activities. Where the Revenue and Financing Policy relates to the entire Council activity group, no description is needed.

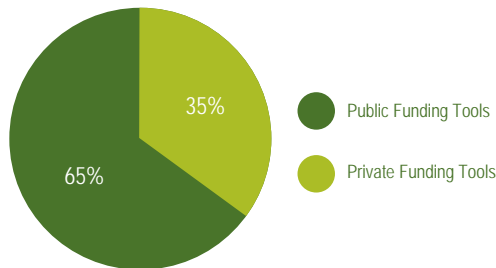
The Community Outcomes to which the activity contributes are not repeated here because they are shown elsewhere in the document.

Rationale for choice of revenue and financing tools

Public benefits identified	Private benefits identified	Other considerations
<p>Public benefits of the activity, as identified by Council, are listed here, in accordance with s101 (3)(a)(ii) of the Local Government Act 2002.</p> <p>Public goods generally have one or more of the following characteristics:</p> <ul style="list-style-type: none"> - Benefits accrue to individuals or groups of people that cannot be identified. - Additional users of the service have little or no effect on the cost of delivering the service. - Consumption of a service by an individual benefits the community as a whole (also known as merit goods). <p>An individual may value the provision of a service even if they do not use it themselves (often called option values).</p>	<p>Private benefits of the activity, as identified by Council, are listed here, in accordance with s101 (3)(a)(ii) of the Local Government Act 2002.</p> <p>Private benefits usually have the following characteristics:</p> <ul style="list-style-type: none"> - Users can be identified at the time they receive the benefit. - Users can exclude themselves from receiving the service if they wish. - Council could withhold the service if users refused to pay for it. 	<p>Other matters that Council took into account when choosing its funding sources are listed here, in accordance with sections 101 (3)(a)(iii), (iv) and (v) of the Local Government Act 2002.</p>

Funding targets

Example activity



Financing sources

Council's choices of financing tools are listed here, together with any explanatory notes.

Revenue sources

Council's choices of revenue tools are listed here, together with any explanatory notes.

This graph illustrates the outcome of Council's consideration.

It shows the balance Council chose between private and public funding tools.

Public funding (District-wide)

- General Rates and Uniform Annual General Charges (UAGCs)
- Environment Protection Rate
- Roading Rate and Uniform Annual Charges (UACs)
- Investment income

Public funding (local)

- Area of Benefit rates and Uniform Annual Charges

Private funding

- User fees
- Connection charges
- Metered charges
- Application fees
- Registration fees
- Entry fees
- Targeted rates and Uniform Annual Charges
- Financial contributions

Exacerbator component

- Fines and penalties
- Financial contributions

Other funding

- Subsidies (from external sources)
- Donations

COUNCIL ACTIVITIES INDEX

Strategic perspective	Group of activities	Council activities	Pages
Leadership	Representation	Subregional, District and community representation, financial planning.	43
	Sustainable development	Policy and Planning (strategic planning and monitoring, resource management planning) infrastructure planning.	51
Building communities	Communities	Community development, emergency management, service centres (including libraries), community facilities (cemeteries, halls).	63
	Recreation and Leisure	Recreation reserves and facilities, coastal and marine structures.	79
	Regulatory	Resource consents, building and health services, animal control, compliance, regulatory services.	95
	Transportation	Network optimisation and development, environmental mitigation, transport health and safety, modal choice and mobility.	103
	Water supply	Council water supply.	117
	Stormwater	Stormwater network. Waihi Beach Coastal Protection.	127 128
Protecting the environment	Natural environment	Environmental protection.	141
	Wastewater	Wastewater.	147
	Solid waste	Solid waste.	161
Supporting our economy	Economic	Economic development.	171
Corporate Services	Internal Services and Corporate Property	Asset management, customer care, institutional knowledge, key business processes, staff knowledge and skills, work environments.	183

LEADERSHIP



Western Bay of Plenty
District Council



REPRESENTATION

Overview

In the Western Bay of Plenty District, the leadership challenge focuses on understanding the needs of our diverse communities so that we can provide good representation aimed at achieving the community's vision for the future.

In response to this challenge Council's Representation Strategy focuses on building and maintaining strong relationships with communities (including iwi) and service delivery agencies to ensure our communities' needs can be met through affordable, sustainable and effective solutions. This includes Council's commitment to maintaining good working relationships with tangata whenua and the continued operation of the Maori Forum and implementation of agreed Treaty of Waitangi Principles, together with partnerships and alliances with neighbouring councils and service delivery agencies.

Council is committed to regularly reviewing its representation systems, processes and understanding in accordance with best practice and statutory requirements.

Council assets in this Group of Activities

There are minimal assets associated with this activity.

10-year programme highlights

- Provision of District Councillor and Community Board Elections. A sum of \$110,000 has been allocated in 2009/10 and \$197,000 in 2013/14 and \$210,000 in 2015/16.
- Three yearly representation reviews have been scheduled in 2012/13, 2015/16 and 2018/19 with budgets of \$16,000, \$17,000 and \$19,000 respectively.

Treaty of Waitangi Principles – Understandings adopted by Council and tangata whenua

Principle of Tino Rangatiratanga – Self-management

The right of Maori to exercise under the law, authority and control over their Rohe, land, rivers, resources and taonga.

Principle of Kawanatanga – Governance

The government has the right to make laws for the good order and security of the country, subject to the duty imposed (on the Crown) to Maori under the Treaty.

Principle of Whakawhanautanga – Partnership

A duty on both iwi/hapu and Council to interact in the best possible way with reason, respect and in good faith.

Principle of Oritetanga – Equality

The right of tangata whenua to fair and equal treatment under the law.

Principle of Kaitiakitanga – Guardianship

The right of Maori to exercise guardianship over their ancestral lands, water, sites, waahi tapu and other taonga.

Principle of 'He here kia mohio' – Co-operation and consultation

The duty to listen to what others have to say, consider their responses and then decide what will be done.

Principle of Whakatika I te he – Redress past breaches

The duty of the Crown to work towards settlement of grievances under the Treaty of Waitangi.

What Council wants to achieve

Council Outcome 1: The needs of the Western Bay of Plenty District's diverse rural and urban communities are met by providing for effective representation and careful stewardship of the District's resources.

LERE1

This outcome recognises the challenge for leadership is to understand the needs of our diverse rural, urban and iwi communities and provide good representation aimed at achieving the Community's Outcomes. In meeting this challenge, Council recognises that collaboration and partnership with other local authorities and sectors will be essential.

Council Outcome 2: Financial management is prudent, effective and efficient.

LERE2

This outcome identifies the principal mechanisms Council will use to manage its finances, fund activities and monitor the results.

Why Council wants to achieve this (rationale)

Contribution to Community Outcomes

This activity primarily contributes to the following Community Outcome:

- Leaders are effective, informed and inclusive

This means that:

- Effective leadership is supported and fostered.
- Residents are informed and have the opportunity to participate in decision-making.
- Decision-making processes are easily understood.
- Service providers work together to co-ordinate planning and delivery of service.

Council's role in contributing to these Community Outcomes is more fully described in the Council Outcomes and strategies on pages 31 to 33. For example:

- Representing local communities through Community Boards.
- Representing the district at a subregional and national level, for example SmartGrowth, Regional Land Transport Committee, Local Government New Zealand.
- Providing opportunities for tangata whenua to have input into Council decision-making through the Maori Forum.
- Ensuring the public as a whole has opportunities to participate in decision-making through public meetings and submission processes.
- Prudently managing Council's financial resources, for example through the Risk Management Subcommittee's supervision of Council's treasury, debt and financial policies.

To meet statutory obligations under the following Act:

- Local Government Act 2002.

Activities in this group of activities

- Subregional representation.
- District representation.

- Local representation.
- Financial planning.

Significant negative effects associated with these activities

Council's formal processes for decision-making and consultation may unintentionally discourage minority and disadvantaged groups within the community from taking part. To mitigate this, a variety of consultation methods are considered when formulating consultation plans for major projects. The cost of increased consultation is balanced against the social, economic, cultural and environmental wellbeing of such groups that may be affected if not adequately engaged in consultation.

How Council will achieve this

Council Outcome 1

The needs of the Western Bay of Plenty District's diverse rural and urban communities are met by providing for effective representation and careful stewardship of the District's resources.

LERE1

- 1.1 All Council activities meet legislative requirements.

Council's role: Lead

- 1.2 Develop, implement and monitor a Treaty of Waitangi Implementation Plan.

Council's role: Partner

- 1.3 Maintain effective representation.

Council's role: Lead

- 1.4 Listen to constituents and advocate their needs

Council's role: Lead, Advocate

- 1.5 Ensure the interests of the District are represented at all levels to government, their agencies and other local authorities.

Council's role: Partner

- 1.6 Continue to develop and maintain a strong relationship with tangata whenua by providing for the ongoing involvement of the Maori Forum.

Council's role: Partner

- 1.7 Work in partnership with communities, organisations and all levels of government to achieve the District's vision. SmartGrowth brings together local authorities and tangata whenua. Council's partnership with Tauranga City Council, Bay of Plenty Regional Council and tangata whenua ensures that there is a clear mandate that growth and development are undertaken in a balanced and sustainable way.

Council's role: Partner

Council Outcome 2

Financial management is prudent, effective and efficient.

LERE2

- 2.1 Continually review accounting procedures and standards so that finances are managed in a prudent manner.

Council's role: Lead

- 2.2 Develop and review revenue and financing policies in conjunction with strategy reviews.

Council's role: Lead

- 2.3 Develop and review financial policies to take into account legislative compliance and Council's strategic intent.

Council's role: Lead

- 2.4 Ensure developers pay their share of the cost of new infrastructure, increased demand for use of community facilities and reserves and mitigating the impact of development on the environment.

Council's role: Lead

Council Action Plan – Outcome: Representation

Summary of major projects and activities											
Project Number	Project Description	\$'000									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
2368	Review Basis for Representation.	0	0	16	0	0	17	0	0	19	0
2504	Triennial Elections	110	0	0	197	0	0	212	0	0	0
2848	Council Induction	0	10	0	0	11	0	0	12	0	0
2961	Recruitment of CEO	0	0	54	0	0	11	0	0	12	0
3159	Waihi Beach Community Board Grants	3	3	3	3	3	3	4	4	4	4
3160	Katikati Community Board Grants	8	8	9	9	9	9	9	10	10	10
3161	Omokoroa Community Board Grants	2	2	2	2	2	2	2	2	2	3
3162	Te Puke Community Board Grants	10	10	11	11	11	11	12	12	12	13
3163	Maketu Community Board Grants	5	5	5	5	6	6	6	6	6	6

Note: This is not a complete list of the projects in this group of activities. For a full listing, please refer to Council's website.

How Council will track progress

Outcomes

Council Outcome	Performance Measures	Actual			Target		
		30/6/2008	2010	2011	2012	2013-2015	2016-2019
Outcome 1 (LERE 1) The needs of the Western Bay of Plenty District's diverse rural and urban communities are met by providing for effective representation and careful stewardship of the District's resources.	Key Council Performance Measure The level of achievement in the financial performance index. (The index has been developed to monitor Council's financial trends and level of compliance with Treasury Policy.)	0.98	1.00	1.00	1.00	1.00	1.00
	Key Resident Performance Measure Level of community satisfaction with the opportunities to participate in decision making and the level of representation to Council (3 yearly survey).	No survey	55%	No survey	No survey	55%	55%
	Supporting Measures Level of tangata whenua satisfaction with representation provided by the Maori Forum (3 yearly survey).	No survey	55%	No survey	No survey	No survey	55%
Outcome 2 (LERE 2) Financial management is prudent, efficient and effective.	Affordability of Rates % movement in total district rates income (after allowance for growth).	4.84%	<7.0%	<7.0%	<7.0%	<7.0%	>7.0%
	% completion of the annual work programme as identified in the Leadership – Representation strategy and action plan. This identifies the total annual actions required for this strategy.	82%	90%	90%	90%	90%	90%

Levels of Service

Levels of service	Performance Measures	Actual			Target		
		30/6/2008	2010	2011	2012	2013-2015	2016-2019
Representation will be provided by: 1 Mayor 12 Councillors 5 Community Boards 1 Maori Forum	Number of meetings held per annum Council based 6 wkly cycle.	16	8	8	8	8	8
	Community Boards based on 6 wkly cycle.	8	8	8	8	8	8
	Maori Forum based on:						
	- Formal meetings.	3	4	4	4	4	4
	- Workshops.	4	2	2	2	2	2
	% attendance of Elected Members (Councillors & Mayor) at Council and Committee meetings.	89.5%	80%	80%	80%	80%	80%
% attendance of Community Board members at Community Board meetings.	92%	80%	80%	80%	80%	80%	
Level of compliance with statutory timeframes.	100%	100%	100%	100%	100%	100%	
Community Outcomes will be reviewed and monitored to meet statutory requirements.	Compliance with statutory processes for community outcomes.	100%	100%	100%	100%	100%	100%
Finances will be managed to comply with the limits identified in the Treasury Policy.	Interest expense on net external borrowings as a % of rates revenue. (Maximum identified in Treasury Policy is 25%.)	19.4%	<22%	<22%	<22%	<22%	<22%
Council will be financially prudent in the management of rates levied.	Stewardship of rates income, the % of District rates income not spent or committed at the end of the financial year.	16.8%	2.0%	2.0%	2.0%	2.0%	2.0%
	% of rates to total income.	66%	65%	65%	65%	65%	65%

Projected Financial Summary – Representation

For the years ended 30 June	2010 \$'000	2011 \$'000	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
Analysis of expenditure - by activity										
Representation	2,455	2,484	2,553	2,759	2,619	2,713	2,947	2,817	2,910	2,961
Total operating expenditure	2,455	2,484	2,553	2,759	2,619	2,713	2,947	2,817	2,910	2,961
Analysis of expenditure - by class										
Direct costs	1,585	1,504	1,599	1,804	1,620	1,676	1,901	1,749	1,817	1,837
Overhead costs	862	973	946	948	992	1,029	1,038	1,060	1,085	1,116
Depreciation	8	8	8	8	8	8	8	8	8	8
Total operating expenditure	2,455	2,484	2,553	2,759	2,619	2,713	2,947	2,817	2,910	2,961
Revenue										
Targeted rates	28	29	30	31	31	32	33	34	35	35
Community Board Rate	523	552	557	575	583	600	611	625	641	657
Interest	26	26	26	26	26	26	26	26	26	26
Total revenue	578	607	613	632	641	659	670	685	701	719
Net cost of service - Surplus / (Deficit)	(1,877)	(1,877)	(1,940)	(2,127)	(1,978)	(2,054)	(2,276)	(2,132)	(2,208)	(2,241)
Capital expenditure	0	0	0	0	0	0	0	0	0	0
Total other funding required	(1,877)	(1,877)	(1,940)	(2,127)	(1,978)	(2,054)	(2,276)	(2,132)	(2,208)	(2,241)
Other funding provided by										
Rate Income	1,903	1,911	1,974	2,160	2,008	2,083	2,303	2,153	2,222	2,250
Reserves & future surpluses	(26)	(34)	(35)	(33)	(30)	(29)	(27)	(21)	(14)	(8)
Total Other Funding	1,877	1,877	1,940	2,127	1,978	2,054	2,276	2,132	2,208	2,241

All information from 2011-2019 includes an adjustment for inflation.

Key Assumptions – Representation

Assumption	Description	Confidence (High, Med, Low)	Consequence of error in assumption																														
Election cycle	Triennial elections are held; no by-elections are provided for in expenditure projections.	Medium	If by-elections were needed, operating expenditure would increase.																														
Representation review	Review of representation undertaken every six years.	High	If representation reviews were undertaken more frequently, operating costs would increase to cover the review.																														
Council size	No change to numbers of elected members, i.e. 12 Councillors and one Mayor.	High	Increase in number of elected members would affect operating costs.																														
Council committee structure	Council has five committees, one Regulatory Hearings committee, the Maori forum and full Council.	High	Increase in number of committees would result in increased staff time involved in governance support.																														
Community Board Structure	The District has five Community Boards. No change in the number of elected members on community boards or Community Board boundaries.	Medium	Increase in number of community boards would result in increased staff time involved in governance support.																														
Joint Committee Structure	Existing Joint Committees continue to operate: <ul style="list-style-type: none"> - SmartGrowth Implementation Committee - Joint Tauranga City Council/Western Bay of Plenty District Council Governance Committee - Joint Road Safety Committee - Joint Regional Land Transport Committee - Tauranga Western Bay Emergency Management Policy Committee - Rates Postponement Project Joint Committee - Joint Kaituna/Maketu Committee - Western Bay Moana Rural Fire Authority 	High	Changes to the number of joint committees may impact on operating costs of governance support services.																														
Elected Members' expenses and general remuneration	No change to the Elected Members' Expenses Policy approved by the Remuneration Authority. Elected Members' remuneration is reviewed annually by the Remuneration Authority and distributed through salaries.	Medium	Changes to elected members expenses policy could result in higher or lower expense claims.																														
Elected members' remuneration for Statutory Hearings	Remuneration for Statutory Hearings in terms of the Resource Management Act 1991 is assumed at 40 days per year.	Low	If more Statutory Hearings are required, elected members' costs would increase, but this would be partially met by the consent applicants.																														
Legislative Environment	The legislative environment governing Local Government, Rating, Public Finance and Resource Management remains as at present.	High	If legislation significantly changes, operating expenses could increase as systems and policies may require change as a result.																														
Public reporting standards	Accounting standards and public reporting expectations do not change (International Financial Reporting Standards; New Zealand Chartered Accountants Code of Ethics).	High	If standards change, operating costs may increase because systems would require modification to produce the information in a new format.																														
Access to finance	The current banking and borrowing system continues to provide loan funding to Local Government according to recognised credit ratings; Council remains able to mitigate the risk of interest rate movements by entering into swaps and other hedging instruments.	Medium	If Council were unable to borrow capital projects would have to be postponed. If Council were unable to reduce the risk of interest rate movements, expenditure projections would be less reliable and the certainty of forecast expenditure would be reduced accordingly.																														
Inflation Projections	Financial Projections within the Representation group of activities have been calculated by applying the following inflation factors to core costs: <table border="1" data-bbox="256 1742 855 1877"> <thead> <tr> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Staff costs inflation</td> <td>3.5</td> <td>2.4</td> <td>2.7</td> <td>2.6</td> <td>2.6</td> <td>2.6</td> <td>3.1</td> <td>3.2</td> <td>3.1</td> </tr> <tr> <td>Other Inflation</td> <td>4.5</td> <td>2.4</td> <td>2.4</td> <td>2.3</td> <td>2.4</td> <td>2.4</td> <td>2.4</td> <td>2.5</td> <td>2.5</td> </tr> </tbody> </table> <p>It is assumed that 38% of operating costs will be affected by the Staff Costs Inflation factor and 62% of operating costs will be affected by the Other Inflation factor. For capital expenditure, the transport Inflation factor has been applied.</p>		2011	2012	2013	2014	2015	2016	2017	2018	2019	Staff costs inflation	3.5	2.4	2.7	2.6	2.6	2.6	3.1	3.2	3.1	Other Inflation	4.5	2.4	2.4	2.3	2.4	2.4	2.4	2.5	2.5	Low	If actual inflation rates vary from those assumed, costs will either be over or under-estimated. This will affect the financial projections for the activity including expenditure, revenue and financing requirements for this activity.
	2011	2012	2013	2014	2015	2016	2017	2018	2019																								
Staff costs inflation	3.5	2.4	2.7	2.6	2.6	2.6	3.1	3.2	3.1																								
Other Inflation	4.5	2.4	2.4	2.3	2.4	2.4	2.4	2.5	2.5																								

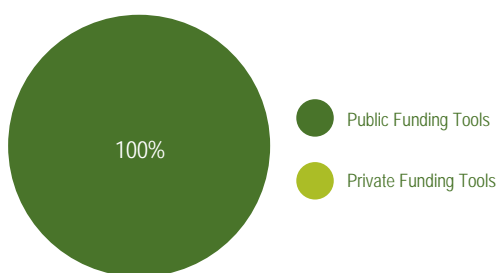
Revenue and Financing Policy – Representation

Rationale for choice of revenue and financing tools

Public benefits identified	Private benefits identified	Other considerations
<p>The benefit of representation by elected members accrues to the community as a whole and not to identifiable individuals.</p> <p>Council could not stop individuals from benefiting from this service if they refused to pay for it.</p> <p>An individual using this service does not reduce the opportunity for another to use it.</p> <p>The benefit of representation by Community Board members accrues to the residents of each Community Board area.</p>	<p>Consent applicants receive a private benefit when the Regulatory Hearings Committee hear resource consent applications. Council also recognises that the purpose of the committee is to provide a democratic process for the benefit of the public.</p>	<p>No inter-generational benefits identified.</p> <p>No exacerbator identified.</p>

Funding targets

Representation



Financing sources

N/A

Revenue sources

General Rate and Uniform Annual General Charge (UAGC)	To fund elected members (all expenditure).
Community Board Rates (fixed charge per property)	To fund Community Boards (all expenditure).
Targeted Rates (fixed charge per property)	Area of Benefit - to fund community development projects.
Fees and Charges	To fund 25% of the cost of elected members' expenses relating to resource consent hearings.

For further details of Council's rating tools, refer to the Funding Impact Statement within the Financial Information section.

Review of Revenue and Financing Policy relating to Community Board Rates

In 2008/09 Council reviewed the way Community Board rates are charged and decided to charge them as a targeted rate on a uniform (fixed) basis, as opposed to its previous policy under which they were charged according to property value (land value).

The reason for this change relates to the expansion of both Te Puke and Katikati Community Boards to Ward Boards in 2007, where the physical area rated was increased, taking in a large number of rural properties with relatively high land values, compared to the average urban residential land value. The rating distribution was no longer considered equitable and the most practical solution was to change the basis of rating to a targeted rate on a uniform (fixed) basis and continue to rate over the existing areas of benefit, being the respective community board areas.

SUSTAINABLE DEVELOPMENT

Overview

One of the purposes of local government under the Local Government Act 2002 is to “promote the social, economic, environmental and cultural wellbeing of communities in the present and for the future”. This means Council must take a sustainable development approach in giving effect to its responsibilities by taking into account:

- the social, economic and cultural wellbeing of people and communities; and
- the need to maintain and enhance the quality of the environment; and
- the reasonably foreseeable needs of future generations.

This focus is supported by the District’s communities, who continue to call for a move towards policies and programmes which will take the District, over time, towards sustainability.

The Sustainable Development Strategy outlines the ways in which Council will provide leadership to people in the Western Bay of Plenty District to promote sustainable development. It commits Council to policy development and decision-making processes that reflect principles of sustainable development. The strategy also provides a framework for growth management in the District, in accordance with SmartGrowth, the 50-year plan to manage growth in the subregion, which is the critical issue challenging our communities’ progress towards sustainability.

SmartGrowth implementation began in 2006 and involves giving effect to the actions that address key issues identified by the SmartGrowth strategy and aligning these actions with the SmartGrowth Vision Statement. The key challenge for the Western Bay of Plenty District Council is to balance the social, economic and cultural needs of the people in its diverse and unique communities with good environmental management.

Sustainable development issues facing the Council over the long-term planning horizon include:

- managing the pressure for development in a high growth area;
- monitoring growth and adjusting financial assumptions and forecasts in times of economic change;
- increasing infrastructure costs, which impact on the ability to deliver on significant projects affecting community wellbeing (such as wastewater schemes);
- managing community expectations for high levels of service in the built environment and community development activities;
- managing the risks associated with climate change as they affect planning for infrastructure and land use.

Council developed a District Interim Built Environment Strategy during 2006/2007 and developed more detailed Strategies for Te Puke and Omokoroa in 2007/2008. These strategies have been developed to provide a framework and to inform the District Plan review and Code of Development review during 2008/2009 and to ensure that future development will complement the surrounding natural and built environment.

A comprehensive review of the District Plan was completed in 2009 and accommodates SmartGrowth commitments

and the Regional Policy Statement (RPS) produced by Environment Bay of Plenty (the regional council). The RPS identifies and sets policy for major resource management issues for the Bay of Plenty.

A key principle of SmartGrowth is to protect versatile (productive) soils so that the district’s economic drivers, horticulture and agriculture, are not compromised by development over the next 25-50 years.

Council’s revised District Plan incorporates rural subdivision rules to balance the demand for lifestyle choice with the need to retain the district’s most productive soils for economic sustainability.

A review of the Code of Development was also completed in 2009, which has incorporated SmartGrowth sustainable development principles and updated rainfall intensities, reflecting climate change assumptions to 2030.

Council assets in this group of activities

There are minimal assets associated with this activity.

10-year programme highlights

- Develop a “whole of island” plan for Matakana in 2010/2011 together with landowners. Matakana is under pressure for development, despite the fact that it is not identified as a “growth area” in the SmartGrowth Strategy and it is a sensitive environmental area. A “whole of island” approach has been signalled in the Council’s District Plan to ensure that any land-use planning is managed to take into account the social, cultural, environmental and economic wellbeings of the Island and its existing communities.
- Undertake structure plans during 2009/2010 for the proposed Lifestyle zones close to Katikati, Te Puke and Minden. These zones are proposed in the District Plan, under review (2008/9).
- Develop Community Landscape Plans for Katikati, Te Puke, Omokoroa, Waihi Beach and some smaller communities such as Pukehina and Maketu.
- Review the Katikati Town Centre Plan and develop a Built Environment Strategy for Katikati.
- Undertake Comprehensive Development and Social Infrastructure Plans for Omokoroa during 2009/10.
- Compile a Design and Development Plan for Omokoroa Beach and the area surrounding the Beach during 2009/10 and 2010/11.
- Develop a future Omokoroa Town centre plan during 2009/2010 and 2010/2011.
- Undertake structure planning for a future business park at Rangiuuru in 2010/2011.
- Undertake a community wellbeing assessment for the impact of future development such as a business park and eastern motorway on the communities within the Eastern Corridor (Rangiuuru Catchment).
- Review the Te Puke Reserve Management Plan in 2010/2011.
- Continue to provide eco-design advisory services shared with Tauranga City Council and part-funded by the Ministry for the Environment (this initiative began in 2006).

- Benchmark, set performance targets and monitor Council's environmental performance. Once these performance targets are set they will be included in Council's performance framework.
- Support Papakainga housing development.
- Review the Tauranga City Council and Western Bay of Plenty District Council joint waste management plan in the context of the Waste Minimisation Act 2008.
- Finalise the investigation, design and consenting work required to provide a wastewater system for Maketu/Little Waihi.

What Council wants to achieve

Council Outcome 1: Leadership is provided to the people of the Western Bay of Plenty District in the achievement of sustainable development.

LESD1

This outcome recognises that in meeting the needs of existing communities we must not compromise the ability of future generations to meet their own needs.

Council Outcome 2: The rate of growth within each community does not exceed its ability to absorb it.

LESD2

This outcome recognises the rate of population growth in this District has been rapid and is expected to continue. While growth helps the community afford infrastructure and amenities, which meet the standards and expectations of the 21st century, growth needs to be managed so that those features which our communities value are preserved.

Why Council wants to achieve this (rationale)

Contribution to Community Outcomes

This activity primarily contributes to the following Community Outcomes:

- We can all enjoy a healthy and safe lifestyle.

This means that:

- We feel safe and secure in our homes and communities.
- Housing is affordable and appropriate to our life-stages.
- We have easy access to quality health and social services.
- Transport and other infrastructural services are safe and meet our needs.

- Our communities are vibrant and welcoming.

This means that:

- Our communities are caring, inclusive and work together.
 - We recognise and respect Maori as tangata whenua.
 - Our diverse cultural heritage and traditions are respected and celebrated.
 - A range of arts, culture, recreation and life long learning opportunities is available to us all.
 - Town centres are the heart of our communities and promote local identity.
 - The rural and coastal character of our District is maintained.
 - Growth and development is well planned for.
- Leaders are effective, informed and inclusive.

This means that:

- Effective leadership is supported and fostered.
- We are informed and have the opportunity to participate in decision-making.
- Decision-making processes are easily understood.
- Service providers work together to co-ordinate planning and delivery of service.

- Our economy is thriving.

This means that:

- Innovation and entrepreneurship add value and support diversification of the local economy.
- The versatility of rural land is maintained.
- Unique attributes of our District are turned into competitive advantages.
- Infrastructure, services and facilities support and promote economic growth and development.
- We are skilled, enterprising and adaptable.
- A range of quality education and career opportunities are available locally.
- Business, government and education sectors work effectively together.
- Business practices are environmentally sustainable.

- Our environment is clean, green and valued.

This means that:

- Service providers work with us to ensure the environment is sustainably managed.
- Indigenous habitats and species are plentiful.
- Rare and representative habitats and species are protected and enhanced.
- Air, water and land quality are maintained to protect our health and ecological systems.

Council's role in contributing to these Community Outcomes is more fully described in the Council Outcomes and strategies within this chapter. For example:

- Implementing actions in the comprehensive development plans for each town, including built environment strategies and town centre plans.
- Reviewing Council's District Plan.
- Developing structure plans to provide for growth in a sustainable manner.
- Reviewing reserves management plans.
- Developing and reviewing policies and strategies.
- Working with partners and stakeholders to implement subregional strategies eg SmartGrowth, Smart Economy, Smart Arts.
- Maintaining relationships with government agencies through the Community Outcomes Bay of Plenty organisation to identify ways to co-operate in delivering community outcomes.

To meet statutory obligations under the following Acts:

- Local Government Act 2002.
- Resource Management Act 1991.
- Gambling Act 2003
- Health Act 1956

Activities in this group of activities

- Policy and Planning.
- Infrastructure Planning.

Significant negative effects associated with these activities

District Plan rules intended to limit the amount of highly productive and versatile land used for future housing development may have the effect of making residential land more expensive. This is balanced by the economic benefit of savings in infrastructure costs when settlement is less spread out. In addition the community's economic wellbeing is promoted by preserving its primary production capability.

How Council will achieve this

Council Outcome 1

Leadership is provided to the people of the Western Bay of Plenty District in the achievement of sustainable development.

LESD1

- 1.1 Develop, monitor and advocate policy designed to achieve the sustainable development of the District and ensure decision-making processes reflect the principles of sustainable development, which include:
- Decisions based on information**
Monitoring and reporting on progress through the development of sustainability indicators and ensuring monitoring data, together with other relevant information, is used in decision-making.
 - Integrated and balanced approach**
Integrating economic, community, environmental and cultural considerations into the design of projects and the impact of policies.
 - Local solutions to local problems**
Working with our community, iwi, the business sector and other levels of government to promote rather than inhibit positive change and sustainability. Share and learn from the experiences of others to progress toward local and therefore global sustainability.
 - The need for community involvement**
Ensuring that all sectors and groups in our local communities are included and given the opportunity to participate in decisions that affect their lives.
 - Quality development with minimum effect on the environment**
Working with the community to ensure that future development strives towards best practices, takes the local character into consideration and minimises the impact on the natural environment.
 - Encourage development that supports Live – Work – Play**
More sustainable development can be achieved by encouraging development that supports Live – Work – Play, especially in Te Puke, Katikati, Waihi Beach and Omokoroa. Any land-use development

will be combined with community development and social infrastructure planning to ensure the needs of residents are fully considered.

g) Polluter pays

Where possible, recovering the cost of pollution from the polluter.

h) Affordability, intergenerational equity and fairness

Ensuring that the benefits and costs of decision options are assessed so that significant proposals are fair, affordable and equitably funded.

Council's role: Lead, Partner, Facilitator, Advocate, Research and Monitoring

Council Outcome 2

The rate of growth within each community does not exceed its ability to absorb it.

LESD2

To achieve this outcome, an agreed growth management strategy between Tauranga City Council, Environment Bay of Plenty and Western Bay of Plenty District Council was adopted in May 2004 called "SmartGrowth". It is a joint initiative for managing growth in the subregion, based on the following principles:

- Residential Growth Centres to accommodate most additional population growth and provide for a range of urban living opportunities.
- Employment Growth Centres to provide for employment opportunities of local and regional significance.
- Rural development opportunities that protect the productive land resource while also allowing for rural lifestyles.
- Transport corridors linking the region internally and externally.
- Costs of development to be met by the developer and not subsidised by the community.

2.1 SmartGrowth Strategy

Council will implement the SmartGrowth Strategy through:

a) Residential Growth Centres

Council will require urban development to locate within identified settlements (growth centres) where infrastructure and services exist to match community needs. The growth centres are:

- Waihi Beach (including Island View/Pios Beach and Athenree)
- Katikati
- Omokoroa
- Te Puke

As part of the SmartGrowth strategy there is also provision for the expansion of Tauranga into the Western Bay of Plenty District. This has in part occurred through a boundary adjustment to accommodate development at Tauriko/Pyes Pa (effective early 2009).

Council's role: Lead

- b) Increased residential density**
Within the four growth centres, SmartGrowth requires increased residential density for greenfield development. This will be achieved through District Plan changes associated with the introduction of new greenfield areas. The development outcomes of the Greenfield areas will also be guided by the Built Environment Strategy and other development guidelines.

Council's role: Lead

2.2 Residential areas (excluding Growth Centres)

In the residential areas at:

Tanners Point, Tuapiro, Ongare Point, Te Kauri Village, Plummer's Point, Te Puna West, Minden, Te Kahika, Paengaroa, Maketu, Little Waihi, Pukehina Beach, Pongakawa, Rogers Road and papakainga settlements in this district, as identified within Smartgrowth, at: Otawhiwhi, Rereatukahia, Kutaroa, Opureora, Tutereinga, Oikimoke, Wairoa, Manoeka, Waitangi and Otukawa.

Council will maintain the permitted scale and existing character of development to ensure a choice of living environments, subject to:

- protection of the natural environment, including ecological values and water quality;
- protection of public health;
- protection of amenity;
- avoidance of conflict of activities;
- avoidance of land that is flood prone, unstable or in coastal margins;
- the ability to provide appropriate infrastructure.

Council's role: Lead

2.3 Employment Growth Centres

In accordance with SmartGrowth, Council will provide for local employment needs through zoning appropriate areas at Waihi Beach, Katikati, Omokoroa, Te Puna, Te Puke and Rangiora.

Council's role: Lead

2.4 Rural subdivision and development

In accordance with SmartGrowth and Environment Bay of Plenty's Regional Policy Statement, Council will ensure the versatility of our rural land and the opportunity to enjoy the rural way of life by providing for rural subdivision and development subject to:

- protection of the natural environment, including ecological values and water quality;
- protection of rural amenity;
- avoidance of conflict of activities;
- protection of versatile soils;
- the ability to provide appropriate infrastructure.
- Heritage Protection

Council's role: Lead

2.5 Comprehensive Development Plans

Council will develop and monitor Comprehensive (environmental, social, economic, cultural and infrastructural) Development Plans for each of the District's communities and identify the development capacity of each community and an appropriate level of infrastructure.

Council's role: Lead

2.6 Built Environment Strategies

Council developed a District Interim Built Environment Strategy during 2006/07 and developed more detailed Strategies for Te Puke and Omokoroa in 2007/8. These strategies have been developed to provide a framework for the District Plan review and Code of Practice review and to ensure that future development will complement the surrounding natural and built environment. One of the outputs from the Built Environment Strategy will be a sustainable development scorecard which will be used through the Council's building consent process to encourage best practice environmental outcomes in the built environment.

2.7 Planning of services to Growth Centres

In the identified Residential and Employment Growth Centres, Council will plan appropriate services to meet the needs of both existing residents and businesses and the anticipated growth in demand for services over the planning period to 2020 and beyond. Appropriate services include: wastewater, water, transportation services, stormwater, community planning, reserves and community facilities.

Council's role: Lead

2.8 Additional services and infrastructure

Council will work with other agencies to ensure the effects of growth and additional demand for services in non-growth centres are appropriately managed and provided for and the communities' needs are met. This will include identifying and securing adequate water supplies to meet future needs.

Council's role: Lead, Research and Monitoring

2.9 Monitoring

- a) Council will identify and monitor the impacts of growth and development on the District in accordance with District and subregional monitoring frameworks.
- b) Council will work with others to share information, develop and monitor indicators and strategies to measure progress towards the achievement of the District's Community Outcomes.

Council's role: Partner, Research and Monitoring

Council Action Plan – Sustainable Development

Summary of major projects and activities											
Project Number	Project Description	\$'000									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
2054	Coastal Hazards Line Review	0	0	0	0	112	0	0	0	0	0
3206	Community Landscape Plans	50	52	53	55	56	57	59	0	0	0
289901	Community Outcomes Review	30	0	0	0	0	0	35	0	0	0
1775	District Plan review and plan changes	130	0	0	0	0	0	0	0	0	0
3165	Eco Design Advisor	95	99	102	104	107	109	112	114	117	120
3152	Environmental Practices	1	1	1	1	1	1	1	1	1	1
1608	Funding Policy Review	0	0	11	0	0	11	0	0	12	0
259509	Katikati CDP and Social Infrastructure Plan	0	0	0	0	0	0	24	0	0	0
294203	Katikati Structure Plan	0	0	54	0	0	0	59	0	0	0
259507	Maketu CDP and Social Infrastructure Plan	0	0	0	0	22	0	0	0	25	0
3149	Maketu Cemetery Status	10	10	0	0	0	0	0	0	0	0
294204	Maketu Structure Plan	0	0	0	0	56	0	0	0	0	0
1756	Management of LTCCP Review	0	0	86	0	0	92	0	0	99	0
3204	Matakana Island Structure Plan	0	209	0	0	0	0	0	0	0	0
2963	Monitoring Reports (Community Outcomes)	0	0	32	0	0	34	0	0	37	0
3246	Omokoroa Beach Development Plan	25	26	0	0	0	0	0	0	0	0
259508	Omokoroa CDP and Social Infrastructure Plan	20	0	0	0	0	23	0	0	0	0
3175	Omokoroa Future Town Centre Plan	38	39	0	0	0	0	0	0	0	0
259506	Paengaroa CDP and Social Infrastructure Plan	0	0	0	22	0	0	0	0	0	25
1511	Reserves Management Plans	0	31	0	0	34	68	35	36	0	38
252204	Smartgrowth - Full Review	0	0	107	0	0	0	0	0	0	0
252208	Smartgrowth Implemn - Coordination Share	63	66	67	69	71	72	74	76	78	80
285003	Smartgrowth Impln - Rangioru Structure Plan	0	209	0	0	0	0	0	0	0	0
2965	Solid Waste Strategic Review - Subregional	✓	0	0	0	✓	0	0	0	✓	0
2891	Strategy Review - Economic	✓	0	0	0	✓	0	0	0	✓	0
2983	Strategy Review - Recreation & Leisure	✓	0	0	0	✓	0	0	0	✓	0
297602	Strategy Review - Stormwater	0	0	0	0	0	0	0	0	0	0
2888	Strategy Review - Transportation	0	✓	0	0	0	✓	0	0	0	0
3002	Strategy Review - Regulatory	0	0	✓	0	0	0	✓	0	0	0
2888	Strategy Review - Sustainable Development	0	0	✓	0	0	0	✓	0	0	0

Council Action Plan – Sustainable Development (continued)

Summary of major projects and activities											
Project Number	Project Description	\$'000									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
297502	Strategy Review - Communities	0	✓	0	0	0	✓	0	0	0	0
2877	Strategy Review - Solid Waste Action plan review	0	0	0	✓	0	0	0	✓	0	0
2887	Strategy Review - Natural Environment	0	0	✓	0	0	0	✓	0	0	0
2889	Strategy Review - Water Supply	0	0	0	✓	0	0	0	✓	0	0
2978	Strategy Review - Wastewater	0	0	0	✓	0	0	0	✓	0	0
2962	Strategy Review - Representation	0	0	✓	0	0	0	✓	0	0	0
231802	Sub-regional Park - Implement Policy	10	10	11	11	11	11	12	12	12	13
259504	Te Puke CDP and Social Infrastructure Plan	0	21	0	0	0	0	0	24	0	0
3230	Te Puke Community Centre Feasibility Study	0	0	0	11	0	0	0	0	0	0
259505	Te Puna CDP and Social Infrastructure Plan	0	0	21	0	0	0	0	0	24	0
294207	Te Puna Village Structure Plan	0	0	54	0	0	0	0	0	0	0
3239	Te Puna Wastewater Investigations	15	16	0	0	0	0	0	0	0	0
259511	Waihi Beach CDP	0	0	0	0	0	23	0	0	0	0
294205	Waihi Beach Structure Plan	0	0	0	0	0	57	0	0	0	0
3193	Eastern Corridor Community Wellbeing	✓	✓	✓	✓	✓	✓	0	0	0	0

Key: The symbol ✓ means this work will be undertaken in the financial year, but no specific budget has been allocated to it. Work is done in-house using operational budgets, for example salaries, printing.

Note: This is not a complete list of the projects in this group of activities. For a full listing, please refer to Council's website.

How Council will track progress

Sustainable Development Outcomes

Council Outcome	Performance Measures	Actual			Target		
		30/6/2008	2010	2011	2012	2013-2015	2016-2019
Outcome 1 (LESD1) Leadership is provided to the people of the Western Bay of Plenty District in the achievement of sustainable development.	Key Council Performance Measure % completion of the annual work programme as identified in the Leadership – Sustainable Development strategy and action plan. This identifies the total annual actions required for this strategy.	68%	90%	90%	90%	90%	90%
	Key Resident Performance Measure % of residents who perceive growth to have had a positive (or no negative) impact. This includes housing, employment opportunities, overall pleasantness, travel time and safety (road and personal). Based on a 2 yearly survey, which asks consistent questions.	78%	80%	No survey	80%	80%	80%
Outcome 2 (LESD2) The rate of growth within each community does not exceed its ability to absorb it.	Supporting Measures Community outcomes (SmartFuture) report completed and adopted by Council within legislative timeframes (3 yearly).	New	No report due	100%	No report due	100%	100%
	SmartGrowth Strategy review completed and adopted by Council.	New	No review	No review	No review	100%	100%

Sustainable Development Levels of Service

Levels of Service	Performance Measures	Actual			Target		
		30/6/2008	2010	2011	2012	2013-2015	2016-2019
District Plan updated to meet the needs of the District.	Number of sustained challenges by the Environment Court to District Plan changes.	1	0	0	0	0	0
Council's strategies are aligned with direction provided in SmartGrowth strategy.	% of Council's strategies aligned with SmartGrowth direction.	New	100%	100%	100%	100%	100%
Council will work with communities to develop and review Comprehensive Development Plans. These detailed plans which show community direction for 10 years. This enables an efficient allocation of resources.	Number of Community Development Plans in place.	5	5	6	6	7	7

Projected Financial Summary – Sustainable Development

For the years ended 30 June	2010 \$'000	2011 \$'000	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
Analysis of expenditure - by activity										
Strategic Planning	2,731	3,086	2,941	2,700	2,955	3,118	3,019	2,941	3,157	3,106
Total operating expenditure	2,731	3,086	2,941	2,700	2,955	3,118	3,019	2,941	3,157	3,106
Analysis of expenditure - by class										
Direct costs	2,111	2,404	2,266	2,009	2,249	2,385	2,280	2,186	2,385	2,313
Overhead costs	606	669	661	678	693	719	725	741	758	780
Depreciation	14	14	14	14	14	14	14	14	14	14
Total operating expenditure	2,731	3,086	2,941	2,700	2,955	3,118	3,019	2,941	3,157	3,106
Revenue										
Targeted rates	0	188	0	0	0	0	0	0	0	0
Financial contributions	0	31	0	0	34	69	35	36	0	38
Interest	71	71	71	72	72	72	72	72	72	72
Other income	120	125	128	131	134	138	141	144	148	152
Total revenue	191	416	200	203	240	278	248	252	220	262
Net cost of service - Surplus / (Deficit)	(2,540)	(2,670)	(2,741)	(2,497)	(2,716)	(2,840)	(2,771)	(2,688)	(2,937)	(2,845)
Capital expenditure	0	0	0	0	0	0	0	0	0	0
Total other funding required	(2,540)	(2,670)	(2,741)	(2,497)	(2,716)	(2,840)	(2,771)	(2,688)	(2,937)	(2,845)
Other funding provided by										
General Rate	2,597	2,556	2,855	2,577	2,793	2,916	2,845	2,755	2,996	2,896
Environment Protection Rate	9	9	0	0	0	0	0	0	0	0
Debt Increase (Decrease)	6	6	0	0	0	0	0	0	0	0
Reserves & future surpluses	(71)	99	(114)	(80)	(77)	(76)	(74)	(67)	(59)	(52)
Total Other Funding	2,540	2,670	2,741	2,497	2,716	2,840	2,771	2,688	2,937	2,845

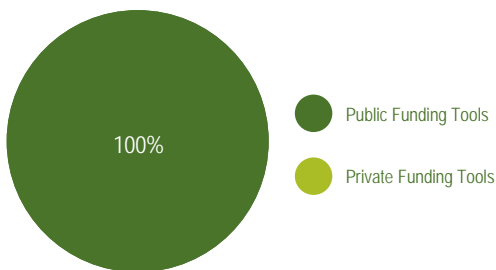
All information from 2011-2019 includes an adjustment for inflation.

Key Assumptions – Sustainable Development

Assumption	Description	Confidence (High, Med, Low)	Consequence of error in assumption																														
Resident population growth	<p>The District's population is expected to grow by 19.7% between 2009 and 2019 and the number of rateable properties is forecast to increase by 20.6% over the same period. This is consistent with the long-term growth projections in the subregional growth strategy SmartGrowth.</p> <p>The timing of that growth is expected to be slower in the first two years of the Long Term Plan (0.6% in 2009/10 and 1.1% in 2010/11) returning to more normal growth in later years.</p>	Medium	<p>Significant differences between forecast population and household growth and actual outturns would result in Council failing to provide appropriate and cost-effective levels of service to communities.</p> <p>Over-estimating the speed of growth could increase Council's debt if infrastructure development was undertaken in anticipation of growth that did not eventuate.</p>																														
SmartGrowth participation	Council's SmartGrowth partners remain committed to the implementation of the plan, according to the timetable of actions adopted by the partners.	Medium	Without the commitment of Council's strategic partners to the adopted SmartGrowth principles, planning for the expected growth in the district would be less effective.																														
Resource consents and District Plan changes legal challenges	Council's consultative processes will minimise any likelihood of consent applications for infrastructure development, or District Plan and Structure Plan changes, proceeding to the Environment Court. Changes in the RMA Amendment Act encourage a more comprehensive Council hearings process, thereby reducing Environment Court challenges. More challenges to decisions not to notify consent applications are expected, as appeal is now to Environment Court, not the High Court. This is a more accessible and cost effective process.	Medium	Higher than expected incidence of legal challenges will result in greater than forecast expenditure.																														
Regional Policy Statement	Through its own plans, Council is required to give effect to the direction provided in the Regional Policy Statement (RPS) published by the Bay of Plenty Regional Council. The RPS, which must be reviewed every ten years, is currently under review (2009).	Medium	If the direction provided by the RPS changes when it is reviewed, Council may be required to review its own plans sooner than it would otherwise have planned, which would lead to increased operating expenditure.																														
Inflation Projections	<p>Financial projections within the Sustainable Development group of activities have been calculated by applying the following inflation factors to core costs:</p> <table border="1"> <thead> <tr> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Staff costs inflation</td> <td>3.5</td> <td>2.4</td> <td>2.7</td> <td>2.6</td> <td>2.6</td> <td>2.6</td> <td>3.1</td> <td>3.2</td> <td>3.1</td> </tr> <tr> <td>Other Inflation</td> <td>4.5</td> <td>2.4</td> <td>2.4</td> <td>2.3</td> <td>2.4</td> <td>2.4</td> <td>2.4</td> <td>2.5</td> <td>2.5</td> </tr> </tbody> </table> <p>It is assumed that 61% of operating costs will be affected by the Staff Costs Inflation factor and 39% of operating costs will be affected by the Other Inflation factor.</p>		2011	2012	2013	2014	2015	2016	2017	2018	2019	Staff costs inflation	3.5	2.4	2.7	2.6	2.6	2.6	3.1	3.2	3.1	Other Inflation	4.5	2.4	2.4	2.3	2.4	2.4	2.4	2.5	2.5	Low	If actual inflation rates vary from those assumed, costs will either be over or under-estimated. This will affect the financial projections for the activity including expenditure, revenue and financing requirements for this activity.
	2011	2012	2013	2014	2015	2016	2017	2018	2019																								
Staff costs inflation	3.5	2.4	2.7	2.6	2.6	2.6	3.1	3.2	3.1																								
Other Inflation	4.5	2.4	2.4	2.3	2.4	2.4	2.4	2.5	2.5																								

Funding targets

Policy and Planning



Financing sources

N/A

Revenue sources

General Rates
Cost recovery on private plan changes

Policy and planning (all expenditure).

Ecological Financial Contributions

Environmental monitoring.

For further details of Council's rating tools, refer to the Funding Impact Statement within the Financial Information section.

Revenue and Financing Policy – Infrastructure Planning

Scope of Policy

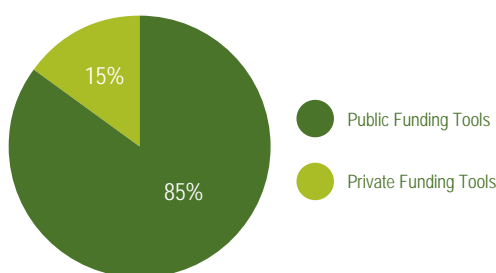
This policy applies to large, one-off projects in response to Council's infrastructure development priorities. It may include Structure Plans, investigations undertaken prior to commitment on large projects and feasibility studies.

Rationale for choice of revenue and financing tools

Public benefits identified	Private benefits identified	Other considerations
<p>Infrastructure investigations and feasibility studies are undertaken to provide Council with information for decision-making. At the planning stage, it is not always possible to identify individuals or groups who will benefit from an activity. In such cases:</p> <ul style="list-style-type: none"> - benefits do not accrue to identifiable individuals; - individuals cannot exclude themselves from the planning activity; - Council could not stop individuals from benefiting from the planning if they refused to pay for it. <p>Third party benefits also result from information gathering and knowledge gained during investigations.</p>	<p>During investigations into water, wastewater and stormwater infrastructure, development, design and planning work is undertaken in order to provide Council with information on which to make its decisions.</p> <p>If a project eventually goes ahead, some design work will have been done and consents obtained. This may provide a private benefit to the future users of the water and wastewater scheme and to groups of ratepayers in the case of stormwater investigations.</p> <p>For other infrastructure planning projects, it may be possible to identify individuals who benefit from the resulting development depending on the type of project being investigated, for example, boat ramps have identifiable users.</p> <p>However, if a project does not go ahead, no private benefit can be identified.</p>	<p>Central government funding may be available to fund certain infrastructure investigations. The Bay of Plenty Regional Council may fund particular projects through its Environmental Enhancement Fund.</p> <p>These activities could include application for resource consents. To the extent that the costs of such applications and consents are capitalised, it could be considered that this activity delivers an intergenerational benefit.</p> <p>No exacerbator for this activity was identified.</p>

Funding targets

Infrastructure Planning



Financing sources

60% Environmental Protection Rate	All expenditure on wastewater investigations.
40% loan funded to be recovered by Uniform Annual Charges over area of benefit of future wastewater scheme	

Revenue sources

General Rates and Uniform Annual General Charges	For all expenditure on water and stormwater investigations.
Targeted Rates, General Rates, Area of Benefit Rates, other rating tools	For expenditure on other infrastructure planning, funding will be assessed on a project-by-project basis.

For further details of Council's rating tools, refer to the Funding Impact Statement in the Financial Information section.



BUILDING COMMUNITIES



*Western Bay of Plenty
District Council*

COMMUNITIES

Overview

In recent years, rapid population growth has led to significant changes in the demographic makeup of the District's communities.

The consequences of these changes are far-reaching and impact on the District's ability to grow sustainably, without adverse impact on the social, cultural, environmental and economic wellbeing of its residents. As the rate of development increases, there is increasing demand for affordable and accessible health, education and housing services, the need to recognise and value both urban and rural communities and the promotion of community cohesion as an increasing number of domestic and international migrants choose to settle in the District.

Growth and its consequent development can also lead to loss of important cultural and heritage sites. SmartGrowth seeks a balance between urban development and the protection of heritage resources.

As part of the District Plan review, Council has developed a Built Environment Strategy to encourage sustainable urban design. Alongside this is the Built Heritage Strategy that aims to protect and enhance cultural sites and landmark heritage buildings in the District's urban communities.

Council considers retaining a link with the past is an important part of the social fabric of its communities. Giving communities a sense of belonging and ownership may also encourage younger generations to return to their hometown in the future and contribute to the economic wellbeing of the subregion.

SmartGrowth is addressing the social wellbeing aspect of growth and has undertaken a stock-take and gap analysis of existing social infrastructure in the subregion. Social infrastructure refers to community facilities, services and networks that help individuals, families, groups and communities meet their social needs, maximise their potential for development and enhance community wellbeing. Social infrastructure includes services and facilities such as schools, health services, kindergartens, sporting facilities, libraries, aged care facilities, etc.

Council decisions take into account actions that enhance community integration and ensure community wellbeing. These principles of community integration and wellbeing are included in the SmartGrowth Strategy.

While many of Council's services and facilities contribute towards the promotion of sustainable communities, the Communities Strategy provides specific direction for Council's work in emergency management, information services, community development and community facilities. The strategy focuses on delivering a co-ordinated community development programme and building effective partnerships with other service providers to promote stronger communities. It also includes a renewed focus on research and monitoring, to assist in decision-making processes and future reviews of this strategy.

Council assets in this group of activities

Council owns and operates libraries and regional service centres located in Te Puke, Omokoroa, Katikati and Waihi Beach as well as an information centre in Maketu and the Barks Corner service centre attached to Council's administration buildings. Council manages the maintenance of these buildings in accordance with its property asset management programme. A separate library rate is charged across the District.

Council also manages five cemeteries located in Te Puke (2), Maketu, Oropi and Katikati. For all cemeteries there are defined levels of maintenance relating to reliability, service response and minimum standards. Maintenance contracts are carried out by external contractors. Assets for renewal are minimal.

Within the district there are 15 community halls where Council has ownership of the land these buildings are sited on. Partnerships are maintained with the hall committees and Council operates long term hall maintenance programmes which are funded by ratepayers in their respective areas of benefit.

Council owns 70 pensioner housing units located at Waihi Beach, Katikati and Te Puke. Costs are funded from rental revenue.

10-year programme highlights

Community Development

- Continued focus on 'helping communities to help themselves' through delivery of Council's integrated Community Development Programme (social, cultural, economic and environmental).
- Working with key agencies and tangata whenua to support planning for papakainga development on Maori owned land, to meet the long term needs of the District's growing Maori population.
- Implementation of a community safety policy and closed-circuit television implementation plan and operating policy.
- Increase in the service delivery contract for Sport Bay of Plenty from \$20,600 to \$40,620 per year.

Libraries and Information Centres

- Continuing to provide a range of library and information services and materials to support lifelong learning and literacy; expansion of some library services to meet demand (e.g. class visits, children's and adult's programmes) will be limited by the library space available.
- Introduction of radio frequency identification of books to improve stock control and reduce losses (\$211,000 over two years beginning 2010). This will be funded by savings in book replacement.
- Facilitating the establishment of online community archives (Kete project) in 2013 and 2014 (\$49,000).
- Extending opening hours at Waihi Beach Library during the summer months.
- Contributing an amount of \$80 per new lot (from of the Recreation and Leisure Financial Contributions that Council

already collects) towards subregional library facilities provided by Tauranga City Council.

Maketu Cemetery

A proposal to change the status of the Maketu Cemetery will be consulted with the community as a result of Council's decision in December 2008 to start the process of changing the cemetery's status to an urupa.

Under the proposal, the Office of the Maori Trustee would provide interim service delivery for the cemetery, until the land transfer and confirmation of trustees is finalised through the Maori Land Court.

A review of the status of Maketu Cemetery has been ongoing since 2004 and was further raised as part of the Maketu Comprehensive Development Plan (CDP) process in 2006/2007.

Consultation with the community at a hui on the Whakaue Marae in August 2008 resulted in a request for the cemetery to be changed to an urupa.

Under the proposal the status of the land would be changed from Council land to Maori Freehold land and it would be vested in Maori as a Burial Reserve.

The Office of the Maori Trustee has agreed to provide service delivery until such time as the community establishes its own entity to administer the urupa.

The Long Term Plan provides for expenditure at Maketu Cemetery, but this would change if the ownership of the land changes.

Halls

- Continuation of Council's Halls maintenance programme to ensure all community and town centre halls meet health and safety requirements.

Pensioner Housing

- The strategy to divest of pensioner housing outlined in the Long Term Plan 2006-16 has been reviewed. The outcome of the review indicated that the pensioner housing activity is now able to be self-funding in the long term, so Council will continue to provide and maintain pensioner housing.

What Council wants to achieve

Council Outcome 1: Communities are healthy and safe.

BCCO1

This outcome recognises there is a basic need for people to feel healthy, safe and secure within themselves and their communities in order to enjoy a good quality of life.

A range of factors affect this outcome including emergency management (civil defence) and environmental health standards, together with socio economic issues relating to safety, housing, health, education and employment. Council acknowledges that many of these issues must be addressed with consistent, well coordinated programmes.

Council Outcome 2: Communities are vibrant.

BCCO2

A great diversity of urban and rural communities exists within the Western Bay of Plenty District. This outcome recognises the wider benefits derived from people and

communities interacting positively with each other. These processes help to create connected communities and generate a collective sense of identity and pride in the community.

This outcome concerns Council's ability to generate opportunities to encourage interaction and relationships between people and communities, reflect and celebrate diversity and to promote art, culture and heritage.

Council Outcome 3: Communities participate in the development of their futures.

BCCO3

This outcome reflects Council's role as a facilitator in building the capacity of communities to participate in processes and issues that affect them. Council will focus on assisting individuals and groups to participate in decision-making processes, build on existing relationships and meet community needs in an ongoing way.

Why Council wants to achieve this (rationale)

Contribution to Community Outcomes

This activity contributes to the following Community Outcomes:

- Our communities are vibrant and welcoming.

This means that:

- Our communities are caring, inclusive and work together.
 - We recognise and respect Maori as tangata whenua.
 - Our diverse cultural heritage and traditions are respected and celebrated.
 - A range of arts, culture, recreation and life long learning opportunities is available to us all.
 - Town centres are the heart of our communities and promote local identity.
 - The rural and coastal character of our District is maintained.
 - Growth and development is well planned for
- We can all enjoy a healthy and safe lifestyle.

This means that:

- We feel safe and secure in our homes and communities.
- Housing is affordable and appropriate to our life-stages.
- We have easy access to quality health and social services.
- Transport and other infrastructural services are safe and meet our needs.

Council's role in contributing to these Community Outcomes is more fully described in the Council Outcomes and strategies within this chapter. For example:

- Supporting community organisations and initiatives through Council's community development team – environmental, social, cultural and economic development officers.
- Supporting the work of the District's Maori Forum and subregion's Combined Tangata Whenua Group.
- Providing service centres, libraries and information services.

- Supporting community halls and providing pensioner housing.
- Providing rural fire services and emergency management response.
- Providing cemetery facilities.

To meet statutory obligations under the following Acts:

- Civil Defence Emergency Management Act 2002.
- Forest and Rural Fires Act 1977.
- Fire Services Act 1975.
- Burial and Cremations Act 1964.
- Local Government Act 2002.
- Gambling Act 2003.
- Health Act 1956.

Activities in this group of activities

- Community development.
- Emergency management.
- Information centres.
- Community facilities.
- Provision and maintenance of pensioner housing.

Significant negative effects associated with these activities

- Potential loss of productive land through interment. This is balanced by the effect on cultural wellbeing and health and safety if burials were not adequately provided for.
- Unexpected major capital works required for any of the pensioner housing units. This risk will be mitigated by good asset management practices.

How Council will achieve this

Council Outcome 1

Communities are healthy and safe.

BCCO1

1.1 Emergency management (Civil Defence)

Council will ensure that threats to life and property in emergency situations are effectively managed, in accordance with legislative requirements.

Council's role: Partner

1.2 Emergency first response

Council will support volunteer groups in their emergency first response work through the provision of grants, service delivery contracts and advocacy as appropriate. This will include securing professional lifeguard services for the main ocean beaches over the peak summer holiday period.

Council's role: Partner, Advocate

1.3 Design guidelines

(a) Council is developing best practice guides to encourage development outcomes that produce health enhancing and safe environments. These guidelines are being developed in conjunction with the implementation of Communities Strategy 2.5(b).

Council's role: Lead

(b) Council will advocate and, where appropriate, provide for safe and efficient access for less able sectors of the community.

Council's role: Advocate

1.4 Targeted and co-ordinated solutions to community health and safety needs

(a) Western Bay of Plenty Safer Community

Forums

Council will continue to provide technical support and administrative assistance to the Western Bay of Plenty Safer Community Forums.

Council's role: Lead

(b) Council will implement the community safety policy and the closed circuit TV implementation plan and operating policy subject to sufficient Community Board funding.

Council's role: Lead

(c) Council will assist communities in community safety planning.

Council's role: Facilitator

(d) Council will undertake crime prevention through environmental design assessments in collaboration with the police, residents and relevant central government agencies in areas identified as having safety risks. Council will facilitate appropriate responses to the assessments.

Council's role: Partner

(e) Annual monitoring

Council will work with other organisations to identify and monitor key indicators of community health and safety in the District. This information will be used to identify priority areas and issues requiring further action.

Council's role: Research and Monitoring

(f) Advocacy

Council will advocate to central government and appropriate agencies for well co-ordinated and effective solutions to community health and safety needs.

Council's role: Advocate

(g) Facilitation

Council will work co-operatively with central government departments and relevant organisations to facilitate well co-ordinated and effective delivery of services.

Council's role: Facilitator

(h) Support for local service providers

Council will continue to advocate and where appropriate support community based initiatives that promote localised access to social services.

Council may support initiatives through community grants and service delivery contracts.

Council's role: Partner

(i) Community planning/comprehensive development plans

Council will facilitate a 'whole of sector' approach to community planning to ensure the comprehensive assessment of community needs and formulation of multi-sector action plans that support sustainable development.

Council's role: Lead

(j) Policies and initiatives

Council will investigate the need to develop policies and initiatives to support the health, safety and wellbeing of communities. Areas currently identified for further investigation are:

- Social infrastructure.
- Health Impact assessments.
- Gambling.
- Prostitution.
- Alcohol.

Council's role: Lead

(k) Financial relief

- Council will provide limited financial relief from fees and rates for ratepayers experiencing hardship from extreme financial circumstances.
- Council will provide limited financial relief from financial contributions to encourage the provision of low cost housing on multiple-owned Maori land.

Council's role: Lead

1.5 Interment

Council will review ways to efficiently meet the District's interment needs over the next 50 years. In the interim, Council will continue to own and maintain cemeteries at Katikati, Oropi and Te Puke (2).

Alternative ownership for Maketu is being considered.

Council's role: Lead

Links to other Council Strategies

- Refer Representation: Strategy 1.4; Strategy 1.5.
- Refer Regulatory: Strategy 1.1.
- Refer Economic: Strategy 2.4; Strategy 2.5.
- Refer Sustainable Development: Strategy 2.5.
- Refer Recreation and Leisure: Strategy 3.4.

1.6 Housing

(a) Pensioner housing

Council will retain ownership and management of pensioner housing across the District, provided that it continues to be self-funding. Council will continue to efficiently maintain the properties.

Council's role: Lead

(b) Affordable housing

Council will work with SmartGrowth to explore and implement solutions to increase the availability of affordable housing.

Council Outcome 2

Communities are vibrant.

BCCO2

2.1 Community meeting places

(a) Halls

Council will continue to maintain partnerships with hall committees for the purpose of providing community meeting places.

Council's role: Partner

(b) Schools

Council will encourage local schools to provide community meeting places, particularly in rural communities.

Council's role: Advocate

2.2 Community information

Council will work co-operatively with other organisations to ensure quality information relating to community events and community services is shared and is widely available in order to promote participation within communities.

(a) Advice services

Council will contribute funding to specialist agencies to provide advice on the availability of community services to ratepayers and residents.

Council's role: Partner

(b) Internet services

Council will advocate for the provision of efficient and affordable internet access to all households within the District.

Council's role: Advocate

(c) Customer service

Council will provide its customers with a caring environment offering user-friendly information, advice and service response in a timely and cost-effective manner.

Council's role: Lead

2.3 Libraries

Council will retain ownership and management of District libraries. Council will continue to provide a range of books, materials, technology and services to:

- provide for the recreational needs of the community;
- promote access to information;
- build community participation and community development;
- encourage heritage preservation;
- support lifelong learning and literacy.

Council's role: Lead

2.4 Community events

Council will continue to support urban and rural communities to co-ordinate festivals, sporting and cultural events that meet the needs of many groups within the District. A subregional events strategy has been developed to build on and grow both the community and economic benefits of festivals and events.

Council's role: Facilitator

2.5 Sense of place

(a) Town centre promotion

Council will support organisations that promote town centres and rural areas with the aim of contributing to or supporting a sense of local identity.

Council's role: Facilitator

(b) Design guidelines

Council is developing best practice guides on urban design to promote the development and/or protection of a sense of place or identity of town centres within the District. These guidelines are being developed in conjunction with the implementation of Communities Strategy 1.3(a).

(c) Public art policy

Council will develop a policy outlining the involvement of the arts in, for example, the development of public space, residential and commercial development and infrastructure as well as guide the location, design, construction and maintenance of public art.

Council's role: Lead

2.6 Volunteers

Council will advocate for appropriate initiatives that support and acknowledge the contributions of volunteers to the vitality of local communities.

Council's role: Advocate

2.7 Arts, culture and heritage

(a) Important cultural and heritage values and sites are protected

Council will advocate, facilitate and if appropriate consult with the community and relevant organisations to identify and protect important cultural and heritage values and sites.

Council's role: Advocate, Facilitator, Partner

(b) Promotion of arts and culture within the District

In partnership with government, Council will contribute funding to specialist agencies to promote and provide access to arts and culture within the subregion.

Council's role: Partner

(c) Subregional facilities

Council will continue to advocate for and facilitate the provision of subregional arts, cultural and heritage facilities.

Council's role: Advocate, Facilitator

Links to other Council Strategies

- Refer Representation: Strategy 1.4; Strategy 1.5.
- Refer Recreation and Leisure: Strategy 1.1; 1.2; 5.1.
- Refer Regulatory: Strategy 1.2.
- Refer Economic: Strategy 1.3.
- Refer Sustainable Development: Strategy 2.8.

Council Outcome 3

Communities participate in the development of their futures.

BCCO3

3.1 Community funding

Council will continue to implement and promote availability of funding mechanisms to encourage groups to work towards achieving Community Outcomes. The mechanisms Council will use to implement this include:

- Discretionary Community Grants (including community waste initiatives).
- Fee abatements for community organisations.
- Promotion of availability of external funding options.
- Facilities in the Community Funding (delivered through the Recreation and Leisure Strategy and Action Plan).

Council's role: Facilitator, Lead

3.2 Service delivery

Council will encourage community participation in the delivery of services to local communities.

Council's role: Facilitator

3.3 Maori

(a) Support opportunities for Maori to live, work and play on Maori land

Where appropriate, Council will promote opportunities for Maori to live, work and play on Maori land through the development of papakainga and through partnerships, regulatory controls and limited financial relief and incentives.

Council's role: Advocate, Facilitator

(b) Support tangata whenua in the development of strategic, hapu and/or iwi management plans

Council will provide support to tangata whenua in the development of strategic, hapu and/or iwi management plans.

Council's role: Facilitator

(c) **Support the development of Maori capacity**
Council will assist in the development of Maori capacity to contribute to Council's decision-making processes.

Council's role: Facilitator

3.4 Community Development co-ordination

Council will co-ordinate the delivery of community development activities to effectively support

communities in the management of their own futures.

Council's role: Lead

Links to other Council Strategies

- Refer Sustainable Development: Strategy 1.1(d).
- Refer Representation: Strategy 1.2, Strategy 1.6.
- Refer Solid Waste: Strategy 3.1, 4.3.
- Refer Stormwater: Strategy 4.1, Strategy 4.3.

Council Action Plan – Communities

Summary of major projects and activities											
Project Number	Project Description	\$'000									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
2800	Pensioner Housing Capital Requirements	88	81	57	55	57	59	43	32	36	40
2821	Library Book - Purchases	178	196	229	307	327	383	341	355	391	409
318501	Radio Frequency Identification Technology for the District Libraries	132	79	0	0	0	0	0	0	0	0
323101	Tsunami Warning Project	0	0	0	123	201	81	0	0	0	0
148803	Discretionary Grants	50	42	43	44	45	46	47	48	49	51
148901	Tauranga Citizens Advice Bureau Service Delivery Contract	11	11	11	12	12	12	12	13	13	13
149001	Tauranga Community Arts Council Service Delivery Contract	42	44	45	46	47	48	49	51	52	53
149102	Sport BOP Service Delivery Contract	41	42	43	45	46	47	48	49	50	51
149202	Bop Surf Lifesaving- Service Delivery Grant	53	55	57	58	59	61	62	64	65	67
175202	Te Puna Community Library	10	11	11	11	12	12	12	12	13	13
318801	Kete Western Bay of Plenty	0	0	0	37	12	0	0	0	0	0
2808	Community Halls	197	221	174	144	166	260	142	131	218	198
303901	Katikati Resource Centre Grant	15	16	17	17	17	18	18	19	19	20
318301	Subregional libraries financial contribution share	30	32	36	37	42	43	46	58	60	56
323201	Papakainga Development	25	26	27	27	28	0	29	0	31	0

Note: This is not a complete list of the projects in this group of activities. For a full listing, please refer to Council's website.

How Council will track progress

Outcomes

Council Outcome	Performance Measures	Actual	Target				
		30/6/2008	2010	2011	2012	2013-2015	2016-2019
	Key Council Performance Measure						
Outcome 1 (BCCO1) Communities are healthy and safe.	% completion of the annual work programme as identified in the Community strategy and action plan. This identifies the total annual actions required for this strategy.	84%	90%	90%	90%	90%	90%
Outcome 2 (BCCO2) Communities are vibrant.							
	Key Resident Satisfaction Measure						
Outcome 3 (BCCO3) Communities participate in the development of their futures.	Level of resident satisfaction with Community Services based on two yearly survey. This includes community development, library services and cemeteries. Based on residents who are very satisfied and satisfied.	63%	No survey	80%	No survey	80%	80%

Levels of service and measurement

Levels of Service	Performance Measures	Actual	Target				
		30/6/2008	2010	2011	2012	2013-2015	2016-2019
Develop and deliver a co-ordinated Community Safety Programme in accordance with the Community Safety Policy.	Number of Community Safety initiatives supported by Council.	New	9	9	9	9	9
User-friendly information and advice will be provided and all service requests will be resolved.	% of service requests resolved within specified timeframe.	98%	>95%	>95%	>95%	>95%	>95%
	% of customers surveyed where service requests were not actioned.	3.5%	<5%	<5%	<5%	<5%	<5%
	% resident satisfaction with service provided by frontline staff based on two- yearly survey.	85%	No Survey	85%	No Survey	85%	85%
Library service will be maintained at Waihi Beach, Katikati, Omokoroa and Te Puke.	Number of library items available per head of population.	1.9	2.2	2.2	2.2	2.2	2.2
	Number of times books are issued per annum.	3.2	>2.75	>2.75	>2.75	>2.75	>2.75
Council will provide cemeteries at Katikati, Oropi, Maketu and Te Puke (excludes old Te Puke cemetery as there are no further plots available for purchase).	Number of cemeteries where plot availability is >30% of annual plot requirements or 5 plots at any one time.	3	4	4	4	4	4
Partnerships with hall committees will be maintained.	Number of partnership agreements in place with all existing hall committees.	14	14	14	14	14	14

Projected Financial Summary – Communities

For the years ended 30 June	2010 \$'000	2011 \$'000	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
Analysis of expenditure - by activity										
Information Centres	2,595	2,732	2,759	2,860	2,943	3,048	3,144	3,212	3,317	3,451
Contracts, Levies and Grants	610	645	651	669	686	675	719	706	755	743
Pensioner Housing	321	336	354	368	382	397	411	415	435	447
Cemeteries	124	131	140	145	152	154	156	157	160	162
Community Halls	259	287	240	213	236	332	215	206	295	277
Emergency Management	513	543	564	586	600	617	631	648	666	673
Total operating expenditure	4,422	4,675	4,708	4,840	4,999	5,225	5,276	5,344	5,628	5,753
Analysis of expenditure - by class										
Direct costs	2,712	2,775	2,800	2,858	2,936	3,061	3,079	3,092	3,305	3,351
Overhead costs	1,195	1,342	1,309	1,343	1,372	1,432	1,436	1,464	1,498	1,543
Interest	5	15	30	38	50	57	65	70	76	82
Depreciation	510	544	570	601	642	676	697	718	750	777
Total operating expenditure	4,422	4,675	4,708	4,840	4,999	5,225	5,276	5,344	5,628	5,753
Revenue										
Targeted rates	990	1,040	973	1,029	1,079	1,169	1,087	1,088	1,210	1,245
Financial contributions	126	97	92	115	128	172	116	130	155	154
Subsidies	24	15	15	77	117	57	17	17	18	18
Other income	850	896	937	972	993	1,013	1,059	1,094	1,120	1,147
Total revenue	1,990	2,048	2,018	2,194	2,317	2,411	2,279	2,330	2,503	2,564
Net cost of service - Surplus / (Deficit)	(2,432)	(2,627)	(2,690)	(2,646)	(2,682)	(2,814)	(2,997)	(3,015)	(3,125)	(3,189)
Capital expenditure	458	427	317	592	631	553	391	405	434	488
Total other funding required	(2,890)	(3,055)	(3,007)	(3,238)	(3,314)	(3,366)	(3,387)	(3,419)	(3,559)	(3,676)
Other funding provided by										
General Rate	2,197	2,340	2,354	2,511	2,601	2,583	2,631	2,635	2,731	2,794
Debt Increase (Decrease)	(8)	46	(0)	31	(36)	(39)	(40)	(29)	(41)	(40)
Reserves & future surpluses	700	669	653	695	749	823	796	814	870	923
Total Other funding	2,890	3,055	3,007	3,238	3,314	3,366	3,387	3,419	3,559	3,676

All information from 2011-2019 includes an adjustment for inflation.

