

2

# Informing our Planning

Whakamōhio to  
mātou Mahere



**This chapter sets out our approach to promoting social, cultural, environmental and economic wellbeing for our communities. It also includes how we develop Māori capacity to contribute to decision-making, and our Financial and Infrastructure Strategies.**



## Chapter 2

# Informing our Planning

## Whakamōhio to mātou Mahere

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## Wellbeing Plan Mahere Hauora

The purpose of local government is to promote the economic, social, cultural and environmental wellbeing of its communities, both now and in the future.

We've developed this Wellbeing Plan to set out our approach.

## Wellbeing

Wellbeing means different things to different people and to different communities. In general, it's the experience of health, happiness and prosperity, and having a sense of meaning or purpose in one's life. That could mean having a good, stable job. It could be knowing your kids are safe at school and are getting a good education. It could be having a stream or river nearby that's clean and healthy – a place where you can go and enjoy nature. It might be knowing your neighbours and belonging to local clubs where people can get together and connect. Or, feeling safe and secure and warm in your home.

For Māori communities, wellbeing is strongly linked with the connection to place – knowing the land, the whenua, having a local marae that is your place in the community, being able to use local resources such as harakeke, kaimoana, and rongoa so that traditional practices can thrive.

## Council's role

The purpose of local government is to promote the economic, social, cultural and environmental wellbeing of its communities, now and in the future.

This means Council needs to think about how the actions or activities it undertakes or supports now, will impact not only on the present communities but also how they will affect future generations.

## Deciding what's important

We used existing data and information from iwi / hapū management plans, community plans, other projects where there was community consultation, and surveys such as the Annual Residents Survey and Vital Signs to inform our response to wellbeing. We've split these into:



**Social / Cultural  
Wellbeing**



**Economic  
Wellbeing**



**Environmental  
Wellbeing**



## The impact of COVID-19

Toi Te Ora Public Health carried out a Community Health and Wellbeing Needs Impact Assessment to understand the impacts of COVID-19. The key findings were:

- Those who were most disadvantaged, were the most negatively impacted.
- There are increasing and complex mental health needs across the population
- There have been increases in financial hardship and unemployment, in particular for Māori, youth and women.
- People are less able to meet their basic needs, and in particular are facing housing challenges and food insecurity.

The study points out that there have been possible improvements in environmental health (for example better air and water quality over the lockdown period) and possibly more people are engaged in physical activity as a result of walking, cycling and using green space during lockdown. However these factors have not yet been explored.

Our economy will feel impacts from COVID-19, but these may be less severe than in other parts of the country. This is because the Western Bay of Plenty had sustained growth in GDP in the five years prior to 2020, with very low rates of unemployment and lower NEET rates (Not In Education, Employment or Training) than the rest of New Zealand. The Government's economic stimulus packages will be critical to reducing negative impacts on the economy.

The factors set out here have been considered by local communities and have informed the priorities set out in the local wellbeing action plan (see further on in this section).

## The impacts of the housing crisis

Housing affects people's wellbeing in many ways. High mortgages and rents put households under financial pressure. Not having secure housing means households face disruptions if they have to move - affecting schooling, ability to get to work and being connected to a network of family and friends. A lack of supply of good quality housing means people accept living in cold and damp places that can affect their health.

Housing was already a major challenge in the District. Contrary to what may have been expected, COVID-19 has accelerated housing demand where there was already a lack of supply, leading to house prices and rents continuing to rise to new highs. Sustained population growth is keeping up the pressure on the market. The Bay of Plenty population increased by 3.8% to the end of June 2020 - and this was possibly higher in the Western Bay than other parts of the region.

As people are priced out of the private market, demand increases for social housing. Both the social housing register (people with very high housing needs who are on the waiting list for social housing) and emergency housing special needs grants have steadily increased over the last three years.

There are three major new urban areas planned in the sub-region, Te Tumu (Papamoa East), Tauriko West, and Ōmokoroa Stage 3. But they are not scheduled to be ready for development until 2024. This means there is limited capacity to cater for the housing demand - which will most likely lead to continued increases in house prices and rents, and subsequently increasing demand for social, transitional and emergency housing.

The housing sector is also a significant part of our local economy. Construction contributed 8% of GDP in the year ended June 2019. The rental, hiring and real estate sector contributed nearly 10%. While not all of this is directly related to residential development, it is possible a downturn in house building activity (due to a lack of land that is easily developable) could have a significant impact on the Western Bay's economy.

Council is working closely with Tauranga City Council, Bay of Plenty Regional Council, Tangata Whenua and Central Government (in particular the Ministry of Housing and Urban Development and Kainga Ora) on these housing challenges. They have also been considered through Council's review of its elder housing activity.

You can see more about this in our key proposal for elder housing in the Long Term Plan 2021-2031 Consultation Document.

[www.hellofuturedistrict.co.nz](http://www.hellofuturedistrict.co.nz)





## Social / cultural wellbeing

To inform Council's role in social / cultural wellbeing, we developed some outcomes and an agreed "way of working".

Our overall outcomes are that in the Western Bay of Plenty, no matter what age you are:

- People feel safe and welcome.
- People are connected and feel they belong.
- People can be active and healthy and enjoy the outdoors.
- People have access to adequate housing.
- People can learn and contribute.

Council will not, on its own, achieve these outcomes. Our role is to structure the way we work and deliver our services in the best possible way to contribute to these outcomes.

Recognising that communities are best placed to achieve their own aspirations, we adopted the following key principle:

**"The knowledge of what makes a great community, sits within that community".**

***"Ma te hapori ano te oranga o te hapori".***

Council aims to apply this principle to the way it works with communities. We want to work with communities to build:



### Whakawhanaungatanga – relationships

Recognising that good relationships are the key to success in any project or initiative.

### Manaakitanga – support

Council doesn't control or do it all, it's about supporting communities with their endeavours.

### Oritetanga – equal opportunity

Understanding that some communities might be starting further behind others and providing extra support and resources so they can advance.

Through working with communities we identified four key areas where Council could provide more support over the next three years:

- **Older people** - creating environments and connections where older people are valued and able to participate.
- **Digital enablement** - access to technology and resources bridge the 'digital divide'.
- **Young people** - creating environments and connections where young people have a sense of belonging, and pathways to employment.
- **Events** - creating a clearer understanding of how Council supports local events that contribute socially, culturally and economically to our communities.

Council will also continue to support arts and culture, sport and recreation initiatives, and community development through service delivery contracts with various organisations.