Council's additional asset requirements – Communities

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total Capital Expenditure										
Additional levels of service	227,685	159,818	57,056	180,982	286,143	139,918	42,977	32,269	35,667	71,132
Additional capacity for future residents (growth)	0	39,202	24,621	90,981	11,662	0	0	10,837	0	0
Renewals	230,613	228,451	235,145	320,171	333,593	412,912	347,727	361,760	398,774	416,560
Capital expenditure after adjustment for inflation	458,298	427,470	316,822	592,134	631,398	552,829	390,704	404,865	434,441	487,691

Additional levels of service are funded by District Rates.

Renewals are funded by use of depreciation reserves and District Rates.

Growth related projects (capacity for future residents) will be recovered by financial contributions over a 25 year period and from future rates. These also include an allocation for interest.

Key Assumptions – Communities

Community Development

Assumption	Description	Confidence (High, Med, Low)	Consequence of error in assumption																														
Resident population growth	<p>The District's population is expected to grow by 19.7% between 2009 and 2019 and the number of rateable properties is forecast to increase by 20.6% over the same period. This is consistent with the long term growth projections in the subregional growth strategy SmartGrowth.</p> <p>The timing of that growth is expected to be slower in the first two years of the Long Term Plan (0.6% in 2009/10 and 1.1% in 2010/11) returning to more normal growth in later years.</p>	Medium	<p>Significant differences between forecast population and household growth and actual outturns would result in Council failing to provide appropriate and cost-effective levels of service to communities.</p> <p>Over-estimating the speed of growth could increase Council's debt if infrastructure development was undertaken in anticipation of growth that did not eventuate.</p>																														
Ageing population	By 2021, 52% of the Western Bay of Plenty District will be over 45 years of age, compared to 45% in 2006.	High	Errors in predicted age distribution of population would be seen in each new census and Council's programme adjusted accordingly.																														
Inflation Projections	<p>Financial Projections within the Communities group of activities have been calculated by applying the following inflation factors to core costs.</p> <table border="1"> <thead> <tr> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Staff costs inflation</td> <td>3.5</td> <td>2.4</td> <td>2.7</td> <td>2.6</td> <td>2.6</td> <td>2.6</td> <td>3.1</td> <td>3.2</td> <td>3.1</td> </tr> <tr> <td>Other Inflation</td> <td>4.5</td> <td>2.4</td> <td>2.4</td> <td>2.3</td> <td>2.4</td> <td>2.4</td> <td>2.4</td> <td>2.5</td> <td>2.5</td> </tr> </tbody> </table> <p>It is assumed that 51% of operating costs will be affected by the Staff Costs Inflation factor and 49% of operating costs will be affected by the Other Inflation factor.</p>		2011	2012	2013	2014	2015	2016	2017	2018	2019	Staff costs inflation	3.5	2.4	2.7	2.6	2.6	2.6	3.1	3.2	3.1	Other Inflation	4.5	2.4	2.4	2.3	2.4	2.4	2.4	2.5	2.5	Low	If actual inflation rates vary from those assumed, costs will either be over or under-estimated. This will affect the financial projections for the activity including expenditure, revenue and financing requirements for this activity.
	2011	2012	2013	2014	2015	2016	2017	2018	2019																								
Staff costs inflation	3.5	2.4	2.7	2.6	2.6	2.6	3.1	3.2	3.1																								
Other Inflation	4.5	2.4	2.4	2.3	2.4	2.4	2.4	2.5	2.5																								

Emergency Management

Assumption	Description	Confidence (High, Med, Low)	Consequence of error in assumption
Resident population growth	<p>The District's population is expected to grow by 19.7% between 2009 and 2019 and the number of rateable properties is forecast to increase by 20.6% over the same period. This is consistent with the long term growth projections in the subregional growth strategy SmartGrowth.</p> <p>The timing of that growth is expected to be slower in the first two years of the Long Term Plan (0.6% in 2009/10 and 1.1% in 2010/11) returning to more normal growth in later years.</p>	Medium	<p>Significant differences between forecast population and household growth and actual outturns would result in Council failing to provide appropriate and cost-effective levels of service to communities.</p> <p>Over-estimating the speed of growth could increase Council's debt if infrastructure development was undertaken in anticipation of growth that did not eventuate.</p>
Emergency Mgt Legislative requirements	The requirements of the Civil Defence Emergency Management Act 2002 remain.	High	If the legislative requirements for emergency management changed significantly, the Combined local CDEM Plan would have to be revised.
Emergency Management Regional Partnerships	The combined local Tauranga/Western Bay of Plenty CDEM group continues to work within the Bay of Plenty CDEM group, according to the Bay of Plenty Civil Defence Emergency Management Group Plan 2005.	High	If the Tauranga and Western Bay Of Plenty CD jurisdictions were no longer combined, the cost of providing the service would increase as each local authority would have to maintain its own response.
Climate Change	Climate change is expected to increase the likelihood of extreme weather events and, therefore, activations of emergency response. This increase is not quantifiable.		

Libraries and Service Centres

Assumption	Description	Confidence (High, Med, Low)	Consequence of error in assumption
Resident population growth	<p>The District's population is expected to grow by 19.7% between 2009 and 2019, and the number of rateable properties is forecast to increase by 20.6% over the same period. This is consistent with the long term growth projections in the subregional growth strategy SmartGrowth.</p> <p>The timing of that growth is expected to be slower in the first two years of the Long Term Plan (0.6% in 2009/10 and 1.1% in 2010/11) returning to more normal growth in later years.</p>	Medium	<p>Significant differences between forecast population and household growth and actual outturns would result in Council failing to provide appropriate and cost-effective levels of service to communities.</p> <p>Over-estimating the speed of growth could increase Council's debt if infrastructure development was undertaken in anticipation of growth that did not eventuate</p>
Growth in visitor numbers	<p>For the coastal Bay of Plenty, international visitor nights are forecast to increase by 17.6% during the period 2009 to 2014 and domestic visitor nights are forecast to increase by 1.7% over the same period. This equates to 6.2% overall, being 1.2% growth p.a. There is a risk that changes in fuel prices in the short term could affect visitor numbers.</p> <p>Impact of visitors is expected to be concentrated on the coastal communities of Waihi Beach, Katikati, Pukehina Beach and Maketu. Together with Omokoroa, these communities also receive a significant number of day visitors, which is forecast to increase by 7% over the same period. In addition, one-off events will impact on visitor numbers to particular areas.</p>	Low	If visitor numbers grow faster than this rate, visitor information facilities may become congested and intended levels of service will not be met.
E-govt strategy and broadband take-up	<p>Government will expect that libraries will increasingly become a portal for the implementation of their e-government strategy.</p> <p>Aotearoa People's Network (APN) is working towards providing free access to broadband internet services in public libraries so that all New Zealanders can benefit from creating, accessing and experiencing digital content. It is funded by the Community Partnership fund of the New Zealand's Digital Strategy and by other government funding through the National Library of New Zealand.</p> <p>The APN will benefit anyone who has access to a public library - it will open up the digital world to all people and communities by giving them access to the internet, providing computers and training. Council assumes that following the phase 1 rollout to 34 libraries & 13 local authorities (not including Western Bay), phases 2 and 3 will continue to be funded by the Community Partnership fund.</p>	High	If the Community Partnership funding ceased to be available, operational costs for Council may increase if the service were funded by Council to the same extent.
Library assets renewals	10% of books will be retired each year. This takes into account 12 year life of printed material and 4 year life of audio visual material.	High	Level of service will not be reached if books are not replaced at the assumed level.

Community Facilities

(Pensioner housing, Cemeteries, Halls)

Assumption	Description	Confidence (High, Med, Low)	Consequence of error in assumption
Cemeteries Service Demand	Katikati Cemetery: 20 burials and 5 ash interments per year. Oropi Cemetery: 2 burials and 1 ash interment per year. Te Puke Cemetery: 32 burials and 10 ash interments per year. Maketu Cemetery: 3 burials and 2 ash interments per year.	Medium	If actual demand exceeds forecast demand, capital expenditure would be required earlier than forecast and income would increase.
Resident population growth	<p>The District's population is expected to grow by 19.7% between 2009 and 2019, and the number of rateable properties is forecast to increase by 20.6% over the same period. This is consistent with the long term growth projections in the subregional growth strategy SmartGrowth.</p> <p>The timing of that growth is expected to be slower in the first two years of the Long Term Plan (0.6% in 2009/10 and 1.1% in 2010/11) returning to more normal growth in later years.</p>	Medium	<p>Significant differences between forecast population and household growth and actual outturns would result in Council failing to provide appropriate and cost-effective levels of service to communities.</p> <p>Over-estimating the speed of growth could increase Council's debt if infrastructure development was undertaken in anticipation of growth that did not eventuate.</p>

Revenue and Financing Policy – Community Meeting Places

Scope of Policy

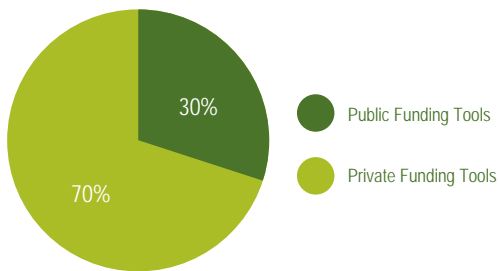
Under Council's Community Meeting Place/Hall Policy, land is leased to hall committees which own the buildings and operate the halls. In terms of the policy, Council may fund significant capital development and renewal costs and rate the area of benefit to fund that expenditure accordingly. In addition to this, Council expenditure also includes insurance, legal fees, rates and staff time associated with this activity.

Rationale for choice of revenue and financing tools

Public benefits identified	Private benefits identified	Other considerations
<p>In terms of Council's Halls Policy, the facility must be available to the public and any project eligible for funding must enhance the value of the facility to the public at large.</p> <p>The community benefits from the existence of the hall and the option that they have to use it.</p>	<p>Groups and individuals use the halls for community and recreational use. They can be identified and are charged by the respective hall committee for that use.</p>	<p>Hall Committees are able to apply for funding for capital development to community trusts and sponsors and could therefore reduce the amount collected by Council from ratepayers. The useful life of a new hall is estimated to be 75 years. (Buildings belong to the respective hall committees, but on winding-up would revert to Council.)</p>

Funding targets

Community Meeting Places



Financing sources

Revenue sources

General Rates	Council operational costs.
UAC over areas of benefit	Hall committee capital development and significant maintenance projects.

For further details of Council's rating tools, refer to the Funding Impact Statement within the Financial Information section.

Revenue and Financing Policy – Interment

Scope of Policy

This policy applies to the provision, operation and maintenance of Council-owned cemeteries in the District. Council owns cemeteries in Te Puke (old and new), Oropi, Maketu and Katikati. Council does not own any cremation facilities.

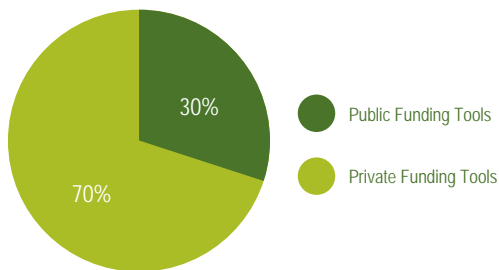
Council provides cemeteries in order to fulfil its obligation under section 4 of the Burial and Cremations Act 1964 and to meet the public expectation that cemeteries will be provided in the District.

Rationale for choice of revenue and financing tools

Public benefits identified	Private benefits identified	Other considerations
<p>The public receives indirect benefit from this activity through the existence of the cemetery and the option they have of using the cemetery.</p> <p>There are third party benefits associated with public health.</p> <p>The public benefits from the heritage values of cemeteries.</p>	<p>Users of this service are the families of the deceased that choose to use Council cemeteries - they are from within and outside the District. They can be identified at the time of burial and charged for the use of the cemetery.</p> <p>As plots are used and spare capacity reaches a minimum level, Council has to develop additional plots or berms.</p> <p>Individuals can exclude themselves from using this service by choosing to be cremated, or buried in non-Council owned and operated cemeteries - e.g. urupa.</p>	<p>Although land has an infinite life, the useful life of a cemetery is limited by the rate of uptake of the interment plots.</p> <p>Vandalism can result in additional costs.</p> <p>Booking of plots, without the requirement to pay an appropriate holding fee, results in the need to develop additional berms in the absence of a corresponding income.</p>

Funding targets

Community Meeting Places



Financing sources

Revenue sources

Fees and charges	To recover 70% of revenue requirement, including renewals, operations and maintenance expenditure.
General Rates	To recover 30% of revenue requirement, including renewals, operations and maintenance expenditure.

For further details of Council's rating tools, refer to the Funding Impact Statement within the Financial Information section.

Revenue and Financing Policy – Building Communities Grants and Contracts

Scope of Policy

This policy applies to service delivery contracts made with a variety of organisations that deliver services to Western Bay of Plenty residents and visitors, including:

Service Delivery Contracts

- Creative Tauranga.
- Sport Bay of Plenty.
- Tauranga Citizens Advice Bureau.
- Bay of Plenty Surf Lifesaving.
- Katikati Resource Centre.
- Te Puke Sports Fields.

Recreation Grants/Service Delivery Contracts

- Te Puna Community Library.

The activity also includes the funding of Council's

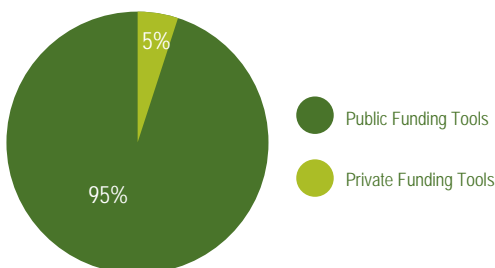
- Discretionary Community Grants.
- Fee Abatement Scheme.

Rationale for choice of revenue and financing tools

Public benefits identified	Private benefits identified	Other considerations
Building Communities Grants and Contracts - Te Puke Sports Field. - Te Puna Library.	Benefits deriving from these service delivery contracts and grants accrue to the users of these facilities. Although these users could theoretically be identified, Council cannot charge user fees for these facilities because they are not Council assets. Council funds these contracts in order to secure public access to these facilities for the benefit of the community.	No private benefits identified.
Building Communities Grants and Contracts - Creative Tauranga. - Tauranga Citizens Advice Bureau. - Sport Bay of Plenty. - Bay of Plenty Surf Lifesaving. - Katikati Resource Centre.	The community as a whole benefits from these service delivery contracts and grant schemes. Individuals benefiting from these services cannot be separately identified at the time the service is provided.	
Building Communities Grants and Contracts - Fee Abatement Scheme. - Discretionary Community Grants.	Council's Community Funding Policy, which governs these grant schemes, limits eligibility to those activities and projects that provide a public benefit.	

Funding targets

Building Communities Grants and Contracts



Financing sources

Revenue sources

General Rates

- Targeted Rates (Katikati Ward 75%, Waihi Beach Ward 25%)
- Targeted Rates, (Defined Area of Benefit)

Discretionary Grants

- Service Delivery Contracts
- Tauranga Citizens Advice Bureau.
- Creative Tauranga.
- Sport Bay of Plenty.
- Bay of Plenty Surf Lifesaving.
- Te Puke Sports Fields.
- Fee Abatement Scheme.

- Katikati Resource Centre. (Service Delivery Contract)

- Te Puna Library.

For further details of Council's rating tools, refer to the Funding Impact Statement within the Financial Information section.

Revenue and Financing Policy – Customer Care

Scope of Policy

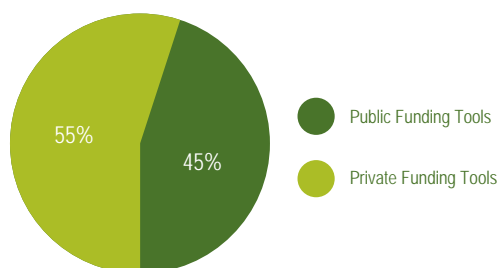
This policy applies to the provision of service, advice and information to internal and external customers, by staff at the front desks of Council's offices. It includes delivery of internal service level agreements and the monitoring of customer satisfaction with front desk services.

Rationale for choice of revenue and financing tools

Public benefits identified	Private benefits identified	Other considerations
<p>Many customers cannot be efficiently or practically identified when they receive the service, especially those making telephone enquiries.</p> <p>The public benefits from the existence of the service and from the option to use the service.</p> <p>Many individuals seek information from Council in order to comply with Council processes, regulations and procedures. In such cases there is a third party benefit to the public in Council providing that advice, as those individuals will more likely comply with the regulations and follow the appropriate procedures.</p>	<p>This activity has both internal customers (Council departments and functions) and external customers (individuals who seek help and information at the front desk of Council offices and over the telephone.). Internal customers can be identified at the time they receive the service and can be charged through internal cost recoveries and overheads.</p> <p>External customers can be identified and could theoretically be charged for the service provided.</p>	

Funding targets

Customer Care



For further details of Council's rating tools, refer to the Funding Impact Statement within the Financial Information section.

Financing sources

Revenue sources

Internal recoveries	Through overheads and internal service agreements.
Fees and charges	Where practical and efficient to charge, e.g. for file access, photocopying
General Rates	Balance of revenue requirement, including operations, maintenance and capital expenditure.

Revenue and Financing Policy – Libraries

Scope of Policy

This policy applies to:

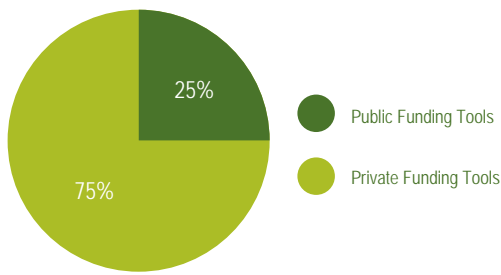
- Ownership and provision of library services at Katikati, Te Puke, Omokoroa and Waihi Beach.
- Management of the library services function.

Rationale for choice of revenue and financing tools

Public benefits identified	Private benefits identified	Other considerations
Improving literacy levels through the encouragement of reading may have positive effects on the long-term socio-economic status of residents.	Benefits accrue to the individual users of the library services, who can be identified at the time they receive the service.	Late return and loss of books and theft reduces the opportunity for others to borrow books.
The community benefits from a better-informed and more literate community.	Use by an individual marginally reduces the opportunity of others to use the service.	Damage to books increases costs of service provision.
Since libraries make information available in the community, many residents value the existence of a library even though they may not use the service themselves.	Theoretically, it would be possible to exclude ratepayers from the service if they refused to pay for it, but legislation provides that Council cannot charge for membership of libraries.	Equity and fairness: In reviewing this policy, Council notes that any cost increases that result from increased levels of service for libraries should not be funded by a rate in the dollar, as this would mean that higher land value properties, in particular large rural properties, would pay more than their fair share of the cost.
Having a library in a community may contribute to the public's pride in their community.	Developers and new residents benefit from the provision of local library services in the District, which must be increased to cater for growth.	

Funding targets

Libraries



For further details of Council's rating tools, refer to the Funding Impact Statement within the Financial Summaries and Statements section.

Financing sources

Financial contributions Capital development and book purchases required as a result of growth.

Revenue sources

District UAC ¹	75% of revenue requirement, including renewals, operations and maintenance expenditure.
User Fees	8% of revenue requirement, including renewals, operations and maintenance expenditure.
General Rate	17% of revenue requirement, including renewals, operations and maintenance expenditure.

¹ Council's policy is that increases in cost arising from increased levels of service should be funded by the District UAC, not the General Rate. This is to ensure that properties with higher land values are not required to pay more than their fair share of the cost of library services.

Revenue and Financing Policy – Emergency Management

Scope of Policy

Civil Defence

Council currently provides this service in conjunction with Tauranga City Council, through the contribution of a levy.

This activity is the delivery of civil defence emergency management measures. It covers all aspects of the '4R' approach to comprehensive emergency management in addressing major emergencies in the District, namely Reduction, Readiness, Response and Recovery towards the preservation of life and property and co-ordination of care and relief of distress following a disastrous event which leads to a state of emergency.

The activity also includes the maintenance of a state of public awareness and readiness for civil emergencies and natural disasters.

Council contributes to the funding of this activity because it is legally obliged to do so under the Civil Defence Emergency Management Act 2002 and to fulfil the community's expectations that this service will be provided in the District.

Rural Fire

This activity is the provision of rural fire services, to the Western Bay of Plenty District and Tauranga City through Western Bay Moana Rural Fire Authority. It includes fire prevention education and the maintenance of fire fighting equipment. It does not include the cost of fire-fighting itself.

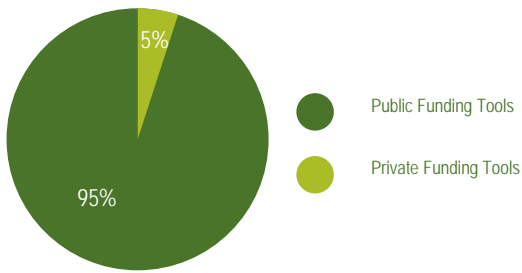
Council provides this service to fulfill its obligations under the Forest and Rural Fires Act 1977 and the Fire Service Act 1975 and to meet public expectation that such services will be provided by Council.

Rationale for choice of revenue and financing tools

Public benefits identified	Private benefits identified	Other considerations
<p>Civil Defence: The community as a whole benefits from the District and subregion's readiness, plans and policies for dealing with a civil emergency. In the event of an emergency, this service would benefit all sectors of the community and the environment.</p> <p>Individuals who directly benefit from this service cannot be separately identified.</p> <p>Public education advises the community how to cope with civil emergencies and how to reduce the likelihood of loss in emergency situations. This benefits the community as a whole.</p> <p>Rural Fire: The community benefits from the existence of the rural fire service. It values the opportunity to call on the services of the rural fire service if necessary. People enjoy this benefit even if they do not ever have to use the service.</p>	<p>No private benefits identified.</p>	<p>External funding sources include:</p> <ul style="list-style-type: none"> - Central government - Cost Sharing Scheme 9-11% of expenditure refunded. - Central Government Recovery Assistance, applicable only if emergency declared. <p>Exacerbators identified include:</p> <ul style="list-style-type: none"> - Rural Fire - Vandalism, careless lighting and poor control of fires in rural areas can lead to fires becoming out of control. - Civil Defence - Careless use, transport and storage of large quantities of hazardous substances resulting in a civil emergency.

Funding targets

Emergency Management



Financing sources

Revenue sources

Cost recovery charges	Rural fire – wherever possible.
General Rate	Civil Defence levy.
	Rural Fire – balance of operations and capital expenditure costs after cost recovery.

For further details of Council's rating tools, refer to the Funding Impact Statement within the Financial Information section.

Revenue and Financing Policy – Pensioner Housing

The purpose of this activity is to provide and maintain pensioner housing.

Scope of Policy

This policy applies to the provision, operation and maintenance of Council-owned pensioner housing in the District.

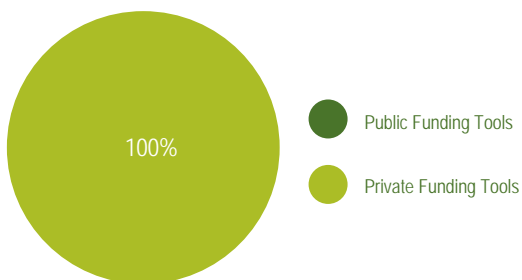
Council owns 70 pensioner units in Waihi Beach, Katikati and Te Puke.

Council provides pensioner housing in support of providing affordable housing to older residents.

Public benefits identified	Private benefits identified	Other considerations
<p>The public derives benefit from the existence of a scheme which supports older residents in accessing affordable housing.</p> <p>The public indirectly benefits from supporting the health and wellbeing of low income residents through the provision of affordable housing.</p>	<p>Most of the benefits of pensioner housing resides with tenants of the units.</p> <p>Council-owned pensioner housing has a very high rate of occupancy.</p> <p>Pensioner units are regularly refurbished to ensure they are well maintained and comfortable.</p>	<p>Access to Council-owned affordable housing is limited to a relatively small number of low income older residents.</p>

Funding targets

Pensioner Housing



Financing sources

Revenue sources

Fees and charges	To recover 100% of revenue requirement, including operations, capital and maintenance expenditure over ten years of this plan.
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For further details of Council's rating tools, refer to the Funding Impact Statement within the Financial Information section.

RECREATION AND LEISURE

Overview

The “great outdoors” is the key feature of recreation and leisure in the Western Bay of Plenty. Whether it's fishing at sea, hunting in the hills, swimming at the beach, river rafting, enjoying a summer concert in a park, strolling along the harbour's edge, kicking a ball around or rock climbing, the outdoors is the place to do it.

Looking after the well-being of future generations by ensuring a basic range of recreational opportunities is available in the long-term, is key to Council's recreation and leisure strategy.

Each community has its own range of outdoor and recreational facilities - spaces for organised sports, community buildings, amenity spaces - that enable people to enjoy themselves and feel proud about where they live. However, as population pressures increase within the District, additional demand is placed on the existing network of recreational and community facilities. These pressures occur both through increases in permanent residents together with visitors and holidaymakers.

In response to these issues and to ensure a sustainable recreation and leisure programme, Western Bay of Plenty District Council has identified its key responsibilities as:

- Providing a network of reserves and community facilities for the public to use and enjoy.
- Planning for the future.
- Partnering with the community.
- Collaborating with Tauranga City Council.
- Advocating in the interests of people and communities.

In balancing the increasing demands placed on Council's recreation and leisure infrastructure with the communities' willingness and ability to pay for such services, Council has elected to provide a basic range of public facilities at this time, in accordance with statutory obligations.

Reserve management plans for Maketu, Waihi Beach, Te Puke, Kaimai and Katikati wards have been completed and much of the expenditure over the next ten years will be focused on implementing these plans. The Moore Park development in Katikati which was highlighted in the Katikati Reserve Management Plan has now been completed and Centennial Park in Te Puke is close to completion. A number of reserves that are considered surplus have been identified in the Reserve Management Plans. Consultation on disposal or change of status will occur in accordance with the provisions of the Reserves Act 1977 and the Local Government Act 2002 as appropriate. Funds received from the sale of reserves are applied to reserve development, including land purchase.

Within the SmartGrowth strategy the “live, work and play” principle is a guiding force in ensuring open spaces are created and protected for sports, leisure and the arts at a subregional level.

The protection and enhancement of the natural and cultural environment is a cornerstone of sustainable development. Therefore, Tauranga City and Western Bay of Plenty District Councils have made considerable investment in the joint purchase of land for subregional

parks to safeguard the land from future residential/industrial development. Council has partnered with Tauranga City Council and collaborated with tangata whenua in the development of subregional parks - the TECT All Terrain Park (1638ha) in upper Pyes Pa and the Huharua Harbour Park (8.7ha) at Plummer's Point.

Development has begun at TECT Park and will continue for many years after the park opens in 2009. At Huharua Harbour Park, infrastructure and tree planting have been completed and the park is open to the public. Ongoing work is being done by Pirirakau hapu to develop Ongarahu Pa into a unique visitor attraction.

Council has amended its significance policy on page 190 by adding to clause 5.1.2. *“unless a reserve has been identified for disposal or investigation for disposal in an adopted Reserve Management Plan”*. This change is a pragmatic wording change to reflect that consultation would have already been undertaken with the community under the Reserves Act 1977 to dispose or investigate disposal of the asset and therefore further consultation under the Local Government Act 2002 would be inappropriate.

Council assets in this group of activities

The Council owns 222 reserves (excluding sub regional parks such as Huharua and the TECT All Terrain Park) ranging from large natural areas to small, developed reserves with playgrounds, public toilets, sports fields and skate parks. Of these reserves, 158 are actively maintained, with the remainder being undeveloped, natural open space. The parks and reserves renewal and replacement programme is determined from Council's Reserve Management Plans, with maintenance scheduled on a cyclical basis to ensure assets are maintained in good condition.

Council also owns 22 boat ramps, 35 seawalls, 3 pontoons and 11 wharves and jetties, which are maintained to provide for a range of recreational and commercial uses. An example of this are the two jetties at Panepane Point and Opuoreora servicing Matakana Island.

There are five camping grounds within the district:

- Athenree Hot Springs Motor Camp
- Te Puke Camping Ground
- Beach Haven, Waihi Beach
- Bowentown Holiday Camp
- Waihi Beach Top 10 Holiday camp.

The land is designated reserve, owned by Council and leased to camp proprietors.

There are two swimming pools within the district:

- Dave Hume swimming pool, Katikati
- Te Puke High School swimming pool.

The Dave Hume pool is owned by Council and operated under a service delivery contract with the Dave Hume Pool Trust. The Te Puke pool is owned by Te Puke High School and provides access to the public under a service delivery contract, under which Council contributes to a proportion of renewal costs.

10-year programme highlights

The following key projects are included to address growth demands and are therefore funded predominantly by financial contributions. Capital projects are subject to review at each Annual Plan and Reserve Management Plan review. Funding, mainly from financial contributions is required to be received for projects to proceed.

Subregional and District-wide

- Contribution to subregional projects including TECT All Terrain Park (\$8.8 million, equally funded by Tauranga City Council and Western Bay of Plenty District Council), Huharua Harbour Park (\$1.1 million)
- From Recreation and Leisure Financial Contributions that Council already collects, an annual payment will be made to Tauranga City Council for the provision of a subregional sports and exhibition centre. The payment will be calculated at \$96 for each new lot created in the Western Bay of Plenty District, to acknowledge the share of capacity of this facility attributable to that growth.
- District signage (\$345,000).
- Review Reserve Management Plans. Maketu (2013), Kaimai (2014), Waihi Beach (2014), Katikati (2015), Te Puke (2016) at a cost of \$30,000 for each review.
- Renewal works district wide, including replacing toilets and old assets built in the 1960's
- Review the Recreation and Leisure Strategy in 2009/2010, including the level of service for pools district-wide.

Maketu Ward

- Development of Spencer Ave Park, Maketu \$916,000 in 2016, following review of Maketu Reserves Management Plan.

Te Puke Ward

- Land purchase and associated development in accordance with the Te Puke Structure Plan has been postponed to align with development of industrial land and subdivisions and plan changes (\$6.7 million 2014 and \$881,000 in 2018).
- Complete the development of Centennial Park, Te Puke (\$146,000) as detailed in the Te Puke Reserves Management Plan.
- Contribute to Te Puke Action Centre development (\$250,000 in 2009/2010 carried forward from previous years).
- Feasibility studies for Te Puke High School Action Centre and school pool replacement (\$50,000).

Kaimai Ward

- Omokoroa Seawall (\$1.56 million beginning in 2010, funded by the environment protection rate).
- Omokoroa Boat ramp construction (\$3.61 million beginning in 2013). Siting, size, etc will be part of a study undertaken in 2009.
- Maramatanga sports grounds (\$240,000 in 2010).
- Omokoroa sports grounds (\$330,000 in 2013).

Katikati Ward

- Moore Park sports grounds have been completed and will cater for the planned growth in Katikati over the next 10 years. New toilets are planned for Digglemann Park in 2012 (\$140,000).
- Northern Harbour Boat Ramp construction (\$1.56 million beginning in 2013).
- Haiku Park walkway extension, Katikati (\$116,000 in 2015) and Uretara Landing (Humphrey's) jetty extension (\$90,000 in 2010).
- Kauri Point carpark, walkway and landscape development (\$220,000 in 2009/10).

Waihi Beach Ward

- Broadlands Recreation area development, Waihi Beach (\$217,000 beginning 2012).
 - Wilson Park development (\$327,000 beginning 2009).
- These two projects will be subject to the outcome of consultation currently underway regarding Pohutukawa Park and Broadlands Recreation Area.

What Council wants to achieve

Council Outcome 1: Facilities are safe, healthy and appropriate.

BCRL1

This outcome concerns the communities' desires to have facilities that are affordable and significant to individual communities, reflecting the needs and the unique character of the locality. It also covers Council's legal responsibilities to provide safe and healthy facilities.

Council Outcome 2: A basic range of public facilities is available.

BCRL2

This outcome concerns those facilities that Council will take full responsibility for funding and operating. In particular circumstances it may be more efficient to fund service provision for the public by others.

Council Outcome 3: Council and community work together to provide and promote recreation and leisure facilities.

BCRL3

This outcome identifies a number of different ways that Council may work with the community to provide a better overall range and quality of recreational experiences for the public.

Council Outcome 4: Subregional recreation and leisure opportunities are available.

BCRL4

This outcome recognises that people's involvement in recreational groups and their use of services, facilities and open spaces occurs without regard to local authority boundaries. Outdoor public recreational opportunities are available to anyone, regardless of where they live. Recreation also contributes directly and indirectly to the local economy, especially tourism and retail activity. Council must balance its unique relationship with Tauranga City with its

responsibilities to Western Bay of Plenty District residents, ratepayers and businesses.

Council Outcome 5: Important natural, cultural and heritage values are protected.

BCRL 5

Often, spaces important for recreation and leisure are also important for other reasons. Council must balance recreational, natural, heritage and cultural values in managing its assets.

Council Outcome 6: Resources are secured for present and future public recreation and leisure needs.

BCRL 6

This section considers Council's role in securing resources, including financial, land or other resources, to meet the needs of present and future users of public recreation facilities and spaces in the District.

Why Council wants to achieve this (rationale)

Contribution to Community Outcomes

This activity contributes primarily to the following Community Outcomes:

- Our communities are vibrant and welcoming.

This means that:

- Our communities are caring, inclusive and work together.
- We recognise and respect Maori as tangata whenua.
- Our diverse cultural heritage and traditions are respected and celebrated.
- A range of arts, culture, recreation and life long learning opportunities is available to us all.
- Town centres are the heart of our communities and promote local identity.
- The rural and coastal character of our District is maintained.
- Growth and development is well planned for

- Our environment is clean, green and valued.

This means that:

- Service providers work with us to ensure the environment is sustainably managed.
- Indigenous habitats and species are plentiful.
- Rare and representative habitats and species are protected and enhanced.
- Air, water and land quality are maintained to protect our health and ecological systems.

Council's role in contributing to these Community Outcomes is more fully described in the Council Outcomes and strategies within this chapter. For example:

- Planning for and providing a wide range of playgrounds, sports fields, and open space for recreation.
- Providing boat ramps, jetties and access to the coast and bush.
- Providing car parks, public toilets, picnic areas, walkways and motor camps.
- Contributing to community facilities, like sports and events centres, owned by other organisations.
- Working with Department of Conservation, the Bay of

Plenty Regional Council and community organisations on environmental initiatives, e.g. Coastcare.

To meet statutory obligations under the following Acts:

- Local Government Act 1974 (unrepealed).
- Reserves Act 1977.
- Resource Management Act 1991.
- Local Government Act 2002.

Activities in this group of activities

- Recreation reserves and facilities.
- Coastal and marine structures..

Significant negative effects associated with these activities

Development of recreational facilities for the benefit of the wider public may have a perceived negative impact on individual neighbouring properties, for example in terms of privacy, noise and loss of views if large trees are planted. This is balanced by the social and environmental and cultural wellbeing of the public as a whole. This effect is mitigated by providing a process of public consultation through reviews of Reserve Management Plans on a regular basis, which include informal public meetings and formal consultation processes.

How Council will achieve this

Council Outcome 1

Facilities are safe, healthy and appropriate.

BCRL1

1.1 Appropriate facilities for each community

Council will plan for a range of public recreational opportunities for each community, balancing the overall provision of such opportunities across the District as a whole and considering the particular character and short and long-term needs of each community. Mechanisms to achieve this include:

a) Council's leadership role

In accordance with Council's overall strategy for leadership, all Council decision-making processes will reflect the principles of sustainable development, including consideration of environmental, social, economic and cultural impacts and developing local solutions to local problems and the principles of the Treaty of Waitangi.

Council's role: Lead

b) Recreation and Leisure Strategy and Action Plan

The Recreation and Leisure Strategy and Action Plan sets out the overall direction for development of public recreation opportunities over the next 10 years.

Council's role: Lead

c) Asset Management Plans

Council will continue to implement its Asset

Management Plans that deal with the ongoing operations and maintenance of its recreational opportunities (i.e. reserves, property, coastal and marine structures).

Council's role: Lead

d) Reserve Management Plans

Council will prepare Reserve Management Plans as required by legislation. These will comprise the relevant concept plan(s) and sections of the Recreation Action Plan, together with operational policy and approval from the Department of Conservation where necessary.

Council will use the Reserve Management Plan process to identify those areas where overnight parking of certified self-contained vehicles is appropriate.

Council's role: Lead

e) Community partnerships

Council will achieve the closest possible match to establishing facilities that are appropriate to each community through the use of partnerships with groups within that community.

Council's role: Partner

1.2 Safe and healthy facilities

Council will regulate and monitor land and facilities for recreation in accordance with legislation. Council's level of involvement will depend on Council's role in the provision of the recreational opportunity.

a) Facilities/activities/events provided by others

Council will use its various regulatory powers to ensure that public, private, community and commercial recreational facilities, activities and events meet legal requirements for health, safety and mitigation of adverse effects.

Council's role: Partner

b) Facilities provided by Council

In addition to complying with relevant legislation, Council will endeavour to meet best practice guidelines when developing and establishing recreational facilities.

Council's role: Lead

Council Outcome 2

A basic range of public facilities is available.

BCRL2

2.1 Outdoor activity space (including sports fields and hard courts)

Council will provide up to a medium standard of facility for outdoor activities, subject to:

- the size of and demand from the community;
- availability of alternative facilities;
- the opportunity to locate a number of different activities on one site.

This will enable informal and junior sports to be played and encourage different activity codes to share common facilities. Where a higher level of grass or specialist surface is required for adult club sports and competition, the club or community will be required to contribute to the additional costs of construction and maintenance. Refer to Outcome 3.

Council's role: Lead

2.2 Playgrounds

Council will provide playgrounds. The type of playground will be determined by:

- location;
- unique characteristics of the site;
- access;
- age structure of the locality;
- availability of alternative facilities;
- identity of the community.

Council's role: Lead

2.3 Picnic areas, beach access and bush access

Council will provide picnic areas and access to the beach, rivers and bush with regard to:

- site configuration and road access;
- natural and amenity values of each site;
- nature of public demand (e.g. walking, cycles, vehicles).

Council's role: Lead

2.4 Boat ramps and jetties

Council will provide public boat ramps and jetties to a standard based on:

- demand, including estimated peak demand;
- site configuration and water access, including tidal characteristics;
- likely user needs (e.g. kayak, small craft, trailer launching, etc.);
- availability of alternative facilities.

Council's role: Lead

2.5 Public toilets

Council will provide public toilets to a standard based on:

- demand;
- nature of the surrounding development;
- expected level of use.

In exceptional situations, Council may consider contributing towards expenses where businesses make customer toilets available for use by the public at large.

Council's role: Lead

2.6 Public carparks and vehicle access

Council will provide public carparks and access to a standard based on:

- demand;
- the nature and intensity of the associated activities;
- whether the adjoining public road is sealed or unsealed.

Council's role: Lead

2.7 Walkways and cycleways

Council will provide walkways and cycleways to a standard based on:

- demand;
- amenity of the surrounding area;
- accord with any Structure Plan that may exist for future development;
- Council's Walking and Cycling Strategy.

Council's role: Lead

2.8 Landscaping and minor capital development

Council will provide for landscaping and minor capital development. Minor capital development includes signage, seating, bollards, fencing and the like which enable better use to be made of the reserve or facility and which reflect the community's identity.

Council's role: Lead

2.9 Commercial users of public recreational facilities

Where commercial use is made of any public reserve or facility, including boat ramps and jetties, Council will negotiate with the commercial operator to pay a fee that recovers a fair share of the provision and maintenance costs.

Council's role: Lead

Council Outcome 3

Council and community work together to provide and promote recreation and leisure facilities.

BCRL3

3.1 Multiple activities on one site

Wherever possible, Council will seek to locate a number of complementary recreational activities together on one site. This will not only avoid duplication of the supporting public infrastructure (e.g. carparks, toilets, access) but also encourage a more sustainable way of managing organised leisure activities by the community itself.

Council's role: Facilitator

3.2 Better public facilities for the community

Council will be responsive to its communities in a range of ways in order to better meet their needs for recreation. These are the ways that Council will respond:

a) Higher standard of facilities on Council land

Where a particular group or the community as a whole demands a better standard of facility than that ordinarily provided by Council (refer to Outcome 2), subject to:

- that group or community funding the additional amount; and
- agreement being reached as to recovery of any additional ongoing operation and maintenance costs,

then Council will provide the higher standard of facility.

Council's role: Lead

b) Club facilities on Council land

Council will allow community groups (e.g. sports clubs, cultural groups) to lease a suitable part of a reserve to construct a building complex that is able to meet the needs of user groups on that site.

In general, Council will not allow single purpose clubhouses to be erected on reserves. Council will continue to honour existing leases, but will seek to encourage rationalisation of buildings on reserves.

Council's role: Lead

c) Community services and facilities on Council land

Where a group intends to offer a service to the wider community (e.g. emergency response, surf life-saving, early childhood education) and the reserve is suitably classified, then Council will enter into an appropriate lease arrangement to enable community use of the land.

Council's role: Lead

d) Gifts for public use and enjoyment (e.g. seats, barbecues, works of art)

Community groups and individuals may gift structures or works of art for placement on reserves or other land held by Council. Prior to acceptance of the gift, Council will identify any expectations of the donor regarding the gift and, where necessary, agree on a gift protocol.

Council's role: Lead

e) Development on Council land by non-Council groups

Council will facilitate opportunities for community groups to develop reserves and other land held by Council. Where a longer term relationship is anticipated Council will establish a partnership protocol so that there is a clear understanding by both parties of how the relationship will work.

Council's role: Lead, Facilitator, Partner

f) Management of Council land by non-Council groups

Where a group wishes to take responsibility for developing land and facilities for the use and enjoyment of the public, Council may consider working in partnership by leasing the land to the group. The group will need to be a legal entity and will be required to prepare a management plan showing how the land will be managed and developed.

Council's role: Lead

g) Facilities on land not owned by Council

Council may partially fund capital development costs of recreational facilities that will be available for public use on land that is held by suitable

organisations, in accordance with Council's Facilities in the Community Policy.

Council's role: Partner

3.3 Public access to specialist facilities (e.g. swimming pool, indoor events centre)

Council may subsidise public access to specialist recreational facilities managed or provided by other organisations where there is a clear mandate from the community. A performance-based contract will set out the requirements for funding public access..

Council's role: Lead

3.4 Emergency first response

Council will support volunteer groups in their emergency first response work by considering the leasing of reserve land for facilities where required.

Council's role: Lead

3.5 Information and promotion

Council will promote recreational opportunities within the subregion and provide information on its network of public recreational opportunities.

Community groups and commercial recreation operators will be able to display promotional material in Council's Libraries and Service Centres.

Council's role: Lead

3.6 Events

Council will provide for the use of public spaces for events, in accordance with Council regulations. In particular cases, community organisations may be able to apply for Council-managed funds (e.g. Creative Communities Western Bay of Plenty Fund, Discretionary Community Grants, Fee Abatement) for running an event.

Council's role: Lead

3.7 Accommodation

Council will enable the continued operation of the five existing motor camps on Council reserve land.

Council will provide effluent disposal points and parking spaces at selected locations for campervan use.

Council will not permit use of its reserves and public open spaces for temporary living accommodation.

Council's role: Lead

3.8 Mobile facilities

Council will investigate the provision of mobile facilities that could be used at multiple sites.

Council's role: Lead

Council Outcome 4

Subregional recreation and leisure opportunities are available.

BCRL4

4.1 Subregional recreational provision with Tauranga City Council

Council will work with Tauranga City Council in a number of ways to provide cross-boundary recreational opportunities, including:

a) Subregional parks

Council will be an active partner in establishing subregional parks, by:

- allocating funds for subregional park land acquisition;
- allocating funds for development of such land;
- participating in preparation of regional park management plans;
- facilitating establishment of a "Friends of the Regional Parks" fund-raising group;
- part funding ongoing operations and maintenance.

b) Subregional facilities – concept development, feasibility assessment and capital development

Council may consider requests from Tauranga City Council to be its partner in development of subregional facilities where:

- Council is involved from the early planning stages, including concept development and feasibility study; and
- Council participates in establishing levels of service standards for specific subregional projects; and
- Council participates in decision-making processes for the proposed facility; and
- Access to the proposed facility is secured for Western Bay of Plenty District residents and ratepayers.

Council's role: Partner

4.2 Subregional support services for recreation and leisure

Council will assist communities in developing and managing their own futures with respect to recreation by funding specialist agencies to provide support for local community groups on establishing, managing and strengthening that group and their recreational activities.

Council's role: Partner

Council Outcome 5

Important natural, cultural and heritage values are protected.

BCRL5

5.1 Balancing many values

Council will work with the community, tangata

whenua and key agencies to identify and protect those areas of recreational land that also have important natural, cultural and heritage values. All concept development work, feasibility studies, reserve management plans, contracts for land and facility development and contracts for service will have regard for the known values of the land and facilities and structures on it.

The review of reserve management plans will take ecological values and ecological corridor principles into account in the purchase and management of reserves.

Council's role: Lead

5.2 Bay of Plenty Regional Council

Council will work with Bay of Plenty Regional Council to provide recreational opportunities by:

- setting and using effective guidelines for processing recreational resource consent applications;
- collaborating on development for recreational use of the harbours and waterways of the Western Bay of Plenty;
- collaborating to provide better quality recreational environments;
- partnering environmental restoration projects on Council land, including Coast Care;
- advocating to other organisations and central government on matters of common concern.

Council's role: Partner, Facilitator, Advocate

5.3 Department of Conservation

Council will work with the Department of Conservation to provide recreational opportunities by:

- providing suitable facilities at public access points to Department of Conservation land, including roadside parking, picnic facilities, bins and, where there is sufficient demand, toilets;
- partnering environment restoration projects on Council land;
- collaborating to provide better quality recreational environments;
- advocating for sufficient funding for Department of Conservation to meet its land ownership responsibilities within the Western Bay of Plenty District.

Council's role: Partner, Facilitator, Advocate

5.4 Environment protection groups

Council will work in partnership with the community and key organisations to develop and implement environment action plans, particularly those initiatives that will benefit Council's network of reserves.

Council's role: Partner, Facilitator

Council Outcome 6

Resources are secured for present and future public recreation and leisure needs.

BCRL6

6.1 Financial resources

Council will make use of the full range of financial resources that are available to it, including:

a) Financial contributions

Under section 11 of Western Bay of Plenty District Council's District Plan, Council requires financial contributions for reserves to be paid at the time of subdivision, on additional lots created and on additional dwellings.

b) Financial contributions interest

Council will use interest from the Recreation Financial Contribution Account to undertake investigative studies relating to future provision and development of recreational assets.

c) Rates

Rates will be used by Council to cover the shortfall in operating and maintenance costs for recreation and community facilities, once user fees and charges have been included.

d) Depreciation reserves

Depreciation reserves will be used by Council to cover asset renewals, when such funds are available. Where a higher standard of facility is to be constructed, Council will use other funding sources to cover the cost of the higher standard. In any situation where this is proposed to lead to a financial impact on ratepayers, Council will first consult with the community.

e) Uniform Annual Charges

Council may apply Uniform Annual Charges where a clear area of benefit may be identified for a recreational or community facility that has both public and private good characteristics (e.g. public swimming pool).

f) User Fees and Charges

Council will charge for the exclusive use of Council land by groups.

For short-term exclusive use, the User Fees and Charges as notified in the Annual Plan will be applied.

For long-term use, Council will enter into a lease agreement. Council must formally agree to any lease, in accordance with its leasing policy.

Where a group requires a higher level of service from Council (e.g. more frequent mowing) then Council and the group will negotiate an

appropriate contribution from the group to cover the increased costs.

g) Community-based funding

(e.g. Lotteries, Bay of Plenty Community Trust, Tauranga Energy Consumer Trust - TECT, local gaming trusts, commercial and philanthropic funds)

Council will negotiate access to community based funding sources for significant subregional and regional projects, in collaboration with its potential project partners.

Council will support community groups which are proposing to provide recreation facilities or activities for the Western Bay of Plenty public in their applications for community funding, where the proposal is in accord with the Community Outcomes.

Council will apply for funding from funding agents for projects of community benefit. The funding from TECT towards the TECT All Terrain Park is an example.

Council's role: Lead

6.2 Land

Council will secure suitable land for recreation and leisure. Different types of recreational activities require different types of land.

These are the main types of land and criteria for assessing site suitability and community need:

a) Outdoor and indoor organised activities

Council is keen to establish a few areas across the District where a wide range of organised recreational activities can take place on one site. The intention is to establish viable sporting and recreational centres, where groups can benefit from co-locating and Council can avoid duplication of resources such as toilets and car parking.

Co-location with educational institutions is also desirable, especially where significant new urban expansion is happening.

One-off events, such as festivals and exhibitions, should also be able to be accommodated within the outdoor space or buildings.

b) Neighbourhood use

Council will acquire land for neighbourhood reserves in the identified communities when new residential subdivision development occurs.

c) Esplanades and access to water

Council will secure access to those areas identified on the District Plan planning maps as proposed esplanade when the opportunity arises.

Council will assess and secure those parts of the unformed roading network that have the potential to provide recreational access to the harbour or the identified rivers and streams.

d) Walkway and cycleway linkages

Council will secure land for walkways and cycleways in the identified communities when new subdivision development occurs or the opportunity arises.

Land will be acquired for recreation where this is the dominant value. Where land is more important for other Council activities, such as stormwater management, access will be secured for recreation but land purchase will be from funding by the dominant activity.

e) Land for long-term recreational development

Council will secure land that has been identified for long-term recreational development, or that has recreational value as well as strategic value for other Council activities. Where part of the land is developed for other Council activities, recreational land funding sources will be reimbursed fairly.

f) Subregional parks

Council will work in partnership to acquire land for subregional parks, as set out above in Outcome 4.

g) Environment/cultural/heritage protection

Council will secure land that is highly significant for its natural, cultural or heritage value, in consultation with the community and in collaboration with government agencies (such as Bay of Plenty Regional Council and the Department of Conservation), land owners and other interested organisations.

Where the land has significant recreational value for the public, Council may acquire the land.

h) Land divestment

In situations where land is identified as being no longer required for recreational or community purposes, Council may divest the land.

Council's role: Lead

6.3 Community Based Resources

Council will work in a variety of ways to secure resources for the wider community, in order to provide a higher standard of facility for public recreation, or a facility/structure that reflects the unique character of that community. Such relationships may be formal or informal. These are the main ways that Council will work:

a) Community gifts and donations

(e.g. gifts, sponsorships, volunteers)

Council will work with community groups that are interested in offering their resources for the benefit of the public at large.

Where a significant gift is involved, Council and the donor group will develop a protocol that sets out the principles of the gift.

Refer also to Outcome 3.

b) Partnerships

(e.g. Sport and Recreation NZ)

Where a long-term relationship is anticipated, Council will establish partnerships with community groups and funding organisations. A partnership protocol will be established setting out the roles of each partner and how the relationship will work.

Refer also to Outcome 3.

c) Strategic alliances

(e.g. with Tauranga City Council, Bay of Plenty Regional Council)

Council will enter into formal strategic alliances with other major stakeholders in public recreation.

Council will ensure the interests of its district's residents are fairly represented.

Refer also to Outcome 4.

d) Advocacy

(e.g. letters of support for recreational facilities to be provided by others for the community)

Council will advocate for the community in accordance with the strategic outcomes and principles of this Strategy and Action Plan.

Refer also to Outcome 3.

Council's role: Lead, Partner, Facilitator, Advocate

Council Action Plan – Recreation and Leisure

Summary of major projects and activities											
Project Number	Project Description	\$'000									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
2449	District Wide Reserve Acquisition	200	208	215	220	7000	233	240	246	1133	257
2456	Spencer Ave, Maketu	0	0	0	0	17	0	899	0	0	0
2458	Broadlands Block	0	0	150	110	0	0	0	0	0	0
2601	Haiku Pathway	135	0	0	0	0	291	0	0	0	0
2603	Kauri Point Reserve	220	0	0	0	0	0	0	0	0	0
2647	Hunter Estate Reserve	200	0	0	0	34	0	0	0	0	0
2687	Motunau Park	10	0	191	0	0	0	0	0	0	0
28012	Park Rd Reserve Maketu Car Park and Roadway	0	0	0	176	0	0	0	0	0	0
281505	Omokoroa Seawalls	625	0	322	0	621	0	0	0	0	0
2898	All Terrain Subregional Park Infrastructure	1679	800	720	1901	1513	511	528	357	403	412
290401	Huharua Subregional Park Development	162	216	251	137	68	105	0	0	0	109
2945	Omokoroa Sports Ground	0	0	0	330	0	0	0	0	0	0
294901	Parkwood Trade Centre Subdivision Land Purchase	0	0	483	0	0	0	0	0	0	0
295201	Northern Harbour Boat Ramp - construction	0	0	0	716	847	0	0	0	0	0
295203	Omokoroa Boat Ramp	0	0	0	193	198	0	0	0	0	3218
312501	District Signage	30	31	32	33	34	35	36	37	38	39
320801	District Reserves Asset Renewals	101	71	131	171	237	209	353	293	459	417
321101	Coastal & Marine Structure Renewals	20	94	5	31	46	216	178	75	266	190
321801	Waihi Beach Community Centre	0	0	54	220	0	0	0	0	0	0
321901	Waihi Beach Surf Club Reserve	20	14	279	0	0	0	0	0	0	0
322001	Tauranga Harbour Recreation Strategy	30	31	35	28	18	0	0	0	0	0
322101	Wilson Park	122	44	137	24	0	0	0	0	0	0
322701	Pongakawa Domain upgrade access and hardcourt	0	10	102	0	0	0	0	0	0	0
322801	Seabreeze Park Pukehina Beach	0	52	86	0	0	0	0	0	0	0
163503	Te Puke Aquatic Centre Service Del Contract	53	55	57	58	60	61	63	65	66	68
165401	Dave Hume Swimming Pool Service Del Contract	56	58	60	62	63	65	67	69	70	72
249201	Facilities in the Community Contribution	57	59	61	61	62	64	66	68	69	71
309002	Te Puke High School Action Centre - Feasibility Study	25	0	0	0	0	0	0	0	0	0
309003	Te Puke High School Action Centre	0	0	274	0	0	0	0	0	0	0
318901	Subregional Recreation FC share Sports and Exhibition Centre	25	26	30	31	35	36	39	50	51	47
324701	Te Puke Pool - Feasibility Study	25	0	0	0	0	0	0	0	0	0

Note: This is not a complete list of the projects in this group of activities. For a full listing, please refer to Council's website.

How Council will track progress

Outcomes

Council Outcome	Performance Measures	Actual			Target		
		30/6/2008	2010	2011	2012	2013-2015	2016-2019
Outcome 1 (BCRL1) Facilities are safe, healthy and appropriate.	Key Council Performance Measure Index to show the recreational service provided per 1000 residents. (excludes Regional Parks). This index is based on a weighted average of facilities available and relative usage due to increasing population and limited recreational land available this measure shows a decreasing trend after 2011.	1.73	1.94	1.97	1.89	1.83	1.75
Outcome 2 (BCRL2) A basic range of public facilities is available.	Key Resident Performance Measure Two-yearly survey of resident satisfaction levels (with reserves and recreational facilities and amenities). Based on residents who are very satisfied and satisfied.	78%	75%	No Survey	75%	75%	75%
Outcome 3 (BCRL3) Council and community work together to provide and promote recreation and leisure facilities.	Supporting Measures Number of service requests received where injury occurred on a recreational facility is reported.	7	0	0	0	0	0
Outcome 4 (BCRL4) Subregional recreation and leisure opportunities are available.	% of recreational facilities that have a condition rating less than or equal to 3 (1 excellent, 5 very poor as defined in NZ Park and Recreation Asset Grading Standard manual).	92%	95%	95%	95%	95%	95%
Outcome 5 (BCRL5) Important natural, cultural and heritage values are protected.	% completion of annual work programme as identified in the Recreation and Leisure strategy and action plan. This identifies the total annual actions required for this strategy.	91%	90%	90%	90%	90%	90%
Outcome 6 (BCRL6) Resources are secured for present and future public recreation and leisure needs.	% of agreed Reserve Management Plans that have been reviewed in accordance with the Reserve Management Act 1977.	100%	100%	100%	100%	100%	100%

Levels of service and measurement

Levels of Service	Performance Measures	Actual			Target		
		30/6/2008	2010	2011	2012	2013-2015	2016-2019
A basic range of public facilities will be provided.	Public facilities available per 1,000 people. Excludes Regional Parks which have significant free space.						
NOTE: Decreasing trend is recognising the population growth in the District and that existing facilities will be shared by more people.	Land						
	• Organised sport (hectares)	1.60	1.6	1.5	1.5	1.5	1.4
	• Neighbourhood/amenity (hectares)	2.92	2.7	2.6	2.6	2.5	2.4
	• Community facilities (hectares)	0.08	0.1	0.1	0.1	0.1	0.1
	Total	-	-	-	-	-	-
	SmartGrowth requires a total of 3.2ha per 1,000	4.6	4.3	4.4	4.2	4.1	3.9
	Facilities						
	• Sportsfields	0.72	0.70	0.80	0.80	0.80	0.70
	• Hard courts	1.03	1.0	1.0	1.0	1.0	0.90
	• Camping grounds	0.12	0.24	0.24	0.23	0.22	0.20
	NOTE: There is currently no industry standard for facilities. This measure will be reviewed as part of the Recreation and Leisure Strategy Review in 2010						
Provide regional parks (TECT and Huharua) as per joint partnership with Tauranga City Council.	% of identified actions for TECT and Huharua completed as per development plan	New	100%	100%	100%	100%	100%
NOTE: TECT has 30 year staged development plan. Intention is to complete stages as forecast. Huharua development will be completed by 2012.							

Projected Financial Summary – Recreation and Leisure

For the years ended 30 June	2010 \$'000	2011 \$'000	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
Analysis of expenditure - by activity										
District Reserves	3,226	3,577	3,932	3,901	4,363	4,596	4,726	4,827	5,007	5,250
Motor Camps	37	38	39	41	41	43	44	45	46	47
Swimming Pool	245	238	196	198	189	190	193	199	208	214
Coastal and Marine structures	336	345	367	415	494	501	509	515	522	653
Total operating expenditure	3,845	4,199	4,534	4,555	5,087	5,330	5,471	5,586	5,783	6,164
Analysis of expenditure - by class										
Direct costs	3,202	3,460	3,652	3,447	3,553	3,725	3,798	3,887	4,032	4,105
Overhead costs	(46)	(34)	(36)	(33)	(38)	(34)	(40)	(42)	(44)	(43)
Depreciation	689	774	918	1,141	1,572	1,639	1,714	1,742	1,795	2,103
Total operating expenditure	3,845	4,199	4,534	4,555	5,087	5,330	5,471	5,586	5,783	6,164
Revenue										
Targeted rates	128	133	137	139	123	126	130	134	137	140
Financial contributions	1,543	1,743	3,080	3,341	3,887	3,987	3,646	4,616	4,642	4,423
Interest	77	151	221	261	390	250	473	670	927	1,210
Other income	1,730	1,223	1,257	1,813	1,622	1,201	1,195	1,125	1,176	1,249
Total revenue	3,477	3,250	4,696	5,553	6,022	5,564	5,444	6,545	6,882	7,022
Net cost of service - Surplus / (Deficit)	(367)	(949)	162	999	935	234	(27)	959	1,099	858
Capital expenditure	4,472	2,306	3,924	4,995	10,943	2,002	2,792	1,069	2,260	4,604
Total other funding required	(4,839)	(3,255)	(3,763)	(3,996)	(10,008)	(1,768)	(2,819)	(110)	(1,161)	(3,746)
Other funding provided by										
General Rate	2,427	2,721	2,851	2,709	2,809	2,978	3,135	3,024	3,467	3,401
Roading Rate	0	0	0	0	0	0	0	0	0	0
Environment Protection Rate	625	0	322	0	621	0	0	0	0	0
Reserves & future surpluses	1,787	534	590	1,287	6,577	(1,210)	(316)	(2,914)	(2,306)	346
Total Other funding	4,839	3,255	3,763	3,996	10,008	1,768	2,819	110	1,161	3,746

All information from 2011-2019 includes an adjustment for inflation.

Council's additional asset requirements – Recreation and Leisure

	2009/10	22010/11	2011/12	2012/13	2013/14	2014/15	2015/16	20016/17	20017/18	20018/19
Total Capital Expenditure										
Additional levels of service	282,000	169,407	351,069	126,675	62,098	40,703	227,806	0	0	0
Additional capacity for future residents (growth)	3,919,953	1,843,582	2,726,690	4,471,506	10,392,404	1,483,208	1,996,301	663,635	1,497,554	3,958,682
Renewals	269,970	292,572	846,691	396,694	488,075	478,056	567,672	405,128	762,811	645,588
Capital expenditure after adjustment for inflation	4,471,923	2,305,561	3,924,450	4,994,875	10,942,578	2,001,966	2,791,779	1,068,763	2,260,365	4,604,270

Additional levels of service are funded by District Rates

Renewals are funded by use of depreciation reserves and District Rates.

Growth related projects (capacity for future residents) will be recovered by financial contributions over a 25 year period and from future rates. These also include an allocation for interest.

Key Assumptions – Recreation and Leisure

Assumption	Description	Confidence (High, Med, Low)	Consequence of error in assumption																														
Growth in Visitor Numbers	<p>For the coastal Bay of Plenty, international visitor nights are forecast to increase by 17.6% during the period 2009 to 2014, and domestic visitor nights are forecast to increase by 1.7% over the same period. This equates to 6.2% overall, being 1.2% growth p.a.</p> <p>Impact of visitors is expected to be concentrated on coastal communities of Waihi Beach, Katikati, Pukehina Beach and Maketu. Together with Omokoroa, these communities also receive a significant number of day visitors, which is forecast to increase by 7% over the same period. In addition, one-off events will impact on visitor numbers to particular areas.</p>	Medium	If visitor numbers grow faster than expected, there could be pressure on Council infrastructure and visitor facilities, especially at peak season.																														
Recreation Grants	Facilities that Council contributes capital towards, but does not own, are excluded from ongoing operating and maintenance calculations, except where separate service delivery contracts exist.	High	Contribution may be lost if the organisation fails to maintain the facility.																														
Recreation and Leisure Assets Useful Lives	Expenditure forecasts are based on estimates of useful lives for reserves and recreation assets, together with the latest condition assessments for the assets. Updating of assessments is ongoing.	High	Underestimation of useful life will result in actual renewals occurring later than forecast. Over estimation of useful life of assets would result in actual renewals occurring earlier than planned.																														
Recreation and Leisure Capital Costs	Forecast capital costs are based on best known information gained from recently completed projects and local contractors' rates.	Medium	If capital costs are higher than forecast, the development programme will slow unless there is a corresponding increase in income from finance contributions or rates.																														
Recreation and Leisure Operating Costs	Forecast operating and maintenance costs based on actual costs or an estimate of on-costs taking into account forecast inflation.	Medium	If costs are higher than forecast, there will be an impact on revenue required to maintain the assets and provide the required levels of service.																														
Recreation and Leisure Financial Contributions	Income forecasts are based on the predicted number and value of subdivisions reaching 224 status.	Medium	If financial contributions income is less than predicted, capital works may be delayed until income has been received.																														
Resident population growth	<p>The District's population is expected to grow by 19.7% between 2009 and 2019 and the number of rateable properties is forecast to increase by 20.6% over the same period. This is consistent with the long-term growth projections in the subregional growth strategy, SmartGrowth.</p> <p>The timing of that growth is expected to be slower in the first two years of the Long Term Plan (0.6% in 2009/10 and 1.1% in 2010/11) returning to more normal growth in later years.</p>	Medium	<p>Significant differences between forecast population and household growth and actual outturns would result in Council failing to provide appropriate and cost-effective levels of service to communities.</p> <p>Over-estimating the speed of growth could increase Council's debt if infrastructure development was undertaken in anticipation of growth that did not eventuate.</p>																														
Inflation Projections	<p>Financial Projections within the Recreation and Leisure group of activities have been calculated by applying the following inflation factors to core costs:</p> <table border="1"> <thead> <tr> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Property/ Reserves costs inflation</td> <td>3.9</td> <td>3.3</td> <td>2.6</td> <td>2.5</td> <td>3.0</td> <td>3.1</td> <td>2.5</td> <td>2.4</td> <td>2.3</td> </tr> <tr> <td>Staff costs inflation</td> <td>3.5</td> <td>2.4</td> <td>2.7</td> <td>2.6</td> <td>2.6</td> <td>2.6</td> <td>3.1</td> <td>3.2</td> <td>3.1</td> </tr> </tbody> </table> <p>It is assumed that 19% of the operating costs will be affected by the staff costs inflation factor and 81% will be affected by the other inflation factor.</p>		2011	2012	2013	2014	2015	2016	2017	2018	2019	Property/ Reserves costs inflation	3.9	3.3	2.6	2.5	3.0	3.1	2.5	2.4	2.3	Staff costs inflation	3.5	2.4	2.7	2.6	2.6	2.6	3.1	3.2	3.1	Low	If actual inflation rates vary from those assumed, costs will either be over or under-estimated. This will affect the financial projections for the activity including expenditure, revenue and financing requirements for this activity.
	2011	2012	2013	2014	2015	2016	2017	2018	2019																								
Property/ Reserves costs inflation	3.9	3.3	2.6	2.5	3.0	3.1	2.5	2.4	2.3																								
Staff costs inflation	3.5	2.4	2.7	2.6	2.6	2.6	3.1	3.2	3.1																								
Legislation	There will be no changes to current legislation regarding health and safety at Council facilities and Council's responsibilities for ensuring the safety of visitors to its Reserves	High	If new standards of health and safety were legislated, Council may have to replace equipment or change its processes, but this cannot be quantified until specific changes (if any) are proposed.																														
Climate Change	<p>Although sea level rises are predicted as one of the effects of climate change, this is likely to over a long period of time, exceeding the life of this Long Term Plan. As a result, no provisions have been made for additional projects to address sea level rise in this plan. Projects addressing existing coastal erosion issues have been proposed.</p> <p>Climate change is expected to result in more intense storms. New rainfall intensity factors, based on the Ministry for the Environment climate change recommendations, have been assumed (refer to stormwater activity assumptions). Council intends to review its mapping of floodable areas which will take account of the new rainfall intensities and provide more accurate descriptions of areas that are prone to flooding.</p>	High	If extreme weather events cause damage to infrastructure on coastal reserves, Council has a disaster contingency fund (currently \$5 million) that could be used to help fund the replacement of that infrastructure.																														

Revenue and Financing Policy – Recreation and Leisure

District reserves, harbour structures, recreational service delivery contracts

Scope of Policy

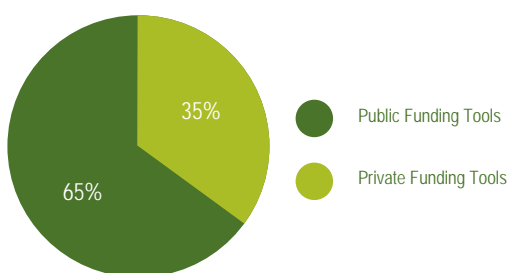
This policy applies to the provision, management and planning of Council's reserves and harbour structures (jetties, boat ramps and sea walls) erected for recreational purposes or to protect reserves and public access ways. Council has a statutory responsibility as an administering body under the Reserves Act 1977 to manage its reserves for the benefit of the community. It also applies to service delivery contracts relating to swimming pools in Te Puke and Katikati.

Rationale for choice of revenue and financing tools

Public benefits identified	Private benefits identified	Other considerations
Reserves provide recreation and open space to the community as a whole and many residents value their existence and the option to use them for both passive and active recreation.	Sports and recreational clubs whose clubhouses occupy parts of reserves can be identified and are charged rentals. Graziers who occupy reserves for grazing can be identified and charged. Clubs, organisations and individuals that use sports fields on a seasonal basis can be identified and charged.	Land has an infinite life and the life of the improvements exceeds 15 years.
Facilities are available for use by visitors and residents alike. Communities are often proud of their reserves and even if they do not use them themselves, people may recognise a prestige value attached to particular reserves.	Users of jetties and boat ramps could be identified and could be charged. There is some commercial use of these structures that can be identified and charged for.	Life of coastal and harbour structures ranges from 15 to 50 years.
In many cases it is not practical or efficient to identify the individual users of reserves and recreational assets, including boat ramps and jetties.	Users of swimming pools can be identified and are charged by the pool administrators for that use. (This income accrues to the administering trust, not to Council).	The life of swimming pool assets is estimated to be 75 years.
	The level of provision of recreational assets is linked to demand, which is affected by population growth and development. Property developers can be identified and charged for the resulting consumption of reserves capacity when properties are developed.	Vandalism, littering and inappropriate use of facilities results in increased costs to ratepayers for maintenance and replacement of assets.

Funding targets

Reserves



For further details of Council's rating tools, refer to the Funding Impact Statement within the Financial Information section.

Financing sources

Loans	To fund significant land acquisition opportunities. Loans to be serviced through Financial Contributions or General Rates as appropriate.
Financial Contributions	To fund the capital development that is required to accommodate growth and to service loans where appropriate.
Revenue sources	
General Rates; fees for commercial use of boat ramps; rentals, lease fees, grazing fees, fines and reparation	To fund renewals of capital and all operating, maintenance and financing costs, including the share of capital expenditure that relates to existing ratepayers.
Environment Protection Rate	Coastal erosion projects relating to reserves.
Targeted Rates (Te Puke and Maketu wards); Targeted Rate (Te Puke Community Board area)	To fund service delivery contract relating to Te Puke Pool.
Targeted Rates (Katikati Ward)	To fund service delivery contract relating to Dave Hume Pool.

Revenue and Financing Policy – Motor Camps

Scope of Policy

This policy applies to Council-owned property that is leased on a commercial basis to motor camp operators. The properties are either held as reserve land or as corporate property and include:

- Reserves set aside under section 53 (1)(h)(ii) of the Reserves Act 1977
- Te Puke Holiday Park
 - Sapphire Springs Holiday Park

- Athenree Hot Pools and Holiday Park
- Bowentown Holiday Park
- Waihi Beach Holiday Park

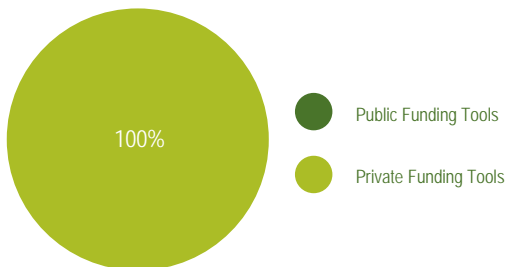
- Corporately-owned property
- Beachhaven Holiday Park

Rationale for choice of revenue and financing tools

Public benefits identified	Private benefits identified	Other considerations
<p>The public benefits from the existence of the camp ground as a community asset and public access to the property is protected in terms of section 17 of the Reserves Act 1977, subject to any specific terms of the lease and bylaws.</p> <p>In terms of section 78 of the Reserves Act 1977, any surpluses generated from reserve land must be used for reserve purposes, providing a public benefit.</p>	<p>The lessees of the property have a legal interest in the land and use this for commercial gain. They are charged for the right of occupation through a lease (market rates).</p> <p>Under the Local Government (Rating) Act 2002, reserve land will no longer be liable for rates. Previously lessees were required to pay the rates, so this will mean an effective reduction in the amount due under such leases.</p>	<p>The land and improvements to the property revert to Council on expiry, surrender, breach or otherwise of each lease but the estimated useful life of the assets is not known at present. As a result no inter-generational benefits have been recognised.</p> <p>Legal disputes, which may arise with lessees, would result in increased expenditure on this activity, e.g. increased compliance monitoring costs.</p>

Funding targets

Motor Camps



Financing sources

Revenue sources

Lease rentals	To fund any operating costs, overheads and maintenance of the properties undertaken by Council.
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For further details of Council's rating tools, refer to the Funding Impact Statement within the Financial Information section.

REGULATORY

Overview

Territorial authorities are required to carry out specific regulatory functions, roles and duties in accordance with legislation. These include animal control, building and health services, resource consents and compliance activities.

In delivering regulatory services, Council is committed to the principles of quality control and continuous improvement in meeting its legislative obligations. Council strives to be innovative in the delivery of these services and is committed to ensuring a high level of service for the level of funding provided.

Council recognises the need to deliver regulatory services in a fair and impartial manner and will continue to ensure customers are fully informed at key stages of service delivery. Where enforcement becomes necessary the consequences of action or inaction on the part of the customer are to be fully advised.

Council assets in this group of activities

Council owns and operates two dog pounds located in Te Puke and Katikati. Maintenance costs are funded from dog licensing fees.

10-year programme highlights

- Fee increases for regulatory activities are published in Council's Schedule of Fees and Charges for 2009/10 (see appendix). Fee increases have been driven by costs relating to Building Act 2003 accreditation, process improvements and extending Council's electronic data management to property files.

What Council wants to achieve (rationale)

Council Outcome 1: Regulatory services support community wellbeing.

BCRE1

This outcome recognises that regulation and compliance monitoring is necessary to ensure community health and safety and to address equity issues.

Why Council wants to achieve this

Contribution to Community Outcomes

This activity contributes primarily to the following Community Outcomes:

- Our environment is clean, green and valued.

This means that:

- Service providers work with us to ensure the environment is sustainably managed.
- Indigenous habitats and species are plentiful.
- Rare and representative habitats and species are protected and enhanced.
- Air, water and land quality are maintained to protect our health and ecological systems.

- We can all enjoy a healthy and safe lifestyle.

This means that:

- We feel safe and secure in our homes and communities.
- Housing is affordable and appropriate to our life-stages.

- We have easy access to quality health and social services.
 - Transport and other infrastructural services are safe and meet our needs.
 - Our communities are vibrant and welcoming.
- This means that:
- Growth and development is well planned for
 - The rural and coastal character of our District is maintained.

Council's role in contributing to these Community Outcomes is more fully described in the Council Outcomes and strategies within this chapter. For example:

- Issuing building consents, undertaking building inspections.
- Implementing the District Plan by issuing resource consents and enforcing their conditions.
- Providing animal control and dog registration services.
- Car parking, litter and by-laws enforcement.
- Providing environmental health and licensing services.
- Providing information and advice on land and properties to the public.

To meet statutory obligations under the following Acts:

- Resource Management Act 1991.
- Building Act 2004.
- Health and Safety in Employment Act 1992.
- Dog Control Act 1996.
- Impounding Act 1955.

Activities in this group of activities

- Resource consents.
- Building and health services.
- Animal control.
- Compliance.
- Regulatory services.

Significant negative effects associated with these activities

Individuals' social, cultural and economic wellbeing could be affected by limits imposed on their activities for the benefit of the public as a whole. Examples include enforcement of dog control, building and health standards and compliance with resource consent conditions. Such negative effects are balanced against the wellbeing of the wider community. Over-regulation of activities may stifle opportunities to improve economic wellbeing. Consultation processes undertaken when Council develops policies help to reduce this effect. Compliance costs for individuals can be reduced by ensuring that Council processes are efficient and easy to comply with.

How Council will achieve this

Council Outcome 1

Regulatory services support community wellbeing.

BCRE1

1.1 Regulatory services

Council will provide building, animal control, environmental health, licensing and enforcement

services to meet community and legislative requirements for health and safety.

Council's role: Lead

1.2 District Plan implementation

Council will provide District Plan implementation services to meet legislative planning requirements for the District.

Council's role: Lead

Links to other Council Strategies

- Refer Representation: Strategy 2.4.
- Refer Sustainable Development: Strategy 2.4.
- Refer Recreation and Leisure: Strategy 6.1(a).
- Refer Communities: Strategy 2.7(a).
- Refer Stormwater: Strategy 3.1.
- Refer Wastewater: Strategy 1.1.

How Council will track progress

Council uses performance measures to track its progress towards the achievement of Council Outcomes and delivery of levels of service.

Outcomes

Council Outcome	Performance Measures	Actual			Target		
		30/6/2008	2010	2011	2012	2013-2015	2016-2019
Outcome 1 (BCRE1) Regulatory services support community wellbeing.	Key Council Performance Measure Number of successful legal challenges or mediation settlements made as a result of Council staff error.	0	0	0	0	0	0
	Key Resident Performance Measure % level of customer satisfaction based on survey of regulatory services. (This survey includes Resource Consents, Building Consents and Animal Services.)	86%	85%	85%	85%	85%	85%
	Supporting Measures % of resource consent processes completed in accordance with Council and legislative requirements.	98.5%	100%	100%	100%	100%	100%
	% of actions completed in accordance with Council and legislative requirements for: - Animal Control - Building and Health Services	97%	100%	100%	100%	100%	100%

Levels of service and measurement

Levels of Service	Performance Measures	Actual			Target		
		30/6/2008	2010	2011	2012	2013-2015	2016-2019
100% of resource consent applications will be processed within the statutory timeframes.	% of all resource consent applications processed within the statutory timeframes.*	97%	100%	100%	100%	100%	100%
98% of building and health applications and plan checking will be processed within statutory timeframes.	% of all building and health applications and plan checking processed within the statutory timeframes.*	82%	98%	98%	98%	98%	98%
100% of Land Information Memoranda (LIM) and Project Information Memoranda (PIM) applications processed within the statutory timeframe (10 days).	% of LIM and PIM applications processed within the statutory timeframes (10 days).	99.5%	100%	100%	100%	100%	100%
98% of dogs in the District are registered.	% of known dogs in the district that are registered.	98%	98%	98%	98%	98%	98%

*Statutory time frames not specifically identified as it involves more than one Resource Consent and Business Plan Process.

Projected Financial Summary – Regulatory

For the years ended 30 June	2010 \$'000	2011 \$'000	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
Analysis of expenditure - by activity										
District Plan Implementation	1,677	1,774	1,801	1,847	1,892	1,948	1,987	2,039	2,096	2,157
Building and Health	1,830	1,923	1,959	2,007	2,055	2,111	2,155	2,211	2,271	2,335
Animal Control	675	709	722	740	757	777	794	814	835	857
Other	810	796	896	855	834	800	801	776	858	867
Total operating expenditure	4,991	5,202	5,378	5,449	5,538	5,635	5,737	5,840	6,061	6,216
Analysis of expenditure - by class										
Direct costs	3,034	3,091	3,264	3,286	3,326	3,353	3,423	3,477	3,642	3,733
Overhead costs	1,888	2,042	2,045	2,095	2,143	2,214	2,245	2,294	2,350	2,414
Depreciation	69	69	69	69	69	69	69	69	69	69
Total operating expenditure	4,991	5,202	5,378	5,449	5,538	5,635	5,737	5,840	6,061	6,216
Revenue										
User fees	4,038	4,221	4,323	4,427	4,528	4,637	4,748	4,862	4,984	5,108
Interest	6	6	6	6	6	6	6	6	6	6
Other income	47	49	50	52	53	54	55	57	58	59
Total revenue	4,092	4,277	4,380	4,484	4,587	4,697	4,810	4,925	5,048	5,174
Net cost of service - Surplus / (Deficit)	(899)	(925)	(999)	(965)	(950)	(938)	(927)	(915)	(1,012)	(1,041)
Capital expenditure	0	0	0	0	0	0	0	0	0	0
Total other funding required	(899)	(925)	(999)	(965)	(950)	(938)	(927)	(915)	(1,012)	(1,041)
Other funding provided by										
General Rate	866	865	938	902	885	871	858	839	930	952
Reserves & future surpluses	33	60	60	63	65	67	69	76	83	89
Total Other funding	899	925	999	965	950	938	927	915	1,012	1,041

All information from 2011-2019 includes an adjustment for inflation.

Key Assumptions – Regulatory

Assumption	Description	Confidence (High, Med, Low)	Consequence of error in assumption																														
Animal Control Demand	Service requests expected to remain static at 1100 requests per year, as control and prevention strategies take effect. Number of registered dogs expected to remain constant at 7,600-7,700, based on historic trends in numbers of dogs registered.	High	Unlikely to be any significant change in registration numbers because of high levels of confidence.																														
Building Consents Demand	Assume 1,500 consents for 2009-19, which is the long term average. Range in recent years has been 1250-1800 consents per year.	Medium	Variation can be absorbed as long as there is not a significant percentage drop in volume.																														
Liquor Licenses Growth	Growth in liquor licenses will follow population growth rate of 19.7% over period 2009-2019.	High	No significant consequences as there is a three year renewal cycle.																														
Resource Consents Demand	Demand is 500-600 consents per year. Trends indicate that level of activity is not strongly linked to population growth.	Medium	If significantly higher, pressure on budget as consultants used more. If lower, pressure on budget eases as consultants not used.																														
Compliance Activity Demand	Trends assumed to follow resource consent numbers, therefore same activity as previous year. Compliance service requests are expected to remain stable.	High	Not significant - high fixed cost in activity.																														
Registered Premises Demand	Growth in registered premises will follow district population growth of 19.7% between 2009 and 2019.	High	Not significant.																														
New legislation	No new legislation is enacted that requires Council to enter into significant new regulatory activities.	Medium	If Council is required to enter into new activities, there would be an increase in operating costs.																														
Resident population growth	<p>The District's population is expected to grow by 19.7% between 2009 and 2019 and the number of rateable properties is forecast to increase by 20.6% over the same period. This is consistent with the long term growth projections in the subregional growth strategy SmartGrowth.</p> <p>The timing of that growth is expected to be slower in the first two years of the Long Term Plan (0.6% in 2009/10 and 1.1% in 2010/11) returning to more normal growth in later years.</p>	Medium	<p>Significant differences between forecast population and household growth and actual outturns would result in Council failing to provide appropriate and cost-effective levels of service to communities.</p> <p>Over-estimating the speed of growth could increase Council's debt if infrastructure development was undertaken in anticipation of growth that did not eventuate.</p>																														
Inflation Projections	<p>Financial Projections within the Regulatory group of activities have been calculated by applying the following inflation factors to core costs:</p> <table border="1" data-bbox="304 1301 871 1458"> <thead> <tr> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Staff costs inflation</td> <td>3.5</td> <td>2.4</td> <td>2.7</td> <td>2.6</td> <td>2.6</td> <td>2.6</td> <td>3.1</td> <td>3.2</td> <td>3.1</td> </tr> <tr> <td>Other Inflation</td> <td>4.5</td> <td>2.4</td> <td>2.4</td> <td>2.3</td> <td>2.4</td> <td>2.4</td> <td>2.4</td> <td>2.5</td> <td>2.5</td> </tr> </tbody> </table> <p>It is assumed that 66% of operating costs will be affected by the Staff Costs Inflation factor and 34% will be affected by the Other Inflation factor.</p>		2011	2012	2013	2014	2015	2016	2017	2018	2019	Staff costs inflation	3.5	2.4	2.7	2.6	2.6	2.6	3.1	3.2	3.1	Other Inflation	4.5	2.4	2.4	2.3	2.4	2.4	2.4	2.5	2.5	Low	If actual inflation rates vary from those assumed, costs will either be over or under-estimated. This will affect the financial projections for the activity including expenditure, revenue and financing requirements for this activity.
	2011	2012	2013	2014	2015	2016	2017	2018	2019																								
Staff costs inflation	3.5	2.4	2.7	2.6	2.6	2.6	3.1	3.2	3.1																								
Other Inflation	4.5	2.4	2.4	2.3	2.4	2.4	2.4	2.5	2.5																								

Revenue and Financing Policy – Regulatory

Rationale for choice of revenue and financing tools

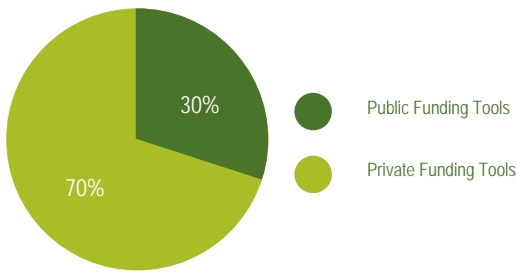
Public benefits identified	Private benefits identified	Other considerations
<p>Traffic and parking</p> <ul style="list-style-type: none"> - Enforcement of bylaws aimed at improving and maintaining traffic safety provides a public benefit. Those who will benefit from traffic safety measures cannot be identified at the time the service is provided and includes pedestrians and cyclists, as well as motor vehicle owners. 	<ul style="list-style-type: none"> - Enforcement of parking bylaws enables businesses in the patrolled areas to benefit from accessible parking close to their businesses. - Individuals, who can be identified, benefit from having the potential to use convenient parking spaces. 	<p>Funding target for this sub activity was set at 100% private, after taking into account lawful policy of Council, recognition of exacerbators and the public interest.</p>
<p>Dog control</p> <ul style="list-style-type: none"> - The public benefits from the enforcement of bylaws and legislation aimed at meeting health, order and safety requirements. - Public education improves safety, reduces the incidence of complaints and benefits the community. - Patrolling of public places and enforcement of animal restrictions (especially in the holiday season) benefits the public, including visitors to the District. - The impounding and destruction of unregistered and unidentified dogs benefits the public. 	<ul style="list-style-type: none"> - Registration of dogs provides a benefit to identifiable individuals, lost dogs can be identified and returned to owners. - People can avoid using the registration services by not owning a dog. 	<p>Dog owners who do not maintain control of their animals may cause public nuisance and/or danger, requiring the attention of animal control officers. Offenders are fined but there remains an unrecovered cost of enforcement.</p> <p>Funding targets for this sub-activity were set at 80% private and 20% public.</p>
<p>Livestock control</p> <ul style="list-style-type: none"> - Offenders can only be prosecuted through the courts, therefore unrecovered cost of enforcement remains where it is unreasonable and not cost-effective to prosecute. - The public benefits from the enforcement of bylaws aimed at meeting health, order and safety requirements. - Public education improves safety, reduces the incidence of complaints and benefits the community. 	<ul style="list-style-type: none"> - Stray stock can be returned to the owner by animal control officers. 	<p>Animal owners who do not maintain control of their animals may cause public nuisance and/or danger, requiring the attention of animal control officers.</p> <p>Funding targets for this sub-activity were set at 60% private and 40% public.</p>
<p>Land Information Memoranda (LIMs)</p> <ul style="list-style-type: none"> - Well-informed members of the public can make better property purchase decisions and illegal or dangerous situations will come to the attention of Council. - Encouragement of the use of LIMs places pressure on owners of un-consented illegal or dangerous properties to regularise their situation, benefiting the community indirectly. 	<ul style="list-style-type: none"> - LIMs are produced in response to an application. Applicants can exclude themselves by not requesting a LIM and applicants are identified and charged. - Council is entitled by legislation to withhold a LIM if payment is not made. 	<p>Funding targets for this sub-activity were set at 50% private and 50% public, after taking into account Council's obligation to act in the interests of ratepayers and residents.</p>
<p>Resource Consents monitoring and District Plan compliance</p> <ul style="list-style-type: none"> - Enforcement of consent conditions ensures that development of the District is consistent with Council's District Plan, benefiting the community, rather than individuals. - Protection lot monitoring, noise control monitoring and bylaw enforcement benefits the community as a whole. 	<ul style="list-style-type: none"> - Individuals being monitored can be identified and charged when they receive the monitoring service, but the members of the public who benefit from the monitoring cannot be identified. - Individuals can exclude themselves from the service by not seeking consents, but the members of the public who benefit from the monitoring of consent conditions cannot exclude themselves from the service. 	<p>Expenditure on this sub-activity increases where there is non-compliance with consent conditions and enforcement is required. Cost recovery can include infringement fines and/or prosecution through the Court.</p> <p>Funding targets for this sub-activity were set at 10% private and 90% public, after taking into account Council's obligation to act in the interests of ratepayers and residents and promotion of lawful policy of Council.</p>
<p>Health and Building Services public enquiries and compliance</p> <ul style="list-style-type: none"> - Offenders may be prosecuted but, as there are no other punitive enforcement options, there is an unrecovered cost of enforcement which benefits the public. - Public education and the monitoring and investigation of complaints improve safety and benefits the community. - Individuals have the opportunity to obtain information on consents and licences, even if they are not applicants themselves. - The community may benefit from the use of information obtained by individuals. - When applicants are well informed, consents and licences can be processed more smoothly. The public may benefit from this in terms of reduced numbers of objections. 	<ul style="list-style-type: none"> - Individuals benefit from this service by obtaining information when making enquiries. Individuals could be identified and charged when they receive this service. - If individuals refused to pay, Council could withhold this service. 	<p>Funding targets for this sub-activity were set at 15% private and 85% public, after taking into account Council's obligation to act in the interests of ratepayers and residents and promotion of Council's policy to charge fees for Building Services applications as far as possible.</p>

Rationale for choice of revenue and financing tools (continued)

Public benefits identified	Private benefits identified	Other considerations
<p>Building Services application, processing, approval and inspection</p> <ul style="list-style-type: none"> - The public benefits from the assurance that building standards are being upheld. For example, the public benefits from standards relating to fire safety, earthquake strengthening and moisture prevention. - The public also benefits from the implementation of any District Plan provisions that apply. 	<ul style="list-style-type: none"> - Administration costs are incurred in response to applications for building consent made by applicants, who can be identified and charged for the service. - The applicants benefit, as consent is required before the project can proceed and inspections are made during the project's life. 	<p>Non-compliance with Council's requirements and statutory obligations for applications and the subsequent project increases the costs of this service.</p> <p>Funding target for this sub-activity was set at 100% private, after taking into account the Building Services policy of Council to recover costs from fees wherever possible.</p>
<p>Building Services application, processing, approval and inspection</p> <ul style="list-style-type: none"> - The public benefits from the assurance that building standards are being upheld. For example, the public benefits from standards relating to fire safety, earthquake strengthening and moisture prevention. - The public also benefits from the implementation of any District Plan provisions that apply. 	<ul style="list-style-type: none"> - Costs are incurred in response to applications and in response to annual licensing requirements. Applicants can be identified and charged for the services. - Liquor licence applicants benefit, as a licence is required before liquor may be sold. - Registered premises and dangerous goods licensees benefit because legislation requires annual licensing for business to continue. 	<p>Non-compliance with statutory obligations within the application and the licensing processes increases the costs of this service.</p> <p>Funding targets for this sub-activity were set at 70% private and 30% public.</p>
<p>Consents public enquiries</p> <ul style="list-style-type: none"> - Individuals benefit from the opportunity to obtain information on consents, even if they do not use it. The community may indirectly benefit from the use of information obtained by individuals. - When consent applicants are well informed, consents can be processed more smoothly and the public may benefit from this in terms of reduced numbers of objections and appeals being lodged. 	<ul style="list-style-type: none"> - Individuals benefit from this service by obtaining information when making enquiries. Individuals could be identified and charged when they receive the service. - If individuals refused to pay, Council could theoretically withhold this service. 	<p>Although Council assessed the benefits of this activity to be 5% public and 95% private, it is not Council policy to charge for this service, which is in the interest of ratepayers and residents.</p> <p>The funding target was therefore set at 100% from public funding tools.</p>
<p>Non-notified Resource Consents</p> <ul style="list-style-type: none"> - Council's control of development and imposition of consent conditions benefits the public in general. - The District Plan rules are designed to control the negative effects of development and to impose charges on developers to mitigate those negative effects, for the benefit of the public. The implementation of the District Plan therefore benefits the community as a whole. - Facilitation of consultation with affected parties, iwi, Council and infrastructure owners, benefits the community. 	<ul style="list-style-type: none"> - Administration costs are incurred in response to applications made by applicants, who can be identified and charged for the service. The applicants benefit, as consent is required before the project can proceed. 	<p>Council set the funding target for this activity as 80% private and 20% public.</p>
<p>Notified Resource Consents</p> <ul style="list-style-type: none"> - Council's control of development and imposition of consent conditions benefits the public in general. - The District Plan rules are designed to control the negative effects of development and to impose charges on developers to mitigate those negative effects, for the benefit of the public. The implementation of the District Plan therefore benefits the community as a whole. - Facilitation of consultation with affected parties, iwi, Council and infrastructure owners, benefits the community. <p>Note: Costs of holding the Hearings process are included in Leadership activity.</p>	<ul style="list-style-type: none"> - Administration costs are incurred in response to applications made by applicants, who can be identified and charged for the service. The applicants benefit, as consent is required before the project can proceed. 	<p>Any person who believes they are affected may object to notified consents. Where vexatious or frivolous objections are made, there is an increased cost to the consent process. Council is unable to levy fines or penalties in such cases, as only the Environment Court may order costs for such objections.</p> <p>Council set the funding targets for this activity as 75% private and 25% public.</p>
<p>Subdivisions</p> <ul style="list-style-type: none"> - The public obtains a benefit from this activity through the control of subdivision and the assurance that such development was carried out according to the provisions of the District Plan and the Resource Management Act 1991. - The District Plan rules are designed to control the negative effects of development and to impose charges on developers to mitigate those negative effects, for the benefit of the public. The implementation of the District Plan therefore benefits the community as a whole. - Facilitation of consultation with affected parties, iwi, Council and infrastructure owners, benefits the community. 	<ul style="list-style-type: none"> - This service is provided in response to applications by developers to subdivide. Developers and purchasers of subdivided land benefit from this activity, when projects obtain consent. 	<p>Monitoring of subdivision consents is included in this activity. Additional costs are incurred where non-compliance is discovered. Charges can be levied to cover this.</p> <p>Council assessed the benefits of this activity as 90% private and 10% public, but it is Council's policy to recover fees from applicants as far as possible and therefore the funding target was set at 100% private funding tools.</p>
<p>Appeals</p> <ul style="list-style-type: none"> - The applicant and submitters have a statutory right to appeal. - The public obtains benefit through the control of development and the assurance that such development is carried out according to the provisions of the District Plan and the Resource Management Act 1991. 	<ul style="list-style-type: none"> - Although both applicants and submitters can be identified and could choose to exclude themselves from the service by not appealing conditions of consent, they have a statutory right to appeal and Council cannot charge them for the activity or exclude them. 	<p>Frivolous or vexatious appeals may incur orders from the Courts for costs. Council has in the past been awarded only a proportion of the costs incurred.</p> <p>Council assessed the benefits of this activity as 100% public.</p>

Funding targets

Total Regulatory Services



Financing sources

Revenue sources

Fines, General Rates	Traffic and parking.
Registration Fees, Fines, General Rates	Dog control.
General Rates, User Fees, Impounding Fees	Livestock control.
User Fees, General Rates	Land Information Memoranda.
General Rates, Fines and Penalties, User Fees	Resource Consents monitoring and District Plan compliance.
General Rates, User Fees, Fines	Health and Building Services public approval and inspection.
User Fees	Building Services application, processing, approval and inspection.
User Fees, General Rates	Environmental Health Licensing.
User Fees, General Rates	Non-notified Resource Consents.
User Fees, General Rates	Notified Resource Consents.
General Rates	Appeals.
General Rates	Consents public enquiries.
User Fees	Subdivisions.

For further details of Council's rating tools, refer to the Funding Impact Statement within the Financial Information section.

TRANSPORTATION

Overview

In recent years transport infrastructure in the subregion has come under significant pressure from various growth-related demands. These include rapid population growth, increasing levels of freight traffic on both rail and road corridors, expansion of the Port of Tauranga and the continued development of the tourism industry across the Bay of Plenty.

While these pressures have increased, capital investment in the transport network has not matched growth rates. In the past, government's support of infrastructural priorities in other parts of New Zealand has limited the affordability of necessary upgrades to transport networks in the Bay of Plenty. This legacy of under-investment has resulted in substantial economic and social costs for our community and created an urgent need for solutions as congestion, heavy vehicle traffic, travel times and travel costs continue to increase in the District and subregion.

In response to these matters, several multi-agency initiatives have been developed to advocate for and facilitate the expansion of subregional and regional transport networks, for example the SmartTransport partnership. These initiatives, together with recent legislative changes, have required Council to broaden its transport focus from roading and the safe and efficient movement of people and goods, to considering the potential contribution of all transport modes to the District's economic, social and environmental wellbeing.

In saying that, Council continues to carry out engineering and education work to make the transport network safer for all users. Western Bay of Plenty District Council works closely with Tauranga City Council to deliver the subregional road safety action plan and intends to work with schools on school travel plans, cycle skills and engineering measures such as active warning signs.

The Walking and Cycling Strategy is being developed and implementation will begin in 2009/10. The strategy focuses on walking and cycling as a sustainable means of transportation and also providing opportunities for recreation and leisure. The development of a Neighbourhood Access Plan will occur in 2009/10. This is a New Zealand Transport Agency (NZTA) initiative which is 75% subsidised, to help Councils improve walking and cycling access and safety. A network plan is being mapped and this will include existing walkways and cycleways and some proposed walking and cycling infrastructure.

Through its District Plan, Council seeks to promote subdivision and land use that is consistent with the sustainable provision of infrastructure, noting that efficient operation of transportation networks can be reduced by inappropriate subdivision and land use. Areas outside the limits defined in the Regional Policy Statement are not intended for significant growth to take place¹. Within urban growth areas, Council aims to manage development so that accessibility is improved by a transport system that reduces car dependence².

Council's Transportation Strategy is a key tool in delivering a comprehensive response to transportation issues in the District. The strategy identifies the key transport-related

outcomes that Council wants to achieve, together with strategies and actions for achieving these outcomes. It provides a clear, consistent framework within which Council can make future transport-related decisions and promote the interests of the District to other transport providers and funding agencies.

The strategy should be considered alongside other key strategic documents that direct transportation activities in the District. These include the SmartGrowth Strategy and Implementation Plan, the Regional Policy Statement and the Bay of Plenty Regional Land Transport Strategy.

Council assets in this group of activities

Council has a legal obligation to construct and maintain district roads (with the exception of State Highways which are managed by NZTA). The service level or standards at which roads are maintained are determined by Council through its Transportation Strategy.

Assets include the roading network as a whole (756km of sealed and 276km unsealed), bridges, culverts and all associated infrastructure including footpaths, street lighting and road signage.

In 2002, in conjunction with NZTA, Council established a performance based project (PBC 1) to manage its local roads and State Highways within the area. The contract is governed by a management board and a joint client panel of which Western Bay is a member. Performance of the contractor (*In³roads*) is determined by a number of technical measures that are reported to the management board monthly. The contract was for an initial term of ten years, which ends in September 2012. The decision on the roading programme delivery after this period is to be made within the next three years.

10-year programme highlights

- The current 10-year PBC contract provides for cost increases using a series of official producer and construction price indices. In recent years the increases have significantly exceeded the consumer price index, largely due to oil and construction prices, so increases in roading rates will be required in order to deliver the programme of works in the contract. The approved roading rate increase will be 5% above the level of growth and consumer inflation for 2009/10 and 2.5% above growth and inflation for the following years of the plan.
- To minimize rate increases, discretionary transportation expenditure has been reviewed and reduced as follows:
 - For the remainder of the PBC (to 2012) Council is committed to seal extensions of 10km per year. Council will reduce this in 2012/13 to 5km per year. On average, 1km of seal extension costs \$300,000 (2008/9 actual cost), which is equivalent to 2% of the current roading rate. In 2012, at the end of the PBC contract, 200km of unsealed roads will remain in the District.
 - Seal widening has been reduced from 8km per year to 3km per year for the period after 2012. This is expected to reduce expenditure by \$1.2 million per year.

¹SmartGrowth strategy S7.2.2

²SmartGrowth strategy S7.4

- In 2006, Council committed to the establishment of an alternative route to divert through-traffic from Jellicoe Street, Te Puke. Council has undertaken further investigations into the feasibility of the proposal and the cost of the project is now estimated at \$30 million. This amount is considered unaffordable during the ten years of this plan and has not been included in the financial projections. Council considers that the Tauranga Eastern Motorway (TEM) will alleviate congestion in the long term and is focusing on that project in the interim. However, if the TEM does not proceed in terms of the Bay of Plenty Regional Transport Plan, Council will review this decision. Council is also requesting that NZTA review traffic efficiency, congestion and safety in Jellicoe Street, Te Puke.
- Further funding for development of Welcome Bay Road, included in the 2006-16 Long Term Plan has not been included in this plan.
- Walking and cycling. For the two years, 2009-11, \$50,000 per year is allocated for improvements and projects to meet the demand for walking and cycling facilities. This is additional to \$200,000 available from 2008/09 budgets. An additional 950 metres per year of footpaths is included in the PBC contract. Of this, \$15,000 per year would be allocated for three years (2009-12) to fund a partnership with NZTA to develop Neighbourhood Access Plans to increase walking and cycling. After 2012, \$187,000 per year is proposed for the implementation of the Walking and Cycling Strategy, including new footpaths.
- Transportation infrastructure identified in adopted Structure Plans for the ten year period and funded through financial contributions, include Omokoroa (\$26.2 million), Katikati (\$6.5 million), Waihi Beach (\$4 million) and Te Puke (\$6.7 million). Expenditure will be reviewed annually to take into account actual growth and current proposed and future development.
- \$488,000 of rates funding per year is allocated for strategic roading initiatives, being Council's share of funding to facilitate growth and development in the District. The projects will be determined year by year depending on development proposals, funding available from other sources and cost sharing agreements. Council adopted a schedule of strategic roading projects totalling \$13.9 million over the ten years of the plan. The projects include some previously expected to be undertaken by developers. These projects are largely funded by financial contributions. Refer to page 227 for resulting changes to financial contributions.
- \$1 million per year will be spent on minor safety improvements, which attract a 45% subsidy from NZTA. These projects will be drawn from a \$70 million priority list of network improvements already identified.
- Contribution to significant regional transport initiatives. In order to access a \$150 million grant from the Crown Account for a number of regional transport projects, local authorities in the region are required to match the Crown's contribution. Council will contribute \$5 million to regional projects including the planning of the Katikati Bypass (\$400,000 per year for five years starting in 2015) and Tauranga Eastern Arterial (\$400,000 per year for five years

starting in 2013). The remaining \$1 million to be spread over the ten years for investigations and studies to support significant regional transport initiatives.

- Council has allocated \$3.3 million over the next ten years for the implementation of projects identified in rural community roading plans. Projects undertaken will be determined by Council.

What Council wants to achieve

Council Outcome 1: Transport networks support and promote economic development.

BCTR1

The availability of an efficient transport network is a necessary prerequisite for economic development. Council has a critical role in ensuring the provision of transport infrastructure that supports and promotes economic development in the District by enabling the efficient flows of goods, services and people both now and in the future.

Council Outcome 2: Transport systems minimise adverse effects on the environment.

BCTR2

Council recognises the need to ensure that transport systems meet the community's needs while minimising negative effects on the environment. While it is not possible to stop all motor vehicle pollutants from entering the environment, Council will manage the transport network in a way that minimises adverse environmental effects, as well as promoting energy efficiency in the transport system.

Council Outcome 3: Transport systems enable healthy activity and reduce transport-related public health risks.

BCTR3

All forms of transport have the potential to impact public health, whether it is exposure to vehicle-related emissions, threats to personal safety and security or health benefits associated with walking and cycling. This outcome reflects Council's role in protecting and promoting public health, as well as improving the safety and personal security of the transport system for all users.

Council Outcome 4: Transport systems improve access and mobility.

BCTR4

Transport networks help people access and participate in a wide range of activities and services. Lack of access and impaired mobility can reduce a person's ability to participate in the community and take advantage of social and economic opportunities. This outcome reflects Council's role in ensuring that transport networks support community linkages and social networks by improving access and mobility.

Why Council wants to achieve this (rationale)

Contribution to Community Outcomes

This activity contributes primarily to the following Community Outcomes:

- Our environment is clean, green and valued.

This means that:

- Service providers work with us to ensure the environment is sustainably managed.

- Air, water and land quality are maintained to protect our health and ecological systems.
 - We can all enjoy a healthy and safe lifestyle.
- This means that:
- We feel safe and secure in our homes and communities.
 - We have easy access to quality health and social services.
 - Transport and other infrastructural services are safe and meet our needs.
- Our economy is thriving.

This means that:

- Innovation and entrepreneurship add value and support diversification of the local economy.
- The versatility of rural land is maintained.
- Unique attributes of our District are turned into competitive advantages.
- Infrastructure, services and facilities support and promote economic growth and development.
- We are skilled, enterprising and adaptable.
- Business, government and education sectors work effectively together.
- Business practices are environmentally sustainable.

Council's role in contributing to these Community Outcomes is more fully described in the Council Outcomes and strategies within this chapter. For example:

- Developing and maintaining roads; minimising the environmental effects of roads

Working with subregional organisations to plan for transport routes and services for the future eg Smart Transport, Bay of Plenty Regional Transport Committee. (The Regional Transport Committee is a regional governance body made up of representatives of the regional council, the region's district and city councils, the New Zealand Transport Agency, a person to represent cultural interests, and people drawn from the wider community to represent the New Zealand Transport Strategy's five objectives of economic development, safety and personal security, public health, access and mobility and environmental sustainability).

- Planning for public transport, providing walking and cycling facilities.
- Promoting road safety.

To ensure consistency with:

- SmartGrowth principles.
- Regional Policy Statement.
- Bay of Plenty Regional Land Transport Strategy.
- Land Transport Management Act 2003 and national Transport Strategy.

Council activities included in this group of activities

- Network optimisation.
- Network development.
- Environmental mitigation.
- Transportation health and safety.
- Modal choice and mobility.

Significant negative effects associated with these activities

- Air, noise and environmental pollution from motor vehicle use and stormwater run-off from roads.
- Safety and personal security risks associated with use of all transport modes.
- Adverse economic, social and environmental effects of dust from unsealed roads.
- Loss of productive land resulting from development of transport corridors and infrastructure.

These effects can be controlled by ensuring that when transportation projects are proposed, designs are developed that take into account the potential negative effects, and the cost of those designs identified. The extent of mitigation of these risks is dependent largely on the size of the budget and the affordability of rates, which affect the economic wellbeing of the community.

How Council will achieve this

Council Outcome 1

Transport systems support and promote economic development.

BCTR1

Council recognises that continued economic growth within the District requires a transport network that enables the efficient flow of goods, services and people both within and across the District. Council will ensure the District's transport system supports and promotes economic development in the following ways:

1.1 Network optimisation

Council will continue to work with rail service providers, state highway agencies and other road controlling authorities in the region to optimise the efficiency of the District's existing road network. Council will also work with these agencies to support the efficient use of other existing transport networks within the District.

a) Asset management

Council will set and deliver levels of service for maintenance of the local roading network that optimise the use of existing infrastructure. Council will ensure land use and access relationships are managed to improve the efficiency of traffic flows on the local roading and state highway networks.

Council's role: Lead, Partner

b) Demand management

Council will work with other agencies (including the Regional Council and adjoining territorial authorities) to investigate initiatives that manage travel demand to improve the efficiency of transport networks in the District, subregion and region. This will include:

- Supporting initiatives that encourage greater use of rail to transport bulk produce over medium to long distances.
- Supporting initiatives that recognise and provide

for seasonal variations in tourist traffic flows.

- Plan for park and ride facilities, including the investigation and securing of land as appropriate.

Travel demand management activities are also included in other parts of this strategy as they contribute to different transport related Council outcomes. For example, in Strategy 3.2 the provision of cycleways and walkways contributes significantly to enabling healthy activity and can also influence demand for the local roading network.

Council's role: Partner

1.2 Network development

Council will contribute to the long-term planning and development of transport networks in the District and subregion that support sustainable economic growth.

a) Local network development

Council will investigate and, where appropriate, develop local connections to improve the accessibility of key centres of economic activity in the District. This may include securing and developing key arterial and collector routes in residential growth areas, construction of currently unformed roads that improve transport linkages within the District and developing alternative routes for heavy traffic to reduce congestion and improve accessibility in the District's main centres.

In 2006, Council committed to the establishment of an alternative route to divert through traffic from Jellicoe Street, Te Puke. Council has undertaken further investigations into the feasibility of the proposal and the cost of the project is now estimated at \$30m. This amount is considered unaffordable during the ten years of this plan and has not been included in the financial projections.

Council's role: Lead

b) Regional and subregional network development

In partnership with key agencies, Council will continue to investigate and, where appropriate, contribute to the development of subregional and regional connections to address the legacy of network deficits and improve the flow of goods, services and people. This will include:

- Supporting the development of bypasses in growing provincial centres. Council is committed to progressing the Katikati Bypass Project to construction and will continue to work with key agencies to ensure this outcome is achieved.
- Continued support for the SmartTransport partnership and implementation of SmartTransport corridors. This includes supporting the development and refinement of traffic prediction models through the SmartTransport partnership.

- Investigating methods for securing and protecting future rail corridors (including dual track corridors).
- Protecting and securing key strategic roading corridors as opportunities arise.

Council's role: Partner, Advocate

Links to other Council Strategies

Refer Supporting our Economy: Strategy 1.

1.3 Town centre vitality

Council will continue to provide the following transport related services and facilities to contribute to the amenity and vibrancy of local town centres:

- In addition to car parking provisions in the District Plan, Council will continue to provide off-street car parking facilities in the District's main town centres in accordance with Council's Parking Policy.
- Provide and maintain street gardens and other public amenities.

Council's role: Lead

Council Outcome 2

Transport systems minimise adverse effects on the environment.

BCTR2

The development of a transport system that contributes to the District's social and economic wellbeing needs to be balanced against environmental sustainability and energy efficiency objectives. Council will implement the following strategies to ensure the District's transport system promotes energy efficiency and minimises the effects of motor vehicle pollutants on the District's land, air and water resources:

2.1 Environmental impact management

a) Environmental standards

Council will ensure construction and maintenance activities on the local network are managed in environmentally sound ways to meet legal requirements and satisfy environmental standards.

Council's role: Lead

b) Emergency events

Council will continue to provide a basic response service to manage the environmental impacts of traffic accidents and spills on the District's local roading network.

Council's role: Lead

2.2 Energy efficiency

Council acknowledges that improving energy efficiency in the transport network is important, not only because it saves costs but because it reduces the effects of vehicle-related emissions on the environment. Council will use the following mechanisms to encourage energy efficiency within the transport system:

- Investigate traffic management and road network changes to achieve greater energy efficiency,

particularly on high volume parts of the local network. Where appropriate, advocate for improved energy efficiency on the state highway network.

- Provide infrastructure to enable the provision and use of energy efficient transport modes, e.g. cycleways, walkways.
- Incorporate the SmartGrowth “live, work and play” principles in land use planning to reduce travel demand and enable the use of energy efficient modes of transport. Council will continue to work with other agencies (including Environment Bay of Plenty and adjoining territorial authorities) to investigate other travel demand management initiatives that would promote energy efficiency within the transport system, e.g. travel plans for business organisations and education institutions.
- Promote the use of renewable fuels or low emission vehicles for use as fleet vehicles to set an example to the community.

Council's role: Lead, Partner, Advocate

Council Outcome 3

Transport systems enable healthy activity and reduce transport related public health risks.

BCTR3

This outcome relates to Council's role in managing both the positive and negative effects of the District's transport system on public health. Council will employ the following strategies to ensure the District's transport system enables healthy activity and reduces risks to public health.

3.1 Public health risks

a) Road safety

Council will promote the development of a road safety management culture and continue to contribute to the achievement of national road safety goals by:

- Contributing to the development and funding of local subregional road safety education programmes in conjunction with other agencies through Road Safety Action Plans.
- Constructing and maintaining the local road network (including footpaths and lighting) in accordance with appropriate road safety standards.
- Working with other transport providers and key agencies to ensure appropriate road safety regulations are developed, implemented and enforced and with transport planners to implement the principles of crime prevention through environmental design.

Council's role: Partner

b) Vehicle-related emissions

Council will investigate and, where appropriate, contribute to the development of initiatives that reduce the negative health effects of motor vehicle related emissions such as dust, noise and vibrations. This will include:

- Undertaking seal extensions to reduce dust on unsealed roads.
- Investigating and, where appropriate, supporting the development of heavy vehicle bypasses and alternative routes to reduce noise, vibrations and air emissions in key urban centres.

Council's role: Lead, Partner, Advocate

c) Personal security

Council will design and maintain new transport infrastructure in accordance with best practice guidelines that promote a sense of improved personal security and follow the principles of crime prevention through environmental design.

Council's role: Lead

3.2 Healthy activity

Council will undertake the following activities to enable the use of active modes of transport and encourage healthy activity:

- Secure land for subregional and urban walkways and cycleways in accordance with Council's Cycling and Walking Strategy (currently under development). Land will be secured through the structure planning process, when new development occurs or as the opportunity arises. Council will work with developers and adjoining territorial authorities to ensure walking and cycling corridors are well connected and integrated.
- Seal shoulders on sealed rural roads as the opportunity arises.
- Widen selected key rural roads for cycleways and walkways as the opportunity arises.
- Work with key agencies, land owners and interest groups to investigate, and where appropriate develop cycleway and walkway linkages to key community and recreation facilities.
- Provide and maintain footpaths in urban communities to agreed levels of service.
- Work with key agencies and interest groups to assist in promotion of the health benefits of walking and cycling.

Council's role in the delivery of walkways and cycleways is divided between Council's recreation and transport functions. Walkways and cycleways that are located on recreation reserves or that link recreation reserves to the road network are addressed through the Recreation and Leisure group of activities (refer page 81).

The Transport Strategy outlines Council's role in the delivery of walkways and cycleways in road corridors and off-road routes (including linkages between roads). Council will co-ordinate internal planning processes and service delivery across these activity groups to promote the integration of cycleways and walkways across the District.

Council's role: Lead, Partner, Advocate

Links to other Council Strategies

Refer Recreation and Leisure: Strategy 2.7; 6.2(d).

Council Outcome 4

Transport networks improve access and mobility.

BCTR4

Transport networks give mobility to people and help them access education, work and recreation opportunities. In order to ensure the District's transport networks improve access and mobility Council is focused on:

- Ensuring a range of transport modes are available, recognising some people in the District do not have access to motor vehicles and are reliant on alternative transport modes to access services and activities.
- Improving opportunities for mobility impaired people to use the transport network.
- Reflecting the community's willingness to pay for service availability in urban and rural areas.

The following strategies reflect this focus and outline the ways in which Council will ensure access and mobility will be improved.

4.1 Modal choice

a) Integrated planning

Council will ensure land use and transport planning processes are integrated and support the SmartGrowth "live, work and play" principles. In identified growth areas Council will work with developers and other transport providers to ensure new developments are designed to consolidate existing urban areas and provide for a range of transport modes (including road, rail, buses, walking and cycling) that are well connected and linked to existing services and infrastructure.

Council's role: Lead

b) Availability of alternative transport modes

Council will provide basic infrastructure and consider providing limited subsidies to the Bay of Plenty Regional Council to support the availability of public transport services within the District. The level of support for harbour and land based public transport services may vary and/or be extended to other identified growth areas according to community demand and willingness to pay.

Council's role: Partner

Links to other Council Strategies

- Strategies on cycleways and walkways - refer Transport Strategy 3.2.
- Strategies on rail services - refer Transport Strategies 1.1b and 1.2b.
- Strategies on park and ride facilities - refer Transport Strategy 1.1b.
- Refer Sustainable Development: Strategy 2.7.

4.2 Mobility barriers

A number of factors can inhibit or prevent people

using the transport network, e.g. age, physical disability, affordability. Council will implement the following strategies to improve opportunities for mobility impaired people to use the District's transport network:

- All new local network related construction and maintenance activities will be undertaken in accordance with best practice mobility guidelines. Council may retrofit key sections of the existing network in key urban centres to ensure compliance with mobility guidelines, depending on feasibility and affordability.
- Council will require mobility parking to be provided in all new car parking developments in accordance with best practice industry standards.
- Council will support initiatives to reduce heavy traffic volumes in commercial, residential and other inappropriate areas to improve pedestrian mobility.
- Council will advocate for continued central government involvement in improving the affordability of public transport.
- Council will advocate for the use of wheelchair accessible buses with low floors to service public transport routes.

Council's role: Lead, Partner, Advocate

Land Transport Programme 2009/10 to 2011/12

Under the Land Transport Management Act 2003 (LTMA) Council is required to prepare a three year Land Transport Programme detailing activities for which Council wants to receive financial assistance from New Zealand Transport Agency (NZTA). The Land Transport Programme submitted to NZTA represents only part of Council's total annual work programme, which consists of both subsidised and non subsidised work.

The three-year Land Transport Programme includes capital and maintenance components. The subsidised maintenance programme includes structural and corridor maintenance (including renewals which are capital under accounting standards), minor safety works, preventative maintenance, emergency works and limited construction works, as provided for in the 10 year Performance Based Contract (PBC). Given the unique terms of this contract, Western Bay of Plenty District Council entered a 10 year agreement with Transfund NZ (now NZTA), which specifies the basis upon which the maintenance subsidy is allocated to Council. For other subsidised capital works, Council is required to follow the standard NZTA subsidy funding application process.

In accordance with section 13 of the LTMA Council has consulted on its land transport programme through the Long Term Plan. The three-year Land Transport Programme is incorporated in the financial information on page 110 of the Long Term Plan and can be summarised as follows:

	Gross Anticipated Expenditure 2009-12	Anticipated NZTA Subsidy 2009-12
Subsidised Maintenance and Capital Programme	\$39,277,975	\$17,675,089

This programme reflects outcomes from various district and subregional transportation planning processes, e.g. SmartGrowth, Regional Land Transport Strategy, Community Development Plans - Roading, Roading Strategy strategies.

strategies and plans. Council's Transportation strategy and the Overview section of the Long Term Plan further outline Council's contribution to transportation and community outcomes in the District and subregion.

In accordance with LTMA requirements, the table below highlights key contributions made by Council's Land Transport Programme to national and regional transport

Contribution of Council's Subsidised Transportation Activities to National/Regional Transport Strategies and Plans

	Land Transport Management Act (purpose)	NZ Transport Strategy Objectives					National Energy & Conservation Strategy	Regional Land Transport Strategy
		Assists economic development	Assists safety & personal security	Improves access & mobility	Protects & promotes public health	Ensures environmental sustainability		
Maintenance	✓	✓✓	✓✓	✓	✓✓	✓	✓✓	✓
Capital	✓	✓✓	✓✓	✓✓	✓	✓	✓	✓

✓ = Minor contribution
 ✓✓ = Major contribution

Council Action Plan – Outcome: Transportation

Summary of major projects and activities											
Project Number	Project Description	\$'000									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
210407	Minor Safety Projects	971	1035	1094	1152	1212	1276	1343	1416	1490	1566
282702	Waihi Beach roading projects	148	168	173	177	246	251	258	264	270	276
282802	Katikati roading projects	61	72	74	76	78	79	81	83	178	181
282902	Omokoroa roading projects	42	48	49	50	51	53	54	55	57	58
283002	Te Puke roading projects	135	156	160	164	168	172	176	181	185	189
283102	Maketu Roding Projects	8	15	15	16	16	16	17	17	18	18
283202	Rural Community Roding	370	259	320	328	335	343	352	361	369	377
2834	Transportation Capital (PBC Contract)	12326	14209	11543	8100	8541	8923	9278	9666	10563	10971
293201	Northern Arterial Route	0	0	0	0	0	458	469	481	492	503
3028	Transportation Structure Plan Impln - Waihi Beach	0	0	0	919	0	0	1919	0	1249	0
3029	Transportation Structure Plan Impln - Katikati	900	0	634	3861	492	0	352	0	0	342
3030	Transportation Structure Plan Impln - Omokoroa	2975	3267	853	2224	3978	3630	1847	4128	418	2918
3031	Transportation Structure Planning - Te Puke	200	2904	662	0	0	687	971	0	0	1258
3076	Footpath development increased LOS	50	52	107	204	209	214	219	225	230	226
3091	Eastern Arterial Route	0	0	0	546	559	572	586	0	0	0
320101	McLaren Falls CPTED	12	12	352	0	0	0	0	0	0	0
324002	Strategic Roding - Rural Park & Ride	100	104	107	109	112	114	117	120	123	126
324003	Strategic Roding - Te Puna SH2 intersection	100	104	0	2621	2684	0	0	0	0	0
324004	Strategic Roding - Rangioru industrial roading link	50	104	160	218	0	0	0	0	0	0
2792	Roding Land Purchases	200	207	213	218	168	172	176	180	185	189

Note: This is not a complete list of the projects in this group of activities. For a full listing, please refer to Council's website.

How Council will track progress

Council uses performance measures to track its progress towards the achievement of Council Outcomes and delivery of levels of service.

Outcomes

Council Outcome	Performance Measures	Actual		Target			
		30/6/2008	2010	2011	2012	2013-2015	2016-2019
Outcome 3 (BCTR3) Transport systems enable healthy activity and reduce transport related public health risks.	Key Council Performance Measure The % of crashes caused by road related factors (e.g. potholes, surface roughness, road camber) compared to Council's peer group. (Small – medium Councils as grouped by NZ Transport Agency.) Council's target of 90% indicates an above average result than our peer group.	70%	90%	90%	90%	90%	90%
Outcome 1 (BCTR1) Transport networks support and promote economic development.	Key Resident Performance Measure Facilities and service provide social benefits to the whole community. Level of satisfaction with Transportation (roading, cycling and walkways) as monitored by the Annual Residents Survey, those residents who are very satisfied and satisfied.	50%	55%	55%	55%	55%	55%
Outcome 2 (BCTR2) Transport systems minimize adverse effects on the environment.							
Outcome 4 (BCTR4) Transport systems improve access and mobility.	Supporting Measures The total social cost of crashes caused by road related factors compared to Council's peer group. (A lower % is a favourable result for Council. Separately monitored by NZ Transport Agency.) Council's target of <95% indicates an above average result than our peer group.	43%	<95%	<95%	<95%	<95%	<95%

Levels of service and measurement

Levels of Service	Performance Measures	Actual		Target			
		30/6/2008	2010	2011	2012	2013-2015	2016-2019
The network and its facilities are up to date, in good condition and 'fit for purpose'.	The % of traffic that is exposed to smooth rural roads that have a high traffic volume (>500 vehicles per day).	New	>94%	>94%	>94%	>94%	>94%
	Annual surfacing and pavement defect index. There are a number of potential defects in road pavement structure and its surface. This index is weighted measure of the fault types. • Sealed roads • Unsealed roads	0.41 2.74	1.2 2.8	1.25 2.8	1.3 2.8	1.3 2.8	1.3 2.8
	Annual seal extension completed (km).	New	12.5	14.6	4.3**	3**	3**
Adverse environmental effects, such as dust, noise and vibration are managed effectively.	Length of unsealed roads (km) NOTE: Total length of District's roading network.	1029	1037	1041	1045	1057	1073
	Level of compliance with Resource Management Consents	New	100%	100%	100%	100%	100%
The road network is convenient, offers choices for travel and is available to the whole community. NOTE: Walking and Cycling strategy to be completed 2009, will define the level of service for cycling.	Length (metres) of new footpaths and walkways constructed by Council each year.	New	>950m	>950m	>950m	>950m	>950m
Customers will be satisfied with Council's response to transport related customer requests for action.	Level of customer satisfaction with action taken to resolve service requests.	91.4%	>85%	>85%	>85%	>85%	>85%
	% of service requests actioned on time	>90%	>90%	>90%	>90%	>90%	>90%
The services are managed at the lowest possible cost for the required level of service.	Operating expenditure is managed to within a range of +5 or -5 percent of budget.	New	95%-105%	95%-105%	95%-105%	95%-105%	95%-105%

** Performance Based Contract is due to expire 2012, this will result in a reduction in the seal extension programme. A level of service review will be undertaken in 2010.

Projected Financial Summary – Transportation

For the years ended 30 June	2010 \$'000	2011 \$'000	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
Analysis of expenditure - by activity										
Roading	18,887	21,121	23,014	23,900	25,058	26,282	27,360	28,584	29,582	30,486
Total operating expenditure	18,887	21,121	23,014	23,900	25,058	26,282	27,360	28,584	29,582	30,486
Analysis of expenditure - by class										
Direct costs	10,152	10,997	11,824	12,185	12,596	13,258	13,920	14,651	15,355	16,093
Overhead costs	1,022	1,091	1,099	1,134	1,153	1,192	1,207	1,235	1,263	1,295
Interest	1,191	2,055	2,877	3,157	3,708	4,056	4,279	4,608	4,738	4,737
Depreciation	6,522	6,978	7,214	7,425	7,601	7,777	7,953	8,089	8,226	8,361
Total operating expenditure	18,887	21,121	23,014	23,900	25,058	26,282	27,360	28,584	29,582	30,486
Revenue										
Targeted rates	85	87	91	93	95	97	100	102	104	107
User fees	100	104	107	109	112	114	117	120	123	126
Subsidies	6,289	6,706	7,087	6,873	7,235	7,616	8,017	8,448	8,892	9,343
Roading rate	14,415	15,251	15,985	16,684	17,407	18,154	18,928	19,748	20,577	21,392
Financial contributions	2,379	2,692	4,764	4,999	5,862	6,007	5,468	7,056	7,165	9,105
Vested assets	1,400	1,452	1,493	1,529	1,565	1,603	1,641	1,682	1,723	1,761
Other income	135	140	123	650	665	132	135	138	142	522
Total revenue	24,803	26,433	29,649	30,936	32,942	33,724	34,406	37,295	38,726	42,355
Net cost of service - Surplus / (Deficit)	5,916	5,312	6,635	7,035	7,884	7,441	7,046	8,712	9,143	11,869
Capital expenditure	18,449	22,509	16,303	20,765	18,849	16,790	18,039	16,996	15,642	19,009
Vested Assets	1,400	1,452	1,493	1,529	1,565	1,603	1,641	1,682	1,723	1,761
Total other funding required	(13,934)	(18,650)	(11,160)	(15,259)	(12,530)	(10,952)	(12,635)	(9,967)	(8,221)	(8,901)
Other funding provided by										
Debt Increase (Decrease)	(288)	(230)	(246)	(263)	(224)	(240)	(257)	(275)	(219)	(130)
Reserves & future surpluses	14,222	18,880	11,406	15,522	12,754	11,192	12,891	10,241	8,440	9,030
Total Other Funding	13,934	18,650	11,160	15,259	12,530	10,952	12,635	9,967	8,221	8,901

All information from 2011-2019 includes an adjustment for inflation.

Council's additional asset requirements – Transportation

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total Capital Expenditure										
Additional levels of service	5,830,894	7,941,612	4,443,958	9,666,681	7,293,460	7,700,198	8,589,885	7,154,725	4,899,360	7,854,400
Additional capacity for future residents (growth)	12,543,600	14,482,720	11,805,306	8,368,895	8,513,842	6,027,511	6,230,793	6,446,651	7,167,444	7,388,010
Renewals	75,000	85,057	53,317	2,729,805	3,041,308	3,062,776	3,218,354	3,394,953	3,574,880	3,766,717
Capital expenditure after adjustment for inflation	18,449,494	22,509,389	16,302,581	20,765,381	18,848,610	16,790,485	18,039,032	16,996,328	15,641,683	19,009,127

Additional levels of service are funded by targeted rates and Rooding Rate.

Renewals are funded by use of depreciation reserves, targeted rates and Rooding Rate.

Growth related projects (capacity for future residents) will be recovered by financial contributions over a 25 year period and from future rates. These also include an allocation for interest.

Key Assumptions – Transportation

Assumption	Description	Confidence (High, Med, Low)	Consequence of error in assumption
Resident population growth	<p>The District's population is expected to grow by 19.7% between 2009 and 2019, and the number of rateable properties is forecast to increase by 20.6% over the same period. This is consistent with the long term growth projections in the subregional growth strategy SmartGrowth.</p> <p>The timing of that growth is expected to be slower in the first two years of the Long Term Plan (0.6% in 2009/10 and 1.1% in 2010/11) returning to more normal growth in later years.</p>	Medium	<p>Significant differences between forecast population and household growth and actual outturns would result in Council failing to provide appropriate and cost-effective levels of service to communities.</p> <p>Over-estimating the speed of growth could increase Council's debt if infrastructure development was undertaken in anticipation of growth that did not eventuate.</p>
Traffic generation	Traffic movements within the District are estimated to increase by 2.8% per annum over the next 10 years, reflecting projected population and economic growth rates.	Low	<p>Lump Sum values in the Performance based Contract (PBC) have been calculated on the basis of 2.8% per annum growth profile.</p> <p>Significant differences between forecast and actual traffic generation rates over the term of the PBC could result in increased costs or reduced levels of service.</p> <p>Increases in fuel prices in 2007/8 have prompted a reduction in the confidence rating of this assumption from medium to low.</p>
Central Government Funding – National Funds (N)	<p>New Zealand Transport Agency (NZTA), established in 2008 through the Land Transport Management Amendment Act will give effect to a Government Policy Statement which will guide the development of a National Land Transport Programme and the allocation of the National Land Transport Fund. The fund is expected to subsidise the development and maintenance of the local network, using an established formula to calculate the level of subsidy received by each Council. The current formula takes into consideration the averaged net equalised land value of the District.</p> <p>For Western Bay of Plenty District it is assumed that Council's subsidy rate will remain at its current level of 45% over the term of this Long Term Plan.</p>	Medium for 2009-12 Low for 2012-19	Significant differences between actual and expected levels of funding could result in increased costs or reduced levels of service.
Central Government Funding – Regionally Distributed Funds (R)	<p>In addition to national funds, central government also allocates funds on a regional basis. It is assumed that these regionally distributed funds will continue to be allocated to subregional strategic transport corridor projects and will not be used to fund local network projects.</p> <p>Projects eligible for this type of funding would be part of the Regional Land Transport Programme.</p>	Low	Significant differences between actual and expected levels of funding could result in increased costs to Council or reduced levels of service. This will mean that the funding of local roads may need to be reprioritised to ensure key strategic transport projects (Smart Transport Corridors) in the subregion can be completed.
Central Government Funding – Crown Grant (C)	<p>In August 2005 the Government announced a \$150 million grant from the Crown Account to allow a number of transport projects to go ahead in the region. In order to access the grant it is expected that Council, together with other local authorities in the region, will need to match the Crown's contribution and have specific funding allocated to fund that contribution.</p> <p>It is expected the grant will not be available for projects on the local network.</p>	Low	If the Crown grant cannot be uplifted, it could result in increased costs or reduced levels of service for SmartTransport Corridor projects (formerly known as the Strategic Roding Network).
Strategic Transport Partners	Council's strategic transport partners remain committed to the implementation of adopted subregional and regional initiatives, in accordance with agreed timeframes. This includes SmartTransport Corridors together with initiatives identified in SmartGrowth and the Bay of Plenty Regional Land Transport Programme.	Medium	Without the commitment of Council's strategic transport partners, planning for the expected growth and development in the District would be less effective.
Transport Network Standards	Council's local network maintenance and development programme has been prepared in accordance with current industry best practice standards.	High	Higher than expected standards could result in greater than expected forecast expenditure or non compliance.

Key Assumptions – Transportation (continued)

Assumption	Description	Confidence (High, Med, Low)	Consequence of error in assumption																														
Risk Profile	It is estimated that the impact of natural hazard events on the local roading network will not exceed \$800,000 pa (inflation adjusted) over the 10 year term of the Long Term Plan.	Medium	If a natural hazard event exceeded this amount, Council would have to consider using its Emergency Fund. In the absence of that Fund, significant differences in the cost of service delivery could result in increased costs to the ratepayer or reduced levels of service.																														
Inflation Projections	<p>Financial Projections within the Transportation group of activities have been calculated by applying the following inflation factors to core costs:</p> <table border="1"> <thead> <tr> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Staff costs inflation</td> <td>3.5</td> <td>2.4</td> <td>2.7</td> <td>2.6</td> <td>2.6</td> <td>2.6</td> <td>3.1</td> <td>3.2</td> <td>3.1</td> </tr> <tr> <td>Road Inflation</td> <td>3.7</td> <td>2.8</td> <td>2.4</td> <td>2.4</td> <td>2.4</td> <td>2.4</td> <td>2.5</td> <td>2.4</td> <td>2.2</td> </tr> </tbody> </table> <p>It is assumed that 5% of operating costs will be affected by the Staff Costs Inflation factor and 95% of operating costs will be affected by the Road Inflation factor. For capital expenditure, the Transport Inflation factor has been applied.</p>		2011	2012	2013	2014	2015	2016	2017	2018	2019	Staff costs inflation	3.5	2.4	2.7	2.6	2.6	2.6	3.1	3.2	3.1	Road Inflation	3.7	2.8	2.4	2.4	2.4	2.4	2.5	2.4	2.2	Low	If actual inflation rates vary from those assumed, costs will either be over or under-estimated. This will affect the financial projections for the activity including expenditure, revenue and financing requirements for this activity.
	2011	2012	2013	2014	2015	2016	2017	2018	2019																								
Staff costs inflation	3.5	2.4	2.7	2.6	2.6	2.6	3.1	3.2	3.1																								
Road Inflation	3.7	2.8	2.4	2.4	2.4	2.4	2.5	2.4	2.2																								
Structure Plans	<p>Proposed transportation expenditure is linked to Council's Structure Plan development programme.</p> <p>It is anticipated that the Structure Plan development programme will, in theory, have a nil effect on rating as expenditure will be recovered through financial contributions</p>	N/A	N/A																														
Performance Based Contract (PBC) Termination	<p>In October 2002 Council entered into a 10 year Performance Based Contract (PBC) with Transit NZ and In²roads (a contracting alliance, which includes Opus Consultants, McBreen Jenkins and Works Infrastructure) to obtain better service delivery value from road maintenance, renewal and capital expenditure through a single contract.</p> <p>The PBC includes maintenance and capital work as well as specified levels of service with pre-determined response times.</p> <p>The PBC expires in 2012 (year 3 of the 2009-19 Long Term Plan). It is assumed that any change in contractual arrangements after this time would not significantly change service delivery costs.</p>	High	Significant differences in the cost of service delivery could result in increased costs or reduced levels of service.																														

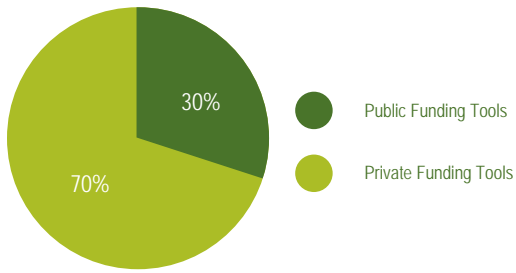
Revenue and Financing Policy – Transportation

Rationale for choice of revenue and financing tools

Public benefits identified	Private benefits identified	Other considerations
<p>Network optimisation and network development</p> <p>When roads are not at capacity usage, increased use by individuals does not reduce the ability of others to use the road.</p> <p>Public benefits of improving/maximising the efficient flows of goods, services and people through the transport network:</p> <ul style="list-style-type: none"> - indirect benefits of improved economic wellbeing; - contribution to improved social cohesion by increasing accessibility within the transport system; - Reduction in emissions and energy efficiency improvements where network optimisation and development results in reduced travel distances and/or reduced congestion. 	<p>When capacity is reached, increased use of the road by individuals reduces the ability of others to use the road.</p> <p>Individuals benefit from the efficient flows of goods, services and people through the transport network. Through registration, individual vehicles can be identified when they use the road. It is practically possible to charge road users through fuel taxes and road user charges and tolls. It is possible to exclude road users who refuse to pay through enforcement of registration and tolling parts of the network.</p> <p>Private benefits of improving/maximising the efficient flows of goods, services and people through the transport network:</p> <ul style="list-style-type: none"> - Developers benefit from the ability to subdivide. It can be argued that this growth results in consumption of existing capacity on roads. - Road user private benefits resulting from maintenance and upgrade of roads include: <ul style="list-style-type: none"> - Reduction in vehicle operating costs. - Reduction in accidents. - Increased road user comfort and decreased driver frustration. - Savings in travel time. - Safety improvements and travel time savings for road and rail users from increasing use of rail to transport bulk items. - Improved pedestrian mobility by removing heavy vehicle traffic from local centres. <p>Users of public parking facilities can be identified at the time they use the service.</p>	<p>New Zealand Transport Agency subsidies are available for eligible projects.</p> <p>Components of Roading have varying design lives. The design life for key components are as follows:</p> <ul style="list-style-type: none"> - Base course 25-75 years. - Seal 12 years. - Unsealed road surfaces 3- 5years. - Other 5-70 years. <p>Exacerbators in this activity include:</p> <ul style="list-style-type: none"> - Illegally overloaded vehicles that reduce the life of the road. - Cattle crossings that require clean up. - Heavy traffic turning in driveways which damage the edges of roads. <p>Council's ability to recover private benefits is limited by Government policy on the use of vehicle registration charges. Council has access to this funding through New Zealand Transport Agency (NZTA) subsidies, which are available according to certain criteria and are currently set at 45% of eligible projects.</p>
<p>Environmental mitigation</p> <p>Public benefits of managing environmental impacts of transport network:</p> <ul style="list-style-type: none"> - Actions reducing negative environmental effects. - Environmental recovery costs reduced by ability to undertake immediate action to mitigate or reduce environmental impact. 	<p>Emergency environmental response service provides a private benefit to those affected or responsible for accidents through the ability to undertake immediate action to mitigate or reduce environmental impact. These people could be identified at the time they use the service.</p> <p>Improved travel demand management benefits identifiable road users by reducing travel time and energy consumption.</p>	<p>Poorly maintained vehicles contribute to excessive emissions.</p>
<p>Transportation health and safety</p> <p>Pedestrians and cyclists cannot be as easily identified as vehicles when they use the roads. It would not be practical to identify the individual users of walkways and cycleways.</p> <p>Public benefits of transport-related health impacts</p> <ul style="list-style-type: none"> - Potential for reduced community health costs due to: <ul style="list-style-type: none"> - increased physical activity by use of cycleways, walkways and footpaths; - improved road safety and personal security; - reduced vehicle emissions. - Potential for reduced environmental impacts due to reduced vehicle-related emissions. 	<p>Seal extensions: Residents in the vicinity of roads undergoing seal extension enjoy a private benefit as they could technically be identified and charged. They could benefit from:</p> <ul style="list-style-type: none"> - potential reduction in vehicle wear and tear; - increased road user comfort; and - potential reduction in personal health care costs; - productive gains resulting from elimination of dust; - increased property values. <p>Bypasses: Town centre businesses and residents may enjoy economic benefits of improved accessibility of local retail centres.</p>	
<p>Modal choice and mobility</p> <p>The transport network forms a vital part of any community's means of communication and movement of goods and services, which benefits the community as a whole.</p> <p>The community benefits from the availability of a road, rail and public transportation network, even if they do not actually use some parts of it.</p> <p>The community benefits from others using the roading transport network, e.g. visitors, ambulances, fire services, goods delivery, postal services, etc.</p> <p>The community gains indirect benefits from the increased mobility of transport disadvantaged people, through the effect it has on their ability to participate in the economy and play a part in the social life of the community.</p> <p>Reducing heavy traffic volumes helps improve pedestrian mobility, it is not practical to individually identify pedestrians receiving this benefit.</p>	<p>Transport disadvantaged people benefit through the effect public transport has on their ability to participate in the economy and play a part in the social life of the community. Individual users of public transport could theoretically be identified. Where public transport is subsidised, charging the full cost of the service would defeat the purpose of the subsidy.</p> <p>Availability of alternative transport modes (including public transport) has the potential to reduce congestion and travel times for individual road users, who can be identified using vehicle registration. Integrated planning creates time and cost efficiencies, which benefit individual transport users.</p> <p>Developers benefit from integrated transport planning as well-connected subdivisions may command higher section prices.</p>	

Funding targets

Transportation



Financing sources

Loans where appropriate, serviced through Rooding Rates

To fund capital expenditure

Revenue sources

New Zealand Transport Agency Subsidies

According to NZTA policy for eligible projects.

Financial Contributions

To fund the capital development that is required to accommodate growth and to pay for the consumption of any excess capacity in the roading network.

Private Contributions

To fund capital development where applicable in terms of Council policy.

Rooding Rates Including:
 - Rural Works charge
 - Rooding Rate on Land value

To fund renewals of capital and all operating, maintenance and financing costs, including the share of capital expenditure that relates to existing ratepayers.

Targeted Rates

To fund particular projects or higher levels of service as negotiated with the relevant community.

For further details of Council's rating tools, refer to the Funding Impact Statement within the Financial Information section.

WATER SUPPLY

Overview

Council supplies water to approximately 31,000 people in the District, via three supply zones (Central, Eastern and Western supply zones).

Water treatment, storage and distribution is provided by Council in each of the supply zones through the operation and maintenance of water treatment and pumping stations, reservoirs and the distribution network.

All water provided by Council now comes from secure bore sites. Conversion from variable water supplies to bore supplies has enabled Council to increase its capacity to meet future demand. It has improved the reliability of supply under drought conditions and significantly improved water quality with groundwater supplies graded as 'A' or 'B' in terms of the New Zealand Drinking Water Standards 2005.

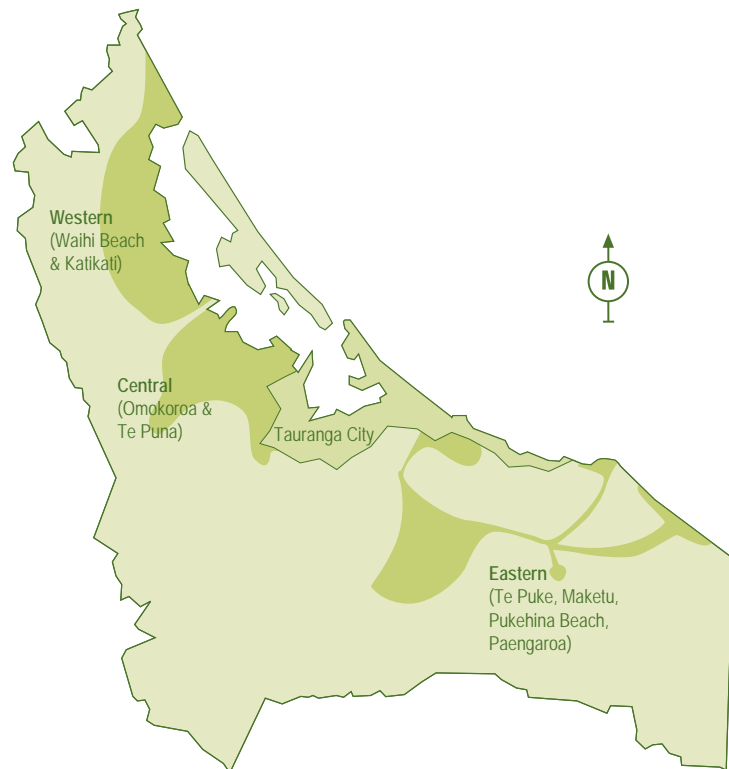
Completion of the conversion process has allowed Council's future focus to be on conservation of water. Water conservation has many advantages, including lengthened life of treatment and reticulation infrastructure, reduced volumes of wastewater and conservation of the water resource itself. Studies by Environment Bay of Plenty highlight the need to carefully manage demand for water, especially in the eastern area where forecast and existing demand may exceed the volume available for allocation. It should be noted that the allocation of water (outside of this Council's reticulation system) is the role of Environment Bay of Plenty. Council sees water conservation as an important part of ensuring the social, cultural, economic and environmental wellbeing of its community and will assist and educate water consumers in this regard.

In this Long Term Plan 2009-2019, Council intends to phase in metering of all reticulated customers. Universal metering can reduce water consumption as customers modify their water usage in response to price signals. Metering assists in the identification of water losses and is consistent with a user pays approach. Except for customers in Omokoroa, Tanners Point, Ongare Point and Te Puna West, household metering will not begin until 2012/13, to enable Council to improve its understanding of water use and better inform pricing policy. Water metering for all customers is an integral part of water conservation and will enable Council to reduce non-revenue water as well as promote reduced use by currently unmetered customers and more equitable relationship between customers that better reflects the user-pays philosophy. Water conservation will help ensure that sufficient water is available for all users, whether via the Council's reticulated supply or users' own sources.

Also, Council has agreed that higher priority be given to supplying potable water for domestic, commercial, industrial and livestock use, compared to other water uses such as irrigation. For example, in drought or emergency situations Council might not be able to provide its usual supply. This enables Council to focus on the provision of high quality potable water and enable the Regional Council to manage any new irrigation and frost protection requirements.