You can see more of the key actions Council will take in the Communities Group of Activities section from page 177 in the Activities section of the 2021-2031 LTP supporting documentation. This covers Community Building, Community Facilities and Libraries and Service Centres.

**For wellbeing for our Māori communities, see the Tangata Whenua priorities section on page 27.**



# Environmental wellbeing

Our District has a vision of having a clean, green and valued environment.



Our approach is:

## **Manaaki Tinana**

Caring for the physical health of the environment.

## **Manaaki Hinengaro**

Sharing and valuing knowledge about the environment.

## **Manaaki Wairua**

Protecting sites of natural and cultural significance.

## **Manaaki Hononga**

Fostering strong and effective working relationships and encouraging collective responsibility.

To achieve the District vision using the approach set out above, we aim to:

- use resources wisely
- protect important natural and cultural areas
- increase indigenous biodiversity
- have a lighter footprint
- connect people with the natural environment
- make decisions to address the impacts of climate change.

*We've reviewed our funding for environmental programmes. You can see more about this and other actions we're taking in the Natural Environment and Sustainable Living Activity, Solid Waste Activity (for rubbish and recycling), and in our Climate Change Action Plan from page 31.*







# Economic wellbeing

**Council aims to encourage the use of local resources in a way which strengthens economic opportunities and improves social outcomes.**

We have key relationships with Priority One (economic development agency) and Tourism Bay of Plenty (Regional Tourism Organisation) to build economic capacity at the sub-regional level. We support economic development in our towns and wards through supporting organisations like Te Puke Economic Development Group, EPIC Te Puke, Katch Katikati, and Waihi Beach Events and Promotions.

Council also has a key role to play through the way it delivers its services, to support growth and transport.

*You can see more of the key actions Council will take in the economic development activity in the Activities section on page 308.*





# Local priorities

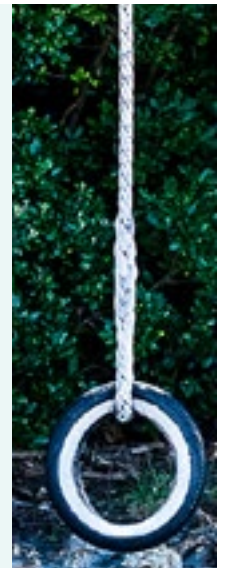
We wanted to understand the key priorities for our communities, to improve their local area's overall sense of wellbeing. So we worked with local providers and invited local groups and organisations to a workshop to find out.



## Katikati Community / Waihi Beach

### Three key actions:

1. Create a hub for youth, using the Katikati Action Centre as a base. This would be a place where locals can drop in and take part in activities or impromptu sports / dance activities.
2. From this hub, create a network of mentors that can connect youth to local businesses - like the 'Youth 2 Work' scheme in Porirua. The mentors need to be local people who already have relationships in the town.
3. For Waihi Beach, the recent development of the town's Community Plan has seen many organisations wanting to collaborate on local projects. But, it's hard to get everyone in the same room and get projects started. Waihi Beach would like a 'connector' role, similar to the colab coordinator in Te Puke, or the role Katch Katikati play - someone who can help create a network, provide support to get projects off the ground, and keep everyone motivated!

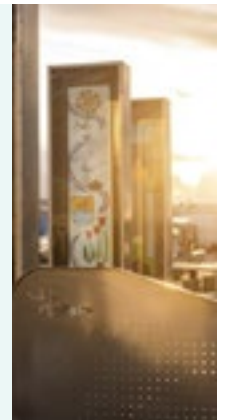


## Te Puke / Maketu Community

### Three key actions:

1. Create signage in different languages, of common sayings, to welcome and embrace all cultures.
2. Support and facilitate community-led food security initiatives.
3. Support and facilitate local housing initiatives that align with identified housing needs of the community.

The Te Puke Community also had development of a youth hub and ensuring tangata whenua inclusion in decision making as high priorities. Plans are already under way for a youth hub. Priorities for tangata whenua are set out under the heading Wellbeing For Our Māori Communities.



We've used data (mainly from Census, but also from other sources) to create profiles of communities in our district, factoring in the impacts of Covid-19. We've used these to help us understand where we're doing ok, and where more focus is needed.

The number one thing we heard was that it's about local people supporting and delivering local actions, that they can see make a material difference to their communities. They knew that their communities had the knowledge and the networks needed to deliver programmes, or actions, and that with a small amount of funding support they could make things happen.

On this page are the key actions for each ward in the District. These actions will be developed and delivered over the next three years, with Council providing 'seed funding' to each action. Council will work with local organisations to develop a clear plan for each action, from the set-up to implementation, and will ensure the success of each project is measured. The projects themselves will be led by the community, with Council supporting.

## Kaimai Community

### Three key actions:

1. Support rural communities with community safety planning, including providing funding for security cameras and support for establishment of local neighbourhood watch groups.
2. Work with groups on walking/cycleway safety, such as signage and parking provision.
3. Advocate for Ultra Fast Broadband (UFB) connection for the Whakamarama and other rural Kaimai communities (in particular in areas where UFB is already provided to local schools).



## Bringing it all together – how we will know we’re on the right track

For our local wellbeing actions, we’ll work with each project group to measure how successful the project is and how these projects can evolve over time. These will be used as case studies so we can see what works well, what doesn’t and where more focus is needed.

For overall wellbeing, we know that it takes time to achieve those outcomes. Measures from year-to-year are good to have, but it’s the trends over time that really show if things are moving in the right direction.

**We’re going to use a range of ‘indicators’ that should show if we are turning the curve on some of the negative wellbeing statistics.**





# Tangata Whenua priorities

## Ka tukuna ata i te meera ki

In 2020 Council held face-to-face engagement with several hapū across the District. The priorities from these hui, and actions Council will take, are set out here:



### Housing

Council will work on ongoing development of the Papakainga Toolkit. Working in partnership with hapū, we will seek grants for infrastructure to support housing development. We will also continue to invest in Twenty Degrees - the Regional Healthy Housing Programme, alongside BayTrust, Tauranga Energy Consumer Trust, Rotorua Energy Consumer Trust, Te Puni Kokiri, Bay of Plenty District Health Board and Toi Te Ora Public Health.

### Capacity for involvement in decision making

Council will support training and capacity development through Marae kete (an online toolkit for Marae in the District to address the practicalities of administering their Marae - maraekete.co.nz), internships and funding support for development of hapū management plans. Council will also follow agreed engagement protocols on matters of importance to hapū.