Increased charges will be introduced in 2010 for customers with non-standard (larger than 20mm) connections to reflect

The Western Bay of Plenty – water supply map



the greater demand such connections place on the capacity of the network. The customers with larger connections are mainly non-residential and may avoid the additional charge by downsizing their connections. Council staff will assist affected customers to determine the most appropriate course of action.

Council intends to focus on supply for households, livestock, industrial and commercial customers in the future, as Environment Bay of Plenty is better able to manage large scale irrigation and frost protection demands.

Council assets in this group of activities

Council's assets in this activity primarily consist of the three water supply networks servicing the following zones:

Western – Waihi B, Athenree, Te Kauri/Tanners Point, Ongare Point, Aongatete and Katikati.

Water supply assets for Western include 255km of reticulation, 6 treated water reservoirs and tank sites, 6 booster pump sites, 4 groundwater bores and 4 water treatment plants.

Central – Te Puna, Minden, Pahoia and Omokoroa.

Assets for Central include 153 km of reticulation, 6 treated water reservoirs and tank sites, 7 booster pump sites, 2 groundwater bores and 2 water treatment plants.

Eastern – Te Puke urban and surrounding rural areas and areas east of Te Puke including the Bush, Paengaroa, Maketu, Pukehina and Pongakawa.

Assets for Eastern include 232km of reticulation, 12 treated water reservoirs and tank sites, 8 booster pump sites, 3 groundwater bores and 4 water treatment plants.

10-year programme highlights

- Future focus on potable water supply for households, livestock (including dairy farms), commercial and industrial uses (where land is zoned for the purpose).
- Three-year investigation of water use patterns to better inform future pricing, which will be reviewed in 2012.
- Delivery rate charging for customers with connections larger than 20mm.
- Meter installation for all customers, beginning with Te Puna West, 2009/10 (\$125,000), Tanners Point and Ongare Point 2009/10 (\$125,000) and Omokoroa, 2010/11 and 2011/12 (\$693,000).
- Increased Uniform Annual Charges (UAC) of approximately 3% per year in all water supply zones to reduce the amount of debt required to finance the cost of metering.
- Increased effort to identify and reduce water losses (non revenue water), including advice to customers on water use and efficiency.
- Capacity upgrade for the Pongakawa Water Treatment Plant 2015/16 (\$969,000)

What Council wants to achieve

Council Outcome 1: Potable water of an appropriate standard and quality to meet the needs of consumers within the 3 supply zones is provided.

BCWA1

This outcome balances community expectations about responsible use of potable water and Council's statutory obligations, with the ability of the community to pay for the desired level of service. It considers both present and future needs of the community.

Council Outcome 2: Consumer's use of water across the three supply zones enables sustainable financial management of Council's water supply infrastructure and sustainable environmental management of the water resource.

BCAW2

This outcome introduces water conservation (demand management) practices to Council's water operations. Sustainable financial management requires Council to ensure that the maintenance and development of the infrastructure is enabled by the revenue and financing policy.

Why Council wants to achieve this (rationale)

Contribution to Community Outcomes

This activity contributes primarily to the following Community Outcomes:

- Our environment is clean, green and valued.

This means that:

- Service providers work with us to ensure the environment is sustainably managed.

- Air, water and land quality are maintained to protect our health and ecological systems.

- We can all enjoy a healthy and safe lifestyle.

This means that:

- Transport and other infrastructural services are safe and meet our needs.

- Our economy is thriving.

This means that:

- Innovation and entrepreneurship add value and support diversification of the local economy.

- The versatility of rural land is maintained.

- Unique attributes of our District are turned into competitive advantages.

- Infrastructure, services and facilities support and promote economic growth and development.

- Business, government and education sectors work effectively together.

- Business practices are environmentally sustainable.

Council's role in contributing to these Community Outcomes is

more fully described in the Council Outcomes and strategies within this chapter. For example:

- Providing water that meets New Zealand Drinking Water Standards to consumers on Council's network.
- Promoting water conservation and efficient use of Council supplied water.
- Maintaining a level of service consistent with firefighting requirements.
- Providing and maintaining necessary infrastructure including bores, pipes reservoirs, treatment plants and pumps.

To meet statutory obligations under the following Acts:

- Health Act 1956.
- Local Government Act 2002.
- Health (Drinking Water) Amendment Act 2007.

Council activities in this group of activities

- Council water supply.

Significant negative effects associated with these activities

- Adverse ecological (environmental) effects of water abstraction.
- Less water available for landowners seeking to develop own bores for irrigation or private use, for economic benefit.

These effects are monitored and controlled by Environment Bay of Plenty through its resource consents required to extract and use water.

How Council will achieve this

Council Outcome 1

Potable water of an appropriate standard and quantity to meet the needs of consumers within the 3 supply zones is provided.

BCWA1

- 1.1 Maintain a minimum of 'B' grade compliance with New Zealand Drinking Water Standards for 2005 treatment plants.

Council's role: Lead

- 1.2 Maintain a minimum of 'b' grade compliance with New Zealand Drinking Water Standards 2005 for reticulation.
Council's role: Lead
- 1.3 Maintain adequate capacity in a one in 50-year drought event to meet normal domestic, commercial and industrial needs for the Western, Central and Eastern Supply areas.
Council's role: Lead
- 1.4 Maintain Council water storage systems to ensure minimum of 24 hours average daily demand storage in all systems.
Council's role: Lead
- 1.5 Council's reticulation network is extended consistent with its policy on network extensions and policy on water connections.
Council's role: Lead
- 1.6 When considering applications for new connections, priority will be given to households, livestock (including dairy farms), commercial and industrial uses (where land is zoned for the purpose).
Council's role: Lead

Council Outcome 2

Consumers' use of water across the three supply zones enables sustainable financial management of Council's water supply infrastructure and sustainable environmental management of the water resource.
BCWA2

- 2.1 Meters are phased-in and used to charge according to volume for all customers.
Council's role: Lead
- 2.2 Appropriate funding mechanisms are used to encourage equitable and sustainable use of water.
Council's role: Lead
- 2.3 Enable cross-boundary supply subject to suitable arrangements being in place.
Council's role: Lead

Council Action Plan – Water Supply

Summary of major projects and activities											
Project Number	Project Description	\$'000									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
2430	Eastern Water Supply - Reticulation	422	0	448	66	419	954	285	228	603	368
243211	Omokoroa - Install Water Metering	0	341	352	0	0	0	0	0	0	0
2433	Central Water Supply	227	45	0	0	340	2696	823	70	330	201
2436	Western Water Supply - Reticulation	778	700	753	908	737	299	182	332	213	112
2871	Eastern Water Supply - Source Improvement	545	0	95	206	0	0	1029	0	0	0
2872	Western Water Supply - Source	170	23	0	0	0	0	0	0	0	0
3182	District Wide Water metering Project - Western	125	0	0	513	529	547	565	584	604	0
3190	District Wide Water Metering Project -Central	125	0	0	113	117	121	125	129	133	0
3238	District Wide Water Metering - Eastern	0	0	0	473	487	503	521	538	556	0

Note: This is not a complete list of the projects in this group of activities. For a full listing, please refer to Council's website.

How Council will track progress

Outcomes

Council Outcome	Performance Measures	Actual	Target				
		30/6/2008	2010	2011	2012	2013-2015	2016-2019
<p>Outcome 1 (BCWA1) Potable water of an appropriate standard and quantity to meet the needs of consumers within the 3 supply zones is provided.</p> <p>Outcome 2 (BCWA2) Consumers' use of water across the three supply zones enables sustainable financial management of Council's water supply infrastructure and sustainable environmental management of the water resource.</p>	<p>Key Council Performance Measure For the three supply zones the percentage of Council's treated water supply with a Ministry of Health grading as per Health (Drinking Water) Amendment Act 2007:</p> <ul style="list-style-type: none"> - B' or better for treatment. - 'b' or better for reticulation. 	100%	100%	100%	100%	100%	100%
	<p>Key Resident Performance Measure Level of resident satisfaction with the quality of Council's water supply, as monitored by the Annual Residents Survey, those residents who are very satisfied and satisfied.</p>	72%	75%	75%	75%	80%	80%
	<p>Supporting Measures In a 1:50 year drought event the ability of the water supply to meet normal daily water demand (1100 litres per person per day).</p>	100%	100%	100%	100%	100%	100%
	Ability of reservoirs to provide a minimum of 24 hour average daily demand storage.	100%	100%	100%	100%	100%	100%
	<p>Water Performance Measures Percentage of eligible properties that are connected to Council water supply.</p>	90%	91%	91%	93%	93%	93%

Levels of service and measurement

Levels of Service	Performance Measures	Actual	Target				
		30/6/2008	2010	2011	2012	2015	2019
Council will provide good quality water to meet growth needs within the water supply areas.	Level of compliance with industry standard (NZ Fire Service Code NZPAS4509:2008). This monitors water supply and pressure.	85%	95%	95%	100%	100%	100%
	Percentage of year where reservoirs are maintained at a minimum of 50% full, in accordance with Ministry of Health Requirements.	95%	80%	80%	80%	80%	80%
Council will effectively manage the risks associated with the quality and quantity of the public water supply.	Number of times when Council water supply does not comply with resource consents.	2	<5	<5	<5	<5	<5
	Preventable water loss as a percentage of average daily production. The acceptable range is between 10-20% of bulk supply based on the International Infrastructure Management Manual v1.0.	28%	25%	22%	19%	15%	10%

Projected Financial Summary – Water supply (consolidated)

For the years ended 30 June	2010 \$'000	2011 \$'000	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
Analysis of expenditure - by activity										
Western Water Supply	3,327	3,538	3,690	3,804	3,947	4,236	4,392	4,514	4,650	4,753
Central Water Supply	2,075	2,207	2,294	2,349	2,402	2,565	2,829	2,960	3,024	3,087
Eastern Water Supply	3,708	3,898	3,995	4,091	4,196	4,430	4,619	4,803	4,920	5,026
Total operating expenditure	9,110	9,643	9,979	10,244	10,545	11,230	11,840	12,277	12,594	12,867
Analysis of expenditure - by class										
Direct costs	3,957	4,139	4,317	4,399	4,489	4,900	5,128	5,331	5,575	5,829
Overhead costs	913	961	977	1,009	1,038	1,078	1,108	1,143	1,181	1,225
Interest	1,653	1,926	2,020	2,106	2,221	2,326	2,591	2,742	2,722	2,683
Depreciation	2,587	2,617	2,665	2,729	2,797	2,927	3,013	3,061	3,115	3,130
Total operating expenditure	9,110	9,643	9,979	10,244	10,545	11,230	11,840	12,277	12,594	12,867
Revenue										
Targeted rates	4,446	4,758	5,090	5,419	5,684	5,972	6,163	6,463	6,776	7,119
User fees	1,878	2,028	2,151	2,276	2,678	3,242	3,639	4,188	4,798	5,484
Financial contributions	714	767	1,103	1,162	1,312	1,364	1,382	1,961	2,053	2,076
Vested Assets	200	207	213	220	227	234	242	250	259	268
Other income	0	0	107	110	113	117	121	125	129	134
Total revenue	7,238	7,760	8,664	9,186	10,014	10,930	11,548	12,987	14,015	15,080
Net cost of service - Surplus / (Deficit)	(1,872)	(1,883)	(1,315)	(1,058)	(531)	(301)	(292)	710	1,421	2,213
Capital expenditure										
Capital expenditure	2,392	1,109	1,648	2,279	2,630	5,120	3,529	2,060	2,439	681
Vested assets	200	207	213	220	227	234	242	250	259	268
Total other funding required	(4,463)	(3,199)	(3,177)	(3,556)	(3,387)	(5,655)	(4,064)	(1,600)	(1,277)	1,265
Other funding provided by										
Debt Increase (Decrease)	284	(428)	(219)	1,137	1,028	2,767	1,459	380	406	(973)
Reserves & future surpluses	4,179	3,627	3,396	2,420	2,359	2,888	2,604	1,220	870	(292)
Total Other funding	4,463	3,199	3,177	3,556	3,387	5,655	4,064	1,600	1,277	(1,265)

All information from 2011-2019 includes an adjustment for inflation.

Projected Financial Summary – Western water

For the years ended 30 June	2010 \$'000	2011 \$'000	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
Analysis of expenditure - by activity										
Western Water Supply	3,327	3,538	3,690	3,804	3,947	4,236	4,392	4,514	4,650	4,753
Total operating expenditure	3,327	3,538	3,690	3,804	3,947	4,236	4,392	4,514	4,650	4,753
Analysis of expenditure - by class										
Direct costs	1,485	1,550	1,618	1,650	1,673	1,840	1,927	2,004	2,095	2,191
Overhead costs	338	355	361	373	384	399	410	423	437	453
Interest	603	720	779	823	905	962	986	999	1,009	994
Depreciation	901	913	932	957	984	1,035	1,069	1,088	1,109	1,115
Total operating expenditure	3,327	3,538	3,690	3,804	3,947	4,236	4,392	4,514	4,650	4,753
Revenue										
Targeted rates	1,761	1,895	2,048	2,204	2,311	2,426	2,544	2,664	2,791	2,924
User fees	586	662	715	772	951	1,154	1,266	1,500	1,764	2,060
Financial contributions	196	221	378	428	508	517	471	482	489	483
Vested Assets	100	103	107	110	113	117	121	125	129	134
Total revenue	2,643	2,881	3,248	3,514	3,884	4,215	4,403	4,772	5,173	5,601
Net cost of service - Surplus / (Deficit)	(684)	(657)	(442)	(290)	(63)	(21)	11	258	524	847
Capital expenditure										
Vested assets	100	103	107	110	113	117	121	125	129	134
Total other funding required	(1,856)	(1,483)	(1,302)	(1,821)	(1,442)	(984)	(857)	(783)	(423)	602
Other funding provided by										
Debt Increase (Decrease)	309	(61)	29	840	567	261	349	293	366	(396)
Reserves & future surpluses	1,547	1,544	1,272	981	875	723	508	490	57	(205)
Total Other funding	1,856	1,483	1,302	1,821	1,442	984	857	783	423	(602)

All information from 2011-2019 includes an adjustment for inflation.

Council's additional asset requirements – Western Water

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total Capital Expenditure										
Additional levels of service	211,000	0	0	513,340	529,253	546,719	625,840	583,962	603,817	0
Additional capacity for future residents (growth)	212,760	0	133,846	116,093	263,074	0	121,260	31,353	0	111,890
Renewals	648,800	722,943	619,062	791,546	473,782	298,568	0	300,148	213,367	0
Capital expenditure after adjustment for inflation	1,072,560	722,943	752,908	1,420,979	1,266,109	845,286	747,100	915,463	817,184	111,890

Additional levels of service are funded by targeted rates for connections.

Growth related projects (capacity for future residents) will be recovered by financial contributions over a 25 year period and from future rates. These also include an allocation for interest.

Renewals are funded from depreciation reserves and targeted rates.

Projected Financial Summary – Central water

For the years ended 30 June	2010 \$'000	2011 \$'000	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
Analysis of expenditure - by activity										
Central Water Supply	2,075	2,207	2,294	2,349	2,402	2,565	2,829	2,960	3,024	3,087
Total operating expenditure	2,075	2,207	2,294	2,349	2,402	2,565	2,829	2,960	3,024	3,087
Analysis of expenditure - by class										
Direct costs	892	940	981	994	1,023	1,123	1,177	1,228	1,286	1,359
Overhead costs	249	262	266	275	283	294	302	311	322	334
Interest	348	411	439	451	446	458	632	688	666	639
Depreciation	585	594	609	629	650	691	718	733	750	755
Total operating expenditure	2,075	2,207	2,294	2,349	2,402	2,565	2,829	2,960	3,024	3,087
Revenue										
Targeted rates	771	811	836	850	893	940	883	934	983	1,048
User fees	714	765	812	857	919	1,100	1,182	1,273	1,370	1,481
Financial contributions	182	192	364	355	405	427	468	1,012	1,071	1,072
Vested Assets	50	52	53	55	57	59	61	63	65	67
Total revenue	1,717	1,820	2,065	2,117	2,274	2,525	2,593	3,281	3,488	3,668
Net cost of service - Surplus / (Deficit)	(358)	(387)	(230)	(233)	(128)	(40)	(236)	321	464	581
Capital expenditure										
Capital expenditure	352	386	352	113	457	2,817	948	379	463	201
Vested assets	50	52	53	55	57	59	61	63	65	67
Total other funding required	(760)	(825)	(635)	(401)	(642)	(2,915)	(1,244)	(121)	(64)	313
Other funding provided by										
Debt Increase (Decrease)	(90)	(118)	(130)	(144)	181	2,082	600	(54)	(186)	(116)
Reserves & future surpluses	850	943	766	545	460	833	644	175	250	(197)
Total Other funding	760	825	635	401	642	2,915	1,244	121	64	(313)

All information from 2011-2019 includes an adjustment for inflation.

Council's additional asset requirements – Central Water

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total Capital Expenditure										
Additional levels of service	125,000	341,303	352,225	113,312	116,825	120,680	124,783	128,901	133,283	0
Additional capacity for future residents (growth)	0	0	0	0	0	0	0	180,089	0	0
Renewals	227,000	44,887	0	0	340,035	2,696,476	823,251	70,034	329,750	200,759
Capital expenditure after adjustment for inflation	352,000	386,190	352,225	113,312	456,860	2,817,156	948,034	379,024	463,033	200,759

Additional levels of service are funded by targeted rates for connections.

Growth related projects (capacity for future residents) will be recovered by financial contributions over a 25 year period and from future rates. These also include an allocation for interest.

Renewals are funded from depreciation reserves and targeted rates.

Projected Financial Summary – Eastern water

For the years ended 30 June	2010 \$'000	2011 \$'000	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
Analysis of expenditure - by activity										
Eastern Water Supply	3,708	3,898	3,995	4,091	4,196	4,430	4,619	4,803	4,920	5,026
Total operating expenditure	3,708	3,898	3,995	4,091	4,196	4,430	4,619	4,803	4,920	5,026
Analysis of expenditure - by class										
Direct costs	1,579	1,649	1,719	1,755	1,793	1,937	2,024	2,099	2,194	2,278
Overhead costs	326	344	349	361	371	386	396	409	422	438
Interest	701	795	802	832	869	906	974	1,055	1,048	1,050
Depreciation	1,101	1,110	1,124	1,143	1,163	1,201	1,226	1,240	1,256	1,260
Total operating expenditure	3,708	3,898	3,995	4,091	4,196	4,430	4,619	4,803	4,920	5,026
Revenue										
Targeted rates	1,914	2,051	2,206	2,365	2,480	2,605	2,736	2,865	3,002	3,147
User fees	578	601	624	647	807	988	1,190	1,414	1,665	1,944
Financial contributions	336	354	361	380	399	421	444	467	493	520
Vested Assets	50	52	53	55	57	59	61	63	65	67
Other income	0	0	107	110	113	117	121	125	129	134
Total revenue	2,878	3,058	3,352	3,556	3,857	4,190	4,552	4,935	5,354	5,812
Net cost of service - Surplus / (Deficit)	(830)	(840)	(643)	(535)	(340)	(240)	(68)	132	434	786
Capital expenditure										
Capital expenditure	967	0	543	744	907	1,458	1,834	765	1,159	368
Vested assets	50	52	53	55	57	59	61	63	65	67
Total other funding required	(1,847)	(891)	(1,240)	(1,334)	(1,303)	(1,756)	(1,962)	(696)	(790)	351
Other funding provided by										
Debt Increase (Decrease)	65	(248)	(118)	440	279	424	510	142	226	(461)
Reserves & future surpluses	1,782	1,140	1,357	894	1,024	1,332	1,453	554	564	110
Total Other funding	1,847	891	1,240	1,334	1,303	1,756	1,962	696	790	(351)

All information from 2011-2019 includes an adjustment for inflation.

Council's additional asset requirements – Eastern Water

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total Capital Expenditure										
Additional levels of service	295,000	0	38,425	472,707	487,361	503,444	1,549,624	537,739	556,022	0
Additional capacity for future residents (growth)	250,000	0	0	271,544	0	0	0	0	0	0
Renewals	422,000	0	504,643	0	419,377	954,246	284,506	227,612	602,601	368,059
Capital expenditure after adjustment for inflation	967,000	0	543,067	744,251	906,737	1,457,690	1,834,130	765,351	1,158,624	368,059

Additional levels of service are funded by targeted rates for connections.

Growth related projects (capacity for future residents) will be recovered by financial contributions over a 25 year period and from future rates. These also include an allocation for interest.

Renewals are funded from depreciation reserves and targeted rates.

Key Assumptions – Water supply

Assumption	Description	Confidence (High, Med, Low)	Consequence of error in assumption																														
Eastern supply zone	No provision is made in the Asset Management Plan (AMP) for infrastructure to reticulate and supply future development at Rangiuuru as it has not been given approval to proceed.	Low	Minor, as AMP can be updated if and when the industrial park is given approval to proceed and water is available.																														
Drinking water standard	The standard for drinking water as specified in Drinking Water Standards for New Zealand 2005 (revised 2008) remain unchanged.	High	Quality of water supplied differs from supply standards.																														
Industrial water demand	Industrial demand is based on the continual growth of existing demand profiles in commercial, industrial and agricultural sections. Trends have been identified and analysis undertaken as per the AMP-Water. Uncertainty regarding the impact of charging higher rate for large connections.	Medium	If demand assumptions are incorrect investment in water assets would not be optimal, however, much of the work can be modified according to actual growth.																														
Residential water demand	Growth in water demand is derived for the forecast population growth and from historical trends in consumptions versus population. Trends have been identified and analysis undertaken as per the AMP-Water. Expect residential metering to reduce demand growth. Risk exists from current customers with availability that are currently not connected.	Medium	If demand assumptions are incorrect investment in water assets would not be optimal, however, much of the work can be modified according to actual growth.																														
Resident population growth	The District's population is expected to grow by 19.7% between 2009 and 2019, and the number of rateable properties is forecast to increase by 20.6% over the same period. This is consistent with the long-term growth projections in the subregional growth strategy SmartGrowth. The timing of that growth is expected to be slower in the first two years of the LTCCP (0.6% in 2009/10 and 1.1% in 2010/11) returning to more normal growth in later years.	Medium	Failing to provide appropriate and cost-effective levels of service to communities. Over-estimating the speed of growth could increase Council's debt if infrastructure development was undertaken in anticipation of growth that did not eventuate.																														
Water asset renewals	The assessed condition of the assets will not deteriorate with the provision of further field data. The renewals programme is generated from methodology in the International Infrastructure Management Manual.	Medium	Assets that have experienced accelerated deterioration will be replaced under maintenance.																														
Water asset replacement	All pipe replacement is with either PVE or PE. This is in line with current levels of service and budgets.	High	Increased construction and ratepayer costs if alternative pipe materials are used, e.g. ductile iron.																														
Water losses	Management of reticulation systems and metering will reduce water losses from 28% to 10% over 10 years. Observation and analysis of the three supply zone networks by staff suggest this reduction is achievable. The availability of water is not expected to be affected by climate change during the ten years of this Plan; however proposals adopted in this plan for water metering used as a demand management tool and to encourage more efficient use of the resource will help address longer term risks.	Medium	If the target is not met (although this is unlikely) investment in new sources may need to be brought forward.																														
Water level of service	No provision is made for change to the adopted levels of service, funding policy or bylaws.	High	Changes to level of service will have cost implications for ratepayers.																														
Water sources	All future water supply is from proven groundwater sources adjacent to existing infrastructure. Current consents allow for growth for the next 50 years and are all sites close to existing water treatment plants.	High	Increased investment in reticulation if new bore sources have to be located.																														
Inflation Projections	Financial Projections within the water group of activities have been calculated by applying the following inflation factors to core costs: <table border="1" data-bbox="343 1839 973 1955"> <thead> <tr> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Water Inflation</td> <td>3.4</td> <td>3.2</td> <td>3.0</td> <td>3.1</td> <td>3.3</td> <td>3.4</td> <td>3.3</td> <td>3.4</td> <td>3.5</td> </tr> <tr> <td>Energy Inflation</td> <td>3.7</td> <td>2.4</td> <td>2.8</td> <td>2.9</td> <td>3.3</td> <td>3.3</td> <td>3.4</td> <td>3.4</td> <td>3.5</td> </tr> </tbody> </table> It is assumed that 18% of operating costs will be affected by the Energy Inflation factor and 82% will be affected by the Water Inflation factor.		2011	2012	2013	2014	2015	2016	2017	2018	2019	Water Inflation	3.4	3.2	3.0	3.1	3.3	3.4	3.3	3.4	3.5	Energy Inflation	3.7	2.4	2.8	2.9	3.3	3.3	3.4	3.4	3.5	Low	If actual inflation rates vary from those assumed, costs will either be over or under-estimated. This will affect the financial projections for the activity including expenditure, revenue and financing requirements for this activity.
	2011	2012	2013	2014	2015	2016	2017	2018	2019																								
Water Inflation	3.4	3.2	3.0	3.1	3.3	3.4	3.3	3.4	3.5																								
Energy Inflation	3.7	2.4	2.8	2.9	3.3	3.3	3.4	3.4	3.5																								
Impact of metering	Metering households will reduce demand for water and delay the need for additional water sources.	Medium	Increased investment in water sources and reticulation network.																														

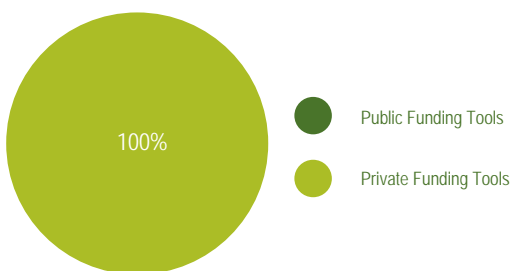
Revenue and Financing Policy – Water Supply

Rationale for choice of revenue and financing tools

Public benefits identified	Private benefits identified	Other considerations
Provision of potable water in the District provides public health and sanitation benefits to the community.	Individuals provided with water can be identified and charged for the service. Increased use of water by some customers reduces the amount available for others.	The life of the assets in this activity ranges from 40 to 100 years.
If potable water were not available, economic development would be constrained and the community as a whole would suffer.	Water supply, treatment facilities and reticulation systems have surplus capacity designed to cater for growth. Developers who take advantage of this capacity by subdividing can be identified and charged.	Exacerbators identified include: <ul style="list-style-type: none"> - Undetected leaks resulting in water losses. - Poor maintenance of pipes and taps leading to water losses. - Illegal connections contributing to water losses. - In total, water losses are estimated to make up 34% of water supplied. - Customers with connections larger than 20mm, affect the level of service that can be offered elsewhere in the network, especially at times of peak demand because they enable a rapid delivery rate.
Water schemes provide fire-fighting capability to the community.	All water usage could be metered and charged for but this would require a large capital outlay.	
	Many rural ratepayers are not connected to Council water supplies and provide their own water.	

Funding targets

Water supply



Financing sources

Financial contributions	To fund the capital development including holding costs required to accommodate growth, and to pay for the consumption of excess capacity in the water supply system.
Loans, to be serviced by revenue sources.	To fund capital development, and to match the financing with the life of the asset.

Revenue sources

User fees and charges including <ul style="list-style-type: none"> • Metered Uniform Annual Charges, • Unmetered water Uniform Annual charges, • Connection fees (including additional fees for large connections) and • Availability charges 	To fund renewals of capital, and all operating, maintenance and financing costs, including share of capital expenditure that relates to existing ratepayers.
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For further details of Council's rating tools, refer to the Funding Impact Statement within the Financial Information section.

STORMWATER

Overview

Stormwater systems built to protect property from the effects of flooding and coastal erosion can include watercourses, open channels, swales and other structures that reticulate stormwater to its final discharge point. The systems include primary and secondary flow paths, stormwater detention and stormwater treatment.

There are legislative requirements regarding the quality and quantity of stormwater released and the Western Bay of Plenty District Council must meet these statutory obligations.

Under the Resource Management Act 1991, district councils have the duty to manage land use in a way that avoids, remedies or mitigates adverse environmental effects. Regional councils have the function of controlling the use of land for the maintenance of water quality in water bodies and coastal water.

Demand for stormwater services is managed in accordance with Council's Subdivision and Development Code of Practice (COP) and corresponding Levels of Service (LOS). A new code of practice was notified in February 2009. Levels of Service are set by Council to meet various legislative requirements and are related to both the containment of water within the system under varying flood conditions and the quantity and quality of water released into the environment.

Through the Code of Practice and the resource consent process for subdivision, developers are required to make adequate provision for the collection and disposal of stormwater runoff from impermeable surfaces created through the development process. This may result in vesting of new infrastructure to Council, where appropriate.

As the need for stormwater management expands with the intensification of development, changes to the design of stormwater infrastructure are required, in accordance with Council's levels of stormwater service. Council manages stormwater within three broad Stormwater Management Areas. The definitions of the areas are:

Urban Growth Nodes

These are the main urban areas within the District that are planned for future urban development and expansion. These will have significant stormwater infrastructure and the greatest potential to affect receiving environments.

Small Settlements

These are small urban settlements that have some stormwater infrastructure, but it is generally of a low capital value when compared to the infrastructure in Urban Growth Nodes.

Rural Settlements

These include land zoned rural, as well as rural villages that have fewer than 50 residential dwellings. These areas are provided for by the stormwater infrastructure that is supplied as part of the roading system.

Stormwater Management Areas

Urban		Rural
Urban Growth Nodes	Small Settlements	Rural Settlements
Te Puke	Tanners Point	All rural areas (plus)
Omokoroa	Kauri Point	Tuapiro
Katikati	Te Puna	Plummers Point
Waihi Beach (including Pios Beach, Athenree)	Minden Paengaroa Pukehina Beach Maketu Ongare Point	Te Kahika Little Waihi Pongakawa Rogers Road

Currently, Minden has its own area of benefit because there are no new works identified for this area in the Long Term Plan. New works may be proposed at a later date if the Rural 3 (Minden Zone) proposed in the District Plan review (for public consultation Feb-Mar 2009), is adopted with a supporting structure plan.

Separate areas of benefit for financial contributions remain for each of the Urban Growth Nodes.

Over time, the level of service required under various pieces of legislation has increased and may increase again in the future. As a result, not all the stormwater infrastructure in the District currently meets the legislative requirements or Council's Code of Practice. To address this, Council's capital works programme for 2009-19 focuses on the provision of additional capacity within Urban Growth Nodes in order to meet expected demand from projected population increases, together with essential upgrades to ensure compliance with current levels of service. Some structure plan work can be postponed because the new growth assumptions indicate that a later timing is now appropriate. Stormwater in small settlements will be upgraded over time to achieve at least a minimum level of service. In considering submissions to the draft long term plan, the timing of all projects was reviewed and some work rescheduled to later dates to reduce rate increases. Some projects were postponed beyond the ten years of this plan which means that levels of service will be lower. As a result, the targets for 2012-2019 for the percentage of stormwater reticulation that meets Code of Practice design have been reduced by 5%.

The impact of the work on the projected targeted rates paid by each of the areas of benefit for 2009/10 is shown below. A review of the stormwater strategy is scheduled during 2009/10, during which the indicative rates for subsequent years will be reviewed.

Council will continue to retain ownership of stormwater infrastructure and management. Day-to-day maintenance of the system will be provided through service delivery contracts.

During 2008 Council reviewed its revenue and financing strategy for stormwater to identify options to address the perceived inequity between the amount paid by large industrial properties compared to other commercial

and residential properties. Currently stormwater is funded by a flat charge levied on each rateable property. Several options were investigated, including using improvement value as a basis for stormwater rating, but that option would have created different anomalies, so the equity of the rating basis would not be improved. Council chose to maintain with the status quo for stormwater rating.

Area of benefit targeted rate per property	Rate for 2008/9	Rate for 2009/10
Small settlements (Tanners Point, Kauri Point, Te Puna, Paengaroa, Pukehina Beach, Maketu, Ongare Point)	\$85	\$129
Urban growth nodes (Te Puke, Katikati, Omokoroa, Waihi Beach, Pios Beach, Athenree)	\$200	\$200
Minden	\$124	\$124

Council assets in this group of activities

Council owns and operates stormwater systems that service thirteen discrete urban communities or “areas of benefit” including:

- Waihi Beach,
- Ongare Point,
- Kauri Point,
- Tanners Point,
- Tuapiro Point,
- Katikati,
- Omokoroa,
- Minden,
- Te Puna (including Tides Reach),
- Te Puke,
- Paengaroa,
- Maketu (includes Little Waihi),
- Pukehina.

Assets include (across the district) 99,035m of stormwater pipes, 15,700m of open drains and 6 pump stations.

10-year programme highlights

- Stormwater treatment options will be investigated during the Stormwater strategy review in 2009/10. This will identify options for treating stormwater prior to discharge (especially where it enters the Tauranga Harbour) including removal of foreign bodies and silt.
- Upgrading stormwater pipelines that are deemed to be of insufficient capacity to meet new rainfall intensity assumptions (\$3,761,000 over the ten year period of the plan)
- The ongoing work of renewals and upgrades of stormwater infrastructure to meet minimum level of service standards will continue. For small settlements, a programme of works totaling \$2.7m over the 10 years to 2019, includes \$510,000 for upgrades at Hall Rd (Paengaroa) in 2010-2012, to address flood risks.
- Te Puke - construction of a protection bund wall to existing properties in flood prone area around Village Heights retirement village (\$694,000 in 2011/12)
- Stormwater works identified in the Omokoroa Structure Plan Stage 2, which caters for growth, have been postponed

beyond the period of this plan. This is a result of the slowing of growth assumed in Council's new forecasts. Public consultation on this structure plan was held in 2008.

- To cater for expected growth in Te Puke, \$1.9 million is provided in 2012/13 for stormwater works identified in Phase 2 of the Te Puke Structure Plan and \$1.5 million is earmarked in 2014/15 for Phase 3 of the structure plan. Public consultation on this structure plan was held in 2004/05.
- Over the 10-year period to 2019, \$391,000 will be spent on stormwater works identified in the Katikati Structure Plan.
- For Waihi Beach, upgrades to address flood risks in the Wallnut Avenue area (Wallnut Avenue, Marine Avenue, Scarborough Road and Brighton Avenue) initially planned for 2010/11 and 2011/12 costing \$900,000, have been postponed beyond 2019.
- Waihi Beach structure plan works have been postponed for two years and are now scheduled in 2014/15 costing \$1 million and 2018/19 costing \$557,000. This rescheduling was influenced by changes in Council's growth assumptions, projecting slower growth in the short term.

Waihi Beach Coastal Protection

In 2008/09 an amendment to Council's Long Term Plan was made in respect of its Revenue and Financing Policy for Waihi Beach Coastal Protection and updated the project costs. The implementation of these capital works are shown in the 10 year highlights section below. This issue has been consulted on with the community for the last several years.

In 2008/9 Council allocated \$100,000 to undertake investigations to address issues of coastal erosion around Two Mile Creek in Waihi Beach. Once the results of this investigation are known and Council has made a decision on a preferred option for capital works (if any), a revenue and financing policy would be developed and consulted with the community and estimated costs included in the 2012-22 Long Term Plan.

10-year programme highlights

Waihi Beach coastal protection

- Construction of the Waihi Beach coastal protection works (rock revetment and dune enhancement) is scheduled over three years, starting in 2009/10.

What Council wants to achieve

Council Outcome 1: Stormwater systems in Urban Growth Nodes are progressively upgraded to comply with adopted Structure Plans.

BCST1

The higher levels of service for Urban Growth Nodes are reflected in the Structure Plans and stormwater infrastructure is to be upgraded where necessary to meet these.

Council Outcome 2: Existing stormwater systems in Small Settlements are progressively upgraded to provide a minimum level of service.

BCST2

Council's strategy for Small Settlements is to bring each settlement up to a minimum level of service.

Council Outcome 3: Urban development is avoided in flood prone areas unless mitigation measures can be provided.

BCST3

This outcome recognises that Council has a responsibility to guide growth and the development of land use in an appropriate manner.

Council Outcome 4: Communities are consulted and informed about various approaches to stormwater management and their views are sought and taken into account.

BCST4

This recognises that some new approaches to stormwater management involve a shift of responsibility for runoff from Council to land owners. Such a change in approach will need to be discussed with the community through effective community consultation and communication.

Council Outcome 5: Compliance and monitoring activities are carried out.

BCST5

This will ensure that resource consent is gained for infrastructure work and that water quality issues are quantified.

Why Council wants to achieve this (rationale)

Contribution to Community Outcomes

This activity contributes primarily to the following Community Outcomes:

- We can all enjoy a healthy and safe lifestyle.

This means that:

- We feel safe and secure in our homes and communities.
- Housing is affordable and appropriate to our life-stages.
- Transport and other infrastructural services are safe and meet our needs.

- Our economy is thriving.

This means that:

- Innovation and entrepreneurship add value and support diversification of the local economy.
- The versatility of rural land is maintained.
- Unique attributes of our District are turned into competitive advantages.
- Infrastructure, services and facilities support and promote economic growth and development.
- Business, government and education sectors work effectively together.
- Business practices are environmentally sustainable.

Council's role in contributing to these Community Outcomes is more fully described in the Council Outcomes and strategies within this chapter. For example:

- Providing and maintaining stormwater pipes, swales and open drains within urban areas and small settlements.
- Planning for future stormwater requirements.
- Providing coastal protection works at Waihi Beach.

To meet statutory obligations under the following Acts:

- Resource Management Act 1991.

Activities in this group of activities

- Stormwater network.
- Waihi Beach Coastal Protection

Significant negative effects associated with these activities

- Quality of discharge at point sources.
If water quality at discharge is poor, rivers, the harbour and ocean quality could be affected. Council is planning to investigate options for treatment of discharges in 2009-2012. Environment Bay of Plenty controls the quality of discharges through its resource consents.
- Impact of some coastal protection structures on beach.
Rock revetment structures on Waihi Beach could affect the amenity of the beach, but walkways along the top of the structure will mitigate this environmental effect.

How Council will achieve this

Council Outcome 1

Stormwater systems in Urban Growth Nodes are progressively upgraded to comply with adopted Structure Plans.

BCST1

- 1.1 Works to achieve the higher levels of service set out in the structure plans for Growth Nodes will be carried out.

Council's role: Lead

- 1.2 Development of structure plans will consider alternative methods of management and disposal of stormwater.

Council's role: Lead

Council Outcome 2

Existing stormwater systems in Small Settlements are progressively upgraded to provide a minimum level of service.

BCST2

- 2.1 In providing a minimum level of service, alternative stormwater management approaches may be undertaken. This will include cost benefit analysis of the various approaches and investigations into management methodologies whereby water is viewed as a resource.

Council's role: Lead

Council Outcome 3

Urban development is avoided in flood-prone and coastal protection areas unless mitigation measures can be provided.

BCST3

- 3.1 All development avoids floodable and coastal protection areas or mitigates the hazard through design solutions acceptable to Council.

Council's role: Lead

Council Outcome 4

Communities are consulted and informed about various approaches to stormwater management and their views are sought and taken into account.

BCST4

- 4.1 Provide adequate information so that residents are fully informed about stormwater issues and responsibilities.
Council's role: Lead
- 4.2 Discuss and explain the philosophy of the different approaches to stormwater with the community.
Council's role: Lead
- 4.3 Explore the use of incentives to encourage runoff containment on sites.
Council's role: Lead

Council Outcome 5

Compliance and monitoring activities are carried out. BCST5

- 5.1 Ensure the consents necessary for works are lodged and approved as required.
Council's role: Lead
- 5.2 Quantify the water quality issue by monitoring the effect of stormwater discharges on receiving environments.
Council's role: Research and Monitoring
- 5.3 Carry out contaminant loading studies, including those associated with roading stormwater systems.
Council's role: Lead, Research and Monitoring

Council Action Plan – Stormwater

Summary of major projects and activities											
Project Number	Project Description	\$'000									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
2263	Waihi Beach Stormwater Works Program	165	124	101	588	652	1306	533	0	0	0
2264	Kaikati Stormwater Works Program	100	0	192	0	0	0	0	0	0	0
2265	Omokoroa Stormwater Works Program	0	481	112	275	68	0	0	0	0	0
2266	Te Puke Stormwater Works Program	195	605	149	2736	901	1317	363	0	2586	0
2654	Maketu Stormwater Works Program	165	79	0	176	96	0	0	0	0	0
2820	Coastal Protection Waihi Beach	1736	1766	1601	0	0	0	0	0	0	0
3018	Stormwater - Small Settlements works programme	505	346	1060	627	187	0	0	0	0	0
3166	Kaikati Structure Plan Utilities Stormwater	0	0	110	0	0	0	0	0	281	0
3169	Waihi Beach Structure Plan Utilities Stormwater	0	0	0	0	0	1033	0	0	0	557
3172	Omokoroa Structure Plan Utilities Stormwater	0	0	85	4338	0	0	0	0	0	0
3194	Te Puke Retirement Village Bund Protection	0	0	694	0	0	0	0	0	0	0
3196	Stormwater Network Upgrade	50	362	374	385	397	410	424	438	453	468
302003	Revise floodable map area	40	41	37	38	0	0	0	0	0	0
302004	District wide consent processing	120	0	0	0	0	0	0	0	0	0

Note: This is not a complete list of the projects in this group of activities. For a full listing, please refer to Council's website.

How Council will track progress

Council uses performance measures to track its progress towards the achievement of Council Outcomes and delivery of levels of service.

Outcomes

Council Outcome	Performance Measures	Actual	Target				
		30/6/2008	2010	2011	2012	2013-2015	2016-2019
Outcome 1 (BCST1) Stormwater systems in Urban Growth Nodes are progressively upgraded to comply with adopted structure plans.	Key Council Performance Measure % completion of the annual work programme as identified in the Stormwater strategy and action plan. This identifies the total annual actions required for this strategy.	70%	90%	90%	90%	90%	90%
Outcome 2 (BCST2) Existing stormwater systems in Small Settlements are progressively upgraded to provide a minimum level of service.	Key Resident Satisfaction Measure Resident satisfaction level with stormwater systems, as monitored by the Annual Residents Survey, those residents who are very satisfied and satisfied.	68%	60%	60%	65%	70%	70%
Outcome 3 (BCST3) Urban development is avoided in flood prone areas unless mitigation measures can be provided.	Supporting Measures % of Council's stormwater reticulation that has adequate capacity in terms of Code of Practice design.	82%	60%	65%	65%	75%	85%
Outcome 4 (BCST4) Communities are consulted and informed about various approaches to stormwater management and their views are sought and taken into account.	Note: Environment Bay of Plenty has adjusted stormwater calculations. This has resulted in a higher proportion of the Council's network being "under size". The action plans are addressing this issue and trends will improve in later years of plan.						
Outcome 5 (BCST5) Compliance and monitoring activities are carried out.							

Levels of service and measurement

Levels of Service	Performance Measures	Actual	Target				
		30/6/2008	2010	2011	2012	2013-2015	2016-2019
Progressively upgrade infrastructure to manage flood levels within designated areas.	% of reticulation (by length) that is under size. Note: Environment Bay of Plenty has adjusted stormwater calculations which has resulted in a higher proportion of the Council's network being "under size". The action plans are addressing this issue and trends will improve in later years of plan.	28%	40%	35%	35%	25%	15%
Maintain existing stormwater system to contain flooding within designated areas.	Number of times flooding occurs outside identified flood prone urban areas during a 50-year or less storm event. (50 year storm event is a nationally recognised measure and used in Councils Code of Practice.)	4	2	2	2	2	2

Projected Financial Summary – Stormwater

For the years ended 30 June	2010 \$'000	2011 \$'000	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
Analysis of expenditure - by activity										
Stormwater	3,645	4,196	4,736	5,948	6,254	6,796	7,061	7,239	7,642	8,814
Total operating expenditure	3,645	4,196	4,736	5,948	6,254	6,796	7,061	7,239	7,642	8,814
Analysis of expenditure - by class										
Direct costs	998	949	982	1,013	1,008	1,044	1,080	1,118	1,157	1,200
Overhead costs	437	459	473	489	502	521	536	553	572	592
Interest	1,215	1,592	1,901	2,684	2,902	3,245	3,395	3,503	3,816	4,887
Depreciation	995	1,196	1,381	1,764	1,842	1,986	2,050	2,066	2,098	2,135
Total operating expenditure	3,645	4,196	4,736	5,948	6,254	6,796	7,061	7,239	7,642	8,814
Revenue										
Targeted rates	2,050	2,252	2,562	3,375	3,650	4,111	4,365	4,556	4,991	5,261
Financial contributions	580	640	1,335	1,258	1,567	1,535	1,535	2,167	2,271	2,553
Vested assets	300	310	320	330	340	351	363	375	388	402
Other income	55	62	354	66	68	70	74	76	79	82
Total revenue	2,985	3,265	4,570	5,029	5,624	6,068	6,336	7,175	7,729	8,298
Net cost of service - Surplus / (Deficit)	(660)	(931)	(166)	(920)	(629)	(728)	(725)	(64)	87	(516)
Capital expenditure										
Capital expenditure	2,916	3,764	4,478	9,125	2,301	4,066	1,320	438	3,320	1,025
Vested assets	300	310	320	330	340	351	363	375	388	402
Total other funding required	(3,876)	(5,005)	(4,965)	(10,374)	(3,270)	(5,145)	(2,408)	(877)	(3,621)	(1,943)
Other funding provided by										
General Rate	20	22	24	26	28	30	32	35	37	40
Debt Increase (Decrease)	2,612	3,402	4,019	8,496	1,583	3,229	380	(606)	2,131	(303)
Reserves & future surpluses	1,244	1,582	922	1,853	1,660	1,887	1,996	1,449	1,453	2,206
Total Other funding	3,876	5,005	4,965	10,374	3,270	5,145	2,408	877	3,621	1,943

All information from 2011-2019 includes an adjustment for inflation.

Council's additional asset requirements – Stormwater

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total Capital Expenditure										
Additional levels of service	1,105,000	1,908,055	2,597,490	2,764,914	1,309,135	2,160,225	1,138,023	437,715	452,597	468,438
Additional capacity for future residents (growth)	0	0	194,973	6,277,400	906,760	1,817,575	181,599	0	2,867,722	556,505
Renewals	75,000	77,569	80,051	82,453	85,009	87,814	0	0	0	0
Capital expenditure after adjustment for inflation	1,180,000	1,985,624	2,872,514	9,124,767	2,300,904	4,065,614	1,319,623	437,715	3,320,320	1,024,943

Additional levels of service are funded by targeted rates.

Renewals are funded by use of depreciation reserves and targeted rates.

Growth related projects (capacity for future residents) will be recovered by financial contributions over a 25 year period and from future rates. These also include an allocation for interest.

Council's additional asset requirements – Waihi Beach Coastal Protection Project

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total Capital Expenditure										
Additional levels of service	1,736,204	1,778,498	1,605,731							
Additional capacity for future residents (growth)										
Renewals										
Capital expenditure after adjustment for inflation	1,736,204	1,778,498	1,605,731	0	0	0	0	0	0	0

Additional levels of service are funded by:
 Area of Benefit Targeted Uniform Annual General Charges
 Uniform Annual General Charge
 General Rate Reserves (\$272,000)
 Waihi Beach Drainage Reserve (\$140,842)
 Waihi Beach Erosion Reserve (\$106,431)
 Uniform Annual Charges collected in advance (\$64,188)

Key Assumptions – Stormwater

Assumption	Description	Confidence (High, Med, Low)	Consequence of error in assumption																				
Resident population growth	<p>The District's population is expected to grow by 19.7% between 2009 and 2019, and the number of rateable properties is forecast to increase by 20.6% over the same period. This is consistent with the long term growth projections in the subregional growth strategy SmartGrowth.</p> <p>The timing of that growth is expected to be slower in the first two years of the Long Term Plan (0.6% in 2009/10 and 1.1% in 2010/11) returning to more normal growth in later years.</p>	Medium	<p>Significant differences between forecast population and household growth and actual outturns would result in Council failing to provide appropriate and cost-effective levels of service to communities.</p> <p>Over-estimating the speed of growth could increase Council's debt if infrastructure development was undertaken in anticipation of growth that did not eventuate.</p>																				
Land coverage imperviousness	Estimates of land coverage imperviousness are made based on the recommendations in the NZ Building Code Handbook.	Medium	Variations to predicted stormwater flows would result in a change of capacity requirements.																				
Rainfall Intensity Values	Rainfall intensity values are generated from actual rainfall data. Factors have been applied to account for climate change up to the year 2030 as directed by the Regional Council, Environment Bay of Plenty. These factors were based on the Ministry for the Environment Climate Change recommendations.	Medium	Variations to estimated stormwater flows will change the stormwater system requirements, which may affect the type of work undertaken and funding requirements as a result.																				
Sea level changes	The sea level value used in relation to stormwater assets is based on the best estimate up to the year 2100, making allowances for high tide and storm surge as per the requirements of the Regional Council, Environment Bay of Plenty. The requirements are outlined in the EBOP publication Hydrological and Hydraulic Guidelines.	Medium	If sea levels vary from those estimated, changes in system and funding requirements will occur as a result.																				
Minimum Levels of Service	It is assumed that there will be no statutory or legislative requirement for increased levels of service.	High	If levels of service are required to increase, work type or quantity and funding requirements will change as a result.																				
Stormwater Asset Cost Estimates	Asset valuations have been calculated using data obtained from the Rawlinsons Publication. This publication contains average rates from contractors throughout New Zealand.	Medium	If cost estimates are incorrect adjustments in funding would be required, or changes in the quantity of work able to be constructed																				
Stormwater Asset Economic Life	The estimations of economic life of stormwater assets are based on recommendations in the International Infrastructure Management Manual.	High	If the estimated useful life of assets is inaccurate, estimates of renewal expenditure will be inaccurate and funding requirements will change as a result.																				
Inflation Projections	<p>Financial Projections within the Stormwater group of activities have been calculated by applying the following inflation factors to core costs:</p> <table border="1"> <thead> <tr> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Water Inflation</td> <td>3.4</td> <td>3.2</td> <td>3.0</td> <td>3.1</td> <td>3.3</td> <td>3.4</td> <td>3.3</td> <td>3.4</td> <td>3.5</td> </tr> </tbody> </table>		2011	2012	2013	2014	2015	2016	2017	2018	2019	Water Inflation	3.4	3.2	3.0	3.1	3.3	3.4	3.3	3.4	3.5	Low	If actual inflation rates vary from those assumed, costs will either be over or under-estimated. This will affect the financial projections for the activity including expenditure, revenue and financing requirements for this activity.
	2011	2012	2013	2014	2015	2016	2017	2018	2019														
Water Inflation	3.4	3.2	3.0	3.1	3.3	3.4	3.3	3.4	3.5														
Lump Sum Payments	<p>When new infrastructure is developed for funding by a specific group of ratepayers, Council often offers ratepayers the option of paying for their share of the capital cost through lump sum payments, rather than through their annual targeted rates (UACs).</p> <p>For the financial projections relating to the funding of the Waihi Beach Coastal Protection scheme, it has been assumed that half the eligible ratepayers take up the offer to pay a lump sum in 2012. Revenue projections for later years have been reduced accordingly.</p>	Medium	If Council overestimates the extent of take-up of the lump-sum offer, the timing of income will be affected. A greater portion of the capital cost would therefore be financed through debt and repaid through annual payments of targeted rates (UACs) by ratepayers. As a result Council's debt levels would be higher than assumed.																				

Revenue and Financing Policy – Stormwater

Scope of Policy

This policy applies to the development and management of Council's stormwater assets, which are designed to control, treat and dispose of stormwater run-off.

Exclusions

This policy does not apply to:

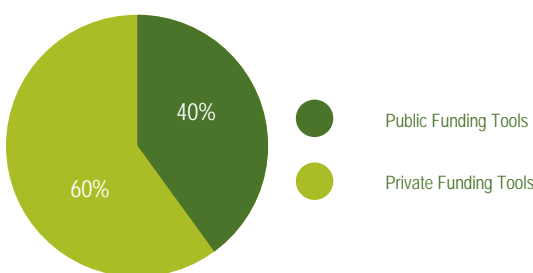
- Stormwater assets that are part of the District Reserves activity (refer Revenue and Financing Policy for District Reserves).
- Stormwater structures that are part of Council's roading assets (refer Revenue and Financing Policy for Transportation).
- Works designed to protect private property from the effects of coastal erosion (refer Revenue and Financing Policy for Waihi Beach Coastal Protection).

Rationale for choice of revenue and financing tools

Public benefits identified	Private benefits identified	Other considerations
<p>District-wide public benefits Education aimed at raising the public's awareness of stormwater issues and good practice benefits the District as a whole.</p> <p>Some communities will be required to implement higher standards of stormwater treatment, as a result of having sensitive receiving environments, e.g. wetlands, estuaries and harbours. While these communities could be seen as the cause of the adverse environmental effects, protection of these environments also benefits the District.</p>	<p>Individuals benefit from the stormwater activity through the reduction in risk of damage due to flooding and/or erosion on their properties.</p> <p>Properties and assets that benefit from the existence of stormwater assets can be identified.</p> <p>Developers benefit from the existence of excess capacity in the stormwater asset system. In some cases, stormwater assets and levels of service have to be increased to enable development to proceed.</p>	<p>The following actions tend to increase expenditure on this activity:</p> <ul style="list-style-type: none"> - Modifications to overland flow paths through minor earthworks, construction of retaining walls or fences across over-land flow paths. - Growth of trees or shrubs in over-land flow paths. - Additional paving, hard surfaces or buildings may increase the volume of stormwater run-off and reduce its quality. - Inappropriate disposal of hazardous substances and contaminants into the stormwater system increases the requirement for stormwater treatment prior to discharge. <p>Expected useful lives of stormwater assets:</p> <ul style="list-style-type: none"> - Reticulated stormwater - in excess of 60 years. - Open drains - 30 to 50 years. <p>Some drains and reticulation systems have surplus capacity which can be utilised by later developments. Council noted that if this activity were funded using a rate in the dollar, a disproportionate burden of the funding would fall on high value properties, especially those in coastal settlements whose property values have increased more rapidly than the average in recent years.</p>
<p>Community-wide public benefits Individual property owners within a community cannot exclude themselves from benefiting from the existence of a stormwater system. Council could not exclude them from receiving these benefits if they refused to pay for the service.</p> <p>Different communities may benefit from different levels of service in stormwater. This could be as a result of topographical conditions (e.g. steep slopes, unstable land) or density of settlement (e.g. urban vs rural densities of development).</p>		

Funding targets

Stormwater



For further details of Council's rating tools, refer to the Funding Impact Statement within the Financial Information section.

Financing sources

Loans	To fund capital development. Loans are serviced through the revenue sources detailed below.
Financial contributions	To fund the consumption of excess capacity in the system and the required increase in capacity resulting from growth, including holding costs.

Revenue sources

100% Area of Benefit UAC's	Area of Benefit: Urban Growth Nodes - Te Puke, Omokoroa, Katikati, Waihi Beach.
To fund the operations and maintenance of the assets, to service debt and to fund renewals of capital.	Area of Benefit: Small Settlements - Maketu, Te Puna, Kauri Point, Pukehina, Tanners Point, Paengaroa. Area of Benefit: - Minden.

During 2008 Council reviewed its revenue and financing strategy for stormwater to identify options to address the perceived inequity between the amount paid by large industrial properties compared to other commercial and residential properties. Currently stormwater is funded by a flat charge levied on each rateable property. Several options were investigated, including using improvement value as a basis for stormwater rating, but that option would have created different anomalies, so the equity of the rating basis would not be improved. Council chose to maintain with the status quo for stormwater rating.

Revenue and Financing Policy – Waihi Beach Coastal Protection project

Purpose of this Project

The purpose of this activity is to provide and maintain works designed to mitigate the risk to private properties of coastal erosion and stormwater in the respective catchment areas within the Waihi Beach area.

- Three Mile Creek works - 146m dune enhancement (shoreline off Glen Isla Place) and creek training at Three Mile Creek using training groynes.
- Maintenance and monitoring during the life of the works.

Scope of Policy

This policy applies to the project that comprises:

- Dune enhancement - 412m dune enhancement (shoreline at northern end of Shaw Road).
- Rock revetment - 1047m rock revetment (along shoreline at Shaw Road, Ayr Street and the Loop) and 1.2 m wide timber access ways.

The policy does not apply to:

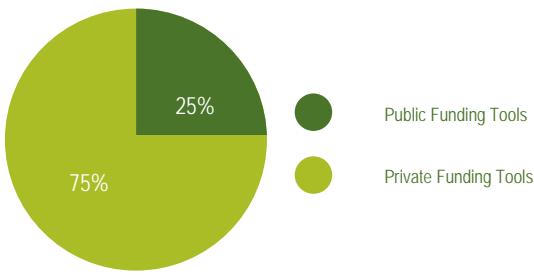
- Coastal erosion works in other locations, intended for the purpose of protecting Council esplanade reserves, strategic harbour walkways or public access ways. Such structures are included in the District Reserves Activity.
- Additional works at Two Mile Creek, e.g. Creek Training.

Rationale for choice of revenue and financing tools

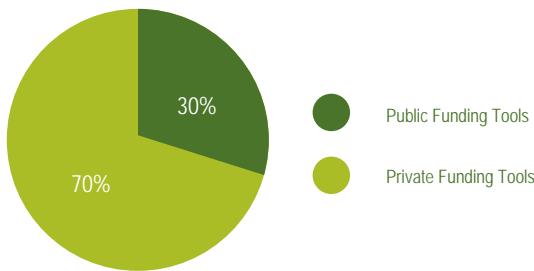
Public benefits identified	Private benefits identified	Other considerations
<p>If coastal erosion were not controlled and damage to property occurred, the image of Waihi Beach could be adversely affected.</p> <p>If protection works were not constructed, other costs may be imposed on the community, for example, litigation in the event of property loss or the need for other solutions to the erosion problem.</p> <p>Walkways along the top of the rock revetment will provide public access.</p> <p>Two Council reserves, (Elizabeth Street Reserve and Brewer Park), will be protected through these works. These reserves comprise two out of 85 properties in the primary hazard area. The works reduce the risk of erosion of esplanade reserves but the works themselves will reduce the amenity of the esplanade reserves.</p> <p>In areas where beach scraping and dune care is proposed there is expected to be some improved beach amenity and environmental enhancement.</p>	<p>Individual properties can be identified that receive benefits from the reduced risk of property damage resulting from coastal erosion and can be charged for the service.</p>	<p>Life of protection works is 25 years. Works are designed to protect buildings and property that have a long life.</p> <p>Wastewater and Stormwater Discharges Three Mile Creek receives the treated discharge from the Waihi Beach wastewater treatment plant. Two and Three Mile Creeks provide a waterway into which stormwater discharges flow, both from urban and rural catchments. The eroding effect of present stormwater needs to be considered.</p> <p>The eroding effects of additional stormwater from increased urban development due to Council regulatory processes are not considered significant in terms of intensity, when compared to the overall quantity of stormwater from existing urban and rural catchments.</p>
<p>Stormwater and wastewater discharge Two Mile Creek and Three Mile Creek provide a waterway into which stormwater discharges flow, both from urban and rural catchments. The eroding effects of additional stormwater from increased urban development are not considered significant, when compared to the overall quantity of stormwater from existing urban and rural catchments. Three Mile Creek receives the treated discharges from the Waihi Beach wastewater treatment plant.</p> <p>The Waihi Beach community therefore benefits from the existence of Mile Creek and Three Mile Creek, but there is no direct stormwater or wastewater benefit from the erosion mitigation works covered by this Revenue and Financing Policy.</p>		

Funding targets

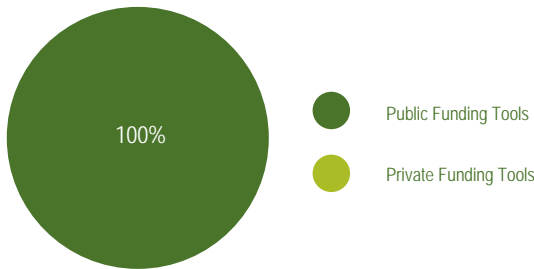
Rock Revetment



Dune Enhancement (Northern End) and Dune Enhancement (Glen Isla Place)



Creek Training Groynes



For further details of Council's rating tools, refer to the Funding Impact Statement within the Financial Information section.

¹A lump-sum payment option is expected to be offered to ratepayers that are liable for the beachfront rates. This offer will only be made once the detailed design and survey have been done and the costs of the project are more certain.

Financing sources

Loans where appropriate, serviced through the revenue sources listed below

To finance capital expenditure, excluding renewals.

Revenue sources

General Rate Reserves	To finance up to 5% of the capital cost of the project.
Balance of Waihi Beach Drainage Reserve and Waihi Beach Erosion Reserve	Lump sums transferred to finance the capital cost of the project.
Rate collected for coastal protection works (2003/04)	Lump sum transferred to finance the capital cost of the project.
Uniform Annual General Charge (UAGC)	To fund the revenue required for capital and all operating, maintenance and finance cost of the Three Mile Creek Training Groynes.
Area of Benefit Targeted Rates (UACs for Waihi Beach Ward)	To fund 25% of the remaining revenue requirement for capital and all operating, maintenance and financing costs, of the rock revetment works.
	To fund 30% of the remaining revenue requirement for capital and all operating, maintenance and financing costs, of the coastal protection works for the dune enhancement work (northern end and off Glen Isla Place).
Area of Benefit Targeted Rates (UACs for 83 Beachfront properties directly benefitting from the works)	To fund 75% of the remaining revenue requirement for capital and all operating, maintenance and financing costs, of the rock revetment (53 properties).
OR	
<ul style="list-style-type: none"> Lump Sum Contributions¹ (equivalent to loan and interest portion of revenue requirement over 25 years); and Area of Benefit Targeted Rates (to meet revenue required for maintenance and operations for those properties that elect to take up the lump-sum payment option) 	To fund 70% of the remaining revenue requirement for all capital and all operating, maintenance and financing costs, of the coastal protection works for the dune enhancement, northern end (23 properties) and off Glen Isla Place (7 properties).



PROTECTING THE ENVIRONMENT



*Western Bay of Plenty
District Council*

NATURAL ENVIRONMENT

Overview

Within the District there is a wide range of natural areas to enjoy such as beaches, harbours, lakes, forests, wetlands and native bush. The natural environment is arguably the District's most valuable resource. It provides the foundation for the District's economy, supports a wide range of recreational activities and has intrinsic value for many people. However, as population pressures continue, the environment is coming under increasing threat.

Caring for the environment is everybody's responsibility. SmartGrowth has identified the protection and enhancement of the natural environment as a cornerstone of sustainable development. This strategy outlines Council's commitment as a SmartGrowth partner to the protection and enhancement of the District's natural environment over the next 10 years. Council recognises that it has a complementary role to that of the Bay of Plenty Regional Council, which plays a more specialised role in environmental management. In the past Council's main focus has been on developing measures to identify and protect areas of the natural environment that have been under threat. As growth pressures continue, Council recognises that a more proactive approach must be taken than in the past and that there must be a shift in focus from environmental protection towards enhancement to ensure a legacy is provided for future generations.

While Council has statutory obligations to identify and protect indigenous biodiversity, environmental protection and enhancement requires much more than regulation. A commitment to the value of the environment and active co-operation between all parts of society, including district and regional councils, government departments and non-government organisations are vital to make the Western Bay of Plenty District a better place to live, both now and in the future.

Council assets in this group of activities

There are minimal assets associated with this activity.

10-year programme highlights

- Continued support for district wide and local environment education programmes and initiatives.
- Increased focus on the provision of information on local environment issues.
- Continued support for Coast Care and ecological service delivery contracts.

What Council wants to achieve

Council Outcome 1: The District's natural environment is protected, maintained and enhanced.

PENE1

This outcome recognises that the natural environment in our District is subject to various pressures and demands related to population growth and development. It is closely aligned to the community's environmental outcomes and reflects Council's statutory responsibilities and role as a partner in their achievement.

Council is aware that there are issues that need to be addressed in order for our District's natural treasures to be maintained and enhanced for those who live here and for visitors and future generations to enjoy.

Community awareness of the importance of biodiversity and the natural environment and resulting collaborative action can help avert the current threat to natural habitats. Council acknowledges that there is a range of initiatives and incentives that can help produce this result of community "ownership", including community education initiatives, financial incentives and the use of planning and monitoring tools.

Why Council wants to achieve this (rationale)

Contribution to Community Outcomes

This activity contributes primarily to the following Community Outcomes:

- Our environment is clean, green and valued.

This means that:

- Service providers work with us to ensure the environment is sustainably managed.
- Indigenous habitats and species are plentiful.
- Rare and representative habitats and species are protected and enhanced.
- Air, water and land quality are maintained to protect our health and ecological systems.

Council's role in contributing to these Community Outcomes is more fully described in the Council Outcomes and strategies within this chapter. For example:

- Facilitating environmental fora and working with community groups on environmental initiatives.
- Environmental education.
- Provide incentives, e.g. rates remission and fencing subsidies to encourage protection of ecological areas.
- Working with the community to monitor pests and habitats.
- Working within Council to reduce its environmental footprint.

To meet statutory obligations under the following Acts:

- Local Government Act 2002.
- Resource Management Act 1991.

Activities in this group of activities

- Natural Environment Support.
- Natural Environment Incentives.

Significant negative effects associated with these activities

Protection and enhancement of environmental features for the benefit of the wider public may have a perceived negative economic or amenity effect for some individuals, for example loss of views if large trees are planted, potential danger to roaming pets of pest traps. This is balanced by the environmental wellbeing of the public as a whole.

How Council will achieve this

Council Outcome 1

The District's natural environment is protected, maintained and enhanced.

PENE1

1. Community participation

Council recognises the importance of community participation in environmental protection and enhancement and will seek to support the community through use of the following mechanisms:

1.1 Education

Council will collaborate with education providers and other environmental protection agencies to ensure a co-ordinated environmental education for community environment care groups across the District.

a) Schools

Council will facilitate environmental education programmes in schools across the District for the restoration of habitats and to enhance biodiversity.

Council's role: Facilitator

b) Education strategy

Council will support the development of a subregional environmental education strategy to ensure a coordinated response to environmental education needs across the District. The strategy will particularly address biodiversity issues on private land. On completion of the strategy, Council will review operation and funding of Council's environmental education programme to ensure most efficient use of resources.

Council's role: Facilitator

1.2 Community-based environmental enhancement projects

Council will contribute funding to specialist agencies to promote, support, co-ordinate and facilitate community participation in environmental protection and enhancement. Council will provide non-financial assistance to these groups as required.

Council's role: Partner

1.3 Environment Forums

Council will work in partnership with the community to implement environmental objectives identified in comprehensive development plans as required. Council will provide funding to assist in the initial set-up of community environment forums, but each community group will be expected to manage its own financial requirements over time. Council will continue to offer non-financial assistance to these groups as required.

Council's role: Partner

1.4 Recognition of community actions

Council will acknowledge and recognise outstanding contributions by community groups and/or individuals to protecting and enhancing the natural environment within our District.

Council's role: Lead

1.5 Information

Council will work with other agencies to provide access to user-friendly environmental information to promote community awareness and participation in environmental protection. This includes provision of information about:

- the current state of the environment;
- local environment schemes;
- land management practices;
- funding opportunities for environmental initiatives;
- environmentally-smart business practices.

Council's role: Partner, Facilitator

2 Incentives

Council will provide a range of incentives to encourage land owners to protect important ecological areas in private ownership. Mechanisms to achieve this include:

- protection lot subdivision rule (Transferable Development Rights (TDR));
- rates remission and rates relief;
- fencing subsidies.

Council's role: Lead

3 Environmental monitoring

Council will work with the community and other agencies to collate and analyse information about the state of the natural environment. Council will work collaboratively with other agencies to co-ordinate environmental monitoring and to promote information sharing.

Council's role: Research and Monitoring, Partner

4 Regulatory provisions

Council will ensure that appropriate environmental outcomes and standards are maintained through the implementation, monitoring and compliance of District Plan provisions. This includes:

- ensuring that significant ecological features are identified and protected;
- establishing esplanade reserves where required for conservation purposes as subdivision occurs;
- taking areas of significant indigenous habitat and ecosystems into account in developing Structure Plans.

Council's role: Lead

5 Decision-making and planning

SmartGrowth aims to maintain and improve the natural environment and biodiversity and Council recognises that the natural environment needs to be considered in all planning and decision-making to achieve positive environmental outcomes.

Mechanisms to achieve this include:

- supporting the development of iwi management plans;
- working with regional and local government, government departments and non-government organisations and tangata whenua to co-ordinate activities and to improve efficiencies in service delivery;
- supporting the co-ordination of planning and

- management of the Tauranga Harbour;
- advocating to the Bay of Plenty Regional Council regarding more effective pest control measures;
- supporting the implementation of SmartGrowth actions where Council is not the lead agency;
- in partnership with Environment Bay of Plenty, Council actively engages (through staff resources and funding) with its communities in the

preservation of coastal, estuarine, stream and forest environments.

Council's role: Lead, Partner, Facilitator, Advocate

Links to other Council Strategies

Refer Recreation and Leisure: Strategy 5.1 (relates to taking into account ecological corridor principles through Reserves Management).

Council Action Plan – Natural Environment

Summary of major projects and activities											
Project Number	Project Description	\$'000									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1515	Fencing Subsidies	52	54	55	56	58	59	61	62	64	65
1624	Compensation for Esplanade Strips	10	10	11	11	11	11	12	12	12	13
244602	Coastcare Service Delivery Contract	15	16	16	16	17	17	18	18	19	19
244606	Coastcare Materials	15	16	16	16	17	17	18	18	19	19
2523	Service Delivery Contract - Ecology	37	39	40	41	42	43	44	45	46	47
3023	Pukehina Beach Refurbishment	15	16	16	0	0	0	0	0	0	0
3064	Natural Environment Support	5	5	5	5	6	6	6	6	6	6
3069	Environmental Monitoring of Protection Lots	10	11	11	11	12	12	12	12	13	13

Note: This is not a complete list of the projects in this group of activities. For a full listing, please refer to Council's website.

How Council will track progress

Outcomes

Council Outcome	Performance Measures	Actual			Target		
		30/06/2008	2010	2011	2012	2013-2015	2016-2019
Outcome 1 (PENE1) The District's natural environment is protected, maintained and enhanced.	Key Council Performance Measure Annual increase in the number of hectares physically and legally protected through various covenants.	>100 ha	>100 ha	>100 ha	>100 ha	>100 ha	>100 ha
	Key Resident Satisfaction Measure % of residents who perceive the environmental attributes monitored are better. <i>(Environmental features monitored include quality of streams and rivers, harbours and estuaries, air quality, amount of noxious weeds, protection of historic places, general level of cleanliness and the amount and quality of native plants and animals.)</i> The questions are the same in each survey.	42%	45%	45%	45%	50%	50%
	Supporting Measure Five yearly qualitative monitoring of the District's natural environment.	New	**	**	**	**	**

** A qualitative monitoring exercise is to be undertaken before targets can be identified.

Levels of service and measurement

Levels of Service	Performance Measures	Actual			Target		
		30/06/2008	2010	2011	2012	2015	2019
Facilitate and support community involvement in protecting and enhancing the natural environment.	Number of groups: • that Council has association with • of which Council actively supports	New	35 15	35 15	35 15	35 15	35 15
	Number of staff (FTE)* to support Environmental Protection in the subregion. Council recognises a dedicated resource is required to raise environmental awareness	New	1.5	1.5	1.5	1.5	1.5

* full-time equivalent

Projected Financial Summary – Natural Environment

For the years ended 30 June	2010 \$'000	2011 \$'000	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
Analysis of expenditure - by activity										
Coastal Protection	55	57	59	44	45	46	47	48	49	51
Fencing Grants	63	66	68	69	71	72	74	76	78	80
Natural Environment Support	165	173	176	181	185	190	194	199	204	210
Total operating expenditure	283	297	303	294	300	308	315	323	332	340
Analysis of expenditure - by class										
Direct costs	244	255	261	251	257	264	270	277	285	293
Overhead costs	32	36	35	36	37	38	38	39	40	41
Depreciation	7	7	7	7	7	7	7	7	7	7
Total operating expenditure	283	297	303	294	300	308	315	323	332	340
Revenue										
Targeted rates	15	16	16	0	0	0	0	0	0	0
Financial contributions	189	205	285	302	338	345	325	382	388	379
Interest	16	18	20	26	33	42	51	60	71	83
Other income	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Total revenue	218	237	319	326	369	385	374	440	457	460
Net cost of service - Surplus / (Deficit)	(65)	(60)	16	33	68	77	59	117	125	119
Capital expenditure	0	0	0	0	0	0	0	0	0	0
Total other funding required	(65)	(60)	16	33	68	77	59	117	125	119
Other funding provided by										
General Rate	139	147	150	153	157	161	164	168	172	177
Environment Protection Rate	30	31	32	33	33	34	35	36	37	38
Reserves & future surpluses	(104)	(118)	(198)	(219)	(259)	(272)	(258)	(321)	(334)	(334)
Total Other funding	65	60	(16)	(33)	(68)	(77)	(59)	(117)	(125)	(119)

All information from 2011-2019 includes an adjustment for inflation.