### Local involvement in local projects

Council will work specifically with Tangata Whenua on Te Tawa ki Tahataharoa and Panepane Purakau on local involvement in these projects.

### Maintaining and strengthening cultural infrastructure

Council will support cultural infrastructure through the Marae Sustainability Fund, providing support for local projects and emergency Response support.

### Water as a taonga

Council will continue ongoing work on sub-catchment management plans for stormwater management that protects ecological and cultural values.

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### Did you know?

There are

**23 Marae**

in the District



Happy Waihi Beach local (surfing, great for your wellbeing)



## **Te Ara Mua - The Pathway Forward** Te Ara ki Mua

Te Ara Mua is a plan developed by the Tauranga Moana and Te Arawa ki Takutai Partnership Forum. It signifies the efforts of the Partnership Forum to meet the aspirations of Māori and the Western Bay of Plenty District Council when it comes to kaupapa Māori.

## Developing Māori capacity to contribute to decision-making

We recognise the importance and special place of Tangata Whenua within our communities and the additional responsibilities that the Local Government Act places on us to develop the capacity of Māori to take part in local government decision-making processes.

Equally, we acknowledge the journey that is required to develop positive and purposeful relationships with Tangata Whenua that can sustain us into the future.

We have a number of mechanisms for engagement and to involve Tangata Whenua in our decision-making processes. We will continue to review and improve them to ensure ongoing effectiveness.

We will continue to work with iwi and hapū to provide for their representation aspirations.

### Te Ara Mua

Te Ara Mua (The Pathway Forward) is a plan developed by the Tauranga Moana / Te Arawa ki Takutai Partnership Forum. It signifies the efforts of the Partnership Forum to meet the aspirations of Māori and the Western Bay of Plenty District Council when it comes to kaupapa Māori. Te Ara Mua provides Ngā Whetu, a framework for identifying issues of significance to Māori in line with the Treaty of Waitangi principles that have been adopted by Council, and the clear statutory obligations Council has to Māori. The Plan also outlines Ngā Kaihoe, an annual work programme for the Partnership Forum to drive actions that address issues of significance.

### Our Takawaenga Māori team

This team initiates, builds and maintains our relationship with Tangata Whenua and Māori, and strengthens our organisation's ability to appropriately engage with Māori through exposure to and training in kawa (protocols), tikanga (customs) and te reo (the Māori language).

### Tangata Whenua engagement guidelines

Our Tangata Whenua engagement guidelines have been developed to assist staff in engaging with Tangata Whenua.

### For further information

Find out more detail by reading Te Ara Mua on Council's website [www.westernbay.govt.nz/TeAraMua](http://www.westernbay.govt.nz/TeAraMua)





# Climate Change Action Plan

## Mahere Tuku Āhuarangi Kōrure

This plan sets out the actions Council will take to respond to and prepare for the impacts of climate change.



# Climate change

## Changes to the climate we might see:

### The likely changes to the climate for the Bay of Plenty are:

- increased temperatures - up to 1.0 degree celsius increase by 2040's
- more hot days (over 25 degrees celsius) and extreme hot days (over 30 degrees celsius)
- changing rainfall patterns - declines in spring and summer rainfall, increases in autumn and winter rainfall
- higher rainfall intensity (more rain falling in a shorter period of time) and more heavy rainfall events
- fewer wet days
- fewer cold nights
- fewer windy days.

## Assumption

### As a result of climate change the Western Bay of Plenty can expect to see:



- more hot days (temperatures 25 degrees celsius or more)
- milder autumns and winters
- wetter winters
- decreasing summer rainfall with heavier downpours
- fewer cold nights and frosts
- rising sea levels (0.52m above Moturiki Datum 1953 at 2070).

Overall there will be more extreme weather and storm events (potentially three times more frequent) and increased risk from natural hazards such as coastal erosion and inundation.

Council will plan using RCP8.5, however individual projects will undertake their own modelling as appropriate.

This will have social, economic and environmental consequences that are difficult to predict and plan for. The Zero Carbon Act and new regulations will require reporting on the actions Council is taking to move towards zero carbon by 2050.

## If these changes occur, will lead to:

- more droughts
- more extreme weather and storm events
- increased risk of coastal erosion
- inundation of marshland and previously dry land
- fewer frosts
- increasing sea water temperatures.



## What might happen as a result of the climate changing

- Saltwater incursion into rivers and groundwater aquifers. This would have impacts on water supplies and wastewater treatment plants.
- Increased coastal flooding may impact on roading networks and community infrastructure such as coastal parks and walkways.
- Coastal erosion impacting on areas with high cultural values. Matakana Island and Maketu have been identified as having a high sensitivity to erosion.
- Establishment of new pest animals, weeds and diseases that are currently prevented by NZ's climate. This could have significant impacts on indigenous ecosystems, as well as on primary production systems. More ants, wasps and sub-tropical fruit flies, also impacting on indigenous ecosystems and primary production systems.
- Increased susceptibility to aquatic diseases, and establishment of sub-tropical and tropical species.
- Expansion of existing pests such as koi carp, goldfish, tench rudd and catfish.
- Impacts on pasture grass, legumes and maize.
- Impacts on fruit growing, in particular kiwifruit which needs 'winter chilling' and early season rainfall.
- More slips and soil erosion.
- Impacts on water availability.
- Increased fire risks for forestry.



**There could also be positive impacts, such as increased crop diversity and the ability to grow things that currently don't grow here.**

We know these changes will have significant social, economic, environmental and cultural consequences. But when and how these changes will affect us is difficult to predict and plan for. We want to work with communities to build understanding and knowledge and decide together how to respond. We also want to build community resilience, so that the community is in a better position to adapt and manage the impacts of any changes.

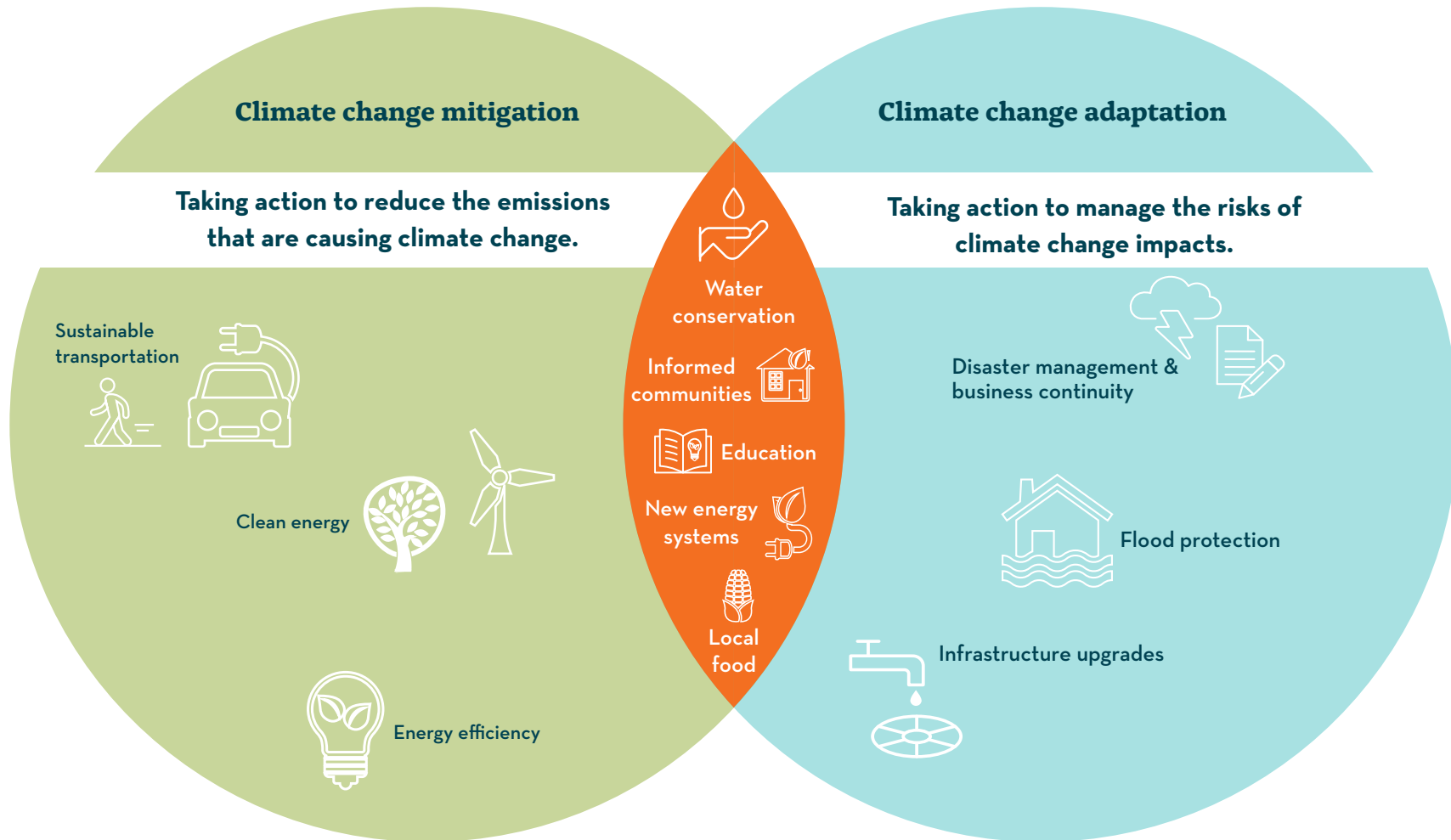
## The possible responses to a changing climate

### Some possible responses are:

- Land use planning that takes into account more frequent and more extreme weather events - and stricter regulations on where and how to build.
- A different built environment that can respond to this.
- Built infrastructure that is responsive to changing landforms.
- Distributed power generation (local generation, more resilient).
- Distributed internet connectivity.
- Working and learning from home.
- Higher building standards and urban design that caters for extremes in heat, rainfall and wind.
- Local monitoring systems and emergency responses.
- Some community relocation away from high risk locations.
- Regulations and legislative requirements to reduce, limit or stop emissions.
- All businesses and public sector organisations required to monitor emissions and reduce or stop emissions through changing the way they deliver.
- New infrastructure required to have low emissions (e.g. new buildings, transport systems).
- Households and communities tracking their emissions and working to reduce them.
- 'Green infrastructure' and afforestation.

# Council's Response

There are two categories of actions:





## Climate change mitigation

**Taking action to reduce the emissions that are causing climate change.**



As a large organisation in the District, Council produces a level of emissions through its activities. We need to consider what can be done to reduce emissions from those activities.

We need good data on how much we're emitting and what changes we can make. The key area for Council is energy use. We've already completed an energy audit so we know where most of the energy is being used and what savings can be made. We are entering into a partnership with EECA (Energy Efficiency Conservation Authority) to set up an energy management programme, which will lead to energy reductions and savings for Council's operations.

### The next steps

**To understand our wider emissions and develop a plan for reducing emissions. We will do this by joining a carbon reduction certification programme.**

We have included this work in our Corporate Plan, so that it becomes a part of the way we operate our business (and not just a separate 'add on' or 'nice to have').

### How to reduce emissions across our District

Council can control and reduce emissions from our activities. We can also deliver services in a way that enable people and businesses to make choices that reduce emissions. For example, we can provide park and ride facilities, walkways and cycleways that enable people to use other modes of transport, that have less emissions than private motor vehicles.

### To support emissions reductions across the District we will:

- Continue our investment in walkways and cycleways.
- Implement the Urban Form and Transport Initiative (UFTI) so that we develop in areas that have less risk from natural hazards and can be serviced by an efficient transport system that means people can be less reliant on cars.
- Continue to fund the Healthy Housing programme, so that households can be warmer, drier and healthier and also more energy efficient.
- Upgrade street lighting to LED lighting, which uses a lot less energy.
- Support the uptake of electric vehicles, including e-bikes, by investing in the necessary charging infrastructure.
- Roll out the rates-funded kerbside rubbish, recycling and organic waste collection service.
- Invest into community re-use centres, to provide opportunities for re-purposing and re-developing products.
- Continue our waste reduction education programmes so that less waste is created.



### Monitoring how we're doing

We've already joined an energy management programme which sets targets for reducing energy use and has a monitoring programme.

Once we've joined an emissions reduction accreditation scheme we will be monitored regularly to ensure we're meeting emissions reduction targets.