Key Assumptions – Natural Environment

Assumption	Description	Confidence (High, Med, Low)	Consequence of error in assumption																														
Resident population growth	<p>The District's population is expected to grow by 19.7% between 2009 and 2019 and the number of rateable properties is forecast to increase by 20.6% over the same period. This is consistent with the long term growth projections in the subregional growth strategy SmartGrowth.</p> <p>The timing of that growth is expected to be slower in the first two years of the Long Term Plan (0.6% in 2009/10 and 1.1% in 2010/11) returning to more normal growth in later years.</p>	Medium	<p>Significant differences between forecast population and household growth and actual outturns would result in Council failing to provide appropriate and cost-effective levels of service to communities.</p> <p>Over-estimating the speed of growth could increase Council's debt if infrastructure development was undertaken in anticipation of growth that did not eventuate.</p>																														
Population growth impact	Increased population and development puts increased pressure on the natural environment.	High	Monitoring will show faster population growth and mitigation and environmental improvement programmes can be modified to respond.																														
Fencing grants	Demand for fencing grants for ecological protection of covenanted land fully draws available funds and are matched by contributions from Regional Council.	Medium	Budgets for fencing grants would be exceeded or under spent.																														
Monitoring partnerships	Partnerships with local authorities in the region to co-operate in monitoring and provision of programmes continue as at present.	High	If partnership arrangements are discontinued, costs of monitoring and programme provision may increase, because of duplication of effort.																														
Inflation projections	<p>Financial Projections within the Natural Environment group of activities have been calculated by applying the following inflation factors to core costs:</p> <table border="1"> <thead> <tr> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Staff costs inflation</td> <td>3.5</td> <td>2.4</td> <td>2.7</td> <td>2.6</td> <td>2.6</td> <td>2.6</td> <td>3.1</td> <td>3.2</td> <td>3.1</td> </tr> <tr> <td>Other Inflation</td> <td>4.5</td> <td>2.4</td> <td>2.4</td> <td>2.3</td> <td>2.4</td> <td>2.4</td> <td>2.4</td> <td>2.5</td> <td>2.5</td> </tr> </tbody> </table> <p>It is assumed that 29% of operating costs will be affected by the Staff Costs Inflation factor and 71% of operating costs will be affected by the Other Inflation factor.</p>		2011	2012	2013	2014	2015	2016	2017	2018	2019	Staff costs inflation	3.5	2.4	2.7	2.6	2.6	2.6	3.1	3.2	3.1	Other Inflation	4.5	2.4	2.4	2.3	2.4	2.4	2.4	2.5	2.5	Low	If actual inflation rates vary from those assumed, costs will either be over or under-estimated. This will affect the financial projections for the activity including expenditure, revenue and financing requirements for this activity.
	2011	2012	2013	2014	2015	2016	2017	2018	2019																								
Staff costs inflation	3.5	2.4	2.7	2.6	2.6	2.6	3.1	3.2	3.1																								
Other Inflation	4.5	2.4	2.4	2.3	2.4	2.4	2.4	2.5	2.5																								

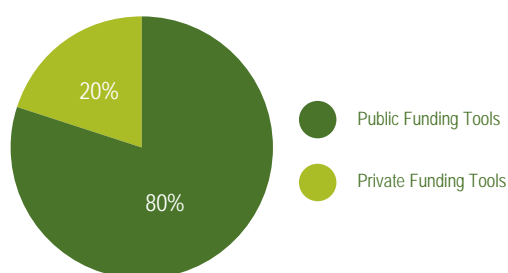
Revenue and Financing Policy – Natural Environment

Rationale for choice of revenue and financing tools

Public benefits identified	Private benefits identified	Other considerations
<p>Natural environment support (Local environmental officer and service delivery contracts)</p> <p>The community as a whole benefits from activities to protect and enhance the environment; valuable environmental features are preserved for future generations. Individuals take part in community education and facilitation activities but even those that do not participate benefit from the results.</p>	<p>Public and private land owners adjoining areas where remedial work has occurred may gain increased amenity value to their properties.</p>	<p>Exacerbators</p> <p>Land owner neglect, e.g. lack of pest control, can lead to the need for remedial measures.</p> <p>Growth and subdivision alter the natural environment and increase the need to protect ecological features that remain.</p>
<p>Natural environment incentives</p> <p>The public benefits from fencing off ecological features from farming activities in that biodiversity or valuable environmental features are preserved.</p>	<p>Fencing subsidies can assist farming activities by containing stock and helping to pay for fencing.</p>	<p>Inter-generational benefits</p> <p>Protection and enhancement of the natural environment will benefit future generations in regards to health benefits and amenity value.</p> <p>Fencing off ecological features that remain will protect them for the benefit of future generations.</p> <p>Growth and subdivision alter the natural environment and increase the need to protect ecological features that remain.</p> <p>Compliance with Council policy</p> <p>Council's incentive policy is designed to provide financial encouragement to individuals to protect the environment, so it is difficult to allocate to particular ratepayers the private benefit share of costs.</p> <p>Overall liability for distribution of rates</p> <p>There is a need to recognise the work of volunteers in reducing Council costs of this activity.</p>

Funding targets

Natural Environment



For further details of Council's rating tools, refer to the Funding Impact Statement within the Financial Information section.

Financing sources

Revenue sources

General Rates	<ul style="list-style-type: none"> - Community Participation Programme. - Rates remission and other incentives not funded by Financial Contributions. - 50% Coast Care programme.
Ecological Financial Contributions	<ul style="list-style-type: none"> - 80% of costs of fencing grants. - 100% environmental education service delivery contract. - Compensation for esplanade reserves. - 100% regional biodiversity forum costs.
Environment Protection Rate	<ul style="list-style-type: none"> - 20% of costs of fencing grants. - 100% community environmental programme.
Reserves Financial Contributions	<ul style="list-style-type: none"> - 50% Coast Care programme.
Targeted Rates - Pukehina Beach Coastal side of Pukehina Parade	<ul style="list-style-type: none"> - 80% of grant to Pukehina Ratepayers Association for sand relocation project.
Remaining properties in Pukehina Beach	<ul style="list-style-type: none"> - 20% of grant to Pukehina Ratepayers Association for sand relocation project.

WASTEWATER

Overview

The long term focus for wastewater is to ensure that Council wastewater treatment and disposal systems are sustainable and continue to meet environmental, health and safety standards. Council encourages households to explore and implement measures that will reduce wastewater volume per capita.

Demand for wastewater services is driven principally by population growth, environmental degradation and public health issues. Waihi Beach especially also experiences additional demand driven by holiday makers. At an operational level, demand is regulated through the subdivision and development process which requires the payment of financial contributions to recoup costs incurred in providing spare capacity to meet the needs of future users.

Council's current wastewater infrastructure is divided into four main service areas: Waihi Beach, Katikati, Te Puke and Omokoroa. Over the next ten years only minor capital works are programmed for the Omokoroa, Waihi Beach, Katikati and Te Puke schemes as historical upgrades have provided sufficient capacity to meet projected demand. However, as most of the current Resource Consents have to be renewed during this period, the proposed capital works programme may be influenced by Resource Consent requirements.

Levels of service are defined through legislative requirements and resource consent conditions pertaining to the quality and quantity of discharges from treatment plants. All treatment plants comply with these service levels and no changes are anticipated in the short to medium term.

Maketu, Little Waihi and Pukehina Beach

For several years Council has been investigating the provision of a wastewater system to service Maketu, Pukehina Beach and Little Waihi, to address environmental issues caused by the inadequacy of existing septic tank systems, which have affected the Maketu Estuary and Waihi Estuary environments.

Council will build a wastewater treatment scheme within the next three years to service the Maketu and Little Waihi communities only.

The capital cost to service all three communities was considered too expensive at \$30 million. The cost to service Maketu and Little Waihi alone is estimated at \$15.8 million. Subsidies of \$10.5 million from Central government and \$2.1 million from the Regional Council are available. A new on-site septic tank for the primary treatment of solids would be installed at each property, and all wastewater would be reticulated to a treatment plant in Arawa Avenue with land-based disposal. The cost of the new septic tanks is included in the cost of the scheme.

Since Pukehina properties would not be serviced, there will be no increase in the Pukehina Development Charge, which will remain at \$20 per property.

The financial projections used for the Maketu/ Little Waihi Scheme include growth at 410 additional lots. This gives an estimated Uniform Annual Charge (UAC), at commencement in 2012, of \$641 plus GST. This amount is indicative only, as

an updated growth model, scheme option, estimated costs and affordability will be presented to Council prior to letting construction contracts.

If growth does not occur as predicted, the UAC would have to increase to reflect the lower growth, and could be between \$824 and \$970 for 2011/12 (indicative amounts only).

Prior to letting a construction tender, Council intends to enter into a Memorandum of Understanding with Te Arawa Lakes Board Trust with regard to their commitment to the scheme and their intention to develop residential land.

Small Coastal Communities

For areas of the district that are not on reticulated schemes, Environment Bay of Plenty is responsible for the consenting and management of on-site wastewater schemes.

Council has recently been working with Environment Bay of Plenty and affected communities to investigate the options for on-site wastewater treatment for six small coastal communities (Tanners Point, Tuapiro Point, Ongare Point, Kauri Point, Te Puna West and Plummer's Point) Current facilities provide inadequate treatment and the resulting discharges are adversely affecting the water quality in the Tauranga Harbour.

The initial investigations indicated that in Kauri Point, Plummer's Point and Tuapiro Point, communities can comply with Environment Bay of Plenty's Operative On-site Effluent Treatment Regional Plan because the properties are large enough to accommodate the required on-site treatment. No further Council expenditure is proposed for these communities in the Long Term Plan.

More work will be undertaken in Tanners Point, Ongare Point and Te Puna West where on-site wastewater treatment options are limited. These projects are described in the 10-year programme highlights below.

For areas of the district that are not on reticulated schemes, Environment Bay of Plenty is responsible for the consenting and management of on-site wastewater schemes.

Council assets in this group of activities

Council's current wastewater assets consist of wastewater collection, treatment and disposal plants at Waihi Beach, Te Puke and Katikati urban communities as well as wastewater collection in Omokoroa.

Specifically:

- Waihi Beach assets include 66.2km of reticulation and 23 pump stations. Treatment utilises aerated lagoons, wetlands and UV disinfection.
- Te Puke assets include 57.4km of reticulation and 7 pump stations. Treatment utilises an activated sludge process, wetlands and UV disinfection.
- Katikati assets include 59km of reticulation and 15 pump stations. Treatment utilises aerated lagoons, wetlands and UV disinfection.
- Omokoroa assets include 53.3km of reticulation and 14 pump stations. Reticulation is to the Tauranga City Council Chapel Street treatment plant.

10-year programme highlights

- Renewal of Resource Consents for treated effluent discharge from the following wastewater plants: Katikati (2016), Waihi Beach (2012), and Te Puke (2016).
- Depending on the outcomes of studies on the proposed Rangiora Industrial area and the Maketu Wastewater scheme, increase the capacity of the Te Puke plant.
- Provisional costs of \$15.8 million for construction and operation of a wastewater scheme for Maketu and Little Waihi, of which \$1.2 million will be spent in 2009/10, \$10.3 million in 2010/11 and the remainder in 2011/12. To help fund this, it is expected that \$10.5 million will be available from central government and \$2.1 million from Environment Bay of Plenty as a subsidy to improve the affordability of this infrastructure to the community.
- For Te Puna West, where on-site waste water treatment options for 60 of the residents are limited, detailed investigations will be undertaken to identify a solution. Te Puna West properties at a higher elevation are believed to be able to comply with the regional Council's On-Site Effluent Treatment Plan, so do not require Council intervention.
- For Tanner's Point, \$160,000 has been provided in 2009/10 for the installation of an advanced treatment system for the stormwater drain and public toilet block beside the Tanners Point boat ramp, funded from the Environment Protection Rate.
- For Ongare Point, \$10,000 has been allocated in 2009/10 for detailed investigation. Pending the outcome of the investigations, and further consultation with affected parties, no amount has been in the 10 years of this plan for capital expenditure as it is not yet clear whether Council will provide the required infrastructure or if it will be provided privately.

What Council wants to achieve

Council Outcome 1: All areas in the District served by Council's reticulated wastewater disposal systems meet acceptable health, safety and environmental standards.
PEWW1

Council Outcome 2: Council assists small urban communities along the Tauranga Harbour to ensure that the wastewater disposal options available to them meet health and safety requirements.
PEWW2

Why Council wants to achieve this (rationale)

Contribution to Community Outcomes

This activity contributes primarily to the following Community Outcomes:

- Our environment is clean, green and valued.
This means that:
 - Service providers work with us to ensure the environment is sustainably managed.
 - Indigenous habitats and species are plentiful.

- Rare and representative habitats and species are protected and enhanced.
- Air, water and land quality are maintained to protect our health and ecological systems.
- We can all enjoy a healthy and safe lifestyle.
This means that:
 - Housing is affordable and appropriate to our life-stages.
 - Transport and other infrastructural services are safe and meet our needs.
- Our economy is thriving.
This means that:
 - The versatility of rural land is maintained.
 - Infrastructure, services and facilities support and promote economic growth and development.
 - Business, government and education sectors work effectively together.
 - Business practices are environmentally sustainable.

Council's role in contributing to these Community Outcomes is more fully described in the Council Outcomes and strategies within this chapter. For example:

- Planning and providing reticulated sewage treatment schemes in urban areas.
- Working with communities and the Bay of Plenty Regional Council to identify appropriate wastewater solutions for small settlements in sensitive environments.

Number of Connections and Capacity

Current wastewater systems

System	Number of connections (30/06/2008)	Properties paying availability, but not connected	Total properties eligible to connect	Total Capacity (Population Equivalents)
Waihi Beach Wastewater System	2,246	393	2,639	4,800
Katikati Wastewater System	1,547	314	1,861	4,600
Te Puke Wastewater System	2,512	76	2,588	9,000
Omokoroa Wastewater System (fully operational since July 2007)	604	283	887	12,000
TOTAL	6,909	1,066	7,975	30,400

To meet statutory obligations under the following Acts:

- Local Government Act 2002.
- Health Act 1956.

Significant negative effects associated with these activities

Disposal of treated effluent to waterways is culturally unacceptable as part of the renewal of existing resource consents for Council's wastewater treatment plants, Council will investigate alternatives for disposal of treated effluent to waterways.

How Council will achieve this

Council Outcome 1

All areas in the District served by Council's reticulated wastewater disposal systems meet acceptable health, safety and environmental standards.

PEWW1

1.1 Ensure sludge disposal meets environmental and health standards.

As part of the resource consent process, Council has to undertake technical investigations on sludge disposal options. These investigations will include:

- New technology to reduce sludge.
- Alternative uses for sludge.
- Options for the disposal of sludge.

Council's role: Lead

1.2 Ensure that the disposal of treated effluent meets environmental and health standards.

As part of the resource consent process, Council has to undertake technical investigations to ensure that disposal of treated effluent meets environmental and health standards, and is affordable.

Council's role: Lead

Council Outcome 2

Council assists small urban communities along the Tauranga Harbour to ensure that the wastewater disposal options available to them meet health and safety requirements.

PEWW2

2.1 In consultation with ratepayers, advocate to

Environment Bay of Plenty to ensure that wastewater disposal systems, other than Council owned systems, meet acceptable health, safety and environmental standards.

Council's role: Partner

Wastewater Treatment Plants



Council Action Plan - Wastewater

Summary of major projects and activities											
Project Number	Project Description	\$'000									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
2256	Te Puke Wastewater Renewals	509	348	179	227	69	92	335	209	281	97
2257	Katikati Wastewater Renewals	98	180	38	39	450	107	367	63	64	675
2260	Waihi Beach Wastewater Renewals	338	69	255	620	59	86	76	75	75	66
226010	Waihi Beach Subsurface Drip Irrigation Trial	35	36	37	0	0	0	0	0	0	0
2299	Omokoroa Wastewater	345	181	192	203	215	228	242	256	272	288
2835	Katikati Wastewater	0	0	0	495	0	0	0	0	0	0
2957	Te Puke Structure Plan - wastewater capital	0	0	0	99	170	0	0	0	0	0
2958	Maketu/Little Waihi Wastewater Scheme	1220	10343	4269	0	0	0	0	0	0	0
3167	Katikati SP Utilities WW	0	0	218	130	0	0	0	0	0	0
3170	Waihi Beach SP Utilities WW	0	0	0	465	1326	277	0	0	0	0
3173	Omokoroa SP Utilities WW	0	0	0	0	589	2342	1937	0	0	0
3180	Tanners Point Wastewater Solution	160	0	0	0	0	0	0	0	0	0
3195	Wastewater Infiltration Investigations and Rehabilitation - Waihi Beach	50	68	70	20	0	0	0	0	0	0
3197	Ongare Point Wastewater Solution	10	0	0	0	0	0	0	0	0	0
3198	Te Puna West Wastewater Solution	15	16	0	0	0	0	0	0	0	0
3234	Wastewater Infiltration Investigations and Rehabilitation - Katikati	50	68	70	20	0	0	0	0	0	0
3235	Wastewater Infiltration Investigations and Rehabilitation - Omokoroa	5	7	7	2	0	0	0	0	0	0
3236	Wastewater Infiltration Investigations and Rehabilitation	45	56	58	29	0	0	0	0	0	0

Note: This is not a complete list of the projects in this group of activities. For a full listing, please refer to Council's website.

Wastewater Scheme

Wastewater Scheme	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Te Puke	2583	2605	2651	2701	2756	2811	2862	2910	2957	3001
Katikati	1727	1777	1859	1949	2053	2155	2245	2315	2385	2451
Waihi Beach	2342	2366	2406	2450	2500	2550	2594	2649	2703	2753
Omokoroa	1226	1299	1451	1517	1643	1753	1847	2096	2201	2393
Maketu	0	0	589	591	593	595	612	629	649	669

Note: The table above shows the forecast connections for Councils wastewater schemes. These connections recognise the increase in growth and existing residents that will connect to the scheme over time.

How Council will track progress

Council uses performance measures to track its progress towards the achievement of Council Outcomes and delivery of levels of service.

Outcomes

Council Outcome	Performance Measures	Actual			Target		
		30/06/2008	2010	2011	2012	2013-2015	2016-2019
Outcome 1 (PEWW1) All areas in the District served by Council's reticulated wastewater disposal systems meet acceptable health, safety and environmental standards.	Key Council Performance Measure Percentage compliance with Resource Consents for each wastewater scheme:						
	• Te Puke	99%	99%	99%	99%	99%	99%
	• Katikati	95%	99%	99%	99%	99%	99%
	• Waihi Beach	95%	99%	99%	99%	99%	99%
Outcome 2 (PEWW2) Council assists small urban communities along the Tauranga Harbour to ensure that the wastewater disposal options available to them meet health and safety requirements.	• Maketu	N/A	N/A	N/A	99%	99%	99%
	This monitors compliance with critical measures, i.e. discharge to sea, control of overflows, blockages remedied.						
	Key Resident Satisfaction Measure Level of resident satisfaction with Council reticulated wastewater disposal system as monitored by the Annual Residents Survey, those residents who are very satisfied and satisfied.	97%	95%	95%	95%	95%	95%
NOTE: Rural Areas are not serviced by Council's wastewater schemes.	Supporting Measure Capacity of the wastewater plants to meet the daily peak demand. Current capacity allows for future growth.	>100%	>100%	>100%	>100%	>100%	>100%

Levels of service and measurement

Levels of Service	Performance Measures	Actual			Target		
		30/06/2008	2010	2011	2012	2013-2015	2016-2019
100% of eligible households within the area of the Council's wastewater scheme are connected.	Percentage of eligible households (excluding vacant sections) connected within the wastewater scheme of:						
	• Te Puke	97%	98%	98%	100%	100%	100%
	• Katikati	79%	98%	98%	100%	100%	100%
	• Waihi Beach	87%	98%	98%	100%	100%	100%
	• Omokoroa	71%	98%	98%	100%	100%	100%
	• Maketu	NA	New	New	95%	100%	100%

Projected Financial Summary – Wastewater (consolidated)

For the years ended 30 June	2010 \$'000	2011 \$'000	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
Analysis of expenditure - by activity										
Waihi Beach wastewater	3,915	3,582	2,781	2,862	3,016	3,312	3,476	4,354	3,706	3,870
Katikati wastewater	1,805	1,803	1,853	1,922	1,987	2,110	2,875	2,188	2,247	2,331
Omokoroa wastewater	3,480	3,996	3,240	3,307	3,456	3,890	4,077	4,198	4,455	4,735
Te Puke wastewater	1,777	1,864	1,916	1,946	1,967	2,047	2,071	2,101	2,129	2,154
Maketu wastewater	24	25	837	1,167	1,212	1,263	1,199	1,418	1,483	1,548
Total operating expenditure	11,001	11,270	10,627	11,206	11,638	12,623	13,699	14,259	14,019	14,638
Analysis of expenditure - by class										
Direct costs	4,194	3,836	4,565	4,711	4,817	5,268	6,115	6,513	6,014	6,278
Overhead costs	744	787	797	823	846	880	903	932	963	998
Interest	3,571	4,143	2,744	2,826	3,045	3,450	3,579	3,699	3,919	4,230
Depreciation	2,493	2,504	2,521	2,846	2,930	3,025	3,102	3,116	3,124	3,132
Total operating expenditure	11,001	11,270	10,627	11,206	11,638	12,623	13,699	14,259	14,019	14,638
Revenue										
Targeted rates	5,574	5,998	6,926	7,511	8,166	8,888	9,673	10,510	11,564	12,716
Financial contributions	684	781	1,938	2,085	2,495	2,824	2,676	4,429	4,595	4,259
Vested Assets	340	352	363	374	385	398	412	425	440	455
Other income	1,018	8,543	3,527	0	0	0	0	0	0	0
Total revenue	7,615	15,674	12,753	9,969	11,046	12,110	12,760	15,364	16,599	17,430
Net cost of service - Surplus / (Deficit)	(3,386)	4,404	2,127	(1,237)	(591)	(513)	(939)	1,105	2,580	2,792
Capital expenditure										
Capital expenditure	2,674	11,155	5,165	2,145	2,663	2,904	2,715	348	420	838
Vested assets	340	352	363	374	385	398	412	425	440	455
Total other funding required	(6,400)	(7,102)	(3,402)	(3,755)	(3,639)	(3,816)	(4,065)	332	1,720	1,499
Other funding provided by										
Environment Protection Rate	267	286	330	317	344	374	406	442	485	533
Debt Increase (Decrease)	(396)	1,155	56	219	1,211	1,397	1,289	(1,063)	(1,174)	(1,120)
Reserves & future surpluses	6,528	5,661	3,015	3,219	2,085	2,045	2,370	289	(1,031)	(911)
Total Other funding	6,400	7,102	3,402	3,755	3,639	3,816	4,065	(332)	(1,720)	(1,499)

All information from 2011-2019 includes an adjustment for inflation.

Projected Financial Summary – Waihi Beach wastewater

For the years ended 30 June	2010 \$'000	2011 \$'000	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
Analysis of expenditure - by activity										
Waihi Beach wastewater	3,915	3,582	2,781	2,862	3,016	3,312	3,476	4,354	3,706	3,870
Total operating expenditure	3,915	3,582	2,781	2,862	3,016	3,312	3,476	4,354	3,706	3,870
Analysis of expenditure - by class										
Direct costs	1,603	1,048	1,076	1,081	1,093	1,196	1,256	2,051	1,352	1,399
Overhead costs	198	210	212	219	225	234	240	248	256	266
Interest	1,339	1,549	712	754	854	1,031	1,129	1,204	1,247	1,354
Depreciation	775	776	781	809	844	851	851	851	851	851
Total operating expenditure	3,915	3,582	2,781	2,862	3,016	3,312	3,476	4,354	3,706	3,870
Revenue										
Targeted rates	2,157	2,330	2,525	2,735	2,970	3,231	3,510	3,823	4,165	4,534
Financial contributions	196	225	395	456	545	575	533	703	727	711
Vested Assets	200	207	213	220	227	234	242	250	259	268
Total revenue	2,553	2,762	3,134	3,411	3,742	4,040	4,286	4,776	5,151	5,513
Net cost of service - Surplus / (Deficit)	(1,362)	(821)	352	549	727	728	809	422	1,445	1,643
Capital expenditure										
Vested assets	200	207	213	220	227	234	242	250	259	268
Total other funding required	(1,950)	(1,165)	(187)	(776)	(885)	131	491	96	1,112	1,309
Other funding provided by										
Environment Protection Rate	125	133	143	114	124	135	146	159	174	189
Debt Increase (Decrease)	(262)	(311)	(321)	111	935	(161)	(500)	(555)	(615)	(681)
Reserves & future surpluses	2,087	1,343	365	551	(174)	(104)	(138)	300	(671)	(818)
Total Other funding	1,950	1,165	187	776	885	(131)	(491)	(96)	(1,112)	(1,309)

All information from 2011-2019 includes an adjustment for inflation.

Council's additional asset requirements - Waihi Beach Wastewater

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total Capital Expenditure										
Additional levels of service	150,000	68,261	70,445	569,473	0	0	0	0	0	0
Additional capacity for future residents (growth)	0	0	0	464,934	1,325,570	276,790	0	0	0	0
Renewals	237,820	69,036	254,936	70,140	59,223	86,292	75,909	74,974	74,679	66,251
Capital expenditure after adjustment for inflation	387,820	137,297	325,381	1,104,548	1,384,793	363,082	75,909	74,974	74,679	66,251

Additional levels of service are funded by targeted rates for connections.

Growth related projects (capacity for future residents) will be recovered by financial contributions over a 25 year period and from future rates. These also include an allocation for interest.

Renewals are funded from depreciation reserves and targeted rates.

Projected Financial Summary – Katikati wastewater

For the years ended 30 June	2010 \$'000	2011 \$'000	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
Analysis of expenditure - by activity										
Katikati wastewater	1,805	1,803	1,853	1,922	1,987	2,110	2,875	2,188	2,247	2,331
Total operating expenditure	1,805	1,803	1,853	1,922	1,987	2,110	2,875	2,188	2,247	2,331
Analysis of expenditure - by class										
Direct costs	827	768	781	821	819	915	1,678	984	1,024	1,086
Overhead costs	172	181	184	190	195	203	208	215	222	230
Interest	311	356	384	408	452	471	467	461	473	486
Depreciation	495	498	504	504	521	521	522	529	529	529
Total operating expenditure	1,805	1,803	1,853	1,922	1,987	2,110	2,875	2,188	2,247	2,331
Revenue										
Targeted rates	1,063	1,127	1,211	1,301	1,405	1,516	1,627	1,728	1,836	1,948
Financial contributions	147	164	285	326	410	409	381	342	361	381
Vested Assets	70	72	75	77	79	82	85	88	91	94
Other income	10	0	0	0	0	0	0	0	0	0
Total revenue	1,290	1,364	1,571	1,704	1,895	2,007	2,093	2,158	2,288	2,423
Net cost of service - Surplus / (Deficit)	(515)	(439)	(282)	(218)	(92)	(102)	(782)	(30)	41	92
Capital expenditure										
Capital expenditure	318	248	326	683	450	107	367	63	64	675
Vested assets	70	72	75	77	79	82	85	88	91	94
Total other funding required	(903)	(759)	(683)	(978)	(621)	(292)	(1,234)	(181)	(114)	(677)
Other funding provided by										
Environment Protection Rate	44	46	49	52	56	59	63	66	70	74
Debt Increase (Decrease)	(92)	(96)	59	476	72	(167)	(102)	(226)	(252)	(64)
Reserves & future surpluses	951	809	576	451	494	399	1,273	340	296	667
Total Other funding	903	759	683	978	621	292	1,234	181	114	677

All information from 2011-2019 includes an adjustment for inflation.

Council's additional asset requirements – Katikati Wastewater

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total Capital Expenditure										
Additional levels of service	220,000	68,261	70,445	19,789	0	0	0	0	0	0
Additional capacity for future residents (growth)	0	0	217,867	624,926	0	0	0	0	0	0
Renewals	97,500	179,805	38,158	38,698	449,776	107,250	366,589	63,281	64,010	674,752
Capital expenditure after adjustment for inflation	317,500	248,066	326,470	683,412	449,776	107,250	366,589	63,281	64,010	674,752

Additional levels of service are funded by targeted rates for connections.

Growth related projects (capacity for future residents) will be recovered by financial contributions over a 25 year period and from future rates. These also include an allocation for interest.

Renewals are funded from depreciation reserves and targeted rates.

Projected Financial Summary – Omokoroa wastewater

For the years ended 30 June	2010 \$'000	2011 \$'000	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
Analysis of expenditure - by activity										
Omokoroa wastewater	3,480	3,996	3,240	3,307	3,456	3,890	4,077	4,198	4,455	4,735
Total operating expenditure	3,480	3,996	3,240	3,307	3,456	3,890	4,077	4,198	4,455	4,735
Analysis of expenditure - by class										
Direct costs	861	1,065	1,104	1,137	1,178	1,293	1,343	1,388	1,441	1,492
Overhead costs	193	204	207	214	219	228	234	241	249	259
Interest	1,808	2,102	1,298	1,319	1,393	1,616	1,676	1,738	1,926	2,137
Depreciation	618	625	631	638	666	753	824	831	839	847
Total operating expenditure	3,480	3,996	3,240	3,307	3,456	3,890	4,077	4,198	4,455	4,735
Revenue										
Targeted rates	1,012	1,144	1,286	1,479	1,693	1,933	2,200	2,493	2,955	3,473
Financial contributions	274	313	1,022	1,038	1,241	1,308	1,214	2,798	2,893	2,574
Vested Assets	70	72	75	77	79	82	85	88	91	94
Total revenue	1,356	1,529	2,383	2,594	3,014	3,323	3,498	5,378	5,939	6,141
Net cost of service - Surplus / (Deficit)	(2,124)	(2,466)	(857)	(713)	(443)	(567)	(579)	1,180	1,483	1,406
Capital expenditure										
Vested assets	70	72	75	77	79	82	85	88	91	94
Total other funding required	(2,389)	(2,561)	(939)	(792)	(1,112)	(2,991)	(2,601)	1,092	1,393	1,313
Other funding provided by										
Environment Protection Rate	42	48	54	62	71	81	92	104	123	145
Debt Increase (Decrease)	(90)	(100)	(110)	(122)	449	2,162	1,738	(220)	(243)	(270)
Reserves & future surpluses	2,437	2,613	995	852	592	749	771	(976)	(1,272)	(1,188)
Total Other funding	2,389	2,561	939	792	1,112	2,991	2,601	(1,092)	(1,393)	(1,313)

All information from 2011-2019 includes an adjustment for inflation.

Council's additional asset requirements – Omokoroa Wastewater

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total Capital Expenditure										
Additional levels of service	195,000	22,340	7,045	1,979	0	0	0	0	0	0
Additional capacity for future residents (growth)	0	0	0	0	589,394	2,341,708	1,937,061	0	0	0
Capital expenditure after adjustment for inflation	195,000	22,340	7,045	1,979	589,394	2,341,708	1,937,061	0	0	0

Additional levels of service are funded by targeted rates for connections.

Growth related projects (capacity for future residents) will be recovered by financial contributions over a 25 year period and from future rates. These also include an allocation for interest.

Renewals are funded from depreciation reserves and targeted rates.

Projected Financial Summary – Te Puke wastewater

For the years ended 30 June	2010 \$'000	2011 \$'000	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
Analysis of expenditure - by activity										
Te Puke wastewater	1,777	1,864	1,916	1,946	1,967	2,047	2,071	2,101	2,129	2,154
Total operating expenditure	1,777	1,864	1,916	1,946	1,967	2,047	2,071	2,101	2,129	2,154
Analysis of expenditure - by class										
Direct costs	902	955	990	1,019	1,035	1,125	1,169	1,208	1,256	1,300
Overhead costs	170	179	182	188	193	201	206	213	220	228
Interest	112	137	151	143	139	121	90	74	47	20
Depreciation	593	593	593	596	600	601	606	606	606	606
Total operating expenditure	1,777	1,864	1,916	1,946	1,967	2,047	2,071	2,101	2,129	2,154
Revenue										
Targeted rates	1,341	1,397	1,464	1,533	1,608	1,691	1,776	1,862	1,952	2,047
Financial contributions	68	79	211	238	271	285	287	263	272	233
Total revenue	1,409	1,476	1,675	1,770	1,879	1,976	2,063	2,125	2,225	2,280
Net cost of service - Surplus / (Deficit)	(368)	(388)	(241)	(176)	(88)	(72)	(9)	24	96	126
Capital expenditure	554	404	237	355	239	92	335	209	281	97
Total other funding required	(922)	(792)	(478)	(531)	(326)	(164)	(344)	(185)	(185)	29
Other funding provided by										
Environment Protection Rate	56	59	61	64	67	70	74	78	81	85
Debt Increase (Decrease)	(163)	(117)	(292)	(222)	(218)	(407)	218	8	12	(24)
Reserves & future surpluses	1,030	850	708	689	477	501	51	99	92	(90)
Total Other funding	922	792	478	531	326	164	344	185	185	(29)

All information from 2011-2019 includes an adjustment for inflation.

Council's additional asset requirements – Te Puke Wastewater

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total Capital Expenditure										
Additional levels of service	45,000	56,367	58,171	28,584	0	0	0	0	0	0
Additional capacity for future residents (growth)	0	0	0	98,943	170,018	0	0	0	0	0
Renewals	508,700	348,130	178,792	227,295	68,687	92,439	334,990	209,440	280,960	97,168
Capital expenditure after adjustment for inflation	553,700	404,496	236,962	354,822	238,705	92,439	334,990	209,440	280,960	97,168

Additional levels of service are funded by targeted rates for connections.

Growth related projects (capacity for future residents) will be recovered by financial contributions over a 25 year period and from future rates. These also include an allocation for interest.

Renewals are funded from depreciation reserves and targeted rates.

Projected Financial Summary – Maketu/Little Waihi wastewater

For the years ended 30 June	2010 \$'000	2011 \$'000	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
Analysis of expenditure - by activity										
Maketu wastewater	24	25	837	1,167	1,212	1,263	1,199	1,418	1,483	1,548
Total operating expenditure	24	25	837	1,167	1,212	1,263	1,199	1,418	1,483	1,548
Analysis of expenditure - by class										
Direct costs	0	0	614	653	693	738	668	882	942	1,001
Overhead costs	12	13	13	13	14	14	15	15	16	16
Interest	0	0	198	202	207	212	217	222	227	232
Depreciation	12	12	12	299	299	299	299	299	299	299
Total operating expenditure	24	25	837	1,167	1,212	1,263	1,199	1,418	1,483	1,548
Revenue										
Targeted rates	0	0	439	463	489	517	560	604	656	713
Financial contributions	0	0	25	26	28	247	261	323	341	360
Subsidies	1,008	8,543	3,527	0	0	0	0	0	0	0
Total revenue	1,008	8,543	3,991	489	516	764	820	927	997	1,072
Net cost of service - Surplus / (Deficit)	984	8,518	3,154	(678)	(696)	(499)	(378)	(491)	(486)	(476)
Capital expenditure	1,220	10,343	4,269	0	0	0	0	0	0	0
Total other funding required	(236)	(1,825)	(1,115)	(678)	(696)	(499)	(378)	(491)	(486)	(476)
Other funding provided by										
Environment Protection Rate	0	0	24	26	27	29	31	35	37	39
Debt Increase (Decrease)	212	1,779	720	(25)	(27)	(30)	(65)	(70)	(76)	(82)
Reserves & future surpluses	24	46	371	677	696	501	412	526	525	518
Total Other funding	236	1,825	1,115	678	696	499	378	491	486	476

All information from 2011-2019 includes an adjustment for inflation.

Council's additional asset requirements – Maketu/Little Waihi Wastewater

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total Capital Expenditure										
Additional levels of service	1,220,000	10,342,530	4,269,396	0	0	0	0	0	0	0
Capital expenditure after adjustment for inflation	1,220,000	10,342,530	4,269,396	0	0	0	0	0	0	0

Additional levels of service will be funded by targeted rates as well as a government subsidy of \$10.5 million and a contribution from Environment Bay of Plenty, Regional Council of \$2.1 million. Growth related capital expenditure (capacity for future residents) will be recovered by financial contributions over a 25 year period and from future rates. These also include an allocation for interest.

Key Assumptions – Wastewater

Assumption	Description	Confidence (High, Med, Low)	Consequence of error in assumption																																																
Domestic waste water flows	<p>Domestic average daily wastewater flow (ADWF) of 220 litres per day. Diurnal peak factor of 2.5. Wet weather dilution factor of 2. Number of people per dwelling -3.</p> <p>For accommodation facilities like campgrounds and motels, different factors are applied. For holiday areas like Waihi Beach and Maketu/Little Waihi, the wastewater schemes have been designed for peak holiday resident populations forecast to 2021.</p>	High	Higher than predicted wastewater flows resulting in under-capacity systems and/or advanced expenditure for upgrades of reticulation and treatment. Lower than predicted means under-utilised asset.																																																
Industrial and commercial wastewater flows.	Light flow 0.4l/s/ha. Medium flow 0.7l/s/ha Heavy flow 1.3l/s/ha. Flow assumptions are generally greater than currently experienced in Western Bay of Plenty District industries. May be skewed by high water use industries.	Medium	Higher than predicted wastewater flows would result in under-capacity systems and/or advanced expenditure for upgrades of reticulation and treatment. Lower than predicted flows would result in under-utilised assets.																																																
Resident population growth	<p>The District's population is expected to grow by 19.7% between 2009 and 2019, and the number of rateable properties is forecast to increase by 20.6% over the same period. This is consistent with the long term growth projections in the subregional growth strategy SmartGrowth.</p> <p>The timing of that growth is expected to be slower in the first two years of the Long Term Plan (0.6% in 2009/10 and 1.1% in 2010/11) returning to more normal growth in later years.</p>	Medium	<p>Significant differences between forecast population and household growth and actual outturns would result in Council failing to provide appropriate and cost-effective levels of service to communities.</p> <p>Over-estimating the speed of growth could increase Council's debt if infrastructure development was undertaken in anticipation of growth that did not eventuate.</p>																																																
Wastewater assets economic life	<p>Economic life of assets:</p> <ul style="list-style-type: none"> - PVC/PE components: 80 years - Pumps: 15 years - Electrical: 15 years - Concrete structures: 60 years (given lower life in wastewater environment based on experience and condition rating). 	Medium	Asset renewals are required earlier than programmed, requiring funding earlier than budgeted. Alternatively asset renewals can be deferred due to longer than expected life resulting in savings.																																																
Wastewater asset valuations	Asset valuations have been calculated from unit rates using data from the Rawlinsons Publication and comparing it with actual previous data. A 20% allowance is made for design and consenting. Unit rates have adequate allowance for construction variation.	High	Budget allocations for renewals would be incorrect.																																																
Wastewater emergency storage at pump stations	Capacity for nine hours emergency storage at pump stations.	High	If storage capacity is insufficient, overflows would occur, with consequential environmental damage. Prosecution may follow																																																
Inflation projections	<p>Financial projections within the Wastewater group of activities have been calculated by applying the following inflation factors to core costs:</p> <table border="1" data-bbox="300 1507 892 1641"> <thead> <tr> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Energy inflation</td> <td>3.7</td> <td>2.4</td> <td>2.8</td> <td>2.9</td> <td>3.3</td> <td>3.3</td> <td>3.4</td> <td>3.4</td> <td>3.5</td> </tr> <tr> <td>Water inflation</td> <td>3.4</td> <td>3.2</td> <td>3.0</td> <td>3.1</td> <td>3.3</td> <td>3.4</td> <td>3.3</td> <td>3.4</td> <td>3.5</td> </tr> </tbody> </table> <p>These factors have been applied to operating costs as follows:</p> <table border="1" data-bbox="300 1724 895 1975"> <thead> <tr> <th></th> <th>Share of operating costs affected by Energy inflation factor</th> <th>Share of operating costs affected by Water inflation factor</th> </tr> </thead> <tbody> <tr> <td>Waihi Beach Wastewater</td> <td>9%</td> <td>91%</td> </tr> <tr> <td>Katikati Wastewater</td> <td>10%</td> <td>90%</td> </tr> <tr> <td>Omokoroa Wastewater</td> <td>6%</td> <td>94%</td> </tr> <tr> <td>Te Puke Wastewater</td> <td>14%</td> <td>86%</td> </tr> <tr> <td>Maketu Wastewater</td> <td>0%</td> <td>100%</td> </tr> </tbody> </table> <p>For capital expenditure, the Wastewater Inflation factor has been applied.</p>		2011	2012	2013	2014	2015	2016	2017	2018	2019	Energy inflation	3.7	2.4	2.8	2.9	3.3	3.3	3.4	3.4	3.5	Water inflation	3.4	3.2	3.0	3.1	3.3	3.4	3.3	3.4	3.5		Share of operating costs affected by Energy inflation factor	Share of operating costs affected by Water inflation factor	Waihi Beach Wastewater	9%	91%	Katikati Wastewater	10%	90%	Omokoroa Wastewater	6%	94%	Te Puke Wastewater	14%	86%	Maketu Wastewater	0%	100%	Medium	If actual inflation rates vary from those assumed, costs will either be over or under estimated. This will affect the financial projections for the activity, including the expenditure, revenue and financing requirements for this activity.
	2011	2012	2013	2014	2015	2016	2017	2018	2019																																										
Energy inflation	3.7	2.4	2.8	2.9	3.3	3.3	3.4	3.4	3.5																																										
Water inflation	3.4	3.2	3.0	3.1	3.3	3.4	3.3	3.4	3.5																																										
	Share of operating costs affected by Energy inflation factor	Share of operating costs affected by Water inflation factor																																																	
Waihi Beach Wastewater	9%	91%																																																	
Katikati Wastewater	10%	90%																																																	
Omokoroa Wastewater	6%	94%																																																	
Te Puke Wastewater	14%	86%																																																	
Maketu Wastewater	0%	100%																																																	

Key Assumptions – Wastewater (continued)

Assumption	Description	Confidence (High, Med, Low)	Consequence of error in assumption
Legislation	There will be no significant changes to legislation affecting the wastewater activity (Health Act 1956 and Local Government Act 2002).	High	If new standards for wastewater that required upgrades to existing infrastructure, this would impact on rates paid by those served by Council schemes.
Subsidies	It is assumed that subsidies of \$10.5 million from central government and \$2.1 million from Environment Bay of Plenty for the Maketu/Little Waihi Wastewater scheme continue to be available to help fund the project.	High	Without this subsidy, the cost of the scheme is considered unaffordable for residents in Maketu and Little Waihi..

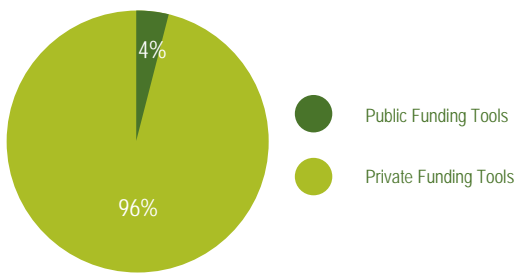
Revenue and Financing Policy – Wastewater

Rationale for choice of revenue and financing tools

Public benefits identified	Private benefits identified	Other considerations
<p>Provision of reticulated wastewater systems in the District provides public health and sanitation benefits to the community.</p> <p>If adequate wastewater disposal systems were not available, economic development may be constrained, or environmental standards may be compromised. This would affect the community as a whole.</p>	<p>Individuals provided with reticulated wastewater can be identified and charged for the service. Wastewater reticulation systems, treatment facilities and disposal systems have surplus capacity designed to cater for growth. Developers who take advantage of this capacity by subdividing can be identified and charged.</p> <p>Increased volumes of wastewater produced by some commercial and industrial users (trade waste) require that the capacity of the system be larger. Higher toxicity of wastewater produced by some users requires more treatment in order to meet consents for disposal.</p> <p>Many ratepayers are not connected to Council wastewater systems and construct and maintain their own septic tank systems.</p>	<p>Grants from central government may be available to help fund the development of wastewater schemes for disadvantaged and small communities.</p> <p>Infrastructure typically has a long useful life:</p> <ul style="list-style-type: none"> - Reticulation and manholes - 60 to 100 years, depending on pipe material. - Pumps and pump stations - 25 years on average. - Wastewater treatment and disposal facilities - 50 years. <p>Wastewater reticulation systems, treatment facilities and disposal systems have surplus capacity designed to cater for growth.</p> <p>Actions that result in increased expenditure on this activity include:</p> <ul style="list-style-type: none"> - Illegal disposal of stormwater into the wastewater systems via illegal private connections and sub-standard private connections. - Infiltration and inflow into reticulation systems through poorly maintained or badly constructed reticulation systems. - Illegal discharges or trade waste into domestic sewers. - Trade waste discharges, which are not measured or charged. - Pollution of the harbour and coastal areas from poorly maintained septic tanks. - Pollution caused by septic tank de-sludging. - Contractors disposing of septage at non-conforming disposal sites.

Funding targets

Wastewater



Financing sources

Financial Contributions	To fund the capital development including holding costs that is required to accommodate growth and to pay for the consumption of any excess capacity in the wastewater systems.
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Loans where appropriate, serviced through the Wastewater Targeted Rates	To finance capital expenditure, excluding renewals.
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Revenue sources

Environment Protection Rate	To fund (4%) of the revenue requirement for wastewater schemes.
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Area of Benefit Targeted Rates (UACs) Availability charges Multiple connections* Capital charges Development levies Subsidies Fees and charges (trade waste and connections)	To fund 96% of the revenue requirement, which includes renewals of capital, and all operating, maintenance and financing costs, and the share of capital expenditure that relates to existing ratepayers.
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NOTE: Applications for remission of multiple connection charges will be reviewed, based on rules developed in terms of the Building Code.

For further details of Council's rating tools, refer to the Funding Impact Statement within the Financial Information section.

* During the term of this Plan, Council will consider developing a rate remission policy to assist not-for-profit organisations that pay excessive wastewater charges as a result of multiple connections.

SOLID WASTE

Overview

Council recognises that sustainable development should allow for improvement in quality of life, while at the same time minimising the impact of growth on the ecosystem supporting it. The Solid Waste Strategy sets out Council's commitment to managing solid waste activities within the District. Council has set its primary outcome to be based on waste minimisation using the waste hierarchy - to reduce the total amount of waste produced by reduction, reuse, recycling, recovery and treatments. Accordingly, many of the actions contained in this Strategy are focused on encouraging the necessary actions at an individual and household level. However, the Strategy also looks at what actions can be taken at the community-level to ensure that this District retains a healthy environment for this and future generations.

The Strategy acknowledges the aspirational 'zero waste' philosophy by 2015 in the Joint Subregional Waste Management Plan and the implicit drive towards waste minimisation required to achieve this goal. The Joint Subregional Waste Management Plan will be reviewed during the term of this Strategy by Tauranga City Council, Environment Bay of Plenty and the Western Bay of Plenty District Council.

In giving effect to the Strategy, Council sees its predominant roles being planning for solid waste activities, education and enforcement, to ensure individuals, households and businesses are dealing with their waste in a responsible manner.

Similarly, Council employs the "polluter-pays" principle in its waste planning. This principle requires that those producing waste should pay the appropriate cost for its disposal and that the pricing provided by the market will encourage people to take the right action. Council does not, therefore, plan to widely subsidise waste services to encourage a change in behaviour. Instead, it will use other incentives to encourage the right action where necessary, supported by greater emphasis on enforcement for illegal dumping.

Where it is identified that private operators are not providing suitable levels of service, Council may consider the facilitation or provision of appropriate services. This recognises that Council's Solid Waste strategies and actions have been developed as a local response to the changing waste management environment and will continue to change in response to circumstances, through regular review.

Council has considered how levy money from the Waste Minimisation Act 2008 should be used. Use of the money must be consistent with the requirements of the Waste Minimisation Act and the Council's Joint Subregional Waste Management Plan. To enable maximum flexibility Council has determined that suitable projects would increase the level of service beyond that existing in 2008 and could be either district wide or benefit a specific area, subject to approval via the Annual Plan or LTCCP process.

Council assets in this group of activities

Council operates and maintains closed and capped landfills at Te Puke, Waihi Beach and Athenree as well as community

recycling and greenwaste centres at Waihi Beach and Katikati. There is also a greenwaste drop off facility at Omokoroa.

In future Council will no longer provide landfill services. Council retains its responsibilities for ongoing aftercare of the three closed landfills in accordance with consent conditions.

10 year programme highlights

- 2009-2019: Council estimates it will receive \$160,000 annually from the waste disposal levy collected under the Waste Minimisation Act. This will be used for waste minimisation initiatives both district-wide and in specific areas of benefit.
- 2010: The development of an Eastern Recycling and Greenwaste Centre. This was budgeted for in 2008/09 and is estimated to cost \$357,000. It will be funded from uniform annual charges and the annual waste disposal levy as follows:
 - 2009/10 - \$160,000
 - 2010/11 - \$60,000
 - 2011/12 - \$30,000
 The operational cost of the Eastern Recycling Centre will result in an increase in the Uniform Annual Charge for people in the eastern district from \$9 in 2008/09 to \$25 in 2009/10.
- 2012: Upgrading of Katikati Recycling Centre (\$444,000).
- 2009-2019: Continued provision of recycling and greenwaste facilities in Katikati, Waihi Beach and greenwaste only at Omokoroa.
- Review of subregional Waste Management Plan in 2009/10.

What Council wants to achieve

Council Outcome 1: The total quantity of residual waste for disposal is minimised by reduction, reuse and recycling.

PESW1

This outcome takes a proactive approach, by recognising the importance of the waste hierarchy in Council's approach to solid waste. Even though Council is not the major provider of solid waste services in the District, Council's planning, education and enforcement roles and responsibilities are important functions.

Council Outcome 2: People dispose of residual waste that they can't reduce, re-use or recycle in an environmentally acceptable manner.

PESW2

This outcome realistically recognises that there will always be some waste produced that requires environmentally acceptable disposal options. In some cases people do not know what they can do with this waste. This outcome ensures that there are proper disposal opportunities and information about these opportunities available.

Council Outcome 3: Council and communities work together to create a clean environment.

PESW3

People of the Western Bay of Plenty take pride in their

clean environment. This third outcome concerns innovative responses by Council and the community to waste problems and recognition of outstanding contributions by individuals, businesses and community groups to the wider public good.

Why Council wants to achieve this (rationale)

Contribution to Community Outcomes

This activity contributes primarily to the following Community Outcomes:

- Our environment is clean, green and valued.

This means that:

- Service providers work with us to ensure the environment is sustainably managed.
- Indigenous habitats and species are plentiful.
- Rare and representative habitats and species are protected and enhanced.
- Air, water and land quality are maintained to protect our health and ecological systems.

- We can all enjoy a healthy and safe lifestyle.

This means that:

- We have easy access to quality health and social services.
- Transport and other infrastructural services are safe and meet our needs.

- Our economy is thriving.

This means that:

- Innovation and entrepreneurship add value and support diversification of the local economy.
- Infrastructure, services and facilities support and promote economic growth and development.
- Business, government and education sectors work effectively together.
- Business practices are environmentally sustainable.

Council's role in contributing to these Community Outcomes is more fully described in the Council Outcomes and strategies within this chapter. For example:

- Providing recycling and greenwaste centres in Waihi Beach, and Katikati and greenwaste centre in Omokoroa.
- Developing a recycling centre in Te Puke.
- Licensing private operators of kerbside rubbish and recycling collection services.
- Working with subregional partners to plan for waste disposal services.
- Encouraging waste minimisation.
- Working with partners to provide special waste collection services eg agrichemicals and e-waste.

To meet statutory obligations under the following Acts:

- Local Government Act 1974 and 2002.
- Resource Management Act 1991.
- Litter Act 1979.
- Health Act 1956.
- Waste Minimisation Act 2008.

Activities in this group of activities

Solid waste.

Significant negative effects associated with these activities

- Landfills create leachate and air discharges. These are maintained through Resource Consent Conditions. Compliance with these conditions is part of the Council's level of service measures.
- Financial cost of recycling and disposal services. The cost of recycling services is affected by the world markets for recyclable material e.g. glass and plastic. Council monitors trends in these markets and revises its expected costs of this service through the Annual Plan process. This cost is weighed against the environmental benefits of recycling.

How Council will achieve this

Council Outcome 1

The total quantity of residual waste for disposal is minimised by reduction, reuse and recycling.

PESW1

1.1 Illegally dumped waste

Council and the community will not accept the dumping of waste on public land. Council will work to change attitudes towards fly-dumping and ensure that people know where they can dispose of their waste safely. Local communities will also be encouraged to work with Council to achieve clean roadsides and waterways. Council may monitor public spaces where fly-dumping occurs and install mobile closed circuit television cameras at problem sites. Infringements and prosecutions will be pursued where Council has sufficient information to support such action.

Council's role: Partner, Enforcer

1.2 Refuse Bylaw

Council will enforce the Refuse Bylaw to ensure that all people in the District take responsibility for the proper disposal of their waste.

Council's role: Enforcer

1.3 Design Principles for New Developments

Eco-design principles advocate for well-planned and executed development of products and land to ensure that the design and development will be functional for long-life use.

Council will support the use of 'eco-design' principles in the development of products and land when opportunities are available. Particular opportunities exist for enforcement of these principles in Council's planning instruments. Council will consider on an on-going basis the inclusion of these principles in those instruments and the consequent enforcement of the rules in those planning instruments.

Council's role: Facilitator, Enforcer

1.4 Product Stewardship

Council strongly supports the practice of product stewardship and will advocate where possible for

stronger responsibility by producers, brand owners, importers and retailers for the waste accompanying their goods, e.g. packaging.

Council's role: Advocate

1.5 Composting

Council will continue to promote that households undertake composting at home and at the workplace. It is recognised that composting is the most environmentally-beneficial way of re-using organic waste and greenwaste. The compost produced is a resource available for use, which can be produced quickly and cheaply on-site. In addition, Council provides greenwaste drop-off facilities that accept garden waste for composting off site.

Council's role: Advocate, Facilitator

1.6 Recycling Services

Recycling drop-off facilities

In response to demand for recycling services, particularly in the Eastern end of the District where service availability is low, Council recognises that it needs to be involved in providing recycling options. Where viable options are proposed by private or community sectors, Council will investigate whether these options can enhance or replace Council operated services.

Council's role: Lead

Weekly residential recycling collection

Council will continue its role of monitoring the effectiveness of private sector weekly 'kerbside' residential recycling collection through the licensing system. Where necessary, Council will take enforcement action against private sector operators through the General Bylaw 2008. Solid waste collectors are required to be licensed and submit annual reports detailing the quantity, type, source and destination of waste treatment.

Council's role: Research and Monitoring, Enforcer

1.7 Public Recycling

Subject to community demand and willingness-to-pay, Council will facilitate, where possible, for Community Boards to establish public recycling facilities in public places.

Council's role: Facilitator

1.8 Education and Information

Education

Council acknowledges that education is a key technique in changing how people manage their waste and in achieving a change in community attitude from seeing waste as best managed by digging a hole, to seeing waste as a valuable material for further use.

a) Partners in providing education

Council will collaborate with those organisations

that specialise in waste matters, (e.g. Tauranga City Council, Bay of Plenty Regional Council, Ministry for the Environment, Environmental Education for Resource Sustainability Trust, waste service businesses) to ensure a co-ordinated, consistent and up-to-date response to education needs.

Council's role: Partner

b) Schools

Council will continue to assist a waste minimisation education programme to schools in the District. Council will also advocate for central government to assume responsibility for waste minimisation education as a core part of the education curriculum for all schools.

Council's role: Partner, Advocate

c) Community

Council will assist in funding waste minimisation education programmes for the wider community, targeting community groups and organisations in the first instance, as well as community events.

Council's role: Partner

d) Business and rural sector

Council will work with key sector groups to identify ways that each sector may respond to waste minimisation. Council will collaborate in the initial start-up stage of a sector education programme, but each sector will be expected to continue to run its own response over time.

Council's role: Partner, Facilitator

Information

Council recognises it has a role to play in making information available on what people can do with their waste, knowing "the right thing to do" or "where to take it". Information must be available in a range of ways to meet this need. These are the ways that Council will make information available:

a) Partners in distributing information

Council will collaborate with those organisations that specialise in waste matters, e.g. Tauranga City Council, Bay of Plenty Regional Council, Ministry for the Environment, Environmental Education for Resource Sustainability Trust, waste service businesses to ensure a co-ordinated, consistent and up-to-date response to information needs.

Council's role: Partner

b) Communication Strategy

Council will provide user-friendly information on waste matters, in accordance with its Communication Strategy.

Council's role: Lead

c) Library and Service Centres

Council operates Library and Service Centres at Katikati, Waihi Beach, Omokoroa, Te Puke and a

service centre at Barks Corner. These centres will provide the first line of response on waste services and information requests. From time to time, Council may tour special displays on solid waste matters.

Council's role: Lead

d) Web page Waste Services Directory

Council will establish a webpage on waste services information. This information will be updated regularly as part of administering the licensing system for waste operators. Other related businesses will also be encouraged to list information with Council on their location and the types of waste material that they specialise in.

Council's role: Lead

e) Welcome Pack

Council will regularly update its Welcome Pack to New Residents with information on weekly kerbside collections and drop-off facilities. This pack is distributed to all new residents in the District.

Council's role: Lead

f) Waste Exchange

Council will continue to support the Waste Exchange Register, a Waikato-Bay of Plenty information database of business waste materials that are available for others to use.

Council's role: Partner

g) Signage

Council will ensure that industry-standard signage is provided showing where waste materials can be disposed of at known fly dumping trouble spots.

Council's role: Lead

Council Outcome 2: People dispose of residual waste that they can't reduce, reuse or recycle in an environmentally acceptable manner.

PESW2

2.1 Hazardous Waste Management

Council will continue to provide financial support to Environment Bay of Plenty in their responsibility for collection, storage and disposal of hazardous waste. While this approach of financial support (funded through solid waste rates) is different to Council's usual direct 'polluter-pays' approach, it is recognised that the hazardous waste services provided are one of the few opportunities available to the community to dispose of this type of waste safely.

Council's role: Facilitator, Funder

2.2 Landfills

Council does not provide landfill services, but will retain its responsibilities for the ongoing aftercare programmes of its closed landfills on Strang Rd (Te

Puke), Waihi Beach and Athenree, as required by their resource consents.

Access to landfills will be provided by the private sector and user-pays drop-off facilities are available in other areas.

Council Outcome 3: Council and communities work together to create a clean environment.

PESW3

People of the Western Bay of Plenty District take pride in their clean environment. This outcome provides for actions taken at the Community level, rather than at an individual level, in response to waste problems. Outstanding contributions by individuals, businesses and community groups to the wider public good will be recognised under this outcome.

3.1 Community Waste Initiatives

Council will work with interested community groups through the provision of grants, to establish and support community initiatives that meet local waste needs and follow environmentally sound practices. Funds will be distributed through Council's Discretionary Grants process.

Council will support community organisations in their applications to appropriate funding sources to establish such new community initiatives.

Council's role: Partner, Facilitator, Advocate

3.2 Events and Promotions

a) National Promotions

Wherever appropriate, Council will assist in the promotion of national campaigns that contribute to the three Council Outcomes for solid waste. Council will provide information on community group contacts and may provide local administrative support for the campaign.

Council's role: Partner

b) Recognition of Community Actions

Wherever possible, Council will advocate for the introduction of local awards to recognise outstanding contributions and innovations by communities and businesses to achieving the three solid waste outcomes.

Council's role: Advocate

c) Mobile Recycling and Waste Services

Council will require events organisers to provide recycling waste facilities for major events, alongside rubbish disposal facilities. These facilities are available through the private sector.

Council's role: Regulator

Council Action Plan – Solid Waste

Summary of major projects and activities											
Project Number	Project Description	\$'000									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
265202	Katikati Recycling Centre expansion	0	0	444	0	0	0	0	0	0	0
318601	Waste Minimisation Funding Pool	0	105	139	175	179	184	188	193	197	202
318602	Investigation & Enforcement of District wide waste minimisation	20	21	21	22	22	0	0	0	0	0

Note: This is not a complete list of the projects in this group of activities. For a full listing, please refer to Council's website.

How Council will track progress

Council uses performance measures to track its progress towards the achievement of Council Outcomes and delivery of levels of service.

Outcomes

Council Outcome	Performance Measures	Actual	Target				
		30/06/2008	2010	2011	2012	2013-2015	2016-2019
Outcome 1 (PESW1) The total quantity of residual waste for disposal is minimized by reduction, reuse and recycling. Outcome 2 (PESW2) People dispose of residual waste that they can't reduce, re-use or recycle in environmentally acceptable manner. Outcome 3 (PESW3) Council and communities work together to create a clean environment.	Key Council Performance Measure Percentage of actions, identified in the Solid Waste Action Plan for the year, that have been completed. This identifies the total annual actions required for this strategy. Actions are required within specification and budget.	59%*	90%	90%	90%	90%	90%
	Key Resident Satisfaction Measure Percentage level of customer satisfaction with household rubbish disposal methods.	63%	70%	70%	70%	70%	70%
	Supporting Measure Percentage of waste recycled or recovered as estimated and reported by licensed operators (excludes waste disposed of privately).	28%	25%	30%	35%	40%	45%

* Less favourable result as actions were not completed as indicated in Annual Plan.

Levels of service and measurement

Levels of Service	Performance Measures	Actual	Target				
		30/06/2008	2010	2011	2012	2015	2019
All council owned solid waste facilities (including closed landfills) meet environmental standards.	Number of abatement/infringement notices issued.	0	0	0	0	0	0
Provide and maintain drop-off recycling services for the following streams: paper, cardboard, cans, scrap metal and greenwaste.	Number of greenwaste and or recycling facilities provided.	3	3	4	4	4	4
Assist the provision of opportunities for the removal of hazardous waste.	Number of 'haz-mobile' collections services held in the District each year.	New	2	2	2	2	2

Projected Financial Summary – Solid waste (consolidated)

For the years ended 30 June	2010 \$'000	2011 \$'000	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
Analysis of expenditure - by activity										
District solid waste	511	640	685	747	763	777	794	812	832	852
Western solid waste	477	454	502	633	551	603	625	647	668	689
Eastern solid waste	324	417	430	453	474	525	551	577	604	635
Omokoroa Greenwaste	69	78	80	83	85	90	92	93	93	88
Total operating expenditure	1,381	1,589	1,698	1,916	1,873	1,995	2,061	2,128	2,196	2,264
Analysis of expenditure - by class										
Direct costs	1,034	1,221	1,279	1,455	1,377	1,467	1,502	1,538	1,577	1,616
Overhead costs	276	293	296	304	310	319	325	332	340	349
Interest	47	52	100	120	151	173	197	221	242	261
Depreciation	24	24	24	36	37	37	37	37	37	38
Total operating expenditure	1,381	1,589	1,698	1,916	1,873	1,995	2,061	2,128	2,196	2,264
Revenue										
Targeted rates	497	597	644	696	754	817	884	955	1,033	1,117
User fees	33	36	39	42	45	48	52	56	60	65
Other income	239	167	171	175	179	184	188	193	197	202
Total revenue	769	800	854	913	978	1,048	1,123	1,203	1,291	1,384
Net cost of service - Surplus / (Deficit)	(612)	(789)	(844)	(1,002)	(895)	(946)	(938)	(925)	(906)	(880)
Capital expenditure	0	0	444	0	0	0	0	0	0	0
Total other funding required	(612)	(789)	(1,289)	(1,002)	(895)	(946)	(938)	(925)	(906)	(880)
Other funding provided by										
Environment Protection Rate	479	503	513	526	537	569	582	596	610	626
Debt Increase (Decrease)	(69)	(77)	276	(39)	(29)	(32)	(35)	(38)	(42)	(13)
Reserves & future surpluses	203	363	500	515	387	409	390	367	337	267
Total Other funding	612	789	1,289	1,002	895	946	938	925	906	880

All information from 2011-2019 includes an adjustment for inflation.

Council's additional asset requirements – Solid Waste

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total Capital Expenditure										
Additional levels of service										
Additional capacity for future residents (growth)	0	0	444,242	0	0	0	0	0	0	0
Capital expenditure after adjustment for inflation	0	0	444,242	0	0	0	0	0	0	0

All capital expenditure will be recovered by Uniform Annual General Charge.

Key Assumptions – Solid Waste

Assumption	Description	Confidence (High, Med, Low)	Consequence of error in assumption																				
Solid waste changes in technology	Technology could potentially reduce operational and disposal costs and reduce impacts on the environment.	Medium	Increased costs and mitigation measures.																				
Changes to attitude that 'waste needs to be disposed of,' based on research and implementation of Waste Minimisation Act 2008.	Research opportunities provide ways of trialling alternative practices that make waste a valuable resource. It is recognised that research opportunities take a reasonable time to establish, receive results and test the sensitivity of those results. Product stewardship and waste levy provisions in the Waste Minimisation Act 2008 should assist in attitude change.	Low	The proportion of waste stream diverted for other uses (other than disposal) does not increase.																				
Solid waste generation rate (Note: this includes diverted materials)	Estimate of 640kg of municipal solid waste per person, reducing over 10 years.	High	Progress towards waste minimisation not achieved.																				
Solid waste levels of service	It is assumed that levels of service for recycling facilities may increase and all other levels of service will remain constant.	High	Changes in funding required due to changes in levels of service.																				
Solid waste socio-economic profile	Social changes and economic growth can lead to increased waste generation, created by increased consumption, less time to sort and separate waste and less need to reuse materials. It is presumed for communities in the Western Bay of Plenty District that this does not have a significant effect on demand for services.	Medium	If changes in the socio-economic profile of residents leads to behaviour contrary to the presumption made, facilities will either be under or over-utilised. This may lead to increased costs or uneconomic operation of facilities.																				
Solid waste environmental-consciousness profile	Communities in the Western Bay of Plenty District are more conscious of the environmental impact of their actions. Willingness-to-take actions to reduce this impact take time to establish.	Medium	If changes in the environmental-consciousness profile of residents leads to behaviour contrary to the presumption made, facilities will either be under or over-utilised. This may lead to increased costs or uneconomic operation of facilities.																				
Inflation Projections	Financial Projections within the Solid Waste group of activities have been calculated by applying the following inflation factors to operating and capital costs: <table border="1" data-bbox="343 1288 890 1370"> <thead> <tr> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Other Inflation</td> <td>4.5</td> <td>2.4</td> <td>2.4</td> <td>2.3</td> <td>2.4</td> <td>2.4</td> <td>2.4</td> <td>2.5</td> <td>2.5</td> </tr> </tbody> </table>		2011	2012	2013	2014	2015	2016	2017	2018	2019	Other Inflation	4.5	2.4	2.4	2.3	2.4	2.4	2.4	2.5	2.5	Medium	If actual inflation rates vary from those assumed, costs will either be over-or under-estimated. This will affect the financial projections for the activity, including the expenditure, revenue and financing requirements for this activity.
	2011	2012	2013	2014	2015	2016	2017	2018	2019														
Other Inflation	4.5	2.4	2.4	2.3	2.4	2.4	2.4	2.5	2.5														
Waste Minimisation Act	The Waste Minimisation Act was passed in September 2008. The Act provides for, among other things, a waste levy to be collected from waste delivered to land fills and applied to waste minimisation activities and product stewardship scheme.	High	Additional funding for waste minimisation provided. Will affect focus taken in Joint Solid Waste Management and Minimisation Plan and funding subject to fulfilling requirements of the Act.																				
Joint Solid Waste Management and Minimisation Plan	Tauranga City Council intends to work with Western Bay of Plenty District Council to develop a joint Solid Waste Management Plan. Waste Management and Minimisation Plans are required by section 41 of the Waste Minimisation Act 2008.	High	If partner Councils don't work together on Plan may create delays and additional costs.																				

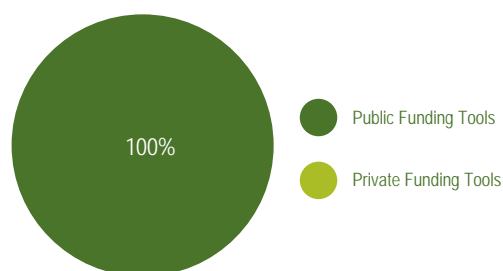
Revenue and Financing Policy – Solid Waste

Rationale for choice of revenue and financing tools

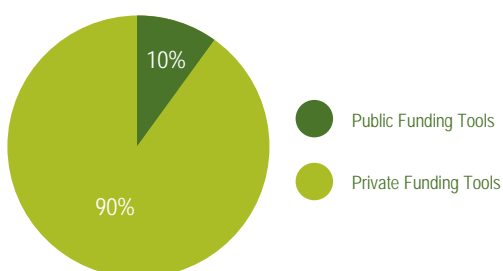
Public benefits identified	Private benefits identified	Other considerations
Education and promotion of waste minimisation benefits the District as a whole. When individuals make use of education and information on waste and hazardous waste issues, the community benefits as a result.	It is sometimes possible to identify individuals who illegally dump cars and other rubbish. They may be prosecuted.	The life of the greenwaste and recycling assets is estimated at 25 years. Achieving a cleaner environment benefits future generations through not leaving a legacy of waste.
Planning for and monitoring of waste issues benefits the community as a whole.	Closed landfills: those who have used the landfill while it was open a responsibility to ensure that remediation and monitoring of the landfill continues.	Actions that increase expenditure on this activity include illegal dumping and littering, which requires cleaning up. Offenders often cannot be identified.
If the remediation and monitoring of closed landfills is not undertaken it would affect the community as a whole, through downstream effects on the environment.	The individuals using greenwaste and recycling facilities could be identified and charged for the service.	Council wishes to encourage recycling and therefore chooses not to charge gate fees at its recycling drop-off facilities.
The existence of greenwaste and recycling facilities will benefit those in the local area.		Council wishes to consolidate its revenue collection for this activity by geographical area of benefit and has chosen to combine targeted rates for green waste and recycling with targeted rates for landfill remediation and monitoring.
If convenient facilities are not provided to dispose of greenwaste it may be more likely that it will be illegally dumped and may result in increased enforcement and regulatory costs for the whole community.		

Funding targets

Solid Waste - District Operations



Solid Waste - Green waste and Recycling Centres



Financing sources

Loans where appropriate, serviced through the Solid Waste Targeted Rates

To finance capital expenditure, excluding renewals.

Revenue sources

Environment Protection Rate

To fund District-wide operational expenditure.

Area of Benefit Targeted Rates (UACs), (currently Eastern and Western) User Fees

To fund renewals of capital and all operating, maintenance and financing costs of closed landfills, green waste and recycling centres (Eastern and Western).

Levy from Waste Minimisation Act

To fund waste minimisation activities (including operating or capital costs) either district-wide or specific area of benefit.

User Fees, Area of Benefit Targeted Rates (UACs)

To fund renewals of capital and all operation, maintenance and financing costs of Omokoroa greenwaste facility.

For further details of Council's rating tools, refer to the Funding Impact Statement within the Financial Information section.



SUPPORTING OUR ECONOMY



*Western Bay of Plenty
District Council*

ECONOMIC

Overview

The Western Bay of Plenty subregion, comprising the Western Bay of Plenty District and Tauranga City, is one of the fastest growing regions in the country. Between 1996 and 2006 the subregion experienced 33% growth in population. This growth is projected to increase from 145,000 people to approximately 218,000 in 2026 and 289,000 in 2051.

In November 2008 Environment Bay of Plenty adopted a Regional Economic Development Strategy that builds on the existing subregional strategies (Western Bay of Plenty, Eastern Bay of Plenty and Southern Bay of Plenty) and addresses critical cross regional issues and opportunities for sustainable economic growth. The Regional Economic Strategy provides an opportunity to align these subregional strategies, improve linkages and co-ordination between the sub-regions and assist in growing the regional economy. It is intended to complement, rather than compete with existing strategies.

SmartEconomy is the Western Bay of Plenty sub-region's economic development strategy. It was developed to stimulate economic growth by making the sub-region the business location of choice, resulting in a highly productive, competitive and export-based economy. SmartEconomy was commissioned in 2003 through a partnership between Tauranga City Council, Western Bay of Plenty District Council and Priority One, with funding from New Zealand Trade and Enterprise. Both SmartGrowth and SmartEconomy are well aligned and the economic development strategy contributes, in particular, to the wider social, cultural, environmental and economic outcomes defined in SmartGrowth.

The SmartEconomy strategy commenced implementation in August 2004. It adopts a strong collaborative approach by more than 30 industry sector groups, business support organisations, education providers and local and central government representatives. Priority One, (the subregional Economic Development Agency) is the overall administrator of the implementation process. A governance group called the Smart Economy Action Group (SEAG) comprises representatives from Priority One, New Zealand Trade and Enterprise, Western Bay of Plenty Tertiary Education Forum, Tauranga City Council, Western Bay of Plenty District Council, Environment Bay of Plenty, Industry, Sustainable Business Network, Chamber of Commerce and Export NZ BOP.

Prior to the development of SmartEconomy, economic activity primarily occurred in the areas of residential construction, retail, the horticulture and agriculture sectors and activity relating to the Port of Tauranga. There was concern that unless initiatives were developed to stimulate a balanced, dynamic and sustainable economy, business activity would remain primarily in low wage, low skill activities or sectors that merely supported population growth.

SmartEconomy identifies peoples' lifestyles as a major economic driver and focuses on Western Bay of Plenty's beaches and climate as an attractor for entrepreneurs, skilled workers and investors. It also identifies the need to have

efficient transport infrastructure, secure energy supplies and networks to facilitate the movement of goods and services

The Strategy is based around five themes that provide the basis for a range of actions. These themes are:

- Innovation and Entrepreneurship;
- Lifestyle;
- Business Environment;
- Education and Skills;
- Networked Economy.

SmartEconomy was reviewed in 2007 and that review identified five key priorities for action which are identified as:

- Tertiary Education and Research
- Innovation/Business Parks
- Growth of Export Sector
- CBD Development
- Power Supply and Broadband.

As a result of the review, new actions were included in SmartEconomy, including facilitating the establishment of a coastal marine research centre, a food manufacturing park and a purpose designed technology park focusing on the information and communications technology sector.

In addition to its support and involvement with SmartEconomy, through the Built Environment Strategy, (adopted in August 2007) Council aims to ensure that the growth of Katikati, Omokoroa, Waihi Beach and Te Puke is sustainable and that the current character and identity of each town is strengthened through good urban design. By concentrating development within the existing footprint, valuable horticulture land is retained for horticultural purposes and beach areas are preserved for ecological enhancement and to be enjoyed by residents and visitors. The need to accommodate seasonal workers is a pressing economic issue which has been partly addressed by establishing a post-harvest accommodation zone in the District Plan review (notified February 2009). Provision has also been made in the District Plan review and Council's revised Development Code for broadband ducting.

In 2007/2008, in response to concerns regarding the supply of adequate land to meet the employment needs of a growing population, SmartGrowth commissioned a land review throughout the Western Bay of Plenty District and Rotorua to locate 360 hectares of land suitable for industrial development. It is likely that this work will result in a significant expansion to the current Rangiuru Business Park land of 150 hectares located between Te Puke and Paengaroa.

Council assets in this group of activities

Assets included within this activity are minimal and primarily consist of, in partnership with community organisations, contribution to town centre development across the district. Council also owns the Waihi Land Drainage Scheme, assets, which are managed by the Waihi District Drainage Society Inc.

10-year programme highlights

- Council's annual support for the subregional economic development agency Priority One (\$159,500) and for Tourism Bay of Plenty (\$155,422).
- Support for town centre promotion in Katikati of \$41,900 per year and in Te Puke for \$115,000 in 2009/10 and \$106,000 per year (adjusted for inflation) thereafter. The budget for Katikati has increased by \$6,000 compared to the previous year, to fund the service delivery contract currently held by Katch Katikati. To fund the increase, Council will charge an additional \$50 per annum on every industrial and commercial property in Katikati, bringing the charge to \$203 per year. The Katch Katikati contract would therefore be funded 60% by the commercial industrial properties and 40% by the ward as a whole.
- Support town centre development through a \$10 district rate to implement Town Centre Plans (Waihi Beach (2009-2013), Katikati (2013-2017), Omokoroa (2017-2021)). Te Puke received benefit from this rate from 2005-2009.
- Continue to rate the Katikati Ward at \$10 per rateable property for future ward development projects; initially this money will be spent on investigation into town centre design.
- For economic development to be sustainable, Council recognises that the environmental and social impact of business must also be considered and that responsible business practices should be encouraged. Consequently the Council continues to support the Sustainable Business Awards with an annual grant of \$6,000. Council is a member of the Sustainable Business Network and has embarked on benchmarking and monitoring its organisational business practices to ensure that it operates a sustainable business.
- Council will continue to support the Waihi District Drainage Society to address stop bank instability (\$227,000) over ten years. This will be funded over the area of benefit for the works. During 2009/10, Council will investigate and consult with affected parties on whether to increase the area of benefit for the Waihi District Drainage Society.
- Council will support innovation/business park development at Te Puke West, Rangiuru and Katikati.

Why Council wants to achieve this (rationale)

Contribution to Community Outcomes

This activity contributes primarily to the following Community Outcomes:

- Our economy is thriving.

This means that:

- Innovation and entrepreneurship add value and support diversification of the local economy.
- The versatility of rural land is maintained.
- Unique attributes of our District are turned into competitive advantages.
- Infrastructure, services and facilities support and promote economic growth and development.
- We are skilled, enterprising and adaptable.
- A range of quality education and career opportunities are available locally.
- Business, government and education sectors work effectively together.

- Business practices are environmentally sustainable.
- Our communities are vibrant and welcoming.

This means that:

- Our communities are caring, inclusive and work together.
 - We recognise and respect Maori as tangata whenua.
 - Our diverse cultural heritage and traditions are respected and celebrated.
 - A range of arts, culture, recreation and life long learning opportunities is available to us all.
 - Town centres are the heart of our communities and promote local identity.
 - The rural and coastal character of our District is maintained.
 - Growth and development is well planned for
- Our environment is clean, green and valued.

This means that:

- Service providers work with us to ensure the environment is sustainably managed.
- Air, water and land quality are maintained to protect our health and ecological systems.

Council's role in contributing to these Community Outcomes is more fully described in the Council Outcomes and strategies within this chapter. For example:

- Planning for new industrial and commercial land
- Supporting town centre development through service delivery contracts and infrastructure funding
- Using the District Plan to help protect productive land
- Supporting small businesses through Council's community development team
- Through funding of the subregional economic development agency, Priority One, Council helps promote new investment and address skill shortages.
- Through funding of the regional tourism organisation, Tourism Bay of Plenty, Council helps promote the district as a destination
- By providing recreation opportunities Council helps attract visitors.

To ensure consistency with:

- SmartGrowth principles.
- SmartEconomy Strategy.
- SmartTourism Strategy.

Council activities in this group of activities

- Economic Development.
- Waihi Land Drainage.

Significant negative effects associated with these activities

Economic Development

- Air, noise and environmental pollution from increased motor vehicle use and some industrial development.
- Increased pressure on natural landscape as demand for business land increases.

These effects are controlled through resource consents for particular activities set out in Council's District Plan, and the Regional Council's Air, Water and Land Plans. Consent compliance is monitored by Council. The effectiveness of the plans in controlling these effects is monitored and results taken into account when the plans are reviewed.

Waihi Land Drainage

- Loss of natural landscape as a result of drainage activities.

How Council will achieve this

Council Outcome 1

Sustainable economic development in the subregion is enabled, supported, and promoted.

SEEC1

1 Land use planning and infrastructure

Council will provide land use planning and infrastructure to enable and encourage sustainable economic development close to residential areas.

For economic development to occur, adequate infrastructure needs to be in place and resources such as land, air and water must be available. This strategy recognises that each community in the Western Bay of Plenty District has different infrastructure needs and priorities and acknowledges that resources must be managed in a sustainable way that meets the needs of the present, without compromising the ability of future generations to meet their needs.

1.1 Develop appropriate infrastructure for each community

- a) Council will co-operate with electricity and communications network providers to facilitate efficient development of appropriate infrastructure for each community (delivered through the Sustainable Development Strategy).

Council's role: Lead, Advocate, Facilitator

- b) Council will support the development of a subregional environmental education strategy to ensure a co-ordinated response to environmental education needs across the District. The strategy will particularly address biodiversity issues on private land. On completion of the strategy, Council will review operation and funding of its environmental education programme to ensure most efficient use of resources.

Council's role: Facilitator

Links to other Council Strategies:

Refer Transportation: Strategies 1.1 - 1.3.

1.2 Maintain a range of climatic and soil types available for agricultural and horticultural use and manage resources

In accordance with the SmartGrowth strategy, when planning for residential, industrial and commercial activities, Council will take into account the productive potential of the land in question and the relative

availability of land with similar characteristics available for primary production. Council will ensure that competition for water resources is also taken into account and planned for (delivered through the Sustainable Development Strategy).

Council's role: Lead

1.3 Promote and develop growth nodes as locations for business development

In accordance with the SmartGrowth "live, work, play" principles, Council will support and develop the vitality of town centres, recognising that for residents of small towns, a vibrant town centre contributes to their quality of life. Council will support organisations that promote the respective town centres with the aim of attracting residents and visitors to town centres. Council will encourage the organisations to provide community feedback during Council planning processes and to bring to Council's attention local issues that affect the town centre's prosperity.

Council's role: Partner

1.4 Support community infrastructure projects

Council will facilitate and advocate, where appropriate, for environmentally acceptable infrastructure projects designed to increase or secure the productive capacity of the land.

Council's role: Facilitator, Advocate

1.5 Support programmes to encourage productivity of Maori land

Council will support and advocate for plans that enable Maori to unlock the economic potential of their land and will work with other organisations to assist the removal of barriers to such development.

Council's role: Advocate

2 Business expansion, diversification and skill development

Council will support business expansion and diversification and encourage the development of skills. This strategy addresses the ability of businesses to provide quality jobs and develop and attract skilled workers. It recognises that the District has a higher proportion of small businesses than the country as a whole. Diversification of the economy will reduce the risk that the area will be severely affected by a downturn in any particular industry.

2.1 Support development of small and medium-sized enterprises (SMEs)

2.1.1 Local delivery of national programmes

Many national programmes that are aimed at developing business skills and improving the performance of small businesses are funded by central government. Council will support and advocate for the delivery of these programmes

locally and will encourage local business to take advantage of these programmes.

Council's role: Facilitator, Advocate

2.1.2 Local networking and clusters

Council will support the development of clusters within the subregion and encourage SMEs to join those clusters.

The development of linkages between SMEs with common interests can, for example, speed up the process of technological innovation, promote the early adoption of improved technology and reveal opportunities for joint marketing initiatives. Through participating actively in clusters, SMEs can overcome some of the handicaps that might result from their smaller size and also provide a sounding board for new ideas.

Council's role: Facilitator

2.1.3 Access to grants and awards

Council will promote awareness of the opportunities to apply for various grants and awards that are available to fund research and technology.

Council's role: Facilitator

2.2 Attract new investment and business opportunities

a) Council will work with other local authorities, business groups and organisations to promote the District and subregion as a prime location for investment, particularly for industries that provide higher value jobs and add value to the District's primary production. Council will support organisations that provide information and encouragement to potential investors, attract new investment and retain existing businesses.

Council's role: Partner

b) Council will sign the Local Government Protocol for Film Friendly Regulation and share information with the regional film office, Film Volcanic, to maximise the benefit to local businesses of screen production initiatives in the district.

Council's role: Facilitator

2.3 Support programmes aimed at addressing skills gaps in the local economy

Council will support agencies facilitating programmes to reduce the skill gaps in the local economy. This could include programmes to encourage family-friendly employment policies, address childcare issues, provide options for older workers, as participants and mentors in the workforce and make the most of skills in the voluntary sector.

Council's role: Partner

2.4 Access to appropriate training opportunities

Council will support strategies for further development

of tertiary education and training facilities within the subregion and advocate for increased linkages and communication between the productive and education sectors, in developing local training opportunities tailored to the subregion's needs.

Council's role: Facilitator

2.5 Tangata whenua

Council will facilitate and advocate for local iwi initiatives that are aimed at employment generation, education opportunities and the creation of new enterprises (Refer Building Communities - Communities activity).

Council's role: Facilitator, Advocate

3 Support for tourism

Council recognises that tourism has the potential to contribute significantly to the growth and diversification of the economy and that the benefits of tourism spread throughout the economy. Tourism is a relatively labour-intensive industry that provides both skilled and unskilled jobs, and also has benefits for a community's sense of pride and identity. Through its ownership of passive and active recreation reserves, Council is also an important operator in the tourism industry. The TECT All-Terrain Park and Huharua Park are expected to become significant tourism attractions in their own right.

3.1 Support destination marketing

Through the regional tourism organisation, Council will support the efforts of the tourism industry to market and promote the subregion as a prime domestic and international tourist destination. To achieve a presence in national and international markets, the combined resources of tourism operators and other stakeholders will be required, as well as co-operation with neighbouring regional tourism organisations.

Council's role: Partner

3.2 Support destination management

3.2.1 Provide high quality recreational facilities, and public open space

Council will ensure the ongoing improvement of public facilities that support the visitor industry, including beaches, boat ramps, walkways and reserves, toilets and motorhome waste disposal facilities. Council will work with neighbouring local authorities and government departments to enhance access to reserves that are significant tourist attractions. Council will work with subregional partners to develop facilities for residents that will also attract visitors.

Council's role: Partner, Lead

3.2.2 Improve signage of public facilities and amenities that support the visitor industry

Council will work with Tourism Bay of Plenty, Tauranga City Council and Transit NZ to advocate for appropriate and effective signage for the region's gateways, event venues and major attractions.

Council will assess its own reserves to identify those that are visitor attractions in their own right, and consider the need for directional or interpretive signage to improve the visitor experience of these reserves. Implementation will be guided by a schedule of priorities.

Council's role: Partner, Lead

3.2.3 Provide information facilities that support the visitor industry

Council will ensure that appropriate visitor information services at Katikati and Te Puke are provided, and will encourage community initiatives to provide visitor information in smaller communities.

Council's role: Lead, Advocate

3.3 Support destination leadership

3.3.1 Implementation of SmartTourism Strategy

Council will support the regional tourism organisation to provide leadership to the industry, and to facilitate and monitor the implementation of the SmartTourism strategy. Council will encourage the regional tourism organisation to work effectively with Maori tourism representatives in the subregion.

Council's role: Partner

3.3.2 Facilitate and support local tourism clusters

Through its local economic development programme, Council will facilitate and support local tourism clusters and advocate for their interests in the subregion.

Council's role: Facilitator, Advocate

3.3.3 Advocate for government funding for tourism infrastructure

Council will advocate for central government funding to develop infrastructure where the need for it is driven by visitor demand. Council will advocate for the development of access to Department of Conservation reserves to attract visitors to the region.

Council's role: Advocate

3.3.4 Improve communication between Council and tourism industry operators

Council will develop and maintain tools to improve communication between Council and tourism operators, to develop a better understanding of regulations, e.g. signage and event traffic management requirements.

Council's role: Lead

3.4 Support destination development

3.4.1 Events support

Council will encourage the clustering of events to create a critical mass that will attract visitors.

Council will work with stakeholders to develop a world-class Te Puke signature event.

Council's role: Facilitator

3.4.2 Town centre promotion

Council will encourage the development of tourist attractions and activities in the District's towns and advocate for their recognition in regional promotional literature.

Council's role: Partner, Advocate, Facilitator

4 Encourage sustainable environmental practices

4.1 Advocate for sustainable business practices

Council will encourage the implementation of environmentally responsible practices and will promote environmental, social and financial sustainability of enterprises. Council will support the recognition of businesses that set an example in this regard.

Council's role: Advocate, Partner

4.2 Promote cleaner production initiatives

Council will support initiatives that promote cleaner technologies and practices. (Refer Protecting the Environment - Solid Waste activity.)

Council's role: Partner

5 Subregional economic strategy

5.1 Subregional economic development monitoring

Council will co-operate to implement and monitor the subregional economic strategy SmartEconomy. Council will support organisations that facilitate and monitor the implementation of the subregional economic strategy.

Council's role: Partner

5.2 Facilitate sharing of information

Council will play its part in sharing information with its partner organisations in economic development and the public.

Council's role: Partner, Facilitator

5.3 Improve business-local government relationships and understanding

Council will maintain systems to undertake internal liaison to assist and facilitate businesses working through Council processes.

Council's role: Lead

5.4 Foster partnerships between business, local government, central government and education sectors

Council will work with organisations that bring together cross-sector teams to ensure that economic development planning takes into account related issues, such as infrastructure, multiple ownership of land and the skill requirements of business.

Council's role: Partner, Facilitator

Council Action Plan – Economic

Summary of major projects and activities											
Project Number	Project Description	\$000									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
3022	Town Centre Development	180	188	193	197	202	207	212	217	222	228
2989	Service Delivery Contract - Tourism BOP	155	162	166	170	174	178	183	187	192	197
2990	Service Delivery Contract - Priority One	160	160	160	160	160	160	161	161	161	161
2991	Sustainable Business Awards	6	6	6	7	7	7	7	7	7	8
2993	Town Centre Promotion - Te Puke	115	111	113	116	119	122	125	128	131	134
2994	Town Centre Promotion - Katikati	42	44	45	46	47	48	49	50	52	53
305302	Waihi Land Drainage Society - Canal Investigation	20	21	21	22	22	23	24	24	25	25
3115	Katikati Town Centre Development	37	38	39	40	41	42	43	44	45	46

Note: This is not a complete list of the projects in this group of activities. For a full listing, please refer to Council's website.

How Council will track progress

Council uses performance measures to track its progress towards the achievement of Council Outcomes and delivery of levels of service.

Outcomes

Council Outcome	Performance Measures	Actual			Target		
		30/06/2008	2010	2011	2012	2013-2015	2016-2019
Outcome 1 (SEEC1) Sustainable economic development in the subregion is enabled, supported and promoted.	Key Council Performance Measure % completion of the annual work programme as identified in the Economic Strategy and Action Plan. This identifies the total annual actions required for this strategy.	92%	90%	90%	90%	90%	90%
	Key Resident Satisfaction Measure Level of resident satisfaction with Council's role in promoting employment and business opportunities within the subregion, as per Annual Residents Survey, those residents that are very satisfied and satisfied.	46%	55%	55%	55%	55%	55%

Levels of service and measurement

Levels of Service	Performance Measures	Actual			Target		
		30/06/2008	2010	2011	2012	2015	2019
Economic programme identified through comprehensive development plans for each Urban Growth Node.	Number of Economic Action plans derived from the Community Development Plans (CDP).	4	4	5	5	7	7
	Number of service delivery contracts to deliver economic outcomes. This includes Town Centre Promotion (x2) Tourism, Subregional Economic Support.	New	4	4	4	4	4
	Number of staff (FTE)* to support Economic Development in the subregion.	New	1.2	1.2	1.2	1.2	1.2

*Full-time equivalent

Projected Financial Summary - Economic

For the years ended 30 June	2010 \$'000	2011 \$'000	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
Analysis of expenditure - by activity										
Waihi Land Drainage	254	267	273	279	286	293	299	307	314	322
Contracts, Levies and Grants	735	738	734	748	762	778	792	808	824	842
Total operating expenditure	989	1,005	1,007	1,027	1,048	1,070	1,091	1,114	1,139	1,164
Analysis of expenditure - by class										
Direct costs	902	925	945	964	983	1,003	1,024	1,045	1,068	1,091
Overhead costs	53	59	58	59	60	63	63	64	66	68
Interest	30	16	0	0	0	0	0	0	0	0
Depreciation	5	5	5	5	5	5	5	5	5	5
Total operating expenditure	989	1,005	1,007	1,027	1,048	1,070	1,091	1,114	1,139	1,164
Revenue										
Targeted rates	455	466	477	489	500	512	524	537	550	564
Interest	9	11	11	12	12	13	13	14	14	15
Other income	2	2	2	2	2	2	2	2	2	2
Total revenue	466	478	490	502	514	526	539	552	566	581
Net cost of service - Surplus / (Deficit)	(524)	(526)	(517)	(525)	(534)	(544)	(552)	(562)	(572)	(583)
Capital expenditure	180	188	193	197	202	207	212	217	222	228
Total other funding required	(704)	(715)	(709)	(723)	(736)	(751)	(764)	(779)	(794)	(811)
Other funding provided by										
General Rate	676	702	713	727	740	755	769	783	799	815
Debt Increase (Decrease)	(205)	(230)	0	0	0	0	0	0	0	0
Reserves & future surpluses	232	243	(4)	(4)	(4)	(4)	(5)	(5)	(5)	(4)
Total Other funding	704	715	709	723	736	751	764	779	794	811

All information from 2011-2019 includes an adjustment for inflation.

Council's additional asset requirements – Economic

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total Capital Expenditure										
Additional levels of service										
Additional capacity for future residents (growth)	180,000	188,167	192,683	197,308	201,846	206,690	211,651	216,730	222,149	227,702
Capital expenditure after adjustment for inflation	180,000	188,167	192,683	197,308	201,846	206,690	211,651	216,730	222,149	227,702

All capital expenditure will be recovered by Uniform Annual General Charge.

Key Assumptions – Economic

Assumption	Description	Confidence (High, Med, Low)	Consequence of error in assumption																														
Economic Subregional Partner - Priority One	Priority One remains an effective organisation and the joint service delivery agreement between Tauranga City Council, Western Bay of Plenty District Council and Priority One continues on a three year rolling basis.	High	If an effective subregional economic development organisation no longer existed, Council's strategies would be less effective and may cost more to implement.																														
Economic Subregional Partner - Tourism BOP	Tourism BOP remains an effective organisation and the joint service delivery agreement between Tauranga City Council, Western Bay of Plenty District Council and Tourism BOP continues on a three year rolling basis.	High	If an effective regional tourism organisation no longer existed, Council's strategies would be less effective and may cost more to implement.																														
Economic Subregional Partnerships - SmartEconomy	Council's strategic partners remain committed to the implementation of the SmartEconomy strategy adopted by Council in 2004 and reviewed in 2007.	High	If the SmartEconomy strategic partners were no longer committed to the subregional strategy, Council would have to reconsider its own strategy.																														
Local Economic Development Organisations	Town centre promotion and local economic development organisations in the District remain viable, effective and able to take part in joint projects with Council.	Medium	If effective town centre and local economic development organisations did not exist, Council would need to consider alternative service delivery models, which may have higher operational costs.																														
Resident population growth	<p>The District's population is expected to grow by 19.7% between 2009 and 2019 and the number of rateable properties is forecast to increase by 20.6% over the same period. This is consistent with the long term growth projections in the subregional growth strategy SmartGrowth.</p> <p>The timing of that growth is expected to be slower in the first two years of the Long Term Plan (0.6% in 2009/10 and 1.1% in 2010/11) returning to more normal growth in later years.</p>	Medium	<p>Significant differences between forecast population and household growth and actual outturns would result in Council failing to provide appropriate and cost-effective levels of service to communities.</p> <p>Over-estimating the speed of growth could increase Council's debt if infrastructure development was undertaken in anticipation of growth that did not eventuate.</p>																														
Growth in Visitor Numbers	<p>For the Coastal Bay of Plenty, international visitor nights are forecast to increase by 17.6% during the period 2009 to 2014 and domestic visitor nights are forecast to increase by 1.7% over the same period. This equates to 6.2% overall, being 1.2% growth p.a.</p> <p>Impact of visitors is expected to be concentrated on the coastal communities of Waihi Beach, Katikati, Pukehina Beach and Maketu. Together with Omokoroa, these communities also receive a significant number of day visitors, which are forecast to increase by 7% over the same period.</p>	Medium	If visitor numbers grow faster than expected, there could be pressure on Council infrastructure and visitor facilities, especially at peak season.																														
Inflation Projections	<p>Financial Projections within the Economic group of activities have been calculated by applying the following inflation factors to core costs:</p> <table border="1"> <thead> <tr> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Staff Costs Inflation</td> <td>3.5</td> <td>2.4</td> <td>2.7</td> <td>2.6</td> <td>2.6</td> <td>2.6</td> <td>3.1</td> <td>3.2</td> <td>3.1</td> </tr> <tr> <td>Other Inflation</td> <td>4.5</td> <td>2.4</td> <td>2.4</td> <td>2.3</td> <td>2.4</td> <td>2.4</td> <td>2.4</td> <td>2.5</td> <td>2.5</td> </tr> </tbody> </table> <p>It is assumed that 11% of operating costs will be affected by Staff Costs Inflation factor and 89% by the Other Inflation factor.</p>		2011	2012	2013	2014	2015	2016	2017	2018	2019	Staff Costs Inflation	3.5	2.4	2.7	2.6	2.6	2.6	3.1	3.2	3.1	Other Inflation	4.5	2.4	2.4	2.3	2.4	2.4	2.4	2.5	2.5	Low	If actual inflation rates vary from those assumed, costs will either be over or under-estimated. This will affect the financial projections for the activity including expenditure, revenue and financing requirements for this activity.
	2011	2012	2013	2014	2015	2016	2017	2018	2019																								
Staff Costs Inflation	3.5	2.4	2.7	2.6	2.6	2.6	3.1	3.2	3.1																								
Other Inflation	4.5	2.4	2.4	2.3	2.4	2.4	2.4	2.5	2.5																								

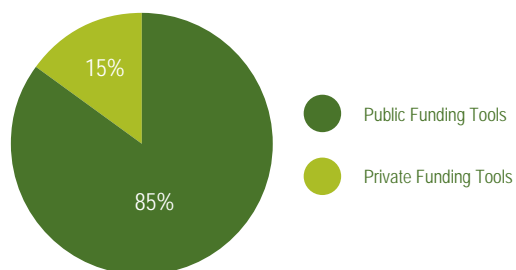
Revenue and Financing Policy – Supporting our Economy

Rationale for choice of revenue and financing tools

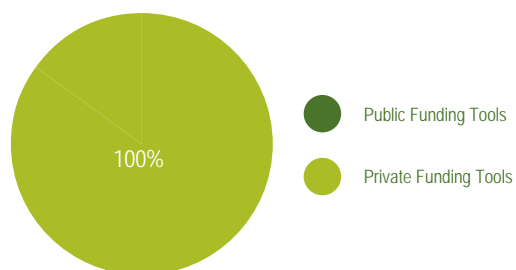
Public benefits identified	Private benefits identified	Other considerations
<p>Economic development The public benefits from a strong and sustainable local economy, increased prosperity and the availability of a wide range of employment opportunities provide third party benefits to the public.</p> <p>The promotion of the region as a desirable place to work and do business and the facilitation of investment and training opportunities in the District, provide third party benefits to the public.</p> <p>The marketing, development and management of the region as a tourism destination benefits both the tourism industry and other businesses in the District. The public may receive third party benefits because, if tourism is growing, facilities can be developed to cater for visitors that are also enjoyed by residents of the region.</p>		<p>In considering the practicality of charging businesses a targeted rate for economic development, it was noted that it would be technically difficult to identify "businesses" located on land zoned rural or residential. In addition, it was noted that the horticultural and agricultural businesses also benefited from economic development expenditure, as they are also businesses.</p>
<p>Town centre promotion Council support for town centre promotion programmes benefit the respective communities as a whole. Individuals cannot exclude themselves from receiving the benefit.</p>	<p>The town centre business community derives a greater benefit from town centre promotion than the community as a whole.</p>	
<p>Visitor information This service is provided in anticipation of visitors' needs for information. There are public benefits from the existence of the service, and from the option of using it when they need it.</p>	<p>Some individuals benefiting from the visitor information service can be identified and charged.</p> <p>Some commercial tourism operators may benefit from referrals made by the service.</p>	<p>Council policy It is not Council policy to charge users for the provision of visitor information.</p> <p>Volunteers provide some of this service.</p>
<p>Community infrastructure support Land drainage and private water supply.</p>	<p>The properties served by the drainage and water supply companies can easily be identified and charged for the service.</p>	

Funding targets

Economic Development, Visitor Information, Town Centre Promotion, Town Centre Development



Community Infrastructure Support (Waihi District Drainage Society Inc and Gibraltar Water Supply Company Ltd)



Financing sources

Revenue sources

General Rates (Uniform Annual General Charge)	Economic development, tourism support (UAGC) and visitor information services – on capital value
Commercial and Industrial Uniform Annual Charges	Town centre promotion, service delivery contracts.
Ward Uniform Annual Charges	Town centre promotion, service delivery contracts. For Katikati, town centre plan implementation and economic development projects.
Targeted Rates	Community Infrastructure support. (Waihi District Drainage Society Inc. and Gibraltar Water Supply Company Ltd).
Uniform Annual General Charge (UAGC)	Town centre development projects across the District.

For further details of Council's rating tools, refer to the Funding Impact Statement within the Financial Information section.

Review of Revenue and Financing Policy relating to Economic Development and Tourism Support

In 2009 Council reviewed its policy for funding economic development and tourism support (currently consisting of service delivery contracts with Priority One, and Tourism Bay of Plenty).

Stakeholders requested that the subregional economic development organisations like Priority One and Tourism Bay of Plenty be funded through a rate targeted to those that receive the main benefit of the economic development expenditure. These organisations had previously been funded through the General Rate (based on land value). Some stakeholders suggested that only commercial and industrial ratepayers should pay the rate. Council noted that many of the District's significant businesses are located in rural areas and that many commercial tourism operators are home based or located on rural land. In addition, the public benefit of economic development work, (including job and education opportunities, wider customer choice, events and entertainment) reaches all ratepayers. As such, Council determined it would be inappropriate for the commercial and industrial ratepayers alone to fund these organisations and that all properties would be charged a fixed amount per property. This amount will become part of the Uniform Annual General Charge, which is paid by every property in the district, to improve rating efficiency.



INTERNAL SERVICES AND CORPORATE PROPERTY



*Western Bay of Plenty
District Council*

COUNCIL'S CORPORATE PLAN

Overview

Internal services

Council's general management function co-ordinates activities described in previous chapters as well as the treasury function, management of Council's corporate property portfolio and internal services which keep the organisation operating on a daily basis.

Council's Corporate Plan guides initiatives aimed at improving performance in the following areas:

- Internal debt/treasury management
- Customer care
- Community care
- Asset management - including corporate property
- Key business processes
- Working effectively with others
- Risk management
- Staff knowledge and skills
- Institutional knowledge

Underpinning this is a "best value" operating approach, driven by an ISO 9001 certified quality management system that aims to optimise the cost, time and quality components of customer service delivery.

Corporate Property

Council's corporate property portfolio is made up of Council offices and properties that Council holds for strategic purposes. Strategic properties are usually acquired in anticipation of a particular corporate use. It is expected that the properties will ultimately be "sold" to a particular Council cost centre, or sold outright on in the open market if they are no longer needed for Council purposes. They are held as corporate investments in the interim and may be leased on a commercial basis to generate income during the holding period. Where Council is required to hold these assets for a period of time and there is no corresponding income stream from rents, then these properties are on loan funded with the interest costs charged to this activity.

In 2007 and 2008 Council entered into agreements to purchase a one third share in a property in Papamoa (Te Tumu) for a total of \$5 million. Tauranga City Council purchased the other two-thirds share of the property.

The seller of the property has an option to purchase the property from the two councils at a fixed price between December 2016 and 2026. If the owner exercised that option, Western Bay of Plenty District Council would receive \$10.4 million for its share of the property. Council's financial forecasts for the Corporate Property activity include the assumption that the seller will exercise this option in December 2016.

If the seller does not exercise their option in 2016, the two councils would hold the property until the option is exercised. In that case forecast debt would increase by \$10.4 million compared to the forecast in this Plan.

Implementation of Town Centre Plans

In the 2008/9 budget, Council set aside \$1.8m as bridging finance for the implementation of Waihi Beach town centre

plan. This is expected to be self-funding through asset sales at the end of the project. In prior budgets, \$1.4m was allocated for the implementation of the development of the Te Puke Walkway (link to Jubilee Park) identified in the Te Puke town centre plan. Council is currently working with the preferred developer to implement the Jubilee Park (mixed use) concept plan, which includes some commercial development that would be self-funding and may also fund the associated Community Centre identified in the plan. Council expects to have a final design to the community advisory group for the project, by the end of 2009.

Council assets in this group of activities

Assets managed within this activity include Council's corporate property portfolio, vehicle fleet, Council's administration buildings and associated administrative assets such as information technology hardware and software, aerial photography, management information systems and furniture and fittings.

10-year programme highlights

Corporate Property

In the 2008/9 budget, \$3m (uninflated) was allocated in anticipation of upgrades to area offices and libraries over the next few years, to be loan funded. Council has now postponed this expenditure for at least three years, thereby avoiding interest costs of \$260,000 each year.

Key Business Processes

\$1m has been proposed to electronically scan all property files and store them on Council's electronic data management system. The benefits are faster and more accurate Land Information Memorandum (LIM) and project Information Memorandum (PIM) processing, reduced physical storage requirements and improved information security.

The project will span five years starting in 2009/10 and will be half funded by General Rates and half through internal user fees charged to the departments within Council that benefit from the project. The effect of this would be to increase some of the user fees charged to the public under the Regulatory activity.

Institutional Knowledge

Improvements are proposed to the remote access capability of service providers, contractors and staff to Council electronic systems will cost \$185,000 over the three years, 2009-12. This would be funded through internal user fees charged to the departments within Council that benefit from the project. The effect of this would be to increase some of the user fees charged to the public under the Regulatory activity. An additional amount of \$251,000 is budgeted for the subsequent seven years of the plan.

Risk Management – Climate change risks

Council recognises that it has an opportunity to join business leaders in setting an example by reducing its global footprint through a range of actions relating to:

- the physical works it undertakes,
- its in-house corporate practices,
- work done by key suppliers; and
- in developing its policies and plans.

In 2009 Council joined the Communities for Climate Protection – New Zealand (CCP-NZ) programme, which is a local government initiative designed to help Council understand and measure its contribution to greenhouse gas emissions and to plan actions to reduce its impact. Council also recognises that such initiatives often result in operational and maintenance savings, less waste sent to landfill and less pollution.

The first milestone in the programme was a stock-take of Council's emissions which has been completed. This has given a baseline from which to plan future actions. A small budget of \$1,000 per year has been allocated.

Working effectively with others

Council will continue to work with Bay of Plenty Local Authority Shared Services (BOPLASS), an organisation that involves Bay of Plenty Councils (Tauranga, Western Bay, Whakatane, Environment BOP, Kawerau, Opotiki, Rotorua and Taupo) and was constituted in January 2008. It was established by eight Local Authorities within the BOP region, to foster collaboration between councils in the delivery of services. The focus is on back office and support services.

What Council wants to achieve

Council Outcomes

- Residents and all key communities of interest are effectively consulted and/or engaged.
- Council's assets are efficiently, effectively and proactively managed.
- Systems and processes meet the business needs of the organisation.
- Collaboration with other organisations achieves improved community outcomes.
- Risks are identified, minimised or mitigated.
- A knowledgeable and skilled workforce enhances organisational capability and effectiveness.
- Institutional knowledge is captured, shared and used to improve the efficiency and capability of Council.
- Council is regarded as a good employer with a motivating work environment.

Why Council wants to achieve this (rationale)

Customer and community care

Customer care is a key attribute of the organisation's culture that underpins Council's values. Effective communication is essential for the identification and confirmation of strategic direction and development of each community, including tangata whenua

Asset management

Good asset management systems are necessary to proactively manage the diverse and valuable assets held by Council, and to identify the level of service for each community and determine its affordability.

Key business processes

Council seeks to promote a culture of continuous improvement so that services are delivered efficiently and effectively and corporate knowledge is captured and stored securely. Staff are trained and developed to ensure they have the appropriate skills to deliver the required range of services to the Community.

Working effectively with others

Working effectively with others is necessary to achieve the best outcomes for the community, given the Western Bay's limited resources and capacity.

Staff knowledge and skills: institutional knowledge

To make sound decisions, elected members need the advice of skilled staff that are available to respond to the dynamic legislative and regulatory environment and access institutional knowledge efficiently.

Risk management

Risks are identified, managed or mitigated to ensure the sustainable delivery of services to the community and the achievement of community outcomes.

Significant negative effects associated with these activities

Nil.

How Council will track progress

Outcomes

Corporate Service	Actual	Target				
	30/06/2008	2010	2011	2012	2013-2015	2016-2019
Corporate Property						
Asset management plans updated to reflect Councils decisions, Annual Plan and Long Term Plan	100%	100%	100%	100%	100%	100%
Corporate property is acquired and managed in accordance with asset management plans, structure plans and Treasury Policy	New	100%	100%	100%	100%	100%
Customer Care						
Level of resident satisfaction with service received when resident contact Council (monitored by the Annual Residents Survey)	85%	85%	85%	90%	90%	90%
Staff						
Level of staff satisfaction with the ability to access the information necessary to do their job.	63%	65%	68%	70%	70%	70%
Level of staff satisfaction with Council as their employer and the work environment (to be monitored through the Wellness and Culture survey)	75%	76%	76%	76%	78%	78%
Staff Turnover	14%	10%	10%	12%	15%	15%
Quality						
Maintain ISO 9001:2000 Quality Standard	100%	100%	100%	100%	100%	100%

Projected Financial Summary – Internal Services and Corporate Property

For the years ended 30 June	2010 \$'000	2011 \$'000	2012 \$'000	2013 \$'000	2014 \$'000	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
Analysis of expenditure - by activity										
Internal Services	360	(1,046)	227	(279)	(520)	(1,085)	(1,470)	(2,243)	(3,643)	(5,877)
Corporate Property	1,385	1,487	1,569	1,607	1,833	1,890	1,957	1,994	1,226	1,270
Other	1,374	1,445	1,508	1,570	1,640	1,709	1,772	1,836	1,938	2,017
Total operating expenditure	3,120	1,886	3,304	2,898	2,953	2,514	2,259	1,586	(479)	(2,590)
Analysis of expenditure - by class										
Direct costs	9,845	10,706	10,675	10,888	11,218	11,462	11,674	12,040	12,442	12,705
Overhead recoveries	(8,012)	(8,737)	(8,705)	(8,918)	(9,124)	(9,450)	(9,565)	(9,773)	(10,005)	(10,287)
Interest	454	(931)	471	(117)	(195)	(554)	(899)	(1,631)	(3,691)	(5,906)
Depreciation	832	848	862	1,045	1,053	1,057	1,049	950	774	898
Total operating expenditure	3,120	1,886	3,304	2,898	2,953	2,514	2,259	1,586	(479)	(2,590)
Revenue										
User fees	2	2	2	2	2	2	2	2	0	0
Targeted rates	1,222	1,277	1,279	1,059	1,083	1,109	1,136	1,163	1,192	1,222
Interest	502	416	393	393	307	496	329	(292)	(960)	(1,262)
Other income incl. General Rates	13,263	13,931	14,517	14,526	15,238	15,414	15,868	15,655	16,695	16,706
General Rate allocated	(10,826)	(11,263)	(11,860)	(11,765)	(12,021)	(12,377)	(12,738)	(12,391)	(13,354)	(13,324)
Environment Protection Rate allocated	(1,410)	(829)	(1,197)	(876)	(1,536)	(977)	(1,023)	(1,073)	(1,133)	(1,196)
Total revenue	2,752	3,534	3,133	3,340	3,074	3,669	3,573	3,063	2,440	2,145
NET COST OF SERVICE - Surplus / (Deficit)	(367)	1,649	(171)	442	121	1,154	1,314	1,477	2,919	4,735
Capital expenditure	1,500	1,432	1,403	1,727	1,345	1,540	1,394	1,324	1,577	1,544
Total other funding required	(1,867)	217	(1,574)	(1,285)	(1,225)	(385)	(80)	153	1,343	3,191
Other funding provided by										
Debt Increase (Decrease)	(32)	(34)	(37)	(41)	(127)	(140)	(155)	(6,315)	(186)	(204)
Proceeds from sale of assets	985	816	1,369	2,296	1,224	1,261	460	11,396	420	3,326
Reserves & future surpluses	914	(1,000)	242	(970)	127	(735)	(225)	(5,235)	(1,576)	(6,313)
Total Other funding	1,867	(217)	1,574	1,285	1,225	385	80	(153)	(1,343)	(3,191)

All information from 2011-2019 includes an adjustment for inflation.

*This shows the level of general rates allocated to all the activities of Council. In the individual cost of service statements the general rates portion of the above is detailed in the funding summary.

Council's additional asset requirements – Internal Services and Corporate Property

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Total Capital Expenditure										
Additional levels of service	717,480	485,294	551,535	859,066	462,261	552,012	522,930	435,544	669,815	614,455
Additional capacity for future residents (growth)	48,000	49,887	50,459	51,771	53,066	56,402	58,750	60,219	61,664	63,082
Renewals	734,600	896,642	801,017	816,322	829,797	931,185	812,748	827,768	845,258	866,276
Capital expenditure after adjustment for inflation	1,500,080	1,431,823	1,403,011	1,727,159	1,345,123	1,539,599	1,394,428	1,323,530	1,576,736	1,543,813

Additional levels of service are funded on a user pays basis through an overhead allocation charge.

Growth is funded by loans and by proposed future asset sales to the public or within Council.

Renewals are funded from depreciation reserves.

Key Assumptions – Internal Services and Corporate Property

Assumption	Description	Confidence (High, Med, Low)	Consequence of error in assumption																														
Corporate Property Sales	<p>Council owns some properties that are held for strategic purposes and usually acquired in anticipation of a particular corporate use. It is expected that the properties will ultimately be "sold" to particular Council cost centre or sold outright on the open market if they are no longer needed for Council purposes. They are held as corporate investments in the interim and may be leased on a commercial basis to generate income during the holding period.</p> <p>The financial projections for this activity assume that sales of assets worth \$500,000 will occur over the three years from 2011-13.</p>	Medium	If the sales do not occur, Council's debt will be higher than projected, which would result in additional interest costs each year.																														
Inflation Projections	<p>Financial Projections within the Internal Services and Corporate Property group of activities have been calculated by applying the following inflation factors to core costs:</p> <table border="1"> <thead> <tr> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Staff costs inflation</td> <td>3.5</td> <td>2.4</td> <td>2.7</td> <td>2.6</td> <td>2.6</td> <td>2.6</td> <td>3.1</td> <td>3.2</td> <td>3.1</td> </tr> <tr> <td>Other Inflation</td> <td>4.5</td> <td>2.4</td> <td>2.4</td> <td>2.3</td> <td>2.4</td> <td>2.4</td> <td>2.4</td> <td>2.5</td> <td>2.5</td> </tr> </tbody> </table> <p>It is assumed that 55% of operating costs will be affected by the Staff Costs Inflation factor and 45% will be affected by the Other Inflation factor.</p>		2011	2012	2013	2014	2015	2016	2017	2018	2019	Staff costs inflation	3.5	2.4	2.7	2.6	2.6	2.6	3.1	3.2	3.1	Other Inflation	4.5	2.4	2.4	2.3	2.4	2.4	2.4	2.5	2.5	Low	If actual inflation rates vary from those assumed, costs will either be over of underestimated. This will affect the financial projections for the activity including expenditure, revenue and financing requirements for this activity.
	2011	2012	2013	2014	2015	2016	2017	2018	2019																								
Staff costs inflation	3.5	2.4	2.7	2.6	2.6	2.6	3.1	3.2	3.1																								
Other Inflation	4.5	2.4	2.4	2.3	2.4	2.4	2.4	2.5	2.5																								

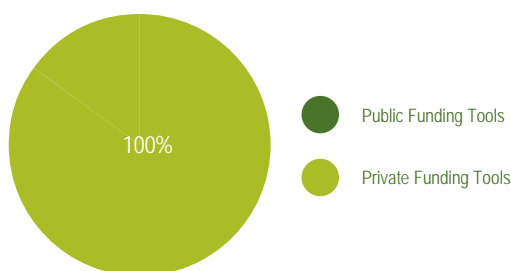
Revenue and Financing Policy – Internal Services

Rationale for choice of revenue and financing tools

Public benefits identified	Private benefits identified	Other considerations
The users of these services are other Council functions or activities. As a result, there are no public benefits identified.	<p>The users of these services are identifiable, they are Council departments and functions. Where particular costs can be allocated to specific departments on a user-pays basis, they can be charged for through internal recovery of direct costs.</p> <p>Where it is not possible to identify specific departments, costs can be allocated to departments and functions in a fair and consistent manner through the overhead allocation process.</p>	When overheads are allocated to activities that are funded by fees or targeted rates, there may be a consequent increase or decrease in fees required to fund that activity.

Funding targets – Internal Services

Internal Services



Financing sources

Revenue sources

All costs recovered internally, on a user-pays basis or through overhead allocation.

For further details of Council's rating tools, refer to the Funding Impact Statement within the Financial Information section.

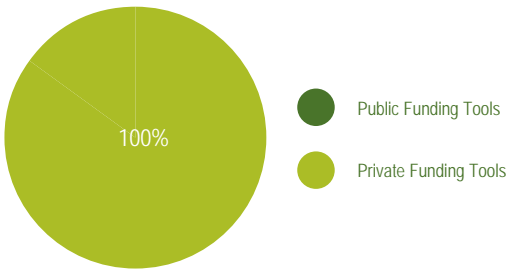
Revenue and Financing Policy – Corporate Property

Rationale for choice of revenue and financing tools

Public benefits identified	Private benefits identified	Other considerations
No benefits (other than private corporate benefits) can be identified until the property is put to its ultimate use. Once this happens, the property will no longer form part of this activity.	The benefits of this activity accrue to Council as a corporate body. Properties may be leased to provide income while holding the asset and expenses can be offset against the expected future realizable value of the property.	Land has an infinite life; the life of the improvements will depend on their composition. This could range from 10 to 75 years.

Funding targets – Corporate Property

Corporate Property



Financing sources

Loans where appropriate, financed by future asset sales (within Council or to the public), depreciation reserves (provided for existing assets) and other Council activities.

To finance capital expenditure, including renewals of corporate property and strategic property purchases

Revenue sources

Income from leases

To fund operations, maintenance and renewal expenditure.

Reserves and future surpluses, (in anticipation of sales of properties, either internally or externally)

For further details of Council's rating tools, refer to the Funding Impact Statement within the Financial Information section.

POLICIES AND STATEMENTS



*Western Bay of Plenty
District Council*

POLICY ON SIGNIFICANCE

Overview

1. Policy objective

To ensure the District's community has the opportunity to effectively participate in those decisions which significantly affect their lives or future.

2. General approach

The Council will consider each proposal or decision on a case-by-case basis to determine whether the decision or proposal is significant. In doing so, Council will have due regard to the statutory definition of significance and apply the criteria, thresholds and procedures set out in this policy.

Council will not make a decision on a matter it considers significant unless sections 76, 77, 78, 80, 81, 82 and 97 of the Local Government Act 2002 have been appropriately observed.

Prior to delegating a decision on any specific matter to Council officers or committees, Council as a whole will consider the significance of the matter being delegated.

3. Criteria and thresholds

When undertaking a process to determine the extent to which issues, proposals, decisions or other matters are significant, Council will use the following thresholds and criteria:

3.1 Criteria

If a decision or proposal satisfies one or more of the following criteria, the matter is likely to have a high degree of significance and will constitute a significant decision:

3.1.1 The decision or proposal affects all or a large portion of the District in a way that is not inconsequential.

3.1.2 The decision or proposal relates to the acquisition or transfer of ownership or control of a strategic asset under Section 97 (1) (b) and (c) of the Local Government Act 2002 as listed under Clause 5.1 of this Policy.

3.1.3 Residents and ratepayers have mandated Council's strategy with respect to the acquisition of reserves and decisions to purchase land holdings for the future recreational use of the public are not deemed to be significant under the criteria of this Policy on Significance. Council notes that the commercial nature and timing of such acquisitions precludes further consultation prior to decision-making.

3.2 Thresholds

Proposals or decisions which are likely to have financial implications in excess of the following thresholds, will be treated as significant:

3.2.1 Decisions or proposals in excess of \$8 million or which would result in a 5% or more increase in the annual District Rates¹.

3.2.2 Decisions or proposals which would result in a new or increased targeted rate of more than 10% of existing rates per property.

3.2.3 Decisions or proposals relating to capital expenditure in excess of \$6 million (total project cost) which has not been provided for in the three-year term of the current Long Term Plan.

4. Procedures

4.1 Every report to Council must include a statement indicating that the issue of significance has been considered, with a recommendation to Council assessing the significance of the proposal or decision in accordance with this Policy on Significance and sections 76, 77, 78, 79, 80, 81, 82 and 97 of the Local Government Act 2002.

4.2 Where a decision to initiate, process and/or adopt a change to the District Plan is considered significant in accordance with Council's Policy on Significance, the decision-making processes specified in Schedule 1 of the Resource Management Act 1991 are considered sufficient to comply with the decision-making requirements in the Local Government Act 2002.

5. Strategic assets

5.1 For the purpose of Section 90(2) of the Local Government Act 2002, Council considers the following assets to be strategic assets:

5.1.1 The roading network as a whole.

5.1.2 Reserves listed and managed under the Reserves Act 1977 excluding:
a) Reserves identified for investigation for disposal in an adopted Reserve Management Plan.
b) Local Purpose Reserves.

5.1.3 Water reticulation network as a whole.

5.1.4 Wastewater plant and network as a whole.

5.1.5 Stormwater reticulation network as a whole.

NOTE: Significant and Significance in other contexts: The Local Government Act 2002 uses the terms significant and significance in a number of contexts. Unless it is inappropriate in the context, the criteria set out in this policy and in the statutory definitions will apply.

¹ District Rates refers to the rates that are charged to all properties in the district and includes the General Rate, Uniform Annual General Charge, Roading Rate, Environment Protection Rate, Library Rate and District Town Centre Development Rate.

STATEMENT ON THE DEVELOPMENT OF MAORI CAPACITY TO CONTRIBUTE TO DECISION-MAKING PROCESSES

Background

Part One (Clause 5) of Schedule 10 of the Local Government Act 2002 requires Council to identify any steps that will be taken to foster the development of Maori capacity to contribute to the decision-making processes of the local authority, over the period covered by the Long Term Plan.

1. General Position Statement

Council's Representation Strategy currently identifies two areas where Maori capacity to contribute is fostered:

1.1 The establishment and maintenance of the Maori Forum, which has been in place since 1990. This forum enables the District's nine iwi and, through them, 24 hapu, to have input into Council decision-making.

1.2 Council supports the development of hapu/iwi management plans, because their development can enhance Maori capacity in decision-making processes. Council takes such plans into account when developing Council policy, community development processes and the District Plan.

2. Council recognises that decision-making processes play an important part in the achievement of sustainable development, and this is supported by principles for consultation with tangata whenua contained in Section 3 of Councils Consultation Guidelines.

STATEMENT ON SMARTGROWTH

Overview

The Western Bay of Plenty District's development and settlement patterns will continue to align with SmartGrowth, the growth management strategy that is the driver for the subregion's growth over the 50-year period from 2001-2051. SmartGrowth was adopted in 2004 as a 20-50 year action plan to manage future growth in the Western Bay of Plenty. SmartGrowth is a shift in growth management from accommodating low density suburban residential development to a compact and balanced "live, work and play" approach. SmartGrowth relies on partnership and collaboration involving Tauranga City Council, Western Bay of Plenty District Council, Environment Bay of Plenty (regional council), tangata whenua and community groups and stakeholders. It places strong emphasis on inter-agency implementation and relies on long-term, formal commitment to collaboration and implementation between key agencies.

The SmartGrowth Strategy is currently being anchored through a Regional Policy Statement, Long Term Council Community Plans, District Plans and is a conduit for obtaining funding arrangements with Government. SmartGrowth projects are embedded in all three councils long-term planning documents.

A review of the actions in the Strategy was undertaken in 2007 with a further review scheduled for 2012. The key characteristic of SmartGrowth is its voluntary arrangement and use of existing tools for implementation.

Key Strategy elements include:

- Integrated land use and infrastructure/transport planning.
- Integration with subregional economic development strategy.
- Collaboration in implementation at Governance and technical levels and with a range of agencies.
- Compact settlement with residential limits defined.
- Versatile land protection (economic significance).

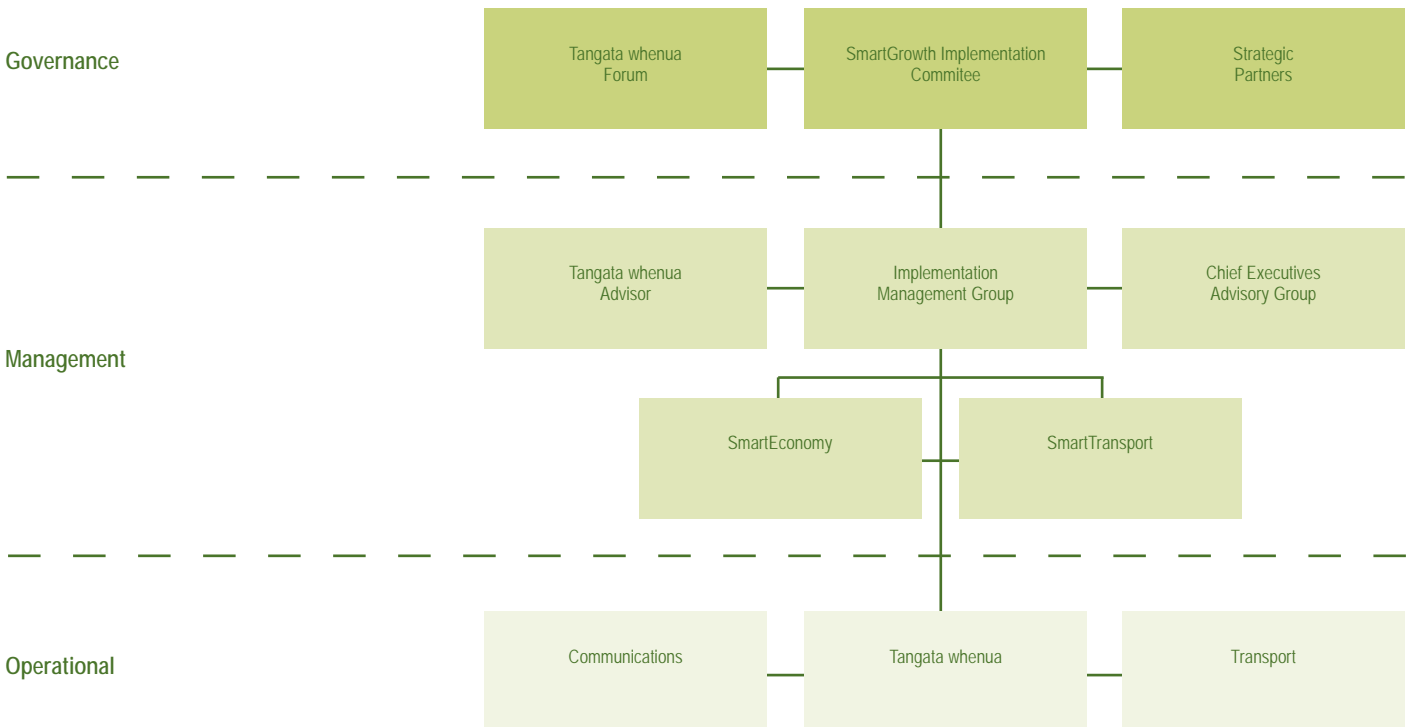
Although significant progress has been made with infrastructure planning, particularly roading and public transport networks, and with detailed planning for future urban and business land zoning, the challenges faced by the region are still substantial. While growth has been well above the national average and continues to be so, the economic base remains essentially low skill and low income. Affordable housing, environmental sustainability, business land supply, transport and infrastructure funding and the provision of adequate social infrastructure remain key issues for the sub-region.

Continued strong collaboration within the business community, between politicians and professional council staff, tangata whenua and government and non-government service providers is essential to the future of SmartGrowth.

As a partner in SmartGrowth, Western Bay of Plenty District Council has agreed, along with the other partners, that it will not adopt policies or take actions that are inconsistent with the outcomes sought by SmartGrowth without full negotiation and acceptance by other partners.

SmartGrowth implementation arrangements are illustrated below. For more information on SmartGrowth visit the website www.smartgrowthbop.org.nz

SmartGrowth Implementation Arrangements



PARTNERSHIPS WITH THE PRIVATE SECTOR

Overview

1. Policy objective

To consider partnerships with the private sector to achieve identified Community Outcomes for the provision of infrastructure and/or services, where it is in the best interests of the community.

2. Criteria and conditions

Council will consider a partnership with the private sector to achieve Community Outcomes for any or all of the following reasons:

2.1 Criteria

2.1.1 To share appropriate levels of risk.

2.1.2 To facilitate effective and efficient service provision.

2.1.3 To provide access to capital.

2.2 Conditions

Any public/private sector partnership will be subject to the following conditions:

2.2.1 Private participation will be subject to a competitive tendering process with emphasis on transparency and disclosure of processes and outcomes, acknowledging the need to protect commercial confidentiality where appropriate.

2.2.2 Partnership proposals must meet public interest criteria with respect to other Council policies, accountability, equity, affordability, public access, consumer law, security and privacy rights.

2.2.3 Identified clear outputs, costs and performance standards.

2.2.4 All approved proposals will appropriately identify Council's partnership.

3. Consultation

3.1 Where the partnership proposal is deemed significant or of significance under the terms of Council's Policy on Significance and has not been provided for in the adopted Long Term Plan, a separate community consultation process under Section 83 of the Local Government Act 2002 will be undertaken.

3.2 Where the partnership proposal is not deemed to be of significance, consultation will be subject to Sections 78 and 79 of the Act and Council's adopted Policy on Consultation.

4. Risk management

Council will assess and manage the risks associated with a public private sector partnership by:

4.1 Identifying and mitigating any risks with respect to insurance, protection of intellectual property rights, health and safety, funding and environment.

4.2 All processes and contracts for the management of partnerships will be ISO9001 certified or certified by a similar quality control system.

4.3 All partnerships will be established under an agreed contractual instrument.

4.4 Private sector financial or resource equivalent involvement will constitute not less than 25% of the total project cost.

4.5 The project will be subject to Council's approved audit procedures.

5. Monitoring and reporting

Council will assess and monitor any public/private sector partnerships to ensure that funding and other resources are being used effectively and to ensure that desired Community Outcomes are achieved.

5.1 Performance results will be reported to Council not less than twice each year.

5.2 Annual results will be reported in Council's Annual Report.

STATEMENT ON COUNCIL CONTROLLED ORGANISATIONS

Schedule 10 section 4 of the Local Government Act 2002 requires Council to disclose in its Long Term Plan details of any Council Controlled Organisations (CCO). Western Bay of Plenty Council has one CCO, being BOPLASS (Bay of Plenty Local Authority Shared Services) Limited. The Western Bay Moana Rural Fire Authority is exempt from this requirement in terms of section 7(3) of the Local Government Act 2002.

BoP LASS (Bay of Plenty Local Authority Shared Services) Limited

Subsidiaries:

BoPLASS (Bay of Plenty Local Authority Shared Services) Limited has no subsidiaries.

Background:

The councils that operate within the boundaries of the Bay of Plenty Region have formed a Council Controlled Organisation by way of a company called BoP LASS (Bay of Plenty Local Authority Shared Services) Limited in which each local authority from the Bay of Plenty Region has a single share. BoP LASS Limited will investigate, develop and deliver shared back office services and communications where and when that can be done more effectively for any combinations of some or all of the councils in the Bay of Plenty Region. This company will be used as an umbrella for future development of shared services through the Bay of Plenty Region.

Membership

BoP LASS Limited is jointly owned by the eight local authorities of the Bay of Plenty Region being Bay of Plenty Regional Council, Kawerau District Council, Opotiki District Council, Rotorua District Council, Taupo District Council, Tauranga City Council, Western Bay of Plenty District Council and Whakatane District Council.

Directors

BoP LASS Limited has eight directors appointed by its shareholders. The directors are the Chief Executives of the respective council shareholders.

Significant policies and objectives in regard to ownership and control

Council does not have any significant policies or objectives about ownership and control of the company. BoP LASS Limited will conduct itself in accordance with its Constitution, its annual Statement of Intent agreed with shareholders, and the provisions of the Companies Act 1993 and the Local Government Act 2002.

Objective

The objective of the company is to provide the Bay of Plenty Region councils with an umbrella vehicle to investigate, procure, develop and deliver shared services. Such services will be initiated under the umbrella of this company where

a business case shows that they provide benefit to the (voluntary) council users by either improved levels of service, reduced costs, improved efficiency and/or increased value through innovation.

Nature and scope of activities provided

The principal nature and scope of the activity of BoP LASS Limited is to:

- Enable the provision of shared services to any or all local authorities within the Bay of Plenty Region. BoP LASS Limited may also sell "shared" processes and systems as set up under individual agreements to local authorities outside the Region.
- Pursue all opportunities to procure shared services that will benefit the community in the widest sense, through enhanced back office services and/or reduced costs for councils.
- Explore all possible avenues to provide these services itself or contract them from outside parties, each depending on a rigorous business case and risk assessment.

BoP LASS Limited will also act as a true regional vehicle to attract government and other funding, if or when it is made available.

Key performance targets and other measures of performance

Over the next three years, the targets are to:

- achieve effective operations of at least 5 shared services with each service contributing appropriately to the costs of the umbrella vehicle;
- operate within agreed budgets;
- maintain positive cash flow;
- survey customers of active shared services at least annually to measure their satisfaction with the levels and quality of service; and
- survey the directors at least annually to gauge their satisfaction with the:
 - extent and quality of new service investigation and business case development;
 - administrative and secretarial support / reporting;
 - operations of Advisory Groups;
 - governance and strategic role of the board;
 - performance of the Executive Officer of BoP LASS Limited.

SUMMARY OF FINANCIAL CONTRIBUTIONS POLICY (AS CONTAINED IN THE DISTRICT PLAN)

Background

Council is required under sections 102(4) (d) and 106 of the Local Government Act 2002 to have either a Development Contribution Policy or a Financial Contribution Policy under section 108(9) of the Resource Management Act 1991.

1. General Position Statement

Council's Financial Contributions Policy has been operative since 1991. The full policy is contained in the Western Bay of Plenty District Council District Plan.

Between 2007/09 Council considered whether to retain a Financial Contributions Policy under the Resource Management Act or move to a Development Contributions Policy under the Local Government Act 2002. Council resolved to retain a Financial Contributions Policy.

1.1 Policy Objectives

- Protection of the natural and physical environment and social, economic, cultural and environmental wellbeing of the people and communities from the potential adverse effects of new or intensified development.
- The provision of adequate funding for and efficient utilisation of, the District's infrastructure.
- A financial contributions strategy which ensures that financial contributions are charged on the basis of covering the community's costs of providing infrastructure.
- A financial contributions strategy which is responsive to the social, environmental, cultural and economic needs of the community.
- Timing of development commensurate with the ability to make appropriate provision for infrastructure.

2. Summary of Financial Contributions Policy

2.1 Introduction

Growth in the District places significant pressure on Council to provide infrastructure at the appropriate levels of service. If growth is not managed in an integrated manner along with the provision of infrastructure, then the levels of service will fall short of the demands of growth and/or Council could be forced to develop infrastructure in an unplanned, ad hoc and inefficient manner.

Integration of the Council's funding strategy with growth management is critical to ensure that funds are spent in the most effective manner possible. Part of the funding strategy is to also ensure that those who require the expenditure pay accordingly. Financial

contributions from development are seen as a key part of that strategy to make sure that new development is not subsidised by existing ratepayers.

While it is acknowledged that development in the District has positive effects, it also has the potential to adversely affect the environment, including people and communities, in a range of ways. Some of these effects cannot be adequately avoided or mitigated on a site-by-site basis. Rather, they can best be addressed through the provision of new or improved infrastructure. In some parts of the District, the community has already provided infrastructure ahead of development and measures to avoid or mitigate future effects are thus already in place.

The types of adverse effects on the environment associated with new development that are best addressed through integrated provision of infrastructure include:

Wastewater

Effects on the environment including property, people and their health, amenity, social and cultural values through pollution of soil, ground and surface water, and the coastal area including beaches and seafood through odour;

Stormwater

Effects on property, human life and health and amenity and cultural values through flooding, siltation, erosion and pollution of waterways and coastal waters;

Water supply

Effects on health, fire safety, amenity, economic and cultural wellbeing through adequacy and quality of supply;

Transportation

Effects on access, mobility and safety, social, cultural and economic wellbeing through inadequate standards for the level of use;

Recreation

Effects on wellbeing of people and communities and cultural and amenity values through inadequate or inappropriate provision of open space and facilities.

New development may also have adverse effects on indigenous vegetation and habitats of indigenous fauna through inadequate protection of and, provision for, biodiversity.

Alternative means of funding the necessary additional infrastructure, such as by rates levied on existing properties and/or loans taken out by the Council,

can place a disproportionate burden on the existing community, which is, in effect, being asked to subsidise growth and change. This may adversely affect the economic wellbeing of the existing community and may be unsustainable. Conversely, new development should not subsidise activities that primarily benefit existing users. There needs to be an equitable sharing of costs between existing residents and new development.

2.2 Integrated growth management (Statutory Context)

While the Council's financial contributions policy is determined as part of the District Plan process, the schedules of works and consequent amounts payable can be updated each year through the Long Term Plan or Annual Plan process. This is to ensure that amounts charged reflect up to date costs, including actual expenditure and any necessary changes in timing or patterns of growth. Financial contributions can also be reviewed through a plan change through the RMA process. Implementation and monitoring are carried out through separate processes such as the Annual Plan, Annual Report.

2.3 General approach to calculating financial contributions

Financial contributions in the District Plan are based on a buy-in to the surplus capacity of existing infrastructure and/or the payment of a contribution to development programmes involving the upgrading of existing infrastructure or the provision of new infrastructure, both of which allow for future development.

Infrastructure financial contributions are calculated in accordance with formulae set out in the District Plan and are based on approved development programmes. Some of these programmes will be established through urban growth structure plans (water, wastewater, stormwater and urban roading) which include schedules of works to be undertaken, timing and funding (particularly the split between developer and Council funding). For areas not covered by structure plans, e.g. rural areas, geographic spread and the unpredictability of the location of growth makes it difficult to implement planned infrastructure development programmes. Rather than restrict growth, Council wishes to provide for it in a responsive manner. Development in the rural area will be subject to financial contributions that have been developed on a broader catchment or District-wide basis. Infrastructure provision or upgrades will be implemented through approved infrastructure development programmes that are based on criteria that are triggered by actual growth.

The level of financial contribution is generally calculated by projecting growth for various parts of the

District, establishing the need for and, capital costs of, a service or facility for the planning period (including costs which have already been incurred in anticipation of growth) to service that growth and then determining an equitable contribution.

Specifically, financial contributions for recreation, transportation and ecological protection are based on future capital expenditure requirements. Financial contributions for water, wastewater and stormwater are based on recovery of the value of existing surplus capacity, plus the value of additional capacity for future dwellings.

The financial contributions for ecological protection are figures which can only be reviewed through a change to the District Plan.

Subdivision is generally a precursor to further development and intensification of the use of land, so financial contributions are generally assessed at the time that a resource consent for a subdivision, development or new activity is granted and are paid directly to Council as the relevant condition of consent provides.

Financial contributions may also apply to land use changes where the new activity has a potential future impact on infrastructure.

As part of its Annual Plan process, Council may resolve to reduce or waive any particular financial contribution that would normally be charged during that year.

Such resolution will be recorded in the Annual Plan. This will be done only where it is shown that wider community detriment would be likely to occur if full financial contributions were charged. Such a community subsidy is intended to be applied only where a clear net disbenefit to the community concerned would otherwise occur.

The following tables summarise the projected capital expenditure requirements over the 10 years of the Long Term Plan (2009-2019) which are attributable to growth and the funding provided by way of financial contributions for this capital expenditure.

The balance of the capital expenditure costs, apart from a small component for strategic roading capital expenditure, is recovered from financial contributions received in subsequent years to the Long Term Plan 2009-2019. Strategic roading comprises key roads that benefit the whole roading network and includes projects such as Omokoroa Road and roundabouts at Te Puna and Te Puke. Strategic roading is funded by a mix of district wide financial contributions, specific financial contributions, developers, subsidies from NZTA and roading rates.

Projected Capital Expenditure For Growth

Council activity	\$'000s										Totals
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
Transportation	12,544	14,483	11,805	8,369	8,514	6,028	6,231	6,447	7,167	7,388	88,975
Wastewater	-	-	662	1,189	2,085	2,618	1,937	-	-	-	8,491
Water	463	-	134	388	263	-	121	211	-	112	1,692
Stormwater	-	-	195	6,277	907	1,818	182	-	2,868	557	12,803
Recreation and leisure	3,920	1,844	2,727	4,472	10,392	1,483	1,996	664	1,498	3,959	32,954
Economic	180	188	193	197	202	207	212	217	222	228	2,045
Communities	-	39	25	91	12	-	-	11	-	-	177
Council support services	48	50	50	52	53	56	59	60	62	63	553
Totals	17,154	16,604	15,791	21,034	22,428	12,210	10,737	7,610	11,817	12,306	147,690

Financial Contributions Sought

Council activity	\$'000s										Totals
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	
Transportation	2379	2692	4764	4999	5862	6007	5468	7056	7165	9105	55497
Wastewater	684	781	1938	2085	2495	2824	2676	4429	4595	4259	26766
Water	714	767	1103	1162	1312	1364	1382	1961	2053	2076	13894
Stormwater	580	640	1335	1258	1567	1535	1535	2167	2271	2553	15441
Recreation and leisure	1543	1743	3080	3341	3887	3987	3646	4616	4642	4423	34908
Communities	126	97	92	115	128	172	116	130	155	154	1285
Natural environment	189	205	285	302	338	345	325	382	388	379	3138
Sustainable development	0	31	0	0	34	69	35	36	0	38	243
Totals	6215	6956	12597	13262	15623	16303	15183	20777	21269	22987	151172

TREASURY POLICY (INCLUDING LIABILITY MANAGEMENT POLICY AND INVESTMENT POLICY)

1. Policy objective

Council has Treasury risks arising from debt raising, investments and associated interest rate management activity.

Treasury activities are:

- Compliance with the Local Government Act 2002.
- Develop and maintain professional relationships with the financial markets.
- Invest surplus cash in liquid and creditworthy investments.
- Raise appropriate finance, in terms of both maturity and interest rate.
- Manage the overall cash position of Council's operations.

2. General approach

2.1 Council is a risk-averse entity and does not wish to seek risk from its Treasury activities.

2.2 Activity which may be construed as speculative in nature is expressly forbidden.

2.3 Council manages both liabilities and cash investments through an internal Treasury activity. Funds are advanced by the Treasury activity for a specific period. Loans are repaid to the Treasury activity based on standard loan lives, depending on the useful lives of the assets.

2.3.1 Interest for loans is based on Council's weighted cost funds.

2.3.2 Interest is credited to activities based on investment rates.

3. Liability Management Policy

3.1 Council approves borrowing by resolution during the Annual Planning process.

3.2 Council raises borrowing for the following primary purposes:

3.2.1 General debt to fund Council's Balance Sheet.

3.2.2 Specific debt associated with "special one-off" projects and capital expenditure.

3.2.3 To fund assets with inter-generational qualities.

3.3 Specific borrowing limits

In managing borrowing, Council will adhere to the following limits:

- The gross interest expense of all borrowings will not exceed 15% of total revenues.

- The gross interest expense of all borrowings will not exceed 22% of annual rates revenue.
- Net cashflows from operating activities exceed gross annual interest expense by at least 1.8 times.
- Liquid ratio of 1:1.
- Current ratio 1.25.
- Liquidity ratio (term debt plus committed loan facilities less liquid investments divided by current external debt) to be greater than 110%.
- The percentage of net external debt to total revenue to be less than 220%.

"Income" is defined as earnings from rates, government grants and subsidies, user charges, interest and other revenue.

"Rates" is defined as all income under the Local Government Rating Act 2002, excluding rates collected on behalf of the Bay of Plenty Regional Council.

3.4 Liquidity and credit risk management

3.4.1 Council's ability to readily attract cost-effective borrowing is largely driven by its ability to maintain a strong balance sheet, as well as its ability to rate, manage its image in the market and its relationships with bankers. Where possible, Council seeks a diversified pool of stock and bank borrowing and ensures that bank borrowings are only sought from the approved list of registered banks.

3.4.2 To minimise the risk of large concentrations of debt maturing or being reissued in periods where credit margins are high for reasons within or beyond Council's control, Council ensures debt maturity is spread widely over a band of maturities. Council manages this specifically by ensuring that:

- no more than 35% of total borrowing (or \$10 million, whichever is the higher) is subject to refinancing in any financial year. Total borrowing includes any forecast borrowing.

3.5 Risk recognition

- Local government risk is priced to a higher fee and margin level.
- The Council's own credit standing, or financial strength as a borrower, deteriorates due to financial, regulatory or other reasons.
- A large individual lender to the Council experiences its own financial/exposure difficulties, resulting in the Council not being able to manage their debt portfolio as optimally as desired.
- New Zealand investment community experiences a substantial "over supply" of Council investment assets.

A key factor of funding risk management is to spread and control the risk to reduce the concentration of risk at one point in time. This is so that if any of the above events occur, the overall borrowing cost is not unnecessarily increased and the desired maturity profile is not compromised due to market conditions.

3.6 Liquidity/funding risk control limits (borrowings)

3.6.1 Term debt and committed debt facilities must be maintained at an amount that averages 115% of projected peak net debt levels over the next year (per long term cash and debt forecasts).