# Climate change adaptation

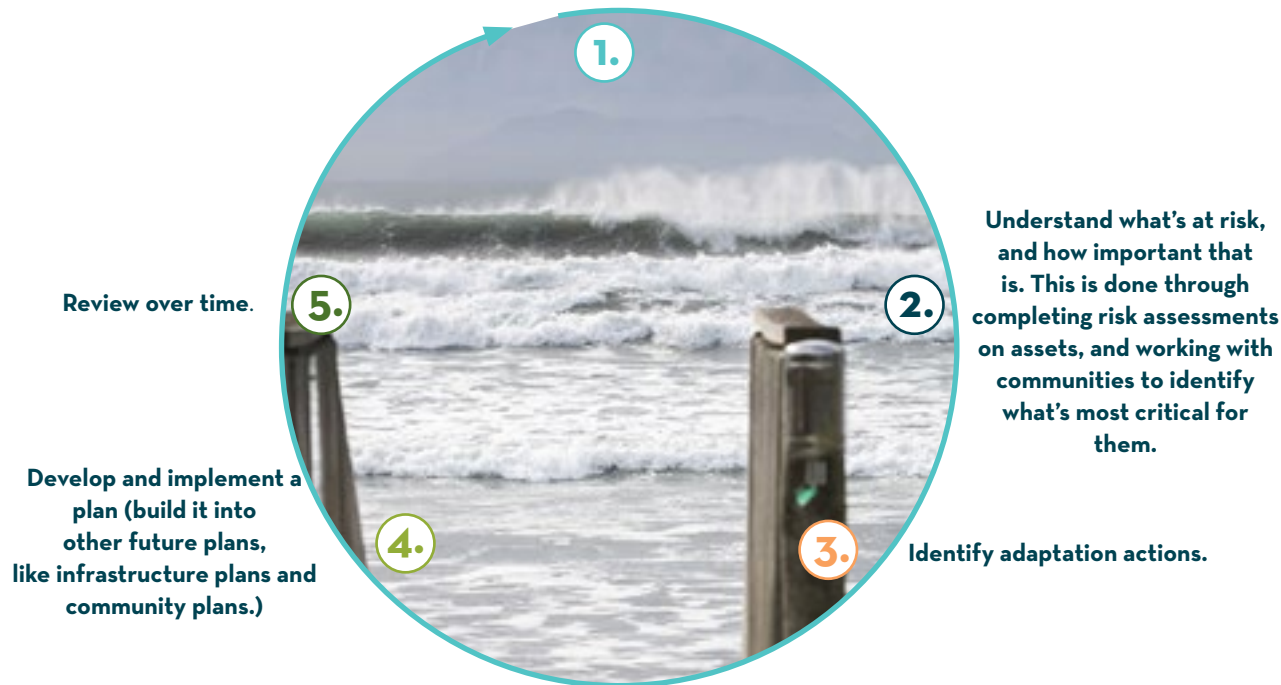
Managing the risks of climate change impacts.

## To manage the risks, we need to think about:

- where we build
- how we build
- what can be done with existing infrastructure to protect it, or make it more resilient through upgrades.

It's hard to know when changes may need to be made and what needs to happen first. But a step-by-step guide is:

Understand the science and the hazards. We already have a lot of this information.



**For the next three years, Council will focus on Step 2 - Understanding what's at risk and what's most important.**

We've set funding aside to carry out risk assessments on Council and community assets. These consider the potential changes to our climate, the impacts of those changes, and what that does to assets (such as roads, water supply systems, stormwater networks, parks, beaches and cultural heritage sites). We'll look at what's the most important and is at the highest risk. We'll then use this information to move into Step 3 - identifying adaptation actions.

We are budgeting \$200,000 a year for the next three years to do this work.


**What else are we doing?**

To do this work well we need to work closely with Tauranga City Council and Bay of Plenty Regional Council. We'll continue sub-regional collaboration through our agreed Natural Hazards Programme, which includes looking at different scenarios for climate changes and impacts and how they will affect natural hazards (e.g. flooding, coastal erosion). We will use this work for land-use planning purposes, so that as we're looking to address existing risk we're also not adding to that risk by putting more infrastructure, housing and development into high-risk areas.

We are also working on a regional climate change risk assessment. This will let us know what's most at risk and what's most important at a regional level.

We are working hard to improve the way we deliver our stormwater network, so that we can move towards being a water sensitive District that is more resilient to flooding. We are ensuring we manage water and wastewater responsibly, as our water supply and wastewater treatment systems could be severely impacted by climate change.





## **Strategic Assumptions for Long Term Plan**

**2021-2031**

**Rautaki Whakapae mō te  
Mahere Rae Roa 2021-2031**

The Strategic Assumptions are the Council's 'best guess' at how the future may look. They form the basis for planning and are developed from a wide range of sources.