3.6.2 Disaster recovery requirements are met through the liquidity ratio.

3.6.3 The maturity profile of the total committed funding in respect to all loans and committed facilities is to be controlled by the following system:

Period	Minimum	Maximum
0 to 3 years	0%	50%
3 to 5 years	20%	60%
5 years plus	10%	60%

A maturity schedule outside these limits requires specific Council approval. A 12-month phase-in, non-compliance period is permitted.

3.7 Interest rate risk management

Council's borrowing gives rise to direct exposure to interest rate movements. Generally, given the long-term nature of Council's assets, projects and inter-generational factors and Council's preference to avoid an adverse impact on rates, there is a general tendency to have a high percentage of long-term fixed rate or hedged borrowing.

3.8 Approved financial instruments

Dealing in interest rate products must be limited to

Category	Instrument
Cash management and borrowing	Bank overdraft. Committed cash advance and bank accepted bill facilities (term facilities). Uncommitted money market facilities. Stock/Bond issuance.
Interest rate risk management	Forward rate agreements ("FRA's") on: - Bank bills. - Government bonds. Interest rate swaps including: - Forward start swaps (start date <24 months) - Amortising swaps (whereby notional principal amount reduces). Interest rate options on: - Bank bills (purchased caps and one for one collars). - Government bonds. Interest rate swaps (purchased only).

financial instruments approved by the Council. Any other financial instrument must be specifically approved by Council on a case-by-case basis and only be applied to the one singular transaction being approved.

3.9 Interest rate risk control limits

3.9.1 Debt/borrowings

Council debt/borrowings/financial risk management instruments must be within the following fixed/floating interest rate risk control limit:

Master Fixed/Floating Risk Control Limit	
Minimum Fixed Rate	Maximum Fixed Rate
50%	95%

3.9.2 "Fixed Rate" is defined as an interest rate repricing date beyond 12 months forward on a continuous rolling basis.

3.9.3 "Floating Rate" is defined as an interest rate repricing within 12 months.

3.9.4 The fixed rate amount at any point in time must be within the following maturity bands:

Fixed Rate Maturity Profile Limit		
Period	Minimum Cover	Maximum Cover
0 to 3 years	20%	50%
3 to 5 years	20%	50%
5 years plus	10%	60%

3.9.5 The percentages are calculated on rolling 12-month projected net debt plus percentage of specific projects as approved by the Risk Management Sub-Committee.

3.9 Loan payments

External loans are repaid on due date. The lengths of external loans is based on projected internal loans and cash requirements.

4. Investment Policy

4.1 Council maintains investments in the following financial assets:

- Equity investments including shareholdings and loan advances to trading and service enterprises, charitable trusts and incorporated societies, e.g. sporting and community organisations.
- Property investments, including land and buildings.
- Treasury instruments incorporating longer term and liquidity investments.

4.2 Equity investments and loan advances

Investments include shareholdings in trading and service enterprises and loan advances to charitable trusts, incorporated societies, residential and rural housing which are consistent with Council's Long Term Council Community Plan. Council operates an internal borrowing system for funding infrastructural improvements as well as funding current accounts. This information is reported to the Risk Management Sub-Committee on a quarterly basis.

Advances and loans are only provided to organisations where Council has significant interest. In default, the assets of the organisation may not revert to Council, however personal guarantees are obtained from the principals of the organisation.

4.3 Property investments

Council's overall objective is to only own property that is necessary to achieve its outcomes.

Council reviews property ownership through assessing the benefits of continued ownership in comparison to other arrangements which could deliver the same results.

However from time to time Council may own property solely for investment purposes.

4.4 Treasury investments

Council maintains treasury investments for the following primary reasons:

- Provide ready cash in the event of a natural disaster. This cash is intended to bridge the gap between the disaster and the reinstatement of normal income streams and assets.
- Invest amounts allocated to accumulated surplus, Council created and restricted reserves, sinking funds and general reserves.
- Invest funds allocated for approved future expenditure, to implement strategic initiatives or to support inter-generational allocations.
- Invest proceeds from the sale of assets.
- Invest surplus cash and working capital funds

4.4.1 Treasury investment objectives

Council's primary objective when investing is the protection of its investment. Accordingly, only creditworthy counterparties are acceptable.

Council also seeks to:

- Maximise investment return.
- Ensure investments are liquid.
- Manage potential capital losses due to interest rate movements if investments need to be liquidated before maturity.

4.4.2 Credit risk is minimised by limiting investments to registered banks, strongly rated State Owned Enterprises (SOE) and corporates within prescribed limits.

4.4.4 Liquidity risk is minimised by ensuring that all investments must be capable of being liquidated in a readily available secondary market. Where practical, Council maintains \$1 million of its investments with a maturity less than one year.

4.5 Interest rate risk management

Council's investments give rise to a direct exposure to a change in interest rates, impacting the return and capital value of its fixed rate investments.

Interest rate risk will be managed by reviewing rolling cashflow forecasts and using risk management instruments to protect investment returns and/or to change interest rate and maturity profile.

4.6 Sinking funds

Under the Local Government Act 2002, the Council is not required to use specific borrowing mechanisms and therefore Council uses its discretion in determining whether a sinking fund mechanism is appropriate. Given that Council will be a net borrower for the remaining life of the existing sinking funds, the sinking funds may, at the Council's discretion, be used for internal borrowing purposes.

4.7 Acquisition and disposal of assets

Any disposal of assets requires the approval of Council except those assets within delegated authority.

4.8 Counterparty credit risk

Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where Council is a party. The credit risk to Council in a default event will be weighted differently depending on the type of instrument entered into.

Council will regularly review credit risk. Treasury related transactions would only be entered into with organisations specifically approved by Council.

Counterparties and limits can only be approved on the basis of long term credit ratings (Standard and Poor's or Moody's) being A- and above.

Council is not a long-term investor in Treasury instruments.

The following matrix guide will determine limits.

Counterparty Credit Risk

Counterparty	Minimum long term credit rating - stated and possible	Investments maximum per counterparty (\$1m)	Interest rate risk management instrument maximum per counterparty (\$1m)	Total maximum per counterparty (\$1m)
NZ Government	A-	unlimited	none	unlimited
State-owned enterprises	A-	5.0	none	5.0
NZ registered banks	A-	10.0	10.0	15.0
Corporate bonds	A-	2.0	none	2.0
LABT		2.0	none	2.0
Local Government Finance Corporation		2.0	none	2.0
Local Government Stock	A- (if rated) Unrated	2.0 0.5	none none	2.0 0.5

4.9 Security

Generally, Council does not offer assets or deemed rates as security for general borrowing programmes.

In some circumstances, with prior Council approval, security may be offered:

- On borrowings by granting a rates charge under the Council's Debenture Trust Deed.
- By providing a charge over one or more of the Council's assets.

4.10 Repayment

The Council repays borrowings from the specific sinking fund allocated to that borrowing or from general funds.

4.11 Contingent liabilities

Council from time to time provides financial guarantees to recreation and service organisations. Where possible Council shall obtain cross guarantees. Management ensures that the business plan of the guaranteed party furthers the strategic objectives of Council and that financial statements are received on a regular basis. Should the guarantee be called up, Council will take immediate steps to recover the money.

5. Foreign Exchange Policy

Council has foreign exchange exposure through the occasional purchase of foreign exchange denominated plant, equipment and services.

Generally, all significant commitments for foreign exchange are hedged using foreign exchange contracts, once expenditure is approved. Council uses both spot and forward foreign exchange contracts. All commitments for foreign exchange over \$10,000 are to be hedged.

The use of other foreign exchange risk management products is not permitted.

RATES POLICIES

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Early payment of rates in current financial year

1. Policy objective

Council has Treasury risks arising from debt raising, investments and associated interest rate management activity.

2. General approach

Council recognises the cash flow advantage which results from early payment of rates and offers a discount to encourage this outcome. This discount is to be set each year through the annual planning process.

3. Criteria

3.1 Current year rates must be paid by the discount date specified in the rates assessment resolution of Council.

4. Procedures

4.1 To qualify for the discount provisions, all prior year rates must have been paid.

rates and that the early payment of rates benefits Council in terms of cash flow and the reduction in total debt.

To achieve equity and fairness Council will apply this policy only for a period for which interest rates have certainty for that period.

3. Criteria

3.1 The early payment discount will only apply for;

3.1.1 capital rates;

3.1.2 for a period set in the Annual Plan or Long Term Plan.

3.2 The rates must be paid by a date specified in the Annual Plan.

3.3 Council reserves the right where additional rates are required during the period to reassess that rate due.

3.4 The discount amount will equal Council's estimated weighted cost of interest over the period.

Policy for early payment of rates for subsequent financial year (discount for future years' rates)

1. Policy objective

To provide ratepayers with the option of paying for rates for capital projects either now or in the future.

2. General approach

Council recognises that some ratepayers prefer to pay a lump sum for capital projects rather than pay increased

4. Procedures

The ratepayer must notify the Council on the application form prior to 1 July of the year the capital rate is due.

Rates remission on land covenanted for the protection of natural environments

1. Policy objective

To encourage the conservation of natural environments.

2. Criteria

Ratepayers who own rating units and qualify either under criteria 2.1 or 2.2 may receive remission of rates on that portion of their property covenanted or designated as a protection lot.

2.1 Rating Units with a Queen Elizabeth II Trust

Covenant:

The area of the property used for the purposes of the Queen Elizabeth II Trust covenant is defined as that portion of the property set aside and protected. This area excludes any curtilage and any area not used for environmental protection purposes.

2.2 Rating Units with Protection Lots defined by the subdivision rules of Council's District Plan.

3. Procedures

3.1 Ratepayers may apply on completion of a covenant with the Queen Elizabeth II Trust and thereafter remission will be automatic.

3.2 Rating Units with Protection Lots will automatically receive rates remission on the protected lot.

Rates relief and postponement on Maori freehold land

1. Policy objective

In consideration of those matters under Section 108(4) of the Local Government Act 2002, Council's policy objective is to recognise the special issues associated with the ownership of Maori freehold land by providing for rates relief and postponement subject to the criteria and conditions of this policy. Maori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Maori Land Court.

2. General approach

The above objective has been considered and Council's policy response is provided for in the following sections. Only land that is:

- a) defined as Maori freehold land (LGA 2002); or
- b) by Council agreement, former Maori freehold land whose status was changed to general land by the 1967 Status Declaration legislation may qualify for remission under this policy.

3. Criteria and conditions

3.1 Rates arrears may be remitted or postponed on satisfaction of the following criteria:

3.1.1 Maori freehold land under the Local Government (Rating) Act 2002.

3.1.2 An identified owner or agent of owner to be recorded on the rating records pursuant to Section 92 Local Government (Rating) Act 2002.

3.1.3 Presentation of annual accounts and cash flow statements prepared by qualified persons where required.

3.1.4 By negotiating:

- a) appropriate remission of penalties;
- b) postponing and progressively writing off arrears over a maximum of five years, where the block can only meet current rates.

3.2 Economic development

For the purpose of economic development, negotiations may be entered into with trustees on the following basis to encourage development because of the lack of the ability to borrow.

3.2.1 The maximum rates to be written off are:

- Year 1 - Not more than 80% written off in year one.
- Year 2 - Not more than 60% written off in year two.
- Year 3 - Not more than 40% written off in year three.
- Year 4 - Not more than 20% written off in year four.
- Year 5 - Full rates payable in year five.

3.2.2 All economic development applications to provide the following evidence:

- a) a 5-year projected cash flow prepared by a suitably qualified person.
- b) the projected cash flow to show an increase in the annual cash surplus over the period.
- c) an agreement by the Maori Rates Working Party, that the projected cash flow is realistic and can be achieved.

3.2.3 Rates to be remitted on an annual basis, subject to the following information being provided annually:

- a) annual accounts, prepared by qualified person;
- b) cash flow for remaining years' of write-off proposal;
- c) report from owners/trustees.

3.3 Avoiding alienation of Maori land — specifically small, unproductive and unoccupied blocks

3.3.1 Where blocks are small, unproductive and unoccupied, lists of owners, trustees and title details shall be obtained from the Maori Land Court and inspected to confirm:

- the land is currently idle;
- there is no immediate possibility of development.

Contact shall be established with owners or trustees to discuss and negotiate options for the payment and remission of rates.

3.3.2 Blocks considered to be too small to be productive and unoccupied as determined by the Maori Rates Working Party, shall be placed on the Annual Remission List (see 4 below).

3.4 To support the traditional use of dwellings on part of multiple-owned Maori land and to recognise the level of community services provided

3.4.1 Where there is more than one dwelling on the land, apportionments may be created for the occupiers based on the area occupied and with the written consent of the trustee or occupier.

3.4.2 Rates may be negotiated as follows:

- Where there can be no further dwellings, then all rates shall be apportioned equally between the occupiers of the land.
- Where the land is not built out and such apportioning is not appropriate, then a separate apportionment shall be created for the residue.
- Where such residue is deemed to be uneconomical, it shall be placed on the Annual Remission List, (see 4 below) until such time as the whole of the land becomes fully utilised.

3.4.3 Rate remission may be negotiated as follows:

- Postpone the debt, subject to the payment of current rates.
- All penalties on the postponed amount shall be waived.
- The debtor's instalments must at minimum, meet current rates.
- Should payments meet requirements for a period of three years, all arrears may be remitted.

3.5 Relationship of Maori with their culture, traditions and ancestral lands

3.5.1 Where blocks are situated wholly or partially on multiple-owned Maori land they may be placed on an Annual Remission List subject to one or more of the following criteria being met:

- Unoccupied.
- Contains indigenous forest of high ecological value.
- A traditional and important food source for tangata whenua.
- A traditional and important source for cultural, medicinal and spiritual needs of tangata whenua.
- Strong spiritual and symbolic significance to iwi/hapu/whanau.
- Important source of cultural materials and medicines.
- Includes important tribal landmarks significant to tangata whenua.
- Important water catchment system to tangata whenua for sustaining physical and spiritual values.

3.5.2 Where part of the land is deemed to be in bush, the following will apply:

- a) Identification, as provided above and below, and calculation of the affected area shall be carried out.
- b) Rates payable on the balance portions shall be current or comply with other provisions of the policy.

3.5.3 Council will also take into consideration whether the land:

- a) Has road access and/or access to other services.
- b) Is contiguous with forest reserves.
- c) Is complementary to Marae Reserve Areas.
- d) Is high land or dispersed blocks of bush land.
- e) Offers protection of low land development and investment in roads.
- f) Complements water catchment areas.
- g) Enhances wildlife areas.

3.5.4 Each block shall meet a robust identification process which will include photographs and valuation data.

3.5.5 Each block shall be checked every four years to verify the land use has remained the same and a Bush Lots Register shall be maintained for the purposes of the policy.

3.5.6 Further Condition

Upon written application and/or in the Council's view all the conditions of the conditions are met.

4. Procedures

4.1 Annual Remission Lists shall be submitted to Council at the end of each rating year.

4.2 Blocks shall be researched to confirm that they meet the following criteria before being placed on the Annual Remission List:

- a) unoccupied and too small for economic development.
- b) multiple owners with no trust in place to administer such land and whereabouts of such owners may be unknown;
- c) no ability to raise finance to develop such land for residential/papakainga purposes.

4.3 Delegated authority

4.3.1 Chief Executive.

4.3.2 Maori Rates Working Party.

4.4 Maori Rates Working Party

shall be a sub committee of Council and comprise:

- three councillors nominated after triennial elections.
- two staff appointed by the Chief Executive Officer

who have the following roles:

- a) to review that the financial information presented to the Working Party is realistic and to ensure that proposals are in Council's financial interest.
- b) to act as an advocate for the iwi.

4.5 A staff group shall be available to support the operation of the Maori Rates Working Party

The Maori Rates Working Party shall have delegated authority to remit or postpone rates on:

- Maori freehold land;
- former Maori freehold land whose status was changed to general land by the 1967 Status Declaration legislation:
 - a) where in their opinion land utilisation and viability can be improved or Council's rate equity in the property improved;

OR

- b) where land is being developed by the owners through a properly constituted trust or similar body whose function is to develop the land.
- and it shall approve new properties for inclusion on any annual Remission List.

4.6 Delegation to staff

Delegations to staff will be made by separate resolution of Council.

Rates Postponement Policy

1. Policy objective

To provide relief to ratepayers experiencing hardship from extreme financial circumstances affecting their ability to pay rates.

2. General approach

Only rating units defined as residential and used solely for residential purposes (as defined by Council) will be eligible for consideration of rates postponement under the conditions and criteria of this policy.

3. Criteria and conditions

3.1 Criteria

- 3.1.1 When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.
- 3.1.2 Only the person entered as the ratepayer, or their authorised agent, may make an application for rates postponement on the basis of extreme financial circumstances. The ratepayer must be the current owner of and have owned for not less than five years, the rating unit which is the subject of the application.

- 3.1.3 The person entered on Council's rating information database as the "ratepayer" must not own any other rating units or investment properties (whether in the District or in another district).

- 3.1.4 Consideration will also be given to postponing additional rate penalties for a period of up to 5 years to enable the ratepayer to clear rating debt, at the discretion of Council.

3.2 Conditions

- 3.2.1 The applicant must have sufficient equity in the property to protect Council's projected rating interest in that property.
- 3.2.2 Before approving an application Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day-to-day living expenses.

Any postponed rates will be postponed until:

- a) the death of the ratepayer(s); or
- b) until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- c) until the ratepayer(s) ceases to use the property as his/her residence; or
- d) until a date specified by Council.

Council may charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover Council's administrative and financial costs and may vary from year to year.

Even if rates are postponed, as a general rule the ratepayer will be required to pay the first \$500 of the rate account.

The policy will apply from the beginning of the rating year in which the application is made, although Council may consider backdating past the rating year in which the application is made depending on the circumstances.

The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

Postponed rates may be registered as a statutory land charge on the rating unit title. This means Council will have first call on the

proceeds of any revenue from the sale or lease of the rating unit.

4. Procedures

- 4.1 Applications must be on the required form.
- 4.2 Council will consider, on a case by case basis, all applications received that meet the criteria set out under part 3 of this policy.
- 4.3 Council may delegate authority to approve applications for rates postponement to particular officers.

Rates Postponement Conversion Policy

1. Policy objective

To give ratepayers a choice between paying rates now or later subject to the full cost of postponement being met by the ratepayer and Council being satisfied that the risk of loss in any case is minimal.

2. General approach

Only rating units defined as residential and used for personal residential purposes by the applicant(s) will be eligible for consideration of rates postponement under the criteria and conditions of this policy.

Current and all future rates may be postponed indefinitely if at least one ratepayer (or, if the ratepayer is a family trust, at least one named occupier) is 65 years of age or older. In other cases, current and all future rates may be postponed to a date not more than 15 years from 30 June in the rating year in which application is made.

Owners of units in retirement villages will be eligible provided that Council is satisfied payment of postponed rates can be adequately secured.

Council will add to the postponed rates all financial and administrative costs to ensure neutrality.

Council will establish a reserve fund out of which to meet any shortfall between the net realisation on sale of a property and the amount outstanding for postponed rates and accrued charges, at the time of sale. This will ensure, that neither the ratepayer(s) nor the ratepayer(s)' estate will be liable for any shortfall.

3. Criteria and conditions

3.1 Criteria

3.1.1 Eligibility

Any ratepayer is eligible for postponement provided that the rating unit is used by the ratepayer for personal residential purposes (which includes, in the case of a family trust owned property, use by a named individual or couple).

3.1.2 Risk

Council must be satisfied, on reasonable assumptions, that the risk of any shortfall when postponed rates and accrued charges are ultimately paid is negligible. To determine this, an actuary has been engaged to develop a model that will forecast expected equity when repayment falls due.

3.1.3 Insurance

The property must be insured for its full value and evidence of this produced annually.

3.2 Conditions

Any postponed rates (under this policy) will be postponed until:

- a) the death of the ratepayer(s) or named individual or couple; or
- b) until the ratepayer(s) ceases to be the owner or occupier of the rating unit (if the ratepayer sells the property in order to purchase another within the Council's District, Council will consider transferring the outstanding balance, or as much as is needed, to facilitate the purchase, provided it is satisfied that there is adequate security in the new property for eventual repayment); or
- c) until a date specified by Council.

Council will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover Council's administrative and financial costs and may vary from year to year.

The financial cost will be the interest Council will incur at the rate of Council's cost of borrowing for funding rates postponed, plus a margin to cover other costs (these will include Council's own in-house costs, a 1% p.a. levy on outstanding balances to cover external management and promotion costs and a reserve fund levy of 0.25% p.a. and a contribution to cover the cost of counselling).

To protect Council against any suggestion of undue influence, applicants will be asked to obtain advice from an appropriately qualified and trained counsellor. A counsellor's certificate confirming this, will be required before postponement is granted.

The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

4. Review or suspension of policy

The policy is in place indefinitely and can be reviewed subject to the requirements of the Local Government Act 2002 at any time. Any resulting modifications will not change the entitlement of people already in the scheme. This includes suspension with the ratepayers having to pay future rates but not previously postponed rates, until the ratepayer is required under 3.2 to make payment.

Council reserves the right not to postpone any further rates once the total of postponed rates and accrued charges exceeds 80% of the rateable value of the property as recorded in Council's rating information database.

The policy consciously acknowledges that future changes in policy could include withdrawal of the postponement option.

5. Procedures

5.1 Applications must be on the required form which will be available from any Council office.

5.2 The policy will apply from the beginning of the rating year in which the application is made although Council may consider backdating past the rating year in which the application is made, depending on the circumstances.

5.3 Council notes that recipients may also benefit from other schemes.

Remission of rates penalties

1. Policy objective

To fairly and reasonably apply penalties to rates received after the due penalty date resulting from circumstances outside the ratepayer's control.

2. Criteria and conditions

2.1 Criteria

2.1.1 Remission of one penalty will be considered in any one rating year where payment has been late due to significant family disruption. Remission will be considered in the case of death, illness or accident of a family member, within 60 days of the due date.

2.1.2 Excellent payment history, with no penalties incurred within the previous five years.

2.1.3 Remission of penalties will be on the basis of good economics.

2.1.4 Remission of the penalty will be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control.

2.2 Conditions

2.2.1 Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

3. Procedures

Decisions on remission of penalties will be delegated to officers by separate resolution of Council.

Rates remission on rating units re-zoned at the instance of Council

1. Policy objective

To ensure that owners of rating units that Council has rezoned can maintain their existing rating category of Residential, Rural, Commercial or Industrial until the property in question is on-sold or otherwise alienated.

2. Criteria and conditions

2.1 Criteria

To qualify for remission under this part of the policy the rating unit must:

2.1.1 be situated within an area of land that has been rezoned at the instance of Council for a use that would require the owner of the property to pay more rates.

2.2 Conditions

2.2.1 The application for rate remission must be made to the Council prior to the commencement of the rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.

3. Procedures

The remission will take the form of a special rateable value, based on the actual usage of the property, as approved to its zoned usage.

3.1 Applications must be made on the required form.

3.2 If an application is approved the Council will direct its valuation service provider to inspect the rating unit and prepare a special rating valuation that will treat the rating unit as if it were a comparable rating unit elsewhere in the District. The ratepayer may be asked to contribute to the cost of this valuation. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal for valuations done in this way.

Rates remission of Uniform Charges

1. Policy objective

To apply rating policy with respect to Uniform Annual Charges on a fair and equitable basis to ratepayers.

2. General approach

Rating units that meet the criteria under this policy may qualify for a remission of Uniform Annual General Charges and any targeted rate set on the basis of a fixed dollar charge per rating unit.

3. Criteria and conditions

3.1 Criteria

3.1.1 Units must be on land which is contiguous and used as a single entity.

The rating units must be owned, or leased (for a term of not less than five years) by the same ratepayer.

3.1.2 No remission will be granted on targeted rates for water supply, sewage disposal or refuse collection.

3.1.3 Both lessee and owner of contiguous properties need to confirm that the lessee will be paying the rates for the term of the lease.

3.2 Conditions

3.2.1 The ratepayer will remain liable for at least one set of each type of uniform charge.

3.2.2 The rates database will be amended to reflect the lease situation in the rating year following the application for contiguity.

4. Procedures

4.1 Applications must be made in writing.

4.2 Council will delegate authority to consider and approve applications to Council officers.

NOTES

- i) A rating unit must be used for the purposes for which the other (contiguous owned) property is used. This usage would have to be a usage that falls within the same category used by Council to assess rates on the other property.
- ii) For the purpose of this remission policy, developers owning subdivided property are specifically excluded.

Review of rates remission of uniform charges policy

This policy was reviewed during 2008/9 and the changes made to the policy are detailed below.

Clauses 3.1.3 and 3.2.2 were added to explain procedural matters.

Notes i) and ii) were added to be explicit regarding current practice in interpreting the policy.

Clause 3.1.1 specifies the period for which contiguous rating units must be owned or leased by the same ratepayer in order to be eligible for any remission under the policy. Council increased this period from three to five years. Rating legislation provides that properties leased for ten years automatically qualify and three years is considered too short a period.

Rates Remission Policy for land owned and used by a society or association of persons for games or sports (except galloping races, harness races or greyhound races)

1. Policy objective

To allow sports clubs (and other similar organisations) the ability to claim a 50% discount on rates payable (excludes targeted rates).

2. General approach

Council recognises that sports clubs provide social and health benefits to their community and is therefore prepared to assist them with payment of rates.

3. Criteria and conditions

3.1 The land is owned and used by a society or association or persons of games or sports.

3.2 The land is not used for galloping races, harness races or greyhound races.

3.3 Where a club licence under the Sale of Liquor Act 1989 is in force, Council will be entitled to separately value that portion of the property and charge full rates on it.

4. Procedures

4.1 The ratepayer must notify Council in writing of its status prior to the commencement of the rating year.

FINANCIAL INFORMATION



*Western Bay of Plenty
District Council*

ASSUMPTIONS, CONTINGENCIES AND RISKS

Introduction

In preparing the Long Term Plan 2009-2019, a number of assumptions and predictions about the future have been made. There are always inherent material risks with such forecasting. This section identifies the key assumptions made and explains the risks associated with those assumptions.

Population growth

Assumptions about growth are important for Council because they drive forecast service demand for activities and timing of infrastructure projects and underpin the calculation of financial contributions per property.

In the event that the growth forecasts are too high, the likely consequences are that:

- there is over-investment in infrastructure, i.e. developing capacity too early;
- for some types of infrastructure, financial contributions are set too low;
- actual Financial Contribution income falls short of budget, so debt and interest costs increase;
- rates revenue falls short of expectations.

The District's population is expected to grow by 19.7% between 2009 and 2019. The number of rateable properties is forecast to increase by 20.6% over the same period. This

is consistent with the long term growth projections in the subregional growth strategy, SmartGrowth.

In developing detailed assumptions for growth, Council recognised that families (or households) may migrate to the District and set up home without a new lot necessarily being created in the short term. For example, they might live in a property that was formerly a holiday home, or they might build on an existing vacant lot and thereby run down the "stock" of vacant lots in the District. In the previous Long Term Plan it was assumed that the arrival of each new household would result in a new lot being created within a short time, but given the current uncertainty regarding the economy and the availability of finance, particularly for property development, this assumption is no longer considered prudent.

As a result, the timing of growth in property numbers is projected to be slower in the first two years of the Long Term Plan (0.6% for 2009/10 and 1.1% for 2010/11) returning to more normal growth in later years. This is a significant change compared to the forecast growth pattern in the 2006-16 Long Term Plan.

Comparison of growth projections

Year ended 30 June	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	10 yr average
NEW 2009-19 Long Term Plan Assumptions											
Additional Lots for Rates	114	225	392	415	470	468	416	524	515	481	402
Additional Lots for Financial Contributions	207	225	385	407	462	460	408	504	495	461	401
% growth in rateable properties	0.6%	1.1%	2.0%	2.0%	2.3%	2.2%	1.9%	2.4%	2.3%	2.1%	1.90%
Total Rateable Properties	19,666	19,891	20,284	20,699	21,169	21,637	22,053	22,576	23,091	23,572	
OLD 2006/16 Long Term Plan Assumptions											
Additional Properties	376	376	368	368	368	368	368	N/A	N/A	N/A	372
Incremental Growth	2.04%	2.04%	1.81%	1.81%	1.81%	1.81%	1.81%	N/A	N/A	N/A	1.92%
Estimated Rateable Properties	19,954	20,330	20,698	21,066	21,434	21,802	22,170	N/A	N/A	N/A	

Council has noted that any assumptions made about growth for this Plan may be less reliable than those made in the last Long Term Plan, which have proven to be reasonably accurate. If infrastructure was developed in anticipation of growth that did not happen, Council's debt would rise above forecast levels and could breach Treasury Policy prudential limits. To avoid this, Council will annually review its forecast expenditure on large structure plan infrastructure developments to take into account actual growth and current proposed developments at the time of review.

Date of assumptions

The assumptions underlying this prospective financial information are as at 2 February 2009. Actual results to 30 June 2008 have been incorporated in this prospective information.

The nature of prospective financial information

The prospective financial information presented in this Long Term Plan is based on assumptions of prices, levels of service and future events and comprises both forecasts and projections.

- **Forecasts** are prepared on assumptions as to future events that can reasonably be expected to occur. Information presented for the 2009/10 financial year are forecasts.
- **Projections** are prepared on the basis of hypothetical but realistic assumptions that reflect possible courses of action. Information presented for the 2010/11 financial year and beyond are projections. There is a risk that unexpected changes in prices, levels of service and future events could have a significant effect on these forecasts and projections.

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 shown in the table. The assumptions were prepared by BERL, an economic forecasting agency, in September 2008 for the local government sector and include an estimate of the impact of the Emissions Trading Scheme provisions on prices. This is expected to be in 2011 when several sectors of the economy are required to join the scheme. The impact has been estimated by BERL to add 1.1% to prices in that year.

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, particularly for years 2012 onwards.

Cautionary note

The actual results are likely to vary from the information disclosed and such variation may be material. The prospective financial information is prepared under section 93 of the Local Government Act 2002. This information may not be suitable for use in any other capacity.

Interest rates

- The interest rate on future term borrowing for the first year of the Long Term Plan has been estimated at 6.5% and for the remaining nine years between 2011 and 2019 is 7%.
- The interest rate on investments between 2009 and 2019 is estimated at 4.5%

Council has a high level of confidence in these assumptions, which are based on cost, market information and hedges on existing borrowings through interest rate swaps. Council has few investments therefore little risk of interest income falling.

Currency and exchange rates

Council very rarely makes purchases in foreign exchange and its Treasury Policy precludes the use of foreign exchange risk management products except to hedge commitments. As a

Inflation Adjustors Index

Year	Transport	Property	Water	Energy	Staff	Other
2010	1,000	1,000	1,000	1,000	1,000	1,000
2011	1,037	1,039	1,034	1,037	1,035	1,045
2012	1,066	1,074	1,067	1,062	1,060	1,070
2013	1,092	1,102	1,099	1,092	1,089	1,096
2014	1,118	1,129	1,133	1,124	1,117	1,121
2015	1,145	1,163	1,171	1,161	1,146	1,148
2016	1,172	1,199	1,211	1,199	1,176	1,176
2017	1,202	1,229	1,251	1,240	1,212	1,204
2018	1,231	1,258	1,293	1,282	1,251	1,234
2019	1,258	1,287	1,338	1,327	1,290	1,265

result Council has little direct risk of changes in exchange rates.

The risk of unexpected changes in prices of Council inputs as a result of New Zealand dollar exchange rates (e.g. oil prices) is assumed to be factored into BERL inflation rate assumptions described above.

Revaluation of non-current assets

In forecasting the value of non-current assets, Council has used the BERL inflation factor for "other" assets. This assumption has a low confidence level. The consequences of actual values being substantially different to those forecast is low since revaluation is not a cash transaction.

Roading subsidies

New Zealand Transport Agency (NZTA) subsidises local road maintenance and has an established formula to calculate the level of subsidy received by each council. This formula takes into consideration the averaged net equalised land value of properties in the District. Due to the increasing value of land within the Western Bay of Plenty District this has resulted in a decrease in the value of subsidy received. The philosophy behind this is that higher land values indicate that Council is in a better position to fund roading and has less need for subsidies. Council's current subsidy rate is 45%, which is expected to remain unchanged during the period of this plan.

Crown subsidy

Under the Sanitary Works Subsidy Scheme, Council has received provisional acceptance for Maketu wastewater scheme for \$10.5 million of approved capital works.

Council has assumed this income level will be received in preparing this forecast. If this level of funding is not received, the project will not be financially affordable for the community.

Disaster Contingency

Council has a Disaster Contingency reserve of \$5.1 million which is considered adequate as self-insurance to cover clean-up and replacement costs in the event of a disaster. For roading assets, 93% is available from New Zealand Transport Agency and for other infrastructure, Central Government covers 50%.

Rates Remission and Default Contingency

Council provides 2% of rates required as a contingency to cover non-payment of rates and remissions under its various rates remission policies.

STATEMENT OF ACCOUNTING POLICIES

Reporting entity

Western Bay of Plenty District Council (Western Bay) is a territorial local authority governed by the Local Government Act 2002. The primary objective of Western Bay is to provide goods or services for community or social benefit rather than making a financial return. Accordingly Western Bay has designated itself a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

Basis of preparation

The Council authorised the prospective financial statements on 23 March 2009. The Council, which is authorised to do so and believes that the assumptions underlying these prospective financial statements are appropriate, approved the draft Long Term Plan (statement of proposal) for consultation. Council and management of Western Bay of Plenty District Council accept responsibility for the preparation of the prospective financial statements, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures. No actual financial results have been incorporated within the prospective financial statements.

The Council updated the final prospective financial statements and presented them to Council for adoption on 30 June 2009. The financial information contained within this Long Term Plan may not be appropriate for purposes other than those described.

Statement of compliance

The prospective financial statements of Western Bay have been prepared in accordance with the requirements of the Local Government Act 2002, in particular sections 93 and 111, which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They also comply with NZ IFRS, in particular FRS 42: Prospective Financial Statements and other applicable financial reporting standards, as appropriate for public benefit entities.

Measurement base

The financial statements have been prepared on an historical cost basis, modified by the revaluation of certain infrastructure assets, investment property, biological assets and certain financial instruments (including derivative instruments). These financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

Changes in accounting policies

NZ IAS 1- Presentation of Financial Statements is effective for reporting periods beginning, or after, 1 January 2009. This revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a *statement of comprehensive income*. The purpose of this statement is to enable readers to analyse changes in equity resulting from non-Council changes separately from transactions with Council. Western Bay has the option of presenting items of income either in a single statement of comprehensive income with subtotals, or in two separate

statements (an income statement followed by a statement of comprehensive income). Western Bay has adopted NZ IAS 1 for the 2009-19 Long Term Plan financial forecasts and has prepared a single Statement of Comprehensive Income.

All other accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Significant accounting policies

Associate entities

Council has a 50% shareholding in the Western Bay of Plenty Moana Rural Fire Authority and a 1/8th share in Bay of Plenty Local Authority Shared Services Limited (BOPLASS). The Council also has a 50% shareholding in the Western Bay of Plenty Tourism and Visitors Trust. The impact of transactions with these associate entities on the Council's financial position is minimal. For the purposes of this Long Term Plan only the operations of the parent entity Council have been presented in these financial forecasts.

Details of the Council Controlled Organisation (CCO) BOPLASS are contained on page 194 of this plan. Western Bay Moana Rural Fire Authority is an exempted CCO under Section 7 of the Local Government Act 2002.

Revenue

Revenue is measured at the fair value of the consideration received.

Rates revenue

Rates are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Rates revenue collected on behalf of the Bay of Plenty regional Council Environment Bay of Plenty (EBOP) is not recognised in the financial statements, apart from the statement of cash flows, as Western Bay is acting as an agent for EBOP.

Revenue from water rates by meter is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Government grants

Western Bay of Plenty District Council receives government grants from New Zealand Transport Agency (NZTA), which subsidise part of Western Bay of Plenty District Council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Vested assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as income. Assets vested in Council are recognised as income when control over the assets is obtained.

Interest income is recognised using the effective interest method.

Financial Contributions

The Resource Management Act 1991 governs the legislation regarding the charging of financial contributions. Financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise financial contributions are transferred to liabilities until such time as Council provides or is able to provide the service.

Other revenue

Construction contracts

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to the balance date as a percentage of total estimated costs for each project.

Dividends are recognised when the right to receive payment has been established.

Traffic and parking infringements are recognised when fines are issued.

Expenditure

Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. Discretionary grants are those grants where Western Bay of Plenty District Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Western Bay of Plenty District Council's decision.

Finance Costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

The Council has not capitalised borrowing costs associated with funding capital works in progress, which represents a departure from the treatment required under NZ IAS 23: Borrowing Costs. However it is in line with the decision of the Accounting Standards Review Board to indefinitely defer the adoption of NZ IAS 23 for public benefit entities.

Leases

Finance leases

Western Bay does not currently have any finance leases

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Assets

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

Debtors and Other Receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that Western Bay will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted using the effective interest method.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the statement of comprehensive income. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised. Non current assets are not depreciated or amortised while they are classified as held for sale.

Financial assets

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the statement of comprehensive income.

Purchases and sales of investments are recognised on trade-date, the date on which Western Bay of Plenty District Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Western Bay of Plenty District Council has transferred substantially all the risks and rewards of ownership.

Western Bay of Plenty District Council classifies its financial assets into the following four categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and financial assets at fair value through equity. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit and loss include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling

in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets. Western Bay's financial assets at fair value through profit and loss include derivatives that are not designated as hedges (interest rate swaps).

After initial recognition they are measured at their fair values with gains and losses on re-measurement recognised in the statement of comprehensive income.

Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Western Bay's loans and receivables comprise cash and cash equivalents, debtors and other receivables, term deposits and related party loans.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the statement of comprehensive income.

Held to maturity investments

Held to maturity investments are non derivative financial assets with fixed or determinable payments and fixed maturities that Western Bay of Plenty District Council has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after the balance date which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the statement of comprehensive income.

Council does not currently hold any financial assets in this category.

Financial assets at fair value through equity

Financial assets at fair value through equity are those that are designated as fair value through equity or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance date.

This category encompasses:

- Investments that Western Bay of Plenty District Council intends to hold long-term but which may be realised before maturity; and
- Shareholdings that Western Bay of Plenty District Council holds for strategic purposes. Western Bay of Plenty District Council investments in its associates are not included in this category as they are held at cost (as allowed by NZ IAS 28 Investments in Associates) whereas this category is to be measured at fair value.

After initial recognition these investments are measured at their fair value.

Gains and losses are recognised directly in equity except for impairment losses, which are recognised in the statement of comprehensive income. On de-recognition the cumulative gain or loss previously recognised in equity is recognised in the

statement of comprehensive income.

Investments in this category include shares held in New Zealand Local Government Insurance Corporation.

Fair value

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price is the current bid price.

The fair value of financial instruments that are not traded in an active market are determined using valuation techniques. Western Bay uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long term debt instruments held. Other techniques such as discounted expected cash flows are used to determine fair value for the remaining financial instruments.

Impairment of financial assets

At each balance sheet date Western Bay of Plenty District Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the statement of comprehensive income.

Loans and other receivables

Impairment of a loan or a receivable is established when there is objective evidence that Western Bay will be unable to collect amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income. When the receivable is uncollectible it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current. For local authority stock and government stock impairment losses are recognised directly against the instrument's carrying amount.

Quoted and unquoted equity investments

For equity investments classified as fair value through equity a significant or prolonged decline in fair value of the investment below its cost is considered an indicator of impairment. If such evidence exists for investments at fair value through equity, the cumulative loss is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity investments are not reversed through the statement of comprehensive income.

Derivative financial instruments and hedging activities

Western Bay of Plenty District Council uses derivative financial instruments (interest rate swaps) to hedge exposure to interest

rate risks arising from financing activities. In accordance with its treasury policy, the Western Bay of Plenty District Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value at each balance date.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

Western Bay has elected not to hedge account for these derivative financial instruments. The associated gains or losses of these derivatives (that are not hedge accounted) are recognised in the statement of comprehensive income.

Investment Properties

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation. Investment property is measured initially at its cost, including transaction costs.

After initial recognition, Western Bay of Plenty District Council measures all investment property at fair value as determined annually by an independent valuer. Gains or losses arising from a change in the fair value of investment property are recognised in the statement of comprehensive income. There is no depreciation on investment properties.

Intangible Assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by Western Bay of Plenty District Council, are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line or diminishing value basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of comprehensive income.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

- Computer software licences are capitalised at historic cost and are amortised over their estimated useful lives (5 years).

- Subdivision rights in relation to the joint purchase of land at Te Tumu, Papamoa by Tauranga City Council and Western Bay. This land was purchased with the condition of providing the vendor the option to acquire it sometime in the period from December 2016 to December 2026 – 10% straight line. Neither Council has any intention to develop this land or retain ownership long term.

- Resource consents which are not attributed to a specific asset are capitalised at historic cost and are amortised over their estimated useful lives (usually 20 years).

Property, Plant and Equipment

Property, plant and equipment consists of:

(a) Infrastructural Assets

Infrastructural assets are the fixed utility systems owned by Council. Each asset type includes all items that are required for the network to function, i.e. wastewater reticulation includes restriction piping and wastewater pump stations.

(b) Restricted Assets

Restricted assets are parks and reserves owned by Council which cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community.

(c) Operational Assets

Other assets include land, buildings, plant, library books, equipment and motor vehicles.

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

In most instances, an item of property, plant or equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

From time to time assets that were initially acquired by Council for strategic purposes become surplus to Council requirements. Once identified these assets are made available for sale. It is expected that once they are made available for sale they will be sold within 12 months.

Depreciation

Depreciation is provided for on a straight-line basis in respect of buildings, bridges and other structures and diminishing value for motor vehicles, plant and equipment, office equipment and furnishings. Land and drains are non depreciable. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Asset Category	Estimated Economic Life (Years)	Method
Land	Nil	
Buildings		
- Concrete	100	Straight Line
- Wooden	40	Straight Line
Motor Vehicles	5	Diminishing Value
Treatment Plant and Equipment	25-50	Diminishing Value
Other Plant and Equipment	10	Diminishing Value
Office Equipment and Furnishings	10	Diminishing Value
Computer Systems	5	Diminishing Value
Library Books	10-15	Straight Line
Other Structures:		
- Wooden Reservoirs	80	Straight Line
- Concrete Reservoirs	100	Straight Line
- Dams	100	Straight Line
- Bores	100	Straight Line
Bridges:		
- Concrete	100	Straight Line
- Steel	50	Straight Line
Roading:		
- Base Course	25-75 years	Straight Line
- Seal	12 years	Straight Line
- Unsealed Roads	3-5 years	Straight Line
- Other	5-70 years	Straight Line
- Formation	not depreciated	
Reticulation:		
- Sewerage	60 to 100 years	Straight Line
- Water	20 to 60 years	Straight Line
- Stormwater	80 to 120 years	Straight Line
- Treatment plant and equipment	25 to 50 years	Straight Line

Revaluation

Western Bay accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the statement of comprehensive income.

Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the statement of comprehensive income will be recognised first in the statement of comprehensive income up to the amount previously expensed and then credited to the revaluation reserve for that class of asset.

Those asset classes that are revalued are valued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value, or at least on a three yearly valuation cycle. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value. All other asset classes are carried at depreciated historical cost.

Transportation assets including roads, bridges and footpaths were revalued at depreciated replacement cost at 1 July 2008 by Opus International Consultants Limited.

Water, wastewater and stormwater assets including reticulation, treatment plants, reservoirs and bores were revalued at depreciated replacement cost at 1 July 2008 by Maunsell/Aecom.

Land and buildings, excluding land under roads, were revalued at fair value at 1 July 2008 by Landmass Technology Limited.

Impairment of property, plant and equipment and intangible assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may be unrecoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace it's remaining future economic benefits or service potential.

The value in use for cash-generating assets is the present value of expected future cash flows.

Liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Council after deducting all of its liabilities.

Creditors and other payables

Creditors and other payables are initially measured at fair value and, where appropriate, are subsequently measured at amortised cost, using the effective interest rate method.

Employee entitlements

Short-term employee benefits

Employee benefits that Western Bay of Plenty District Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months and sick leave.

Western Bay recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long-term employee entitlements

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlement accruing to staff, based on years of service, years to entitlement;
- the likelihood that staff will reach the point of entitlement and contractual entitlement information; and

- the present value of the estimated future cash flows.

The discount rate is based on the weighted average of interest rates for government stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long term increase in remuneration for employees.

Provisions

A provision is recognised in the Statement of Financial Position when the Council has a present obligation as a result of a past event, it is probable that an outflow of economic benefits and the amount of which can be reliably estimated, the Council will be required to settle that obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in 'finance costs'.

Landfill Post-Closure Provision

Council, as operator of the Te Puke and Athenree landfills, has a legal obligation under the resource consent to provide ongoing maintenance and monitoring services at the landfill sites after closure. A provision for post-closure costs is recognised as a liability when the obligation for post-closure arises.

The provision is measured based on the present value of future cash flows expected to be incurred, taking into account future events including legal requirements and known improvements in technology. The provision includes all costs associated with landfills post-closure.

Performance Based Contract Provision

The PBC contract is a Rooding Contract between Opus International Consultants and the Western Bay of Plenty District Council for a fixed value (plus cost variations) over a 10 year period in return for the network being maintained to the required standard which is measured by a number of Key Performance Indicators and Operational Performance Measures. In instances where the contractor has over-performed against key performance indicators, a provision is recognised being the present value of future cash outflows expected to be incurred relating to capital works done in advance.

Bank borrowings

Interest-bearing bank loans and overdrafts are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Finance charges, premiums payable on settlement or redemption and direct costs are accounted for on an accrual basis in the Statement of Comprehensive income using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Equity

Equity is the community's financial interest in the Council as measured by the value of total assets less total liabilities.

Equity is classified into a number of reserves to enable clearer identification of the uses Council makes of its accumulated surpluses. The components of equity are:

- Retained Earnings
- Restricted Reserves
- Council Created Reserves
- Asset Revaluation Reserves

Restricted Reserves

Restricted Reserves are those reserves subject to specific conditions that may not be altered without reference to Courts or third parties. Transfers to and from these reserves may be made only for specific purposes or if certain specified conditions are met.

Council Created Reserves

Council created reserves established by Council decision are formally imposed designations of public equity that indicate Council's intention to use a certain level of resources for a special purpose. Transfer to and from these reserves is at Council discretion. The purposes for which these reserves were established may be altered without reference to third parties.

Goods and Services Taxation (GST)

All items in the financial statements, including commitments and contingencies are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

Cost of Service Statements

Council has derived the cost of service for each significant activity of Western Bay of Plenty District Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

Prospective cost of service statements for each activity have been reconciled to the prospective financial statements for each year of the Long term Plan in the Financial Statements section of this document.

Critical Accounting Estimates and Assumptions

In preparing these financial statements, Western Bay has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are

continually evaluated and are based on historical results, staff expertise and sector knowledge, experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Cautionary note

The information in the prospective financial statements is uncertain and its preparation requires the exercise of judgement. Actual financial results achieved are likely to vary from the information presented and the variations may be material. Events and circumstances may not occur as expected and may or may not have been predicted or the Council may subsequently take actions that differ from the proposed course of action on which the prospective financial statements are based.

Assumptions Underlying Prospective Financial Information

The financial information contained within these policies and statements is prospective information in terms of FRS 42: Prospective Financial Information. The purpose for which it has been prepared is to enable the public to participate in the decision making processes as to the services to be provided by Western Bay of Plenty District Council over the financial years from 2009/10 to 2018/19 and to provide a broad accountability mechanism of the Council to the community. Refer to page 211 for details of underlying assumptions.

OVERALL REVENUE AND FINANCING POLICY

Introduction

Council's Revenue and Financing Policy for each activity is integrated within this plan and can be found in the Revenue and Financing pages for each activity in Part II.

This policy deals with the revenue and financing decisions taken at a "whole of Council" level. It documents Council's high level rating philosophy, and summarises the rationale for the rating decisions taken. In coming to these decisions, Council considered the distribution and timing of benefits, rating efficiency and transparency, community preferences, and the overall impact on the economic, cultural, social and environmental wellbeing of the District. It examined rates models which provided a picture of the impacts on a range of representative properties.

When read in conjunction with the Funding Impact Statement, this policy provides the link between the funding decisions taken at the activity level, with the eventual rates assessment that each ratepayer will receive.

Council's Funding Philosophy

Ratepayers have told Council that fairness and equity in rating is very important to them. Council tries, wherever practical, to maintain a close relationship between the benefits received by groups of ratepayers and the rates they pay for those services, especially where communities within the district have differing levels of service. Where levels of service are more uniform or where it is impractical to identify groups of ratepayers that principally benefit, Council uses general rates, which are essentially a tax. In theory, taxation is not related to benefit received, but is charged according to an assessment of ability to pay – in the case of council rates, this is assessed by property value.

In principle, Council seeks to recover the maximum amount possible from the direct users of a service (the "user-pays" principle) or from those that create the need for a service (the "exacerbator-pays" principle). The primary tools used to achieve these principles are fees and targeted rates.

Council also seeks to ensure that people pay for services at the time they consume them, (the "intergenerational equity" principle). Costs of service include capital costs, direct operational costs, depreciation, interest and loan repayments. Tools used to achieve intergenerational equity include debt, financial contributions and increases in the rating base, resulting from growth.

Fees

These are funding tools which are used where the users of services can be individually identified.

Targeted rates

Targeted rates tend to be used where categories of ratepayers can be identified (as a group, rather than individually) to primarily benefit from a service, or contribute the requirement for a Council service.

Financial contributions

Council has relied on financial contributions to recover the growth-related costs relating to increased infrastructure and capacity, for example roading and stormwater networks. Maintenance and operating costs relating to growth are funded by annual rates on existing and new properties across the relevant network, or in the case of reserves, across the district. If existing ratepayers enjoy higher levels of service as a result of expenditure primarily driven by growth, Council assesses those projects to determine the growth-related portion to be recovered through financial contributions, and the remainder is funded by both the existing ratepayers and new ratepayers through annual charges.

Debt financing

As Council has no significant reserves, it relies on debt to finance infrastructure development, for example wastewater schemes. The portion of interest and debt repayments relating to growth is generally funded through financial contributions. The remainder is funded by annual rates or charges. Council acknowledges that the interest on debt increases the overall cost of services, but believes that this is offset by a more equitable allocation of cost between existing and future ratepayers. As Council's rating base increases with new development, there are more ratepayers to meet the cost of interest and debt repayment.

For transportation infrastructure, however, Council has traditionally used less debt. For this activity, where the capital development programme is more evenly spread over time and the users of the service are less easy to identify individually, Council has primarily used rates to finance capital expenditure, with loans and financial contributions used to a lesser degree.

The overall use of debt financing is limited by the extent of Council indebtedness and principles of prudent financial management. Council's Treasury Policy (page 198) details the proposed limits Council has set for debt and interest payments in relation to its assets and income. The term of Council's debt is related to the useful life of the asset financed. This ensures that the people benefitting from the asset repay the loan before the asset's life is over.

For several activities, Council operates a current account funding programme, to smooth rate increases over a period and to ensure renewals are adequately provided for. The level of rates in year one of the Long Term Plan is set such that once inflation is added to each of the ten years of the Long Term Plan, the projected current account balance in year 10 is adequate to meet the balanced budget test. The current account balance reflects all income and expenditure (including operating and capital costs) and all funding requirements (including loans, financial contributions and other income).

Depreciation funding and Current Account deficit funding

Prudent financial management requires organisations to plan for the replacement or renewal of their assets when they reach the end of their useful lives, to maintain the service they provide. The intergenerational equity principle suggests that, ideally, today's ratepayers should pay for the "asset-life" they are consuming and likewise future generations should pay for their share of the asset's life. There are three principal ways this can be achieved.

1. Pay as you go

- Capital funded annually by rating existing ratepayers to cover the expenses incurred in that year
- Suitable when capital expenditure is evenly spread over the years, so there is less risk that today's ratepayers are not paying their fair share when compared to future ratepayers.

2. Saving for asset replacement (rate over the life of the asset – spend later)

- Ratepayers are rated annually to fund depreciation, which builds up in a reserve account to fund future replacements of assets
- Not suitable if ratepayers are already servicing debt incurred to acquire the existing asset. If debt were incurred, today's ratepayers would be paying twice for the asset, once through debt repayments and interest, and again through financing the depreciation.

3. Borrowing to fund asset replacement (spend now – rate over the life of the asset)

- Ratepayers are rated annually to fund interest and capital repayment on loans matched to the life of the asset. In future, replacement of the asset would be financed in the same way.
- Suitable if Council's overall level of debt can accommodate the required borrowing.

There is no legal requirement for Councils to accumulate dedicated depreciation reserves, however the Local Government Act 2002 (LGA) requires that Council have a balanced budget, which means that revenue must be greater than operating expenditure (which includes depreciation). As the balanced budget test is conducted at the local authority level, it is perfectly acceptable and within the bounds of prudence, to run an operating deficit on one activity and a surplus on another. This means that Council is not required to retain income on an annual basis, in dedicated depreciation reserves, if it can show through its financial strategy that future rate revenue is adequate to fund renewals of infrastructure when they are needed.

Funding Review Project

Prior to adoption of this plan, Council undertook a review of its revenue and financing policies in a funding review project. Details of the review process, the issues considered and the proposals for changes to Council revenue and financing and rating policies were made in the Draft Long Term Plan 2009-

2019 for public consultation, and the Summary of the Draft long Term Plan 2009-2019 which can be viewed on Council's website www.westenbay.govt.nz.

In summary, the proposals for Council's rating policy were:

- Move from land value rating to capital value rating, for all rates effective 1 July 2009
- Abolish the multiple dwelling differentials as rating on capital value adequately recognises the increased demand for services from intensively developed properties.
- Reduce the size of the rural works charge to 50% of the amount that was rated in the 2008/9 financial year (\$267), as under capital value rating, the share of rating for transportation for large pastoral farms relative to smaller rural properties would decrease, so the amount required from UAC charges would be less.
- Abolish the commercial/Industrial differential of 2 on the roading rate as under capital value commercial/ industrial properties would be paying a greater share than under land value
- Make no changes to rates postponement policies
- Provide, as an interim measure, \$10,000 for grants to charitable organisations as relief from rate increases resulting from capital value rating.

During the review, Council also considered the option of rating dwellings or separately used parts of a property (SUIPs). Rating SUIPs is a tool that can be used to improve fairness in rating; additional dwellings on a single title are required to pay an equivalent number of uniform charges (UACs). Council proposed to maintain the status quo, that its rating unit is a property.

Summary of rationale for proposal to move to capital value rating

The aim of these proposals was to improve the distribution of the roading rate and the general rate across the district. For several years, ratepayers with relatively high land values (large pastoral landholders and higher value coastal property owners) had requested that Council address perceived inequities under land value rating which saw them paying more than their fair share of rates.

Council worked with a group of stakeholders to identify principles for an acceptable rating system. A rating system should:

- be related to benefits
- be related to ability-to-pay
- recognise multi-units and apartments
- be simple and transparent
- capture the impact of growth through redevelopment.

During its deliberations, Council considered the relative merits of using land and capital value, either with or without rating on SUIPs. Capital value includes both the land value and the value of improvements. Improvement value excludes chattels, stock, crops, machinery or trees other than fruit trees or nut trees, vines berry fruit bushes and live hedges.

Council considered the technical advantages and disadvantages of each system, as well as the environmental, cultural, social and economic wellbeing of the community.

Some of the advantages of capital value were that it is a better taxation tool as it takes into account the full value of the property asset; it captures changes to the rating base from growth and more intense development. Disadvantages were also noted, including that orchard capital values must include vines and fruit trees, that capital value rating may discourage development of higher quality buildings and that high capital values can exist with low ratepayer incomes.

The views of ratepayers that would be particularly adversely affected by a move to capital value rating were sought and considered prior to making the decision on a proposal.

Council considered the redistribution effect of rating under capital value for both the general rate and the roading rate. Groups of ratepayers that would be advantaged under capital value rating were properties with ratio of capital to land value of less than 1.6, for example large relatively less developed properties, like pastoral farms, and high land value residential properties that are not well developed e.g. coastal baches.

Sectors that may be disadvantaged included utility companies, retirement villages and Papakainga housing on multiple owned Maori land, and orchard properties as the value of fruit trees, vines and associated structures is included in capital value.

Council considered whether any changes should be made to its rates postponement policies to soften the effect on seriously affected ratepayer groups, but chose to confirm its existing policies.

Council also considered whether to spread the effect of a change to capital value rating by introducing it in two stages, i.e. applying capital value to only one of the two main property-based rates (roading rate and general rate), with all other rates remaining on land value for 2009/10 only. This was not Council's proposal in the draft plan.

Public Consultation

During the consultation period, ratepayers were sent two examples of their rates assessments for 2009/10, one assessed on land value and the other assessed on capital value. Submissions showed some support for capital value rating, but far more opposition to the proposal. Many residential ratepayers cited affordability as the reason for their opposition, especially given the prevailing economic climate; orchardists mainly opposed the inclusion of fruit trees and vines in their capital valuations, which they saw as unfair. Large industrial and utility companies objected to the increase in their rates compared to their perceived demand for Council services; many submitters suggested that capital rating would discourage development in the district.

Decision on capital value rating proposals

In considering submissions, Council noted that no rating system is perfect and acknowledged the difficulties of using current rating legislation to fairly reflect the costs individual users of Council services impose, especially given the diversity of the district.

Council decided to adopt a hybrid or mixed rating basis, using capital value to assess the general rate and land value for the roading rate. In general, the effect of this decision is to reduce the impact of full capital value rating on ratepayers because for 2009/10, for example, the general rate makes up about 40% of the total rates levied on property values.

This decision was seen as addressing some of the concerns about affordability heard in the submissions process. Council also noted that rates rebates from central government were available to some sectors of the community on low incomes.

As the roading rate will remain on land value assessment, the proposals to halve the rural works charge and abolish the commercial/industrial differential on the roading rate (which were complementary to the capital value rating proposals) were no longer considered appropriate. Council resolved to reinstate the full rural works charge at \$267 per property and the commercial/industrial differential of 2 for the roading rate.

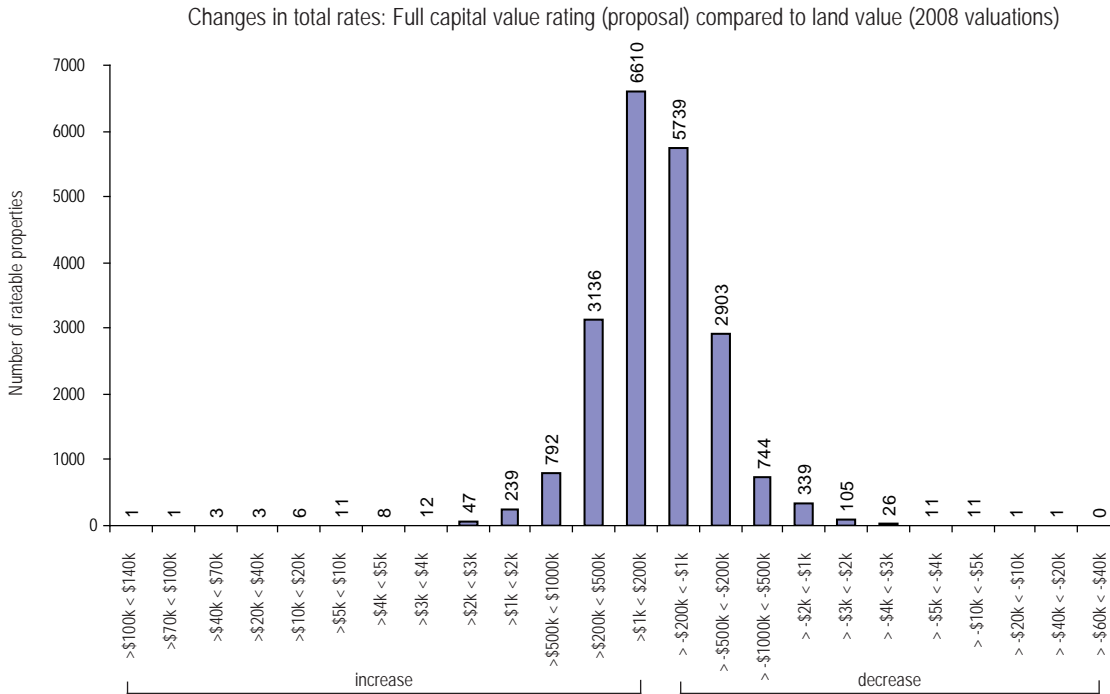
The proposal to abolish the multiple dwelling differentials on the general rate was confirmed, as it was considered capital value adequately captured the increased demand for services funded by the general rate.

Council did not consider there were sufficient reasons for rates remissions for any particular sector of the community.

The graphs below illustrate the difference between the effect of full capital value rating (as per the proposal) and the hybrid rating basis adopted by Council. The graphs show the increase in total rates compared to the previous policy of land value rating.

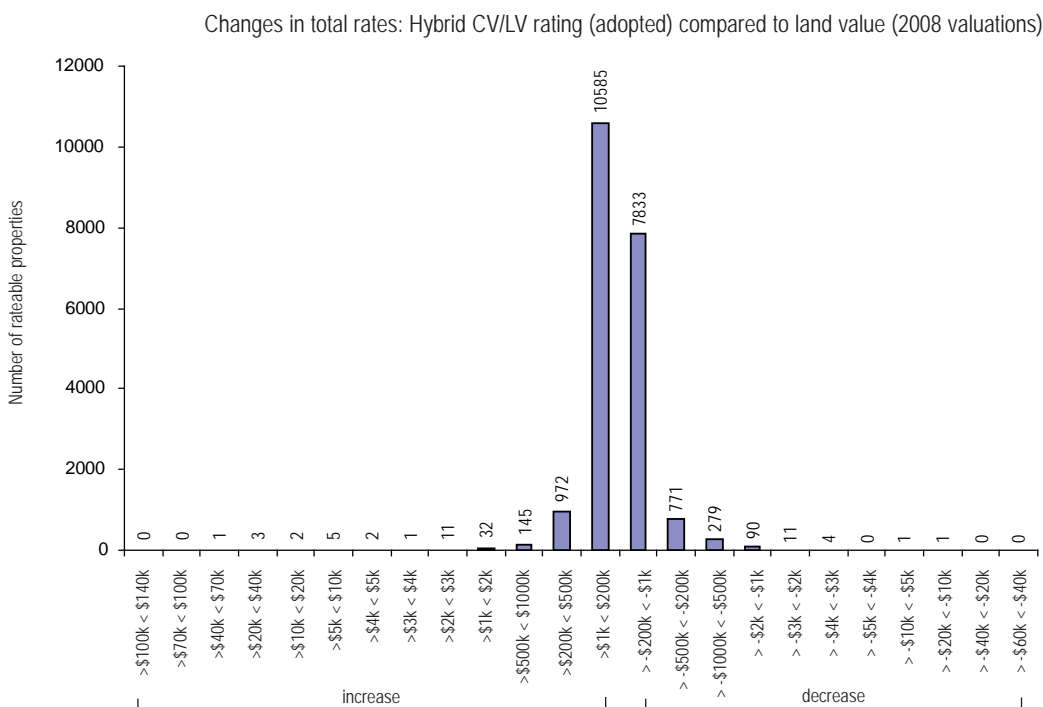
Graph 1 shows that under full capital rating 6610 properties would see their rates increase by between \$1 and \$200 compared to collecting the equivalent rates based on land value, while 3136 properties' rates would increase by between \$200 and \$500. Of the properties whose rates would decrease, 5739 would decrease by up to \$200. At the two extremes of the graph, one property's rates would increase by between \$100,000 and \$140,000 (far left hand side), and one would decrease by between \$20,000 and \$40,000 (far right hand side).

Graph 1 – Effect of proposal to move to capital value rating



In comparing Graph 1 to Graph 2, which illustrates the changes in rates under the hybrid capital value/land value system that Council has adopted, it can be seen that at each extreme end, the effect of the change from land value rating has reduced. The largest increase is now between \$40,000 and \$70,000 and the largest decrease in rates is now between \$10,000 and \$20,000. Likewise, the number of properties with increases of between \$200 and \$500 has reduced from 3136 under full capital value to 972 under the hybrid system; more properties have increases or decreases closer to zero under the adopted hybrid system (capital value for general rates and land value for roading rates).

Graph 2 – Effect of decision to use capital value for general rate and land value for roading rate



Rating Policy

1. Rating Unit

Under the relevant legislation, Council has the ability to set its unit of rating as a dwelling (or separately used inhabited part of a property), as opposed to a property. Council has chosen to retain its rating unit as a property, consistent with its policy in previous years.

2. Rating Basis

The Local Government (Rating) Act 2002 allows Council to choose from three rating systems - the land value rating system, the capital value rating system and the annual value rating system. There is no legislation prescribing the best type of rating system for each Council.

Council will assess the general rate and all other property value-based rates (except the roading rate) on capital value. The roading rate will be assessed on land value.

On Council's property valuations, a land value and an improvement value are shown. The improvement value reflects the added value given to the land by buildings or other structures, including fruit trees, vines and landscaping. Capital value includes both land value and the value of improvements. The improvement value excludes chattels, stock, crops, machinery or trees other than fruit or nut trees, vines, berry-fruit bushes and live hedges.

Regardless of the rating basis Council adopts, the total amount of rates collected remains the same, but the incidence of rating shifts. To illustrate the differences between the land and capital value rating systems, for example, consider two identically valued pieces of land, one with a substantial dwelling on it and the other with no improvements. Under the land value rating system the two properties would pay the same rates. Under the capital value rating system, the property with the substantial improvement would pay more than the property that was undeveloped.

3. General Rates

General Rates consist of a rate in the dollar charged on capital value and a Uniform Annual General Charge (UAGC), which is a flat amount levied on each rating unit. The size of the UAGC is set each year by Council and is used as a levelling tool in the collection of General Rates. If the UAGC were set at zero, the effect would be to increase the amount of General Rates assessed on capital value, which would increase the share levied on properties with higher capital values and to decrease the share levied on lower capital values.

In setting the level of the UAGC, Council considered the following issues:

- The impact of a high UAGC on those with low incomes and relatively low property values.
- The impact of a low UAGC on the relative share of rates levied on large rural properties.
- Fairness and equity and the social consequences of an unfair distribution of rates.
- The collective effect of other flat charges (e.g. environment protection rate, targeted rate for libraries) on affordability for low income households.

4. Differential General Rate

Council's policy is to have the same system for charging General Rates across the whole District.

Council's current differential rates policy is:

- Residential Zoned Areas 1.0
- Rural Zoned Areas 1.0
- Commercial/Industrial Zoned Areas 1.0

These differentials apply only to the General Rate.

5. Multiple Dwelling Differentials

Council has abolished multiple dwelling differentials for any rates assessed on capital value.

6. Environmental Protection Rate

The Environment Protection Rate is a fixed charge on each rateable unit. It funds a number of activities that impact on the environment and that are seen to benefit the District as a whole.

7. Roading Rates

There are three Roading rates:

- Roading rate on land value.
- Roading charge (fixed amount on every property in the district).
- Rural works charge (fixed amount on every rural zoned property).

The rural works charge and the roading UAC are used by Council to reduce the share of roading rates levied on higher value properties. If these fixed charges were not included, large pastoral farms, for example, would be liable for an unfairly large share of the revenue required for roading.

Roading rate differentials have been established to recover some of the private benefit for users of the network. Council is unable to collect direct user charges; only central government can charge Road User Fees and levy Petrol Tax.

The Roading Rate on land value is calculated using the following differentials

- Residential Zoned Areas 1.0
- Rural Zoned Areas 1.0
- Commercial/Industrial Zoned Areas 2.0

8. Targeted Rates

Council uses targeted rates (as defined in the Local Government (Rating) Act 2002) to collect funds over areas of benefit. This rating tool is chosen where the services concerned are specific to a particular community or area within the District and it is not considered fair to charge all ratepayers, e.g. charges for Town Centre Promotion, Halls, Recreation. Details of these rates are shown in the Funding Impact Statement. These rates may be collected on a uniform (fixed) basis per property or on the capital value of each property.

9. Water Metering

Council's policy on water meters is that all properties 0.5 ha (1.23 acres) and larger, which are connected to Council's water supply and all properties likely to use more water than the usual household amount, will be metered. Council intends

to introduce metering on other properties in a staged process over the term of this ten year plan. In establishing the criteria for water metering, Council has recognised the environmental benefits that would result from water conservation if all users were metered and balanced that against the cost of installing meters on all properties and the affordability of such a strategy.

Where meters are in use, charges are as follows:

- each property will be charged the Uniform Annual Basic Water Charge for the first meter; and
- an additional Uniform Annual Charge will be charged for every extra meter on the property. This covers the costs of reading, billing, maintenance and future meter replacement.
- Connections larger than 20mm will be charged additional UACs in proportion to the capacity of the connection.
- A charge based on water consumption is also levied.

10. Wastewater

Council's policy on wastewater charges is:

10.1 Uniform Annual Charge

All properties connected or available to be connected (within 30 metres of a public wastewater drain) will be charged a Uniform Annual Wastewater Charge.

10.2 Multiple Connection Charges

Council has a policy for charging properties with more than one toilet. It applies to all wastewater schemes.

- Each residential household will pay one standard connection charge to the wastewater scheme regardless of the number of toilets in the dwelling. This charge covers fixed and variable costs.
- For non-residential properties with more than one toilet, each property will pay the standard connection charge for the first toilet. For each additional toilet, the charge will be:
 - ¼ of the variable cost component of the standard connection charge, plus
 - the full fixed cost component of the standard connection charge.

The intention of this policy is to achieve a fair allocation of the costs of the wastewater scheme, based on the usage of capacity in the system. Council acknowledges that in some instances additional toilets are installed in non-residential properties only for convenience and they do not result in an increase in total usage. During 2009/10, Council will consider developing a policy for rates remission for not-for-profit organisations paying excessive multiple connection charges.

It is intended that Council will take into account the provisions of the Building Act when making a judgment on the number of toilets required for the capacity of the building and the number that have been provided in addition.

11. Schools

Council noted that the Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendment Act 2001, was repealed. Given that schools, by and large, have accepted the charges levied under this legislation, Council resolved to charge schools for sewage disposal on the same basis as that envisaged by the above Act, but as a targeted rate for each individual school in the District.

12. Financial Contributions (Development Impact Fees/ Financial Contributions)

Council's policy on Financial Contributions is contained in the Policies and Statements section of this document. Set out in the following table are the existing and proposed Financial Contributions.

Council's District Plan provides that waivers and reductions to financial contributions levied under the Resource Management Act 1991 are agreed through Council's Annual Plan process. This Long Term Plan 2009-19 is also Council's Annual Plan for 2009/10.

Where financial contributions for recreation and leisure are levied, the amount is calculated as a percentage of the market value of each section. Council will cap the market value used for this calculation of \$250,000 per section. This applies to resource consents lodged after 1 July 2009.

The purpose of this maximum value is to address fairness and equity and affordability issues raised by developers during consultation on the proposed District Plan, which was notified for consultation in February 2009.

Financial Contributions

	Up to 30 June 2009		Revised 1 July 2009
Water	Per additional lot		Per additional lot
Western	\$3,105		\$3,503
Central	\$3,399		\$3,337
Eastern	\$4,461		\$5,587
Wastewater	Per additional lot		Per additional lot
Waihi Beach	\$6,311		\$9,173
Katikati	\$5,018		\$5,714
Omokoroa	\$7,500		\$7,347
Te Puke	\$5,640		\$4,237
Maketu - (indicative)			\$12,646
Stormwater	Per additional lot		Per additional lot
Waihi Beach	\$3,065		\$4,028
Katikati	\$2,741		\$3,481
Omokoroa	\$2,570		\$2,788
Te Puke	\$10,556		\$5,987
Transportation			
District Wide			\$954
Urban	Per additional lot	Without District wide	Including District wide Per additional lot
Waihi Beach	\$7,327	\$6,570	\$7,544
Katikati	\$10,995	\$12,532	\$13,506
Omokoroa	\$10,406	\$9,264	\$10,238
Te Puke	\$3,051	\$4,705	\$5,679
Omokoroa Road specific			
Hamurana Road	\$2,633 per 100m ²	\$1,872 per 100m ²	
Hamurana Road Stage 2	\$1,792 per 100m ²	\$1,792 per 100m ²	
Lynley Park link	\$4,702 per 100m ²	\$2,971 per 100m ²	
Goldstone Block	\$166 per 100m ²	\$129 per 100m ²	
Rural	Per additional lot	Without District wide	Including District wide Per additional lot
Waihi Beach/Katikati Wards	\$6,023 \$6,625	\$11,842*	\$12,816*
Kaimai Ward	\$8,400 \$9,240	\$11,842*	\$12,816*
Te Puke/Maketu Wards	\$9,002 \$9,902	\$11,842*	\$12,816*
Ecological	\$464 Per additional lot		\$483 Per additional lot
Recreation and leisure	5.01% of sections sale price		4.65% of sections sale price - capped at section price of \$250,000

(All figures are exclusive of GST)

* These amounts reflect changes to the proposed District Plan notified in February 2009 and increased strategic roading projects, for example Te Puna SH2 intersection, Rangiuru Industrial roading link and rural park and ride projects.