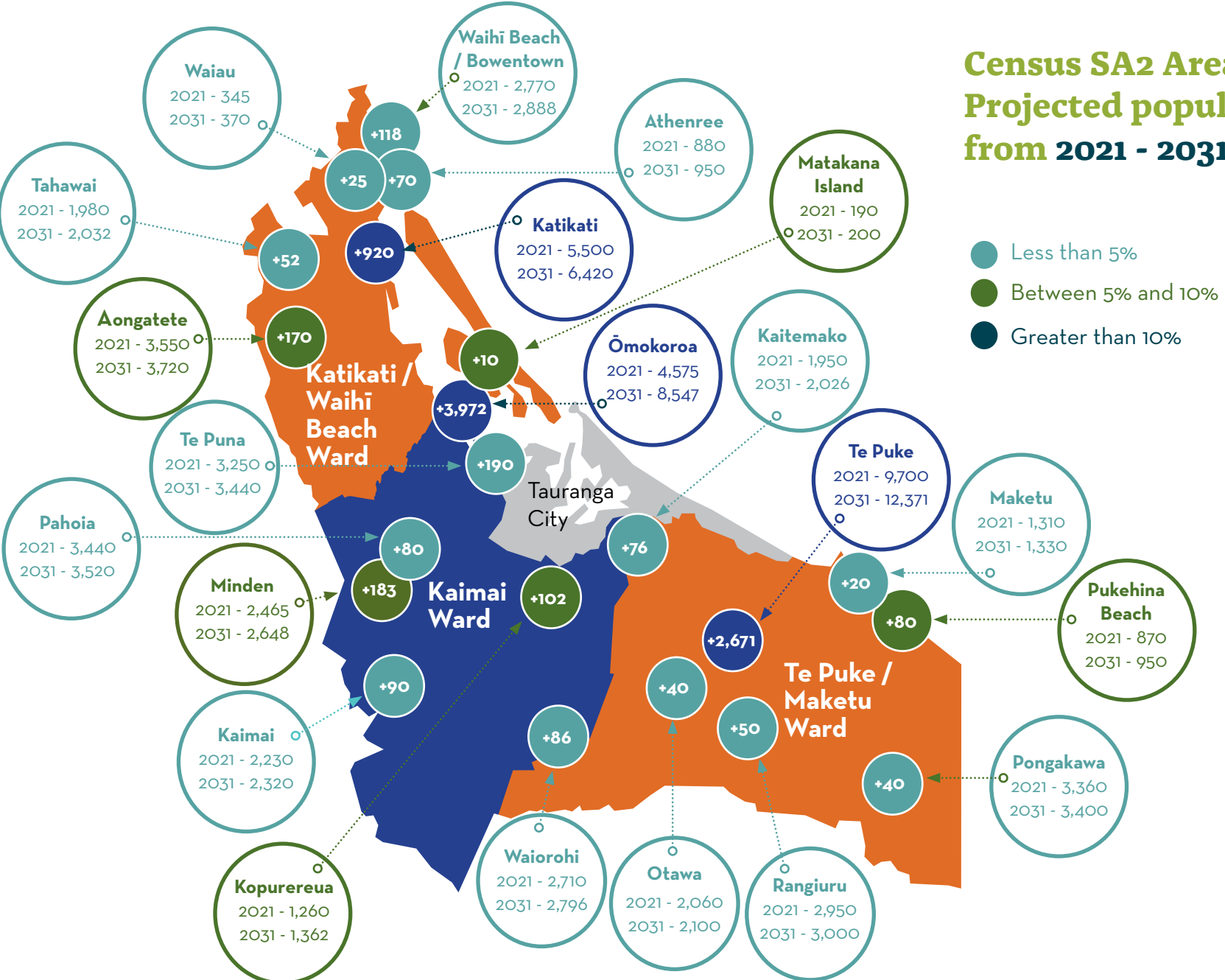
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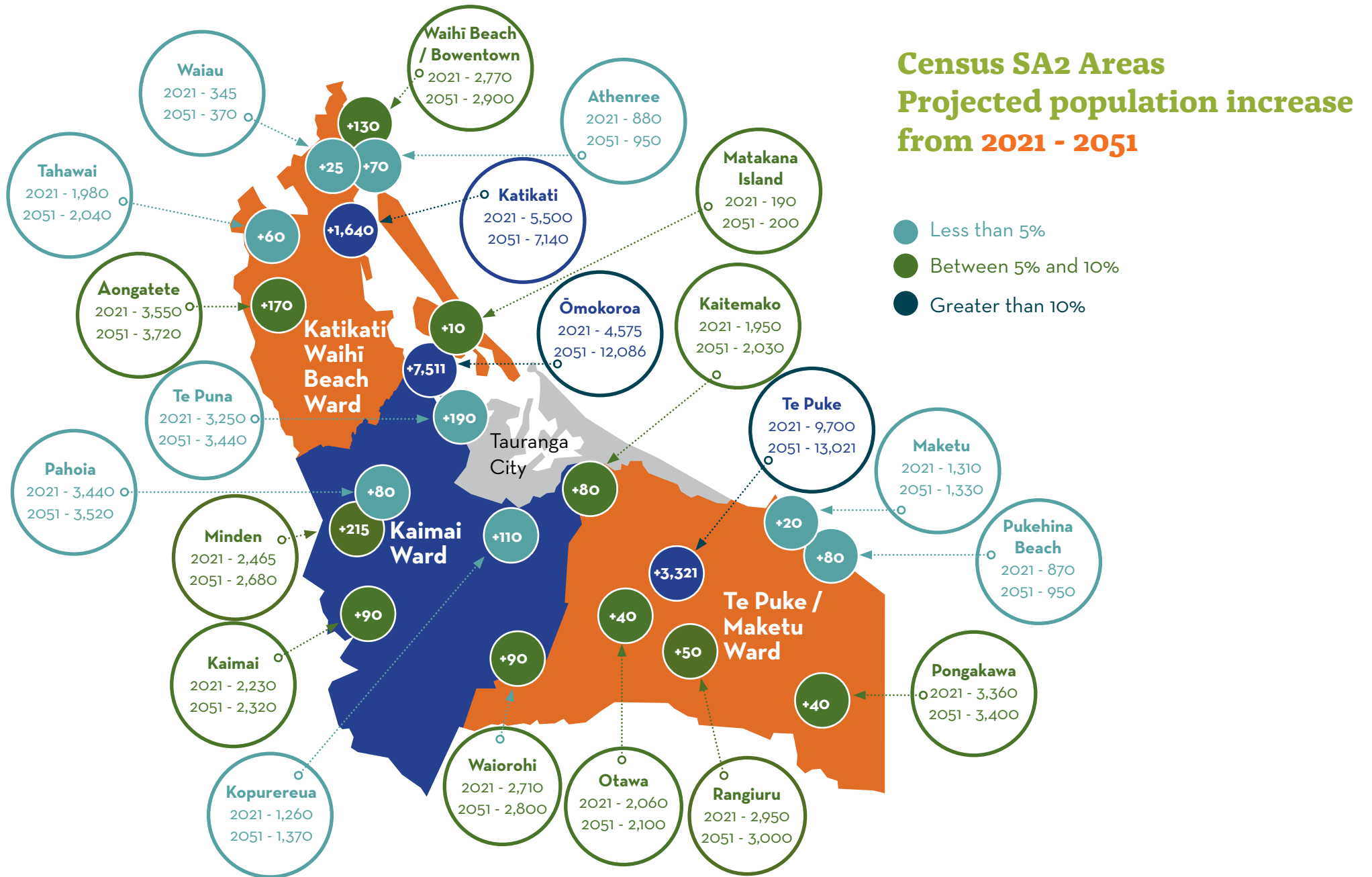
# Population growth