FUNDING IMPACT STATEMENT

	2010 (\$'000)	2011 (\$'000)	2012 (\$'000)	2013 (\$'000)	2014 (\$'000)	2015 (\$'000)	2016 (\$'000)	2017 (\$'000)	2018 (\$'000)	2019 (\$'000)
General Rates										
General Rate	10,373	11,407	11,707	11,639	12,262	12,574	12,937	12,630	13,561	13,463
Community Board Rates	566	563	568	587	595	612	623	638	653	671
Targeted Rates										
Roading Rate	14,703	15,556	16,305	17,018	17,755	18,518	19,307	20,143	20,988	21,820
Environment Protection Rate	1,222	1,303	1,304	1,080	1,105	1,131	1,159	1,186	1,216	1,246
District Library rate	804	807	788	874	902	896	932	944	979	1,034
Other Targeted Rates	14,028	14,859	16,478	18,244	19,541	21,221	22,443	23,878	25,906	27,790
Capital Contributions										
Financial contributions	6,215	6,957	12,597	13,261	15,624	16,302	15,182	20,778	21,269	22,987
Subsidies	8,886	16,197	11,530	8,361	8,558	8,443	8,780	9,126	9,606	10,115
Vested Assets	2,240	2,321	2,389	2,452	2,517	2,586	2,658	2,733	2,809	2,885
Other income										
Fees and charges	6,122	6,465	6,697	6,934	7,445	8,126	8,647	9,318	10,057	10,877
Penalty Income	920	961	983	1,007	1,028	1,050	1,074	1,099	1,125	1,154
Other Income	3,330	3,477	4,049	4,453	4,593	3,961	4,130	3,808	3,494	3,953
Total operating revenue	69,409	80,872	85,396	85,909	91,924	95,422	97,873	106,282	111,664	117,994
Other funding sources										
Loans	13,000	36,000	46,000	21,500	51,500	15,000	2,000	4,000	2,500	12,000
Cash reserves and surpluses	31,492	13,665	13,755	18,144	15,497	15,591	18,645	27,102	16,701	20,596
Total other funding sources	44,492	49,665	59,755	39,644	66,997	30,591	20,645	31,102	19,201	32,596
Total sources of funds	113,893	130,537	145,151	125,553	158,921	126,013	118,518	137,384	130,865	150,590
Less operating expenditure										
Operating Costs	43,890	46,166	48,349	49,172	50,345	52,793	55,135	56,865	58,632	60,440
Interest	8,218	8,896	10,171	10,871	11,941	12,816	13,277	13,285	11,903	11,060
Depreciation	14,752	15,584	16,256	17,686	18,573	19,223	19,714	19,879	20,018	20,673
Total operating expenditure	66,859	70,647	74,775	77,728	80,858	84,831	88,126	90,029	90,553	92,173
Other expenditure										
Capital expenditure	33,042	42,890	33,875	41,825	39,563	33,182	30,391	22,855	26,314	28,416
Debt repayment	14,000	17,000	36,500	6,000	38,500	8,000		24,500	14,000	30,000
Total other expenditure	47,042	59,890	70,375	47,825	78,063	41,182	30,391	47,355	40,314	58,416
Total expenditure	113,901	130,537	145,151	125,553	158,921	126,013	118,517	137,384	130,867	150,590
Operating Surplus / (Deficit)	2,550	10,225	10,620	8,181	11,066	10,591	9,746	16,253	21,110	25,821

Funding Impact Statement – Rates

	Detail for 2010	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Rate											
Uniform Annual General Charge	\$161.00	3,119,697	3,320,543	3,425,825	3,399,762	3,571,440	3,715,485	3,823,520	3,714,401	4,005,371	3,993,980
Uniform Rate based on capital value	0.000468	7,253,586	7,720,571	7,965,363	7,904,763	8,303,930	8,638,847	8,890,039	8,636,327	9,312,860	9,286,376
		10,373,283	11,041,114	11,391,188	11,304,525	11,875,370	12,354,332	12,713,558	12,350,728	13,318,232	13,280,356
Roading Rate											
Differential Residential and Rural zoned properties	0.001130	10,281,415	10,878,063	11,401,916	11,900,093	12,415,613	12,949,025	13,500,889	14,085,526	14,676,624	15,258,121
Differential Commercial/industrial zoned properties	0.002260	554,954	587,159	615,435	642,324	670,150	698,942	728,730	760,286	792,192	823,579
Fixed amount for each rating unit	\$75.00	1,453,275	1,537,611	1,611,658	1,682,075	1,754,943	1,830,341	1,908,347	1,990,985	2,074,536	2,156,731
Fixed amount for each rating unit zoned rural	\$267.00	2,413,146	2,553,185	2,676,138	2,793,065	2,914,063	3,039,259	3,168,787	3,306,007	3,444,743	3,581,226
		14,702,790	15,556,018	16,305,147	17,017,557	17,754,770	18,517,568	19,306,753	20,142,804	20,988,095	21,819,657
Uniform Rate for all Land Value for each rating unit within each Community Board area											
Community Boards areas			562,818	567,844	586,804	594,906	612,146	623,464	637,768	653,380	670,615
Waihi Beach Community Board	\$42.90	120,420									
Kaikati Community Board	\$31.70	128,068									
Omokoroa Community Board	\$77.80	86,645									
Te Puke Community Board	\$38.50	141,796									
Maketu Community Board	\$165.80	89,366									
Fixed amount for each rating unit in the district											
Environment Protection Rate	\$63.10	1,221,960	1,302,953	1,304,154	1,080,058	1,104,900	1,131,417	1,158,571	1,186,376	1,216,036	1,246,437
District Library Services	\$41.00	803,763	807,205	787,657	873,888	901,612	896,408	932,385	944,193	979,466	1,034,286
Roading Rate											
Fixed amount for each rating unit		88,646	88,979	92,351	94,567	96,837	99,161	101,541	104,079	106,577	108,922
Area of benefit Waihi beach Ward	\$16.00										
Commercial properties - Wilson Road	\$200.00										
Kaikati Talisman charge – area of benefit is Kaikati Ward	\$11.40										
Kaikati Roading Charge	\$-										
Te Puke Roading Charge- Te Puke Ward	\$-										
Te Puke Roading Charge- Maketu Ward	\$-										
Western Water											
Metered connection	\$236.00	1,796,214	1,933,068	2,089,267	2,248,566	2,357,207	2,474,820	2,595,133	2,717,629	2,847,142	2,982,793
Un-metered connection	\$317.00										
Availability charge	\$118.00										
Multi-metered charge	\$65.00										
Metered water charge per m ³	\$0.76										
Central Water											
Metered connection	\$227.00	786,085	827,524	852,534	866,734	910,992	959,265	900,339	952,220	1,002,165	1,068,629
Un-metered connection	\$305.00										
Availability charge	\$113.50										
Multi-metered charge	\$63.00										
Metered water charge per m ³	\$0.74										
Eastern Water											
Metered connection	\$320.00	1,952,448	2,092,383	2,250,063	2,412,150	2,529,580	2,657,511	2,790,924	2,922,669	3,062,345	3,209,678
Un-metered connection	\$392.00										
Availability charge	\$160.00										
Multi-metered charge	\$66.00										
Metered water charge per m ³	\$0.83										

Funding Impact Statement – Rates (continued)

	Detail for 2010	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Waihi Beach Wastewater		2,200,593	2,376,557	2,575,706	2,789,522	3,029,635	3,295,790	3,580,465	3,899,364	4,247,967	4,624,827
Capital and availability charge	\$590.00										
Connection Charge	\$209.00										
Total for one connection	\$799.00										
Multiple pan Charge	\$642.00										
Waihi Beach School	\$6,223.09										
Katikati Wastewater		1,084,283	1,150,036	1,235,263	1,327,067	1,433,426	1,546,809	1,659,688	1,762,895	1,872,918	1,987,345
Connection Charge	\$542.00										
Multiple pan Charge	\$365.00										
Availability charge	\$271.00										
School pan charge	\$13,186.12										
Resort Pacifica-unit connection	\$559.00										
Resort Pacifica-commercial conn	\$8,381.00										
Omokoroa Wastewater		1,032,554	1,166,705	1,311,769	1,508,287	1,726,716	1,971,482	2,244,012	2,542,627	3,014,136	3,542,730
Connection Charge	\$201.00										
Capital Charge per dwelling	\$602.00										
School pan charge	\$6,343.31										
Multiple pan Charge	\$631.00										
Astelia Place	\$582.00										
Astelia Place lumpsum	\$5,532.00										
Te Puke Wastewater		1,367,725	1,425,055	1,493,275	1,563,395	1,640,577	1,724,381	1,811,521	1,898,954	1,991,517	2,088,348
Connection Charge	\$452.00										
Multiple pan Charge	\$224.00										
Availability charge	\$226.00										
School pan charge	\$14,546.91										
Maketu/Little Waihi Wastewater			0	448,167	472,468	498,538	527,063	570,955	616,195	669,251	726,908
Stormwater		2,090,896	2,297,351	2,612,903	3,442,867	3,722,726	4,193,482	4,451,919	4,647,054	5,091,259	5,366,645
Fixed amount per rating unit for each rating unit within each stormwater area											
Kauri Point	\$129.00										
Tanners Pt	\$129.00										
Te Puna	\$129.00										
Pukehina	\$129.00										
Waihi Beach	\$200.00										
Katikati	\$200.00										
Omokoroa	\$200.00										
Ongare Point	\$129.00										
Tuapiro Point	\$129.00										
Te Puke	\$200.00										
Paengaroa	\$129.00										
Maketu	\$129.00										
Minden	\$124.00										
Waihi Beach Coastal Protection		325,490	0	0	0	0	0	0	0	0	0
- Rock revetment	\$3,958.00										
- Ward area	\$28.00										
- Dunes	\$1,086.00										
- Dunes and Three Mile Creek	\$1,103.00										
Other Charges – a fixed amount for each rating unit (unless otherwise stated) within the defined area of benefit											

Funding Impact Statement – Rates (continued)

	Detail for 2010	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Pukehina Development fund		0	0	0	0	0	0	0	0	0	0
Pukehina development fund charge – area of benefit is Pukehina residential area	\$20.00										
Coastcare		15,300	15,995	16,378	0	0	0	0	0	0	0
Pukehina Beach Protection- Coastal	\$46.40										
Pukehina Beach Protection-Inland	\$8.30										
Swimming Pools		124,562	155,456	159,935	141,695	125,222	128,979	132,977	136,302	139,573	142,783
Katikati Ward	\$12.60										
Te Puke Ward	\$17.90										
Maketu Ward	\$2.70										
Te Puke Pool rate – area of benefit (Land Value) is rating units with the Te Puke community board area	0.0000093										
Community Development & Grants		15,774	16,490	16,886	17,291	17,689	18,113	18,548	18,993	19,468	19,954
Katikati Resource Centre- Katikati Ward	\$2.90										
Katikati Resource Centre- Waihi Beach Ward	\$1.40										
Te Puna Library charge – area of benefit Te Puna area of benefit	\$9.00	10,506	10,972	11,224	11,494	11,735	11,993	12,269	12,551	12,853	13,174
Community Halls		185,328	225,750	177,171	147,356	169,326	265,518	145,276	134,024	222,662	202,125
Katikati Hall	\$5.50										
Te Puna Hall	\$12.20										
Te Puna Community Centre	\$-										
Paengaroa Hall	\$28.50										
Pukehina BeachCommunity Centre	\$14.00										
Pukehina Hall	\$8.40										
Oropi Hall	\$20.00										
Kaimai	\$22.80										
Omanawa Hall	\$50.00										
Te Ranga Hall	\$47.80										
Te Puke Hall	\$12.15										
Omokoroa Hall	\$-										
Waihi Beach Community Centre	\$-										
Whakamarama Hall	\$30.00										
Pyes Pa Hall	\$60.00										
Western Solid Waste		293,294	320,300	345,423	373,653	404,858	438,811	473,975	511,889	553,172	596,804
- Waihi Ward	\$43.00										
- Katikati Ward	\$43.00										
Eastern Solid Waste		175,772	244,939	262,431	281,216	301,353	323,200	346,771	371,059	397,400	425,180
- Te Puke Ward	\$27.00										
- Maketu Ward	\$27.00										
Omokoroa Greenwaste		38,042	43,588	48,921	55,427	62,736	71,078	80,528	91,236	103,469	117,343
Town Centre Promotion		170,450	196,756	201,478	206,313	211,058	216,124	221,310	226,623	232,288	238,095
Katikati Promotion charge – area of benefit is Katikati Ward	\$15.20										
Katikati Promotion rate – area of benefit is rating units zoned commercial industrial within the Katikati community board area	\$203.00										

Funding Impact Statement – Rates (continued)

	Detail for 2010	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Te Puke Focus charge – area of benefit is Te Puke Ward	\$11.60										
Te Puke Focus charge – Maketu - area of benefit is Maketu Ward	\$5.20										
Te Puke Focus rate – area of benefit is rating units zoned commercial industrial within the Te Puke community board area	\$294.10										
Land Drainage											
Land Drainage - Drains		90,639	104,127	106,626	109,185	111,696	114,376	117,122	119,933	122,930	126,003
Land Drainage - Pumps		172,541	164,124	168,063	172,096	176,054	180,280	184,606	189,037	193,763	198,607
Gibraltar Water Scheme	\$100.00	2,600	2,452	2,511	2,571	2,631	2,694	2,758	2,824	2,896	2,968
Arawa Road water Supply	\$173.92										
Targeted Rate for properties which have additional lots to approved under section 223 Resource Management Act											
Rate per additional lot											
Waihi Beach	\$1,359.00										
Katiakti	\$1,066.00										
Omokoroa	\$1,346.00										
Te Puke	\$1,027.00										

FINANCIAL STATEMENTS

Projected Statement of Financial Position

As at 30 June 2010-2019

	Forecast 2010	Forecast 2011	Forecast 2012	Forecast 2013	Forecast 2014	Forecast 2015	Forecast 2016	Forecast 2017	Forecast 2018	Forecast 2019
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Current Assets										
Cash and cash equivalents	495	637	1,703	536	1,707	3,447	1,697	2,897	3,892	4,552
Trade and other receivables	8,156	8,299	8,433	8,548	8,685	8,826	8,950	9,052	9,248	9,385
Other financial assets	3,844	3,844	3,844	3,844	3,844	3,844	3,844	3,844	3,844	3,844
Total Current Assets	12,496	12,780	13,980	12,928	14,236	16,117	14,491	15,793	16,984	17,781
Non-Current Assets										
Property, plant and equipment	1,097,568	1,173,380	1,216,945	1,267,558	1,313,137	1,353,039	1,391,888	1,422,921	1,459,082	1,495,209
Intangible assets	755	786	787	788	789	790	791	792	793	794
Investments	8,477	8,823	9,220	9,669	10,173	10,741	11,378	1,159	1,159	1,159
Total Non-Current Assets	1,106,800	1,182,989	1,226,952	1,278,015	1,324,099	1,364,570	1,404,057	1,424,872	1,461,034	1,497,162
Total Assets	1,119,296	1,195,769	1,240,933	1,290,943	1,338,335	1,380,687	1,418,548	1,440,664	1,478,018	1,514,943
Current Liabilities										
Trade and other payables	9,281	9,473	9,653	9,721	9,817	10,020	10,213	10,356	10,501	10,650
Employee accruals	1,319	1,377	1,409	1,443	1,473	1,506	1,540	1,576	1,614	1,654
Other current liabilities	1,844	1,973	2,043	2,118	2,185	2,256	2,332	2,411	2,494	2,583
Borrowings	14,000	17,000	36,500	6,000	38,500	8,000	0	24,500	14,000	30,000
Total Current Liabilities	26,444	29,823	49,606	19,282	51,975	21,782	14,086	38,842	28,608	44,886
Non-Current Liabilities										
Term portion borrowings	116,120	132,120	122,120	168,120	148,620	186,120	196,120	151,120	150,120	116,120
Employee benefit liabilities	120	151	152	153	154	155	156	157	158	159
Provisions	4,984	4,922	4,920	4,918	4,916	4,914	4,912	4,910	4,908	4,906
Other Loans	250	281	282	283	284	285	286	287	288	289
Total Non-Current Liabilities	121,474	137,474	127,474	173,474	153,974	191,474	201,474	156,474	155,474	121,474
Total Liabilities	147,918	167,297	177,080	192,756	205,949	213,256	215,560	195,316	184,082	166,360
Net Assets	971,378	1,028,471	1,063,853	1,098,188	1,132,386	1,167,431	1,202,988	1,245,349	1,293,936	1,348,582
Represented By:										
Retained earnings	716,097	726,322	736,943	745,123	756,189	766,780	776,526	792,780	813,890	839,711
Restricted reserves	395	395	395	395	395	395	395	395	395	395
Council-created reserves	14,558	14,558	14,558	14,558	14,558	14,558	14,558	14,558	14,558	14,558
Asset revaluation reserve	240,328	287,196	311,957	338,112	361,245	385,699	411,509	437,616	465,093	493,919
Total Public Equity	971,378	1,028,471	1,063,853	1,098,188	1,132,387	1,167,431	1,202,988	1,245,349	1,293,935	1,348,582

Projected Statement of Changes in Equity

For the years ended 30 June 2010-2019

	Forecast 2010	Forecast 2011	Forecast 2012	Forecast 2013	Forecast 2014	Forecast 2015	Forecast 2016	Forecast 2017	Forecast 2018	Forecast 2019
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Accumulated Funds at the start of the year	728,500	731,050	741,275	751,895	760,076	771,142	781,733	791,479	807,732	828,843
Net surplus for the year	2,550	10,225	10,620	8,181	11,066	10,591	9,746	16,253	21,110	25,821
Accumulated funds at the end of the year	731,050	741,275	751,895	760,076	771,142	781,733	791,479	807,732	828,843	854,664
Asset Revaluation Reserves at the start of the year	203,390	240,328	287,196	311,957	338,112	361,245	385,699	411,509	437,616	465,093
Revaluation of infrastructural assets	36,938	46,868	24,761	26,155	23,133	24,454	25,810	26,107	27,476	28,826
Asset Revaluation Reserves at the end of the year	240,328	287,196	311,957	338,112	361,245	385,699	411,509	437,616	465,093	493,919
EQUITY AT THE END OF THE YEAR	971,378	1,028,471	1,063,853	1,098,188	1,132,387	1,167,431	1,202,988	1,245,349	1,293,935	1,348,582

Projected Statement of Comprehensive Income

For the years ended 30 June 2010-2019

	Forecast 2010	Forecast 2011	Forecast 2012	Forecast 2013	Forecast 2014	Forecast 2015	Forecast 2016	Forecast 2017	Forecast 2018	Forecast 2019
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Income										
Revenue from Activities	16,930	24,702	20,772	18,175	18,953	19,042	19,987	21,079	22,362	24,137
Rates Revenue	27,127	28,613	29,909	30,608	32,022	33,169	34,381	34,977	36,835	37,651
Separate Rates	15,489	16,842	18,225	19,841	21,164	22,834	24,094	25,541	27,594	29,526
Vested Assets	2,240	2,321	2,389	2,452	2,517	2,586	2,658	2,733	2,809	2,885
Financial Contributions	6,215	6,957	12,597	13,261	15,624	16,302	15,182	20,778	21,269	22,987
Finance Income	761	761	812	863	918	982	1,052	643	250	250
Other Revenue	647	676	693	709	725	506	519	531	544	558
Total Income	69,409	80,872	85,396	85,909	91,924	95,422	97,873	106,282	111,664	117,994
Expenditure										
Other Expenses	32,114	33,940	35,792	36,301	37,152	39,270	41,262	42,547	43,928	45,280
Personnel Costs	11,776	12,226	12,557	12,871	13,192	13,522	13,874	14,318	14,704	15,160
Depreciation and amortisation expense	14,752	15,584	16,256	17,686	18,573	19,223	19,714	19,879	20,018	20,673
Finance Costs	8,218	8,896	10,171	10,871	11,941	12,816	13,277	13,285	11,903	11,060
Total Operating expenditure	66,859	70,647	74,775	77,728	80,858	84,831	88,126	90,029	90,553	92,173
	2,550	10,225	10,620	8,181	11,066	10,591	9,746	16,253	21,110	25,821
Share of Associates surplus/deficit	-	-	-	-	-	-	-	-	-	-
Surplus (Deficit)	2,550	10,225	10,620	8,181	11,066	10,591	9,746	16,253	21,110	25,821
Other comprehensive income										
Gains on asset revaluation	36,938	46,868	24,761	26,155	23,133	24,454	25,810	26,107	27,476	28,826
Total other comprehensive income for the year	36,938	46,868	24,761	26,155	23,133	24,454	25,810	26,107	27,476	28,826
Total comprehensive income for the year	39,488	57,093	35,381	34,336	34,198	35,045	35,556	42,361	48,587	54,647

Projected Statement of Cash Flows

	Forecast 2010	Forecast 2011	Forecast 2012	Forecast 2013	Forecast 2014	Forecast 2015	Forecast 2016	Forecast 2017	Forecast 2018	Forecast 2019
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Cash Flow from operating activities										
Cash will be provided from										
Rates and Service Charges	42,496	45,314	47,999	50,333	53,051	55,862	58,352	60,416	64,234	67,040
Other Income	1,922	2,040	2,545	2,881	2,949	2,473	2,560	2,634	2,700	3,145
Financial Contributions	6,215	6,957	12,597	13,261	15,624	16,303	15,182	20,778	21,269	22,987
Sundry Income	647	676	693	709	725	506	519	531	544	558
User Fees	6,122	6,465	6,697	6,934	7,445	8,127	8,647	9,318	10,057	10,877
Subsidies & Grants	8,886	16,197	11,530	8,361	8,558	8,443	8,780	9,126	9,606	10,115
Interest Income - External	300	250	250	250	250	250	250	250	250	250
Regional Council Rates	2,500	2,611	2,671	2,735	2,792	2,854	2,920	2,987	3,058	3,135
Total Operating Cash Provided	69,088	80,510	84,982	85,464	91,394	94,818	97,210	106,040	111,718	118,107
Cash was applied to										
Suppliers and Employees	43,409	45,787	48,067	48,996	50,151	52,486	54,831	56,608	58,367	60,162
Interest on Public Debt	8,218	8,896	10,171	10,871	11,941	12,816	13,277	13,285	11,903	11,060
Regional Council Rates	2,500	2,611	2,671	2,735	2,792	2,854	2,920	2,987	3,058	3,135
Total Operating Cash Applied	54,127	57,294	60,909	62,602	64,884	68,156	71,028	72,880	73,328	74,357
Net Cashflows from operating activities	14,961	23,216	24,073	22,862	26,510	26,662	26,182	33,160	38,390	43,750
Cash Flow from investing activities										
Cash will be provided from										
Proceeds from sale of property, plant and equipment	985	816	1,369	2,296	1,224	1,260	459	11,395	419	3,326
Total Investing Cash Provided	985	816	1,368	2,296	1,224	1,260	459	11,395	419	3,326
Cash will be spent on										
Purchase of property, plant and equipment	33,042	42,890	33,875	41,825	39,563	33,182	30,391	22,855	26,314	28,416
Total Investing Cash Applied	33,042	42,890	33,875	41,825	39,563	33,182	30,391	22,855	26,314	28,416
Net Cashflows from investing activities	(32,057)	(42,074)	(32,507)	(39,529)	(38,339)	(31,922)	(29,932)	(11,460)	(25,895)	(25,090)
Cash Flow from financing activities										
Cash will be provided from										
Loans raised	13,000	36,000	46,000	21,500	51,500	15,000	2,000	4,000	2,500	12,000
Total Financing Cash Provided	13,000	36,000	46,000	21,500	51,500	15,000	2,000	4,000	2,500	12,000
Cash will be spent on										
Repayment of public debt	14,000	17,000	36,500	6,000	38,500	8,000	0	24,500	14,000	30,000
Total Financing Cash Applied	14,000	17,000	36,500	6,000	38,500	8,000	0	24,500	14,000	30,000
Net Cashflows from financing activities	(1,000)	19,000	9,500	15,500	13,000	7,000	2,000	(20,500)	(11,500)	(18,000)
Net increase (decrease) in cash held	(18,096)	142	1,066	(1,167)	1,171	1,740	(1,750)	1,200	995	660
Plus opening cash balance	18,591	495	637	1,703	536	1,707	3,447	1,697	2,897	3,892
Closing Cash Position	495	637	1,703	536	1,707	3,447	1,697	2,897	3,892	4,552

Reconciliation between Projected Cost of Service Statements and Projected Statement of Comprehensive Income

For the years ended 30 June 2010-2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
TOTAL OPERATING REVENUE										
Activity Cost of Service Statements										
Representation	578	607	613	632	641	659	670	685	701	719
Sustainable Development	191	416	200	203	240	278	248	252	220	262
Communities	1,990	2,048	2,018	2,194	2,317	2,411	2,279	2,330	2,503	2,564
Recreation & Leisure	3,477	3,250	4,696	5,553	6,022	5,564	5,444	6,545	6,882	7,022
Regulatory	4,092	4,277	4,380	4,484	4,587	4,697	4,810	4,925	5,048	5,174
Transportation	24,803	26,433	29,649	30,936	32,942	33,724	34,406	37,295	38,726	42,355
Water Supply	7,238	7,760	8,664	9,186	10,014	10,930	11,548	12,987	14,015	15,080
Stormwater	2,985	3,265	4,570	5,029	5,624	6,068	6,336	7,175	7,729	8,298
Natural Environment	218	237	319	326	369	385	374	440	457	460
Wastewater	7,615	15,674	12,753	9,969	11,046	12,110	12,760	15,364	16,599	17,430
Solidwaste	769	800	854	913	978	1,048	1,123	1,203	1,291	1,384
Economic	466	478	490	502	514	526	539	552	566	581
Internal Services	2,752	3,534	3,133	3,340	3,074	3,669	3,573	3,063	2,440	2,145
Total Operating Revenue	57,173	68,779	72,339	73,268	78,368	82,068	84,111	92,817	97,177	103,474
Total Operating Revenue as per Projected Statement of Comprehensive Income	69,409	80,872	85,396	85,909	91,924	95,422	97,873	106,282	111,664	117,994
Variance	(12,236)	(12,093)	(13,057)	(12,641)	(13,556)	(13,354)	(13,761)	(13,465)	(14,486)	(14,521)
General Rate allocated to activities	(10,826)	(11,263)	(11,860)	(11,765)	(12,021)	(12,377)	(12,738)	(12,391)	(13,354)	(13,324)
Environment Protection Rate allocated to activities	(1,410)	(829)	(1,197)	(876)	(1,536)	(977)	(1,023)	(1,073)	(1,133)	(1,196)
	(12,236)	(12,093)	(13,057)	(12,641)	(13,556)	(13,354)	(13,761)	(13,465)	(14,486)	(14,521)
TOTAL OPERATING EXPENDITURE										
Activity Cost of Service Statements										
Representation	2,455	2,478	2,546	2,751	2,610	2,704	2,937	2,807	2,900	2,951
Sustainable Development	2,731	3,086	2,941	2,700	2,955	3,118	3,019	2,941	3,157	3,106
Communities	4,422	4,675	4,708	4,840	4,999	5,225	5,276	5,344	5,628	5,753
Recreation & Leisure	3,845	4,199	4,534	4,555	5,087	5,330	5,471	5,586	5,783	6,164
Regulatory	4,991	5,202	5,378	5,449	5,538	5,635	5,737	5,840	6,061	6,216
Transportation	18,887	21,121	23,014	23,900	25,058	26,282	27,360	28,584	29,582	30,486
Water Supply	9,110	9,643	9,979	10,244	10,545	11,230	11,840	12,277	12,594	12,867
Stormwater	3,645	4,196	4,736	5,948	6,254	6,796	7,061	7,239	7,642	8,814
Natural Environment	283	297	303	294	300	308	315	323	332	340
Wastewater	11,001	11,270	10,627	11,206	11,638	12,623	13,699	14,259	14,019	14,638
Solidwaste	1,381	1,589	1,698	1,916	1,873	1,995	2,061	2,128	2,196	2,264
Economic	989	1,005	1,007	1,027	1,048	1,070	1,091	1,114	1,139	1,164
Internal Services	3,120	1,886	3,304	2,898	2,953	2,514	2,259	1,586	(479)	(2,590)
Total Operating Expenditure	66,859	70,647	74,775	77,728	80,858	84,831	88,126	90,029	90,553	92,173
Total Operating Expenditure as per Projected Statement of Comprehensive Income	66,859	70,647	74,775	77,728	80,858	84,831	88,126	90,029	90,553	92,173
Variance	0	0	0	0	0	0	0	0	0	0
Net Surplus per Statement of Comprehensive Income	2,550	10,225	10,620	8,181	11,066	10,591	9,746	16,253	21,110	25,821
Other Comprehensive Income										
Gains/(loss) on asset revaluation	36,938	46,868	24,761	26,155	23,133	24,454	25,810	26,107	27,476	28,826
Total Other Comprehensive Income	36,938	46,868	24,761	26,155	23,133	24,454	25,810	26,107	27,476	28,826
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	39,488	57,093	35,381	34,336	34,198	35,045	35,556	42,361	48,587	54,647

APPENDICES



*Western Bay of Plenty
District Council*

GLOSSARY

Asset Management Plan

A plan which sets out all the asset management actions and costs required to maintain, renew and/or add to an asset, or combination of assets, to achieve an agreed level of service.

Community Boards

Community Boards are constituted under the Local Government Act 2002 (Section 49) to:

- (a) represent and act as an advocate for the interests of its community; and
- (b) consider and report on all matters referred to it by the territorial authority or any matter of interest or concern to the Community Board; and
- (c) maintain an overview of services provided by the territorial authority within the community; and
- (d) prepare an annual submission to the territorial authority for expenditure within the community; and
- (e) communicate with community organisations and special interest groups within the community; and
- (f) undertake any other responsibilities that are delegated to it by the territorial authority.

Community Development

Community Development describes processes and activities that build capacity within communities to enable people to take control of their lives.

Community Outcomes

Key statements describing the Community's vision for the future of the District.

Comprehensive Development Plan

A strategic plan that sets out for a particular geographical community, matters relating to that community's future. The plans include a profile of environment, social, cultural, economic and infrastructural matters, all Council plans and programmes and may include other matters identified by that community. Each plan is developed by the community and other organisations and agencies that have planning or service delivery roles within that community. Implementation of the plan is shared between Council, the community and other participating organisations.

Concept Plans

Concept plans graphically illustrate the proposed development on a particular reserve. They are agreed with the community through an informal consultation process and then formally agreed upon through the reserve management plan process.

Council Outcomes

Council Outcomes describe what Council wants to achieve for a group of activities in the long term.

Council's Roles

Council has determined the role it will take in achieving a particular strategy.

Council's roles are defined as:

- Lead Agency** - Council is the principal decision-making authority.
- Partner** - Council will fund and carry out activities in formal partnership (including contracts) with other agencies.
- Facilitator** - Council will encourage others to be involved by bringing together interested parties.
- Advocate** - Council will promote the interests of the community to other decision-making authorities.
- Research and Monitoring** - Council will undertake research and monitoring in order to promote informed decision-making.

District Plan

Required by the Resource Management Act 1991. Provides mechanisms to enable the sustainable management of the District's natural and physical resources.

Infrastructure

The physical structures required to supply services to the community.

Key Indicator

A measure against which some aspects of policy performance can be assessed. A set of Key Indicators should provide sufficient information to track the state of the District and to trigger appropriate and timely action to address problems.

Local Government

Means a Regional Council or territorial authority. Section 10 of the Local Government Act 2002 defines the purposes of local government as:

- (a) to enable democratic local decision-making and action by and on behalf of communities; and
- (b) to promote the social, economic, environmental and cultural wellbeing of communities, in the present and for the future.

Long Term Plan or Long Term Council Community Plan

A 10-year plan prepared under Section 93 of the Local Government Act 2002. The purpose of the Long Term Plan is to:

- a) describe the activities of Council

- b) describe the Community Outcomes of the District;
- c) provide integrated decision-making, co-ordination of resources and a long-term focus for the decisions and activities of Council;
- d) provide a basis for accountability of Council to the community;
- e) provide an opportunity for participation by the public in decision-making processes undertaken by Council.

Maori Forum Committee

A Council-appointed iwi consultative forum comprising iwi representatives, the Mayor and five Councillors.

Planning

Formulating or organising a way by which something is to be done, e.g:

- 1. **Strategic Planning** - Formulating a way by which actions are to be identified, co-ordinated and resourced over an extended period of time in order to achieve a desired outcome.
- 2. **Financial Planning** - Formulating a way to fund actions.
- 3. **Resource Management Planning** - Formulating a way to manage environmental effects of activities and development in accordance with the Resource Management Act 1991.
- 4. **Annual Planning** - Formulating a way by which actions for the forthcoming year are identified, prioritised and resourced.

Reserve Management Plans

Reserve Management Plans are required by the Reserves Management Act 1977 and prepared for each ward. They combine the recreational vision for the ward with the generic and specific policies for each reserve within the ward. Where appropriate, concept plans are prepared in conjunction with the Reserve Management Plan.

Strategic Areas

The Strategic Areas identify the four Key Response Areas setting out how Council will contribute to achieving the Community Outcomes.

Strategies

The Strategies outline how Council will achieve the Council Outcomes. These Strategies trigger specific actions.

Structure Plan

Structure plans define for each community where infrastructure will be organised over time.

Subregion

Area covered by Western Bay of Plenty District and Tauranga City.

Sustainable Development

Sustainable development means meeting the needs of the present, without compromising the ability of future generations to meet their own needs. It means developing economies and lifestyles which improve people's quality of life, within the carrying capacity of the life support systems of human societies. It is closely related to the Maori values of "kaitiakitanga" - stewardship.

Sustainable Management

Sustainable management is defined by Section 5(2) of the Resource Management Act 1991 as managing the use, development and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic and cultural wellbeing and for their health and safety while:-

- (a) sustaining the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations; and
- (b) safeguarding the life-supporting capacity of air, water, soil and ecosystems; and
- (c) avoiding, remedying or mitigating any adverse effects of activities on the environment.

Ward

Every territorial authority may be divided into wards for electoral purposes (Section 3 Local Government Act 2002). The Local Government Commission determines the numbers and boundaries of wards. The Western Bay of Plenty District is divided into five wards:

- Maketu
- Te Puke
- Kaimai
- Katikati
- Waihi Beach.

SCHEDULE OF FEES AND CHARGES 2009/10



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GENERAL

ADMINISTRATION

Property file search	10.00
Property file search and provision of information – electronic (CD) when available (where requests received by mail/fax/email and copies of file contents provided)	30.00
Valuation enquiry	2.00
Rural numbers application and placement of rural numbers	40.00
replacement rural number plates	10.00
File search and supply document – fax/email	15.00
Road renaming The fee to applicants for road renaming will be the actual costs for public notification (as required by legislation) and the actual costs for new signage, should the application be approved	
Hire of Committee Room	POA
Facsimile Charges Public incoming	0.50
Public outgoing	1.00

PHOTOCOPYING CHARGES

Black and white	
A4	0.20
A3	0.40
A2	1.50
A1	2.50
Colour	
A4	2.00
A3	3.50
Deposited Plans (copies) DP, DPS, SO, ML	A3 7.00
Archaeological information – map and report	A3 14.00

GIS MAPPING – ELECTRONIC AND PRINT FORMATS

A4	8.00
A3	15.00
A2	30.00
A1	35.00
A0	60.00
Mapping work requests for non-standard maps and data extracts - a quote will be supplied	105.00 per hour (Min charge 52.50)
Aerial photos - electronic format	
per title	40.00
per km ²	100.00
Contours	
2-5m per km ²	20.00
1m per km ²	160.00

OFFICIAL INFORMATION REQUESTS

Staff time – first hour	No charge
Staff time – after first hour	76.00
per hour	
Work undertaken by external contractors and consultants will be charged at their normal hourly rate	Costs recovered from applicant
Photocopying	Costs recovered from applicant

PUBLICATIONS AND SUBSCRIPTIONS

Asset Management Plans	
Water Supply AMP*	80.00
Wastewater AMP*	80.00
Stormwater AMP*	80.00
Solid Waste AMP*	80.00
Property AMP	80.00
Reserves AMP	80.00
Coastal and Marine AMP	80.00
Recreation and Leisure AMP	80.00
Transportation AMP	120.00
* Excludes appendices – price on application	
District Plan	
Text	55.00
District Plan Maps	
A4	130.00
A3	250.00
Updates of both the text and maps are charged on a cost recovery basis.	
Development Code	112.50
Treasury Policy	15.00
Annual Reports	15.00
Civil Defence Plan – to non-distribution list agencies	25.00
Subscriptions (for circulation of copies of all notified resource consent applications) – fee per annum	250.00
Properties - copies of leases/licences	5.00
Management Plans (per plan)	20.00

CUSTOMER AND BUSINESS SERVICES

LIBRARIES

Fees

Reserve fee (adult)		1.00
Replacement card		3.00
New borrower fee		2.00
Holiday membership (\$45 refundable upon return of all items issued)		50.00
Interloan request fee	per book	8.00
	per article request	5.00
Plus lending library's fee, if any		
Music CD's (2 weeks)		2.00
Top Shelf (2 weeks)		3.00
Audio books (free to print disabled and children) (2 weeks)		3.00
DVD and video (1 week)	single	3.00
	multiple disc sets	5.00
Internet kiosk	per hour	6.00
	30 minutes	3.00
	10 minutes	1.00
	printing per page	0.25

Overdue charges

Adult items per day To a maximum of \$10.00 per item	0.30
Junior items per day To a maximum of \$5.00 per item	0.10
DVD, video, Top Shelf per day	1.00
Administration fee	5.00
Lost or unreturned items Replacement cost, administration fee, debt collection recovery	
Unpaid charges of \$50 and over Amount owed, debt collection recovery	

Discount policy

In addition to the regular "free to borrow" collections, the libraries offer access to some "pay to borrow" collections. These include a best seller collection named "Top Shelf", audio books, digital compact discs and music compact discs.

The pay collections are promoted using eye catching display units for storage, in-house topical displays and offering customers loyalty cards. The loyalty card system rewards customers by offering one free pay item following the rental of four "Top Shelf" items.

REGULATORY SERVICES

General

Fees payable for any inspection as a result of non-compliance with a Notice, Order or Requisition	155.00
Fees payable by the person who lodges a complaint with Council that after investigation is found to be unjustified	155.00
Land Information Memoranda (LIM) Standard 10 day service (includes aerial map where available) 4 day service*	230.00 355.00
LIMs involving multiple titles	POA
*The statutory target date is 10 working days. Council does not accept liability from any losses arising from a failure to meet the 4 day service, however a 100% money back guarantee applies if the 4 day target is not met.	

ANIMAL SERVICES

Registration fees

Class of Dog	Fee	Dangerous dog	Discounted fee (if paid on or before 1 August 2009)	Dangerous Dog
All dogs unless otherwise categorised	127.00	146.25	75.00	97.50
Stock working dog (kept solely or principally for the purpose of herding or driving stock) Spayed or neutered dog Dog registered with the New Zealand Kennel Club Any dog(s) kept by: New Zealand Police Customs Department Ministry of Defence Ministry of Agriculture Ministry of Fisheries Department of Conservation (for carrying out the function of the Police or Department of State) Security dog (kept by a security guard as defined in the Private Investigators and Security Guards Act 1974 – as a bona fide security dog)	127.00	146.25	65.00	97.50
Disability assist dog	No charge			

Class of Dog	Fee	Discounted fee (if paid on or before 1 August 2009)
Dogs domiciled on Matakana Island	64.00	38.00
Dangerous dog – Matakana Island	86.00	57.00
Dog adopted from a Western Bay of Plenty District Council pound (including free registration to end of the current year i.e. expires 30 June 2009) and microchip	85.00	85.00

Notes

- 1) The fees for multiple dogs owned by the same person may be limited to a maximum of five i.e. any owned over five may be covered by the registration fees for the first five. (Note: ALL dogs must still be registered. Applications for multiple dog ownership limitations will be considered at time of registration and is at Council's discretion. No refund for deceased dogs will be paid to owners of more than 5 dogs, where some dogs were registered at no charge, until the total number of dogs falls below 5.)
- 2) Legislation regarding the micro chipping of dogs came into force on the 1st of July 2006, the cost of this process is passed on to the dog owner. Dog owners will be referred to a Veterinarian at their own cost to have the dog micro chipped. Dogs that must be micro chipped before being released from the pound will be micro chipped by Council staff. The dog owner will be charged for the cost of this service.
- 3) **Disability Assist Dog** means a dog certified by one of the following organisations as being a dog trained to assist (or as being a dog in training to assist) a person with a disability:
 - (a) Hearing Dogs for Deaf People New Zealand;
 - (b) Mobility Assistance Dogs Trust;
 - (c) New Zealand Epilepsy Assist Dogs Trust;
 - (d) Royal New Zealand Foundation of the Blind;
 - (e) Top Dog Companion Trust.

Dog pound fees

First impounding	72.00
Second impounding (for same dog in previous 24 months)	150.00
Third and subsequent impounding (for same dog in previous 24 months)	200.00
Sustenance (per day)	10.00
Seizure fee	36.00
Destruction fee	40.00

Other fees

Replacement tag	5.00 each
Trading items (collars, leads, muzzles) are available but will be priced based on their cost plus a markup)	

Note: Dogs are only released upon payment of all fees owing.

Stock pound fees

For every sheep, lamb or goat	15.50
For all other animals	77.00

Note: Council will reduce the impounding fee "per head" where stock numbers are greater than five and there is not a corresponding increase in the cost of impounding. This reduction is limited so as not to go below the cost of five animals.

Repeated impounding

Stock, not necessarily the same animal, but owned by the same person, impounded on a second or subsequent occasion.	
For every sheep, lamb or goat (for same person in previous 24 months)	31.00
For all other animals (for same person in previous 24 months)	154.00

Sustenance

Actual and reasonable costs (minimum of \$2 per head of stock per day)

Driving charges

Actual and reasonable costs incurred in moving the stock to the pound or where it is delivered to the owner

Advertising

Where applicable, a notification fee of \$10 plus the actual cost of advertising impounded stock.

BUILDING

Specialist Services

More complex and larger projects may require the Council to refer documentation to specialists for checking for code compliance and to provide inspection services. Where specialist services are required, additional fees will be payable based on actual cost. These may include:

- engineering structure or land stability
- fire planning and precautions, electrical design check
- heating, ventilation and air conditioning, mechanical services

Other Fees

Extension of time for consents – 12 months only	55.00
Amendments to building consents (plus fee, if any, as a result of change in value and additional levies)	105.00
Application for waiver of NZ Building Code (includes applications for exemption from the Fencing of Swimming Pools Act)	315.00
Application for Code Compliance Certificate	Nil
Copies of Code Compliance Certificates and Certificates of Acceptance	20.00
Additional inspections	155.00
Title endorsements under s73 Building Act (includes Land Registrar fees) – per lot Note: legal fee component may vary and is cost recoverable	350.00
Title endorsements under s77 Building Act (includes Land Registrar fees) – per lot Note: legal fee component may vary and is cost recoverable	350.00

Compliance schedules and Annual Building Warrants of Fitness

- New compliance schedule	100
- Amendments to existing schedules	50
- Annual building warrant of fitness	45
Inspections - includes extra inspection as necessary where client requested inspection but project was not ready and change of use of building	155.00
Filing fee for recording information on property file (other than Certificates of Acceptance)	100.00
Certificates of Acceptance	300.00 plus the cost of the equivalent project value as per building consent including a PIM
Each inspection needed to assess application for Certificate of Acceptance Note: Council reserves the right to issue a Notice to Fix or commence summary proceedings for unconsented or illegal building work	155.00
Any other inspection or service where fees have not otherwise been fixed, inspection requested by owner which requires particular expertise e.g. lifts, electrical heating, ventilation and air conditioning, fire safety measures and similar non-routine requests for information or services. Charged out at Officer's hourly charge-out rate or actual cost of external report required	POA 50.00 minimum charge
Applications for acceptance as independent qualified person (three year acceptance for Bay of Plenty group)	90.00

Building consent approval information

(provided as required by s217 Building Act 2004) Printed and forwarded monthly – email preferred

Price per month	20.00
Price per annum	180.00

Building Consent Fees and Charges

Value of project/type of work	Application	PIM ⁴	BCAAA levy ²	Plan checking deposit	Council lodgement fee ³	Inspections
Project						
\$1 to \$20,000	235.00	190.00	25.00	215.00 ^{*(1)}	665.00	Inspection fees are payable on issue of building consent based on estimated number of inspections needed for the project. Additional inspections will be charged at the same rate. Each inspection type is charged at \$155.00. On visits where more than one inspection type is undertaken each incurs a fee.
\$20,001 to \$100,000	340.00	330.00	25.00	340.00 ^{*(2)}	1,035.00	
\$100,001 to \$500,000	455.00	330.00	25.00	500.00 ^{*(3)}	1,310.00	
\$500,001 upwards	565.00	330.00	25.00	580.00 ^{*(4)}	1,500.00	
Solar water heating system ⁵ – existing home	Nil	Nil	Nil	Nil	Nil	First Nil (extras at \$155.00 per inspection)
Sewer connections	100.00	Nil	25.00	50.00	175.00	\$155 per inspection
Solid fuel heater and domestic fireplace (includes PIM)	50.00	Nil	25.00	20.00	Freestanding 195.00*	Freestanding one inspection
					Inbuilt 290.00*	Inbuilt two inspections
Also charged when consent is issued:	Building levy (payable to DBH ⁶) \$1.97 for every \$1,000 value project valued at \$20,000 and over Levy for BRANZ (Building Research Authority) \$1.00 for every \$1,000 value project valued at \$20,000 and over					

Notes:

1. This is a minimum fee. Actual processing time and costs associated with approving the application over and above the minimum fee will be directly charged to the applicant e.g. consents in \$100,000 to \$500,000 average 6–12 hours processing. *() number in brackets indicates hours of processing time already included. Consent processing is charged at \$120 per hour broken down to nearest 15 minutes.
2. Building Consent Authority Accreditation and Assessment Levy.
3. This fee is non refundable once the consent has been approved if you decide not to complete your project. If you cancel prior to approval a pro rata charge will be made based on the processing undertaken.
4. Includes \$20 fee for Certificate of Title.
5. Council sustainability initiative - fees remitted.
6. Payable to Department of Building and Housing as per s53 Building Act 2004.

Also add fees for:

Rural numbers	40.00
Assessments required for District Plan, engineering, environmental health and dangerous goods	
- Assessments charged at Officer's hourly charge out rate or actual cost if external report required	50.00 (Minimum charge)
- Site inspections required in addition to assessment (per inspection)	155.00

Hourly charge-out rates:

Manager Health & Building	125.00
Senior Building Officer	115.00
Building Officers	105.00
Assistant Building Officer	95.00

HEALTH

Licensing and registration of premises

Annual registration (includes final inspection)	160.00
Issue of Notice to Rectify or Conform or Requisition	150.00
Transfer of registration or licence certificate where premises change ownership	50.00
Redefinition of premises	160.00

Bylaw licences

Amusement devices – licence fees pursuant to Amusement Devices Regulations 1978	11.25
Mobile shops – per annum	250.00
Hawkers, stalls (other than charitable or community organisations), mobile refreshment booth, roadside trader	50.00 per month

Liquor licences

Application for On, Off or Club licence, Renewal of these licences, Variation of Condition of Licence	776.00
Application for On Licence for BYO endorsement, or Off Licence or Caterer's endorsement	132.00
Application for Temporary Authority – On or Off Licences	132.00
Application for Manager's Certificate/Renewal of Manager's Certificate	132.00
Application for Special Licence	63.00
District Plan Compliance Certificate – minimum fee ¹	110.00

Inspection fees

Fees payable on issue of licence based on estimated number of inspections. Additional inspections will be charged at the same rate (per inspection)	155.00
Additional inspections due to non-compliance (per inspection)	155.00
New premises set up inspections and change of ownership pre-purchase inspections (per inspection)	155.00

Fireworks permits

Rural reserves	160.00
Urban reserves	80.00
Class 4 and Board Venues licences	50.00

Hotels and Taverns Licence food hygiene

Application, initial inspection and final inspection	260.00
Additional inspections (per inspection)	155.00
Notice for non-compliance issued	135.00

Club, On/Off Licence food inspection

Application, initial inspection and final inspection	260.00
Additional inspections (per inspection)	155.00
Notice for non-compliance issued	135.00
Monitoring inspection – annual inspection of On, Off or Club Licence (per inspection)	140.00

¹ This is a minimum fee. All costs associated with processing the application and monitoring the issued consent over and above the minimum fee will be directly charged to the applicant. For discretionary or non-complying applications, Council may not be able to grant consent. In these cases all applications fees are still payable. These fees do not include any Financial Contributions that may be imposed as a condition of consent.

RESOURCE CONSENTS

Hourly charge-out rates (for resource consents and all Council activities)

Consents Manager	140.00
Senior Planner	130.00
Senior Development Engineer	130.00
Planner	115.00
Regulatory Services Team Leader	80.00
Consents Officers and Technicians	70.00
Engineering Managers	140.00
Group Manager	180.00
Vehicles	70c/km
Legal Property Officer, Property Officer	65.00

Land Subdivision (non-notified) (includes planning and engineering fees and deposits)

Subdivision consents (including re-approvals)	Minimum fee ¹	1,250.00
Subdivisions greater than six additional lots	Minimum fee ¹	1,500.00
Protection lot subdivision/TDR's	Minimum fee ¹	1,600.00
Boundary adjustment/relocations/amalgamations	Minimum fee ¹	800.00
Cross lease plans – first stage cross lease	Minimum fee ¹	800.00
Second and subsequent stage cross lease	Minimum fee ¹	600.00
Amended cross lease (including s223/224 fees)	Minimum fee ¹	450.00
Conversion of cross lease to freehold	Minimum fee ¹	450.00
Rights of way (s348 Local Government Act)	Minimum fee ¹	600.00
Certificates under s226	Minimum fee ¹	350.00
Lapsing of consent: extension of time (s125)	Minimum fee ¹	500.00
Change or cancellation of consent conditions (s127)	Minimum fee ¹	800.00
s223 Certificate – payable at 223 stage	Minimum fee ¹	150.00
s224 Certificate – payable at 223 stage	Minimum fee ¹	250.00
Road/street naming	Minimum fee ¹	500.00
Engineering fee – payable only if engineering conditions apply)	Minimum fee ¹	500.00
Reserves valuations – payable at 224 and not including financial contributions)	⁶	
First additional lot		113.00
Two or more additional lots (per lot)		29.00
Sundry applications		350.00
Subdivision consents that proceed to hearing	⁷	Actual and reasonable cost
Application for esplanade reserve reduction or waiver		300.00

Engineering document approval

Administration fee – plus land subdivision and development administration fees	250.00
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Land subdivision and development fees (engineering fees payable when requesting a service)

Services rendered and not provided for in fixed fee (may be waived at discretion) e.g. requests for extraordinary attendances including meetings, site visits, etc.	125.00/hr 70c/km
Engineering plan approval fee Assessment by Council of the engineering plans and specifications and checks on construction work	Minimum fee ¹ of 1.75% of the estimated value of works at current market rates or \$250.00, whichever is the higher

¹ This is a minimum fee. All costs associated with approving the application over and above the minimum fee will be directly charged to the applicant.

Uncompleted works bonds

Administration process fee Uncompleted works bonds are calculated in accordance with the Development Code. However, the property owner undertaking the works will require Roding and/or Reserves approval prior to undertaking work outside their property and this may also require the payment of a Performance Bond. Uncompleted works bonds are not required for Western Bay of Plenty District Council's utility connections. Only Council's approved utility contractors are permitted to work on utility assets. However, the property owner undertaking the works will require Roding and/or Reserves approval prior to undertaking work outside their property and this may also require the payment of a Performance Bond.	250.00
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Maintenance bonds

Administration process fee Construction maintenance bonds will be required where assets are to be vested to Council. The value of the construction maintenance bond will be calculated in accordance with the Development Code.	250.00
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Non-compliance

Miscertification charges and reinspection of previously non-complying works	Refer to hourly charge out rates plus 70c/km disbursements and internal fees + 15%
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Notified resource consent applications, designations, heritage orders and plan changes

Public notification	Minimum fee ^{1,7}	2,000.00
Limited notification	Minimum fee ^{1,7}	1,500.00

Non-notified resource consent applications except subdivisions (includes planning and engineering fees and deposits)

Signs ⁴	Minimum fee ¹	500.00
Non-compliance with performance standards ⁴	Minimum fee ¹	750.00
Frost fans ⁵	Minimum fee ¹	800.00
Additional dwellings/minor dwellings ⁴	Minimum fee ¹	800.00
Additional dwellings on subdivision	Minimum fee ¹	600.00
Buildings in coastal protection zones – primary risk zone ^{3,5}	Minimum fee ¹	1,450.00
Buildings in coastal protection zones – secondary risk zone ^{3,5}	Minimum fee ¹	650.00
Landscape applications and other applications subject to fees waiver under plan ²		500.00
All other non-notified land use consents	Minimum fee ¹	1,250.00
Change or cancellation of consent conditions (s127)	Minimum fee ¹	800.00
Lapsing of consent/extension of time (s125)	Minimum fee ¹	400.00
Consents that proceed to hearing ⁷		Actual and reasonable cost
Stability/floodable areas	Minimum fee ¹	700.00

Notes:

General - These fees do not include Financial Contributions that may be imposed as conditions of consent. Council requires payment of all fees and charges prior to release of a decision document and 223 or 224 Certificates.

1. This is a minimum fee. All costs associated with processing the application and monitoring the issued consent over and above the minimum fee will be directly charged to the applicant. For discretionary or non-complying applications, Council may not be able to grant consent. In these cases all application fees are still payable.
2. These fees are indicative only of the cost of the activity but are not payable by the applicant.
3. This fee includes the legal costs of preparing and registering a covenant on the title that will refer to the resource consent conditions. If the resource consent application is withdrawn or the consent is issued

without a condition to require a covenant, then a fee refund of \$500 (GST inclusive) will be payable.

4. This fee includes the cost of monitoring the issued consent at \$140.00
5. This fee includes the cost of monitoring the issued consent at \$140.00.
6. These fees only apply to subdivision applications that require Quotable Value NZ calculation at 224 for the purposes of determining Reserves Financial Contributions. Note that any Reserves Financial Contributions are additional to these fees.
7. Council's funding policy requires that applications (not subject to exemption) that proceed to Hearing will be charged 25% of the Elected Members' costs. Note: Exempted applications include any objections and any applications made by staff or Elected Members that would not normally proceed to a Hearing but are required for transparency purposes to be heard.

Requests for information or other services not subject to specific fee

Any request for services or information that is not specifically related to the District Plan applications or of a non-routine nature will be charged at Officer's hourly charge out rate	50.00 (Minimum charge)
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Miscellaneous

Outline plan approval	Minimum fee ¹	500.00
Miscellaneous certificates (including consent notices) and authenticated copies of Council resolutions		200.00
Overseas Investment Commission certificate		150.00
Certificate of Compliance (except subdivisions) and Certificate of Existing Use Rights – Resource Management Act	Minimum fee ¹	400.00
Peer reviews		Actual cost
Outline plan/notice of requirement	Minimum fee ¹	750.00

Monitoring and compliance

Site visits required to monitor conditions of resource consent (per site visit)	140.00
Noise: return of property seized under an excessive noise direction or abatement notice	250.00

Hydrant flow texting

Hydrant ¹	55.00
Hydrants ²	75.00
Hydrant modelling (for new connection purposes)	150.00

Notes:

1. This is a minimum fee. All costs associated with processing the application and monitoring the issued consent over and above the minimum fee will be directly charged to the applicant. For discretionary or non-complying applications, Council may not be able to grant consent. In these cases all application fees are still payable.
2. These fees are indicative only of the cost of the activity, but are not payable by the applicant.

ASSETS AND ENGINEERING

PROPERTIES

Right of way easements - subject to negotiation and valuation		300.00
Exchange of land – subject to negotiation and valuation	per half hour plus disbursements	40.00
Licence to occupy legal unformed road to enable the carrying out of trade or business or for any other purpose		125.00
Lease		270.00
Variation of lease		125.00
Renewal of lease		125.00
Transfer of lease or subletting of lease		125.00
Purchase of land	per half hour plus disbursements	40.00
Partial/full release Memorandum of Encumbrance		125.00
Esplanade strip agreement		90.00
Sundry applications	per half hour plus disbursements	40.00

Lease/Licence – applications and consents

These activities in addition to the above fees and charges may also incur:

1. DOC fees at approximately \$50.00 per hour; and
2. Legal costs from Council's solicitors; and
3. Survey costs where applicable.

Historic Places Trust

Authority to modify archaeological site – per application Plus DOC charges – approximately \$50.00 per hour	75.00
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Site inspections

Subdivisions, reserves	50.00
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Cemeteries

Adult plot purchase	1,125.00
Children's row plot purchase	416.00
Ashes plot purchase	303.75
Ashes wall purchase	305.00
Burial of ashes in existing plot	115.00
Burial fee: Adult	395.00
Child	395.00
Ashes	115.00
Extra depth	115.00
Re-opening fee (breaking of concrete)	115.00
Disinterment and reinterment	Actual cost

Pensioner housing

	New	Old
Single unit per week	101.00	98.00
Double unit per week	144.00	140.00

RESERVES

Sports fields and courts

Ground charges

20% of gross gate takings with a daily minimum of \$100.00, plus a charge for litter clearance at cost plus 20%, with a minimum charge of \$50.00. No standard ground rental is payable. For club play, the regular sports code fee applies. For practice play, full fees shall apply.

Bonds

Bonds may be required to ensure any potential damage or excessive wear and tear can be corrected. Bonds are to be paid prior to confirmation of the booking and will range in value from \$150.00 up to \$2,000.00. Bonds are returned if premises are left clean, tidy and in good condition. Schools and junior play, no rental charge but large events may require a litter bond. Rubbish collection applies as above.

Charge per field/court

Rugby	Senior (casual \$51.00) Junior	715.00 237.00
Rugby league	Senior (casual \$51.00) Junior	715.00 237.00
Soccer	Senior (casual \$51.00) Junior	524.00 174.00
Hockey	Senior (casual \$51.00) Junior	524.00 174.00
Athletics	(Casual \$51.00)	813.00
Softball	Senior Junior	428.00 143.00
Twilight cricket		305.00
Cricket	Senior (casual \$51.00) Junior	350.00 174.00
Winter season	April – September	
Summer season	October - March	
Touch rugby	Senior Junior	266.00 133.00
Tennis	Six month season	286.00
Netball	Senior Junior	222.00 111.11
Casual tennis	Per court, per day	22.00
Casual netball	Per court, per day	24.00
Centennial Park Ablution block (booked users only)		
Cold showers		Nil
Hot showers		50.00

Notes:

1. Junior fees only charged if damage occurs or area left untidy.
2. Clubs and schools are still required to book sports fields/courts for casual/seasonal use.
3. Under the Reserves Act 1977 public shows, fairs with stalls, etc. – public liability insurance for \$150,000.00 is required. Evidence of this must be presented to Council staff two weeks prior to the event.
4. Amusement devices such as merry-go-rounds and magic carpet rides must be registered by the owner with the Department of Occupational Health & Safety. Once registered a permit for use is available from Council.

Miscellaneous – field use charges

Western Bay Harness Club	per day	105.00
Katikati A&P Show		250.00
Tauranga Kennel Club (camping \$10.00 per day per caravan)	per day	105.00
Circus	per day	105.00
Others		By negotiation

ROADING

Vehicle crossings – condition of subdivision or land use consent

Performance bond – bond attached to title

At time of 224(c) application (subdivision) or application for building consent and/or commencement of activity, a performance bond shall be taken where crossings are yet to be constructed.

Urban – vehicle crossing

Standard double residential or industrial crossing	2,000.00
Administration (set up the bond)	100.00
Certification inspection (to sign off)	155.00
Re-inspection fee (if failed)	200.00

Rural – vehicle entrance

Rural crossing Diagram A, B, C	4,000.00
Administration (set up the bond)	100.00
Certification inspection (to sign off)	155.00
Re-inspection fee (if failed)	200.00

Road services

Request for speed zone review	1,000.00
Fencing permits	100.00
Stock crossing	100.00

Other

Applications for road closures and road use (including sporting, recreational or other events on the road)	120.00
Road stopping applications – processing fee	600.00
Application to discharge stormwater to road	120.00
Decorative streetlighting (see District Plan rule 12.4.4.6(e) to (g))	Calculable
Overweight permits	120.00
Overweight permits requiring bridge analysis	250.00 + 140.00 per bridge
Approval of a construction zone	250.00

Road opening notices

Consent to work on or below the road – includes

Emergency works	50.00
Minor works (connections and excavation less than 20 metres, on site)	50.00
New vehicle crossings	50.00
Major works	120.00
Project work (work to exceed 28 days)	250.00

Community information boards

Business advertising signage: supply and install signage	350.00
annual licence fee	100.00

As-built data – Engineering records

Receiving accurate/complete electronic as-built records for transfer to Council's geographic information system (GIS) per subdivision		60.00
Correction of inaccurate or incomplete as-built records	per hour	125.00
Conversion to electronic format		
electronic conversion from paper as-built records	per hour	125.00
transfer of electronic as-built records to Council's GIS system		125.00
Where Council cannot process as-builts within 10 days, release of a Section 224 Certificate will be subject to Group Manager Assets & Engineering discretion.		
Standard technical specifications	per disc	50.00
Standard drawings	each	5.00

UTILITIES

Charges for services rendered to the public in excess of 10 minutes (15 minutes at discretion)	20.00 10 minutes
Non-compliance Services rendered for re-inspection of previously non-compliant works, plus internal fees	18.00 10 minutes

Water connection

Administration fee	100.00
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The physical connection to the water network will be undertaken by Council's Network Maintenance Contractor. The applicant will be invoiced actual and reasonable costs.

Stormwater connection

Administration fee	100.00
Inspection fee	130.00

Sewerage connection

Administration fee	100.00
Inspection fee	130.00

Obtain quotes from any registered drainlayer. If the stormwater or wastewater connection is undertaken by Council's Network Maintenance Contractor, at a cost to the applicant, no inspection fee will be charged.

Tradewaste bylaw charges

Initial application fee	140.00
Connection fee (where applicable)	357.00
Disconnection fee	357.00
Re-inspection fee	280.00
Compliance monitoring (lab testing)	Actual
Temporary discharge application fee	140.00
Special rates for loan charges	Actual

Annual tradewaste charges

Annual management fee for discharge to cover the wastewater authority's costs including:

1. Administration;
2. General compliance monitoring;
3. General inspection of trade waste premises.

Categories

A.	Permitted (not required)	
B.	Conditional	
B1.	Low Risk	280.00
B2.	Medium Risk	560.00
B3.	High Risk	1,120.00
C.	Prohibited (not consentable)	

Trade waste reticulation and treatment charges

Based on Schedule 1C Tradewaste Bylaw 2008 and existing Reticulation and Wastewater Treatment Plant costs.

Greenwaste centre charges

Car	7.00
Station wagon	7.00
Small trailer	24.00
Utility	24.00
Tandem trailer	46.00

Notes:

1. Loaded combinations of vehicles pay both charges.
2. Small trailer is no larger than 2.4m by 1.2m; with sides no higher than 300mm.

Recycling fees (at recycling centres only)

FREE – there is no charge for recycling the following items:

Newspapers
Cardboard
Aluminium cans
Metal cans
Glass bottles (white/green/brown)
Plastic milk containers
Plastic soft drink and juice bottles

NOT ACCEPTED – the following items are not accepted:

Mixed waste
Organic waste
Plastics other than milk, soft drink and juice bottles
Contaminated recyclables

FINANCIAL CONTRIBUTIONS – FOR INFORMATION ONLY

Financial Contributions have been reflected in the fees and charges for information only. Financial Contributions are set in relation to the Resource Management Act 1991 and may change in response to the capital works identified to be carried out as part of the Long Term Council Community Plan. **Note:** Financial contributions relating to Omokoroa and Central Water could be subject to change as a result of the decisions on Plan Change 69 Omokoroa Urbanisation.

		Per additional lot	
Water		\$	
	Western		3,503
	Central		3,337
	Eastern		5,587
Wastewater		\$	
	Waihi Beach		9,173
	Katikati		5,714
	Omokoroa		7,347
	Te Puke		4,237
	Maketu - (indicative)		12,646
Stormwater		\$	
	Waihi Beach		4,028
	Katikati		3,481
	Omokoroa		2,788
	Te Puke		5,987
Transportation		\$	
	District Wide		974
		Per additional lot Without District wide	Per additional lot Including District wide
Urban		\$	
	Waihi Beach	6,570	7,544
	Katikati	12,532	13,506
	Omokoroa	9,264	10,238
	Te Puke	4,705	5,679
Omokoroa – road specific			
	Road specific		
	Hamurana Road	1,872	Per 100m ²
	Hamurana Road Stage 2	1,792	Per 100m ²
	Lynley Park link	2,971	Per 100m ²
	Goldstone Block	129	Per 100m ²
		Per additional lot Without District wide	Per additional lot Including District wide
Rural		\$	
	Waihi Beach/Katikati Wards	11,842	12,816
	Kaimai Ward	11,842	12,816
	Te Puke/Maketu Wards	11,842	12,816
Ecological		483	
Recreation and leisure		4.65% of section's sale price – capped at section price of \$250,000	

(All figures exclusive of GST)

SUMMARY OF THE WASTE MANAGEMENT PLAN FOR TAURANGA CITY COUNCIL AND WESTERN BAY OF PLENTY DISTRICT COUNCIL

Council adopted the joint Waste Management Plan for Tauranga City Council and Western Bay of Plenty District Council in September 2001, in accordance with Section 539 of the Local Government Act 1974. Council intends to review this Plan in 2009/10, to incorporate the requirements of the Waste Minimisation Act 2008 and to review its role in this activity.

The plan provides for the management of waste in the subregion, having regard to the waste management hierarchy (i.e. reduction, reuse, recycling, recovery, treatment). In the context of the plan, waste is taken to mean any materials that are, or have the potential to be, disposed of in landfills.

The plan sets out visions and principles for waste management in the subregion, together with policies to guide waste management activities undertaken by the respective councils.

The waste management vision for the subregion is:

“Sustainable waste management that protects the environment for present and future generations by vigorously promoting waste minimisation to achieve a zero waste target by 2015.”

The following four principles guide how the respective councils will manage waste:

- Reduction is the first option.
- Waste management programmes will be developed by co-operating and communicating with the community, councils and businesses.
- In deciding between waste management options, consideration will be given to economic, environmental and social costs and benefits.
- Positive and proactive waste management practices will be encouraged and wasteful practices will be discouraged.

The following policies are contained in the Waste Management Plan:

- Waste reduction policies relating to waste minimisation education, promotion of home composting and vermiculture and funding for reduction activities.
- Reuse policies relating to waste exchange registers and funding for reuse activities.
- Recycling policies relating to kerbside recycling, resource recovery facilities, community drop-off facilities, private recycling operations, recycling targets and funding for recycling activities.
- Recovery policies relating to greenwaste recovery, reprocessing and funding for recovery operations.
- Waste collection and treatment policies relating to urban waste collections, litter collections, inorganic waste collections, licensing of waste collection operators, hazardous waste collection and treatment, provision of transfer stations for waste, licensing of transfer stations, funding for waste collection and treatment operations.
- Disposal policies relating to operating cleanfill sites, licensing cleanfill operators, licensing landfill operators, illegal dumping and funding disposal operations.

Council's Solid Waste Strategy, as outlined in the Long Term Plan 2009-19, details Western Bay of Plenty District Council's commitment to the vision and policies contained in the subregional Waste Management Plan. There are no significant differences between the subregional Waste Management Plan and Council's Solid Waste Strategy.

SUMMARY OF THE WESTERN BAY OF PLENTY DISTRICT ASSESSMENT OF WATER AND SANITARY SERVICES 2008

The Local Government Act 2002 (LGA) requires Council to undertake an assessment of the following water and sanitary services in the District, from time to time.

Water Services include:	Sanitary Services include:
Water supply (drinking water)	Cemeteries and Crematoria
Wastewater services	Public toilets
Stormwater	Solid Waste ¹

The first assessment was done in 2005 and has recently been updated. Council adopted its Draft (revised) Assessment of Water and Sanitary Services for the Western Bay of Plenty District Council in December 2008, for public consultation. The consultation process ran concurrently with consultation on the draft Long Term Plan, 2009-2019. The Assessment of Water and Sanitary Services 2008 was adopted on 30 June 2009.

The purpose of the assessment is to determine whether adequate provision has been made to protect public health in the District through the current and future provision of water and sanitary services. The assessment extends to all water and public sanitary services available within the District, i.e. not simply Council-owned and operated facilities.

Key findings - Assessment of Water and Sanitary Services 2008

Water Supply

Council supply

The assessment noted:

- General compliance with all performance measures except for fire code compliance in some areas.
- Significant increases in average and peak daily demand are anticipated, given future population projections.

Areas of the Council water supply zones with inadequate future supply flow and pressure have been identified and proposals have been developed for augmentation of the network as demand increases. Investigations into demand management strategies, together with proposals for network renewal and augmentation, have been included in Council's Long Term Plan.

Private supply

Council's role has been very limited in dealing with issues of private supplies, with the issue of enforcement being difficult where no alternatives are available. No private water supplies

are currently compliant with New Zealand Drinking Water Standards (NZDWS). The Health Act stipulates July 2011 as the date by which all practical steps to comply must have been taken by small community supplies. All private supplies are eligible for the Ministry of Health Technical Assistance Programme. The building code is a key document for dwellings not connected to the public supply. Water supplies serving less than 1,500 person days per year are exempt from compliance with the NZDWS. An ongoing and active education campaign is seen as the most useful way of supporting these communities. The Medical Officer of Health has expressed concern about the safety of private supplies. Council will ensure that new developments within reticulated areas will be connected to its supply.

Wastewater Services

Council systems

The assessment noted:

- Compliance with requirements for Council operated wastewater treatment systems.
- Existing capacity in wastewater treatment plants, with upgrades required for growth in Katikati and Te Puke scheduled after 2013.
- Large quantities of sludge are being produced and new options for disposal are being investigated.

Private systems

General concern was raised about poorly maintained septic tanks.

- A central government managed 'warrant of fitness' regime is being considered and would address this issue. Provision for ongoing monitoring of environmental effects of septic tanks is noted.
- The Regional Council's On-site effluent treatment Plan identified problems caused by wastewater discharges in Maketu, Little Waihi, Ongare Point, Te Puna, Tanners Point and Omokoroa.
- Omokoroa problems have been resolved by reticulation to Tauranga City Council's sewer system and further investigation is underway for small coastal communities.

Stormwater

Council services

Council's performance does not always meet agreed levels of service. The most significant differences related to flooding in low lying areas, where the existing stormwater drainage systems do not meet current Council development standards. The assessment noted scheduled upgrades in these areas.

¹Solid waste was excluded from this assessment as it is considered to be adequately covered in the Waste Management Plan, in accordance with section 128 of the Local Government Act 2002.

Private services

Council is not involved in private stormwater disposal outside its own network, other than through the building consent process which requires adequate disposal for new structures and alterations.

Future Demand

Additional future demand for stormwater services is to be met through the building consent process, new Council assets and extension to existing Council assets. Where development is being intensified, the developer and/or Council (depending on whether the work addresses existing problems) will upgrade the downstream system prior to carrying out development.

Cemeteries & crematoria

Council facilities have sufficient capacity to meet current and future demand. Council holds no information regarding existing capacity in urupa. No risks to public health are anticipated.

Public toilets

It was noted that increases in visitor nights and the resident population will put pressure on existing public toilet services. Some upgrades are proposed. Seven long-drop style toilets are currently serviced by soak holes. These facilities and several others may not meet the Permitted Activity provisions of the Environment Bay of Plenty (EBOP) On-site effluent treatment Regional Plan and may need Resource Consent or upgrading to a more suitable system. The Medical Officer of Health has raised concerns regarding the provision of adequate hand washing and drying facilities. This issue will be addressed in the review of the Recreation and Leisure Strategy in 2009/10.

There are no significant differences between the information contained in the Assessment of Water and Sanitary Services 2008 and the Long Term Plan.

The full Assessment of Water and Sanitary Services 2008 is available on Council's website www.westernbay.govt.nz.



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