Assumption		Implication		Level of uncertainty		Impact		Mitigation	
<p>Our District will continue to attract new residents and our population will grow.</p> <p>Growth won't be uniform across the District but will be primarily centered around our urban areas.</p> <p>See table below and maps overleaf for further detail.</p>		<p>Growth affects the number of rateable properties in the District and the expected demand for services and infrastructure.</p> <p>Growth has a lot of benefits but also creates challenges for the delivery of services and funding infrastructure work.</p>		<p><b>High</b></p> <p>Based on national assumptions and regional economic projections, we expect sustained growth over the next three years.</p> <p>The potential impacts of COVID-19 have increased the level of uncertainty.</p>		<p>If population growth is faster than expected and the number of rateable properties are under-estimated the consequences are:</p> <ul style="list-style-type: none"> <li>- income growing faster than expected</li> <li>- higher demand for Council services</li> <li>- financial contributions being set too high.</li> </ul> <p>Council would respond by bringing forward future expenditure and adjusting financial contributions the following year.</p> <p>If population growth is lower than expected, the consequences are:</p> <ul style="list-style-type: none"> <li>- over-investment in infrastructure and unused capacity</li> <li>- income from rates and financial contributions falling short of budget, meaning debt is repaid more slowly and interest costs increase</li> <li>- financial contributions being set too low for that financial year.</li> </ul> <p>Council would respond by funding the shortfall through rates or increasing debt, or by deferring expenditure. Council is well within its prescribed debt limits with borrowing headroom to raise more debt if required.</p>		<p>Council plans for growth in collaboration with TCC, BOPRC, Iwi and Waka Kotahi through SmartGrowth (including the UFTI initiative).</p> <p>Council re-forecasts growth projections each year through the annual plan to ensure infrastructure provision and service delivery are aligned to growth.</p> <p>We will look at actual consent numbers throughout the year.</p> <p>The timing of growth-related projects is managed to provide infrastructure 'just in time'.</p>	
Year ended 30 June	New lots (average annual increase)	Growth rate (average annual increase)	Total dwellings	District population					
2021	244	1.04%	23,399	57,355					
2026	340	1.34%	25,352	62,219					
2031	317	1.17%	27,093	66,300					
2036	160	0.57%	28,312	69,102					
2041	100	0.35%	28,957	70,620					
2046	10	0.03%	29,262	71,203					
2051	10	0.03%	29,312	71,367					

# Census SA2 Areas Projected population increase from 2021 - 2031





## Climate change

Assumption	Implication	Level of uncertainty	Impact	Mitigation
<p>As a result of climate change the Western Bay of Plenty can expect to see:</p> <ul style="list-style-type: none"> <li>• more hot days (temperatures 25 degrees or more)</li> <li>• milder autumns and winters</li> <li>• wetter winters</li> <li>• decreasing summer rainfall with heavier downpours</li> <li>• fewer cold nights and frosts</li> <li>• Rising sea levels (0.52m above MVD 1953 at 2070).</li> </ul> <p>Overall there will be more extreme weather and storm events (potentially three times more frequent) and increased risk from natural hazards such as coastal erosion and inundation.</p> <p>Council will plan using RCP8.5, however individual projects will undertake their own modelling as appropriate.</p> <p>This will have social, economic and environmental consequences that are difficult to predict and plan for.</p> <p>The Zero Carbon Act and new regulations will require reporting on the actions Council is taking to move towards zero carbon by 2050.</p>	<p>Council's business must respond to climate change now to ensure a level of preparedness for future impacts. Failure to respond will lead to significant future challenges and costs.</p> <p>The local economy may be negatively impacted by climate change, particularly through changes to growing conditions and susceptibility to new pests.</p> <p>Council will have to meet additional reporting requirements.</p>	<p><b>Moderate</b></p> <p>We know climate change will impact on our business, however the exact nature, extent and timing of the impacts is difficult to predict.</p> <p>The major impacts of climate change are expected outside of the 10-year planning horizon.</p>	<p>If the impacts of climate change are felt more severely within the 10 years, the likely consequences are:</p> <ul style="list-style-type: none"> <li>• failure to meet the levels of service, primarily in stormwater (due to infrastructure being undersized)</li> <li>• impacts on Council assets located on the coast</li> <li>• unbudgeted maintenance and / or capital costs due to damage to assets.</li> </ul>	<p>Coastal Erosion Responses Policy, to provide a decision-making framework to address impacts on Council-owned assets on the coast. Asset assessments will be undertaken to identify vulnerability and \$200,000 per annum has been budgeted for coastal erosion works.</p> <p>Council has modelled harbour inundation scenarios, alongside BOPRC and TCC, through the Natural Hazards Charter. Council is also modelling impacts of climate change on our stormwater systems.</p> <p>As a member of the BOP Lifelines Group, Council is investigating the resilience of our infrastructure.</p> <p>Council has developed a Climate Change Action Plan to set out the intended actions to respond to climate change impacts over the next three years. Council will focus on understanding the level of risk our assets face.</p> <p>See from page 31 for more information.</p>

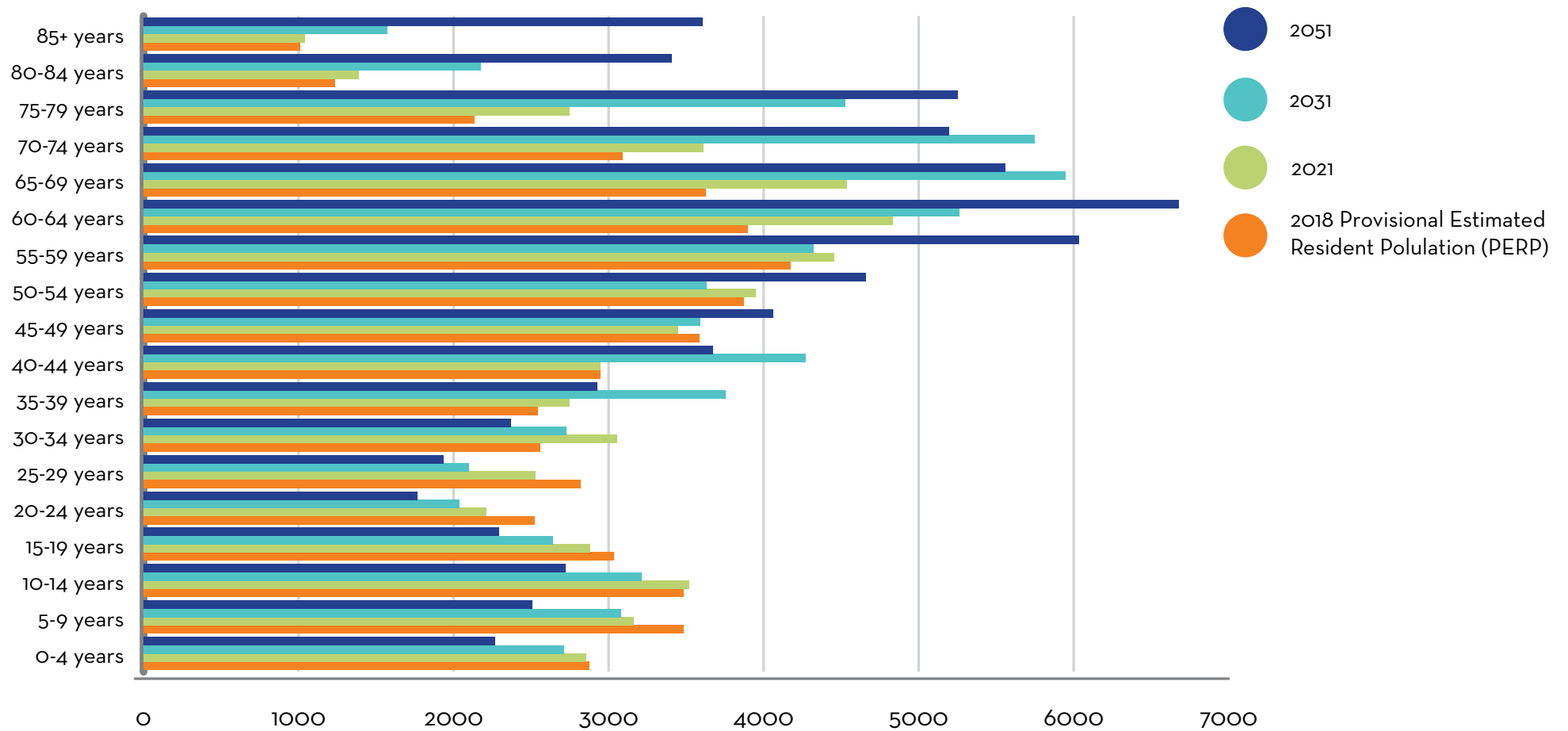
3

## Demographics

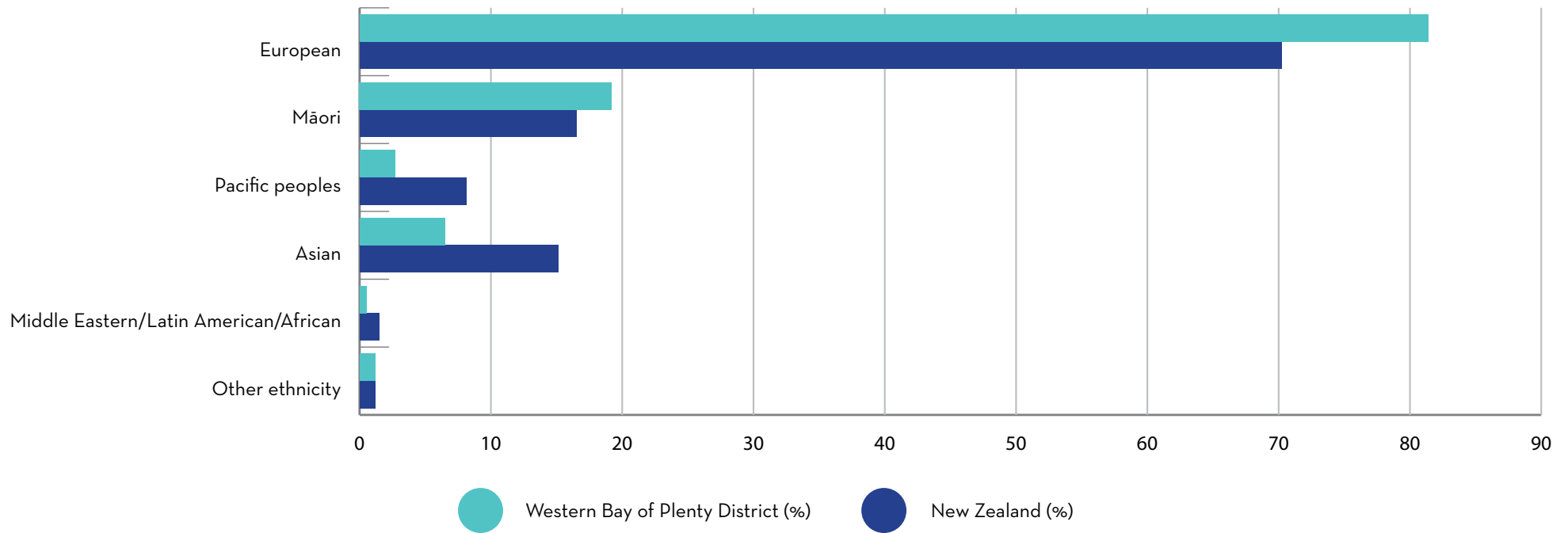
Assumption	Implication	Level of uncertainty	Impact	Mitigation
<p>The make up of our communities will change. As a District we will become older and more diverse.</p> <p>There will be variation between communities as people move and places grow. For example, Te Puke’s average age dropped in the last census.</p> <p>The graphs and charts overleaf provide further detail.</p>	<p>Increasing cooperation between local government and health sectors to understand and deliver healthy environments for residents.</p> <p>Changing household occupancy (ageing population and single occupancy balanced against cultural norms of multiple generations in one house).</p> <p>Impacts on the District’s labour force.</p> <p>Changing methods of engagement to involve different communities and create welcoming, tolerant communities.</p> <p>Continued cultural awareness practices in communities and workplaces.</p> <p>Changing use of infrastructure.</p> <p>Changing recreation patterns may change investment priorities.</p>	<p><b>Low</b></p> <p>Some changes such as the ageing population are clear, because they are determined by the make up of the existing population and our current birth rate. Immigration is more difficult to predict and would potentially affect our population growth. The impacts of this have been addressed under the population growth assumption.</p>	<p>An over-estimation or under-estimation of this assumption is considered immaterial – as any major impacts would be felt in population growth changes (addressed under the population growth assumption).</p>	<p>We continually monitor population demographics through SmartGrowth, using census data and NIDEA projections.</p> <p>Our community engagement guidelines assist us to work with communities and respond to their changing needs.</p> <p>We are a funding partner in the Welcoming Communities programme, which assists local communities that have a high number of international migrants.</p> <p>The Spaces and Places Strategy guides our decision making for recreational facilities, and provides a framework to consider changing recreation patterns.</p>



## 2021-51 LTP Age Projections



### Ethnic groups for people in Western Bay of Plenty and New Zealand. (2018 Census)



# 4

## Technology

Assumption	Implication	Level of uncertainty	Impact	Mitigation
<p>Technology is changing fast and will continue to do so.</p> <p>We expect to see:</p> <ul style="list-style-type: none"> <li>greater connectivity throughout our District, including rural broadband, fibre in all urban areas, and remedying of mobile blackspots within the 10-year period</li> <li>more digital disruption that is transformational and impacts on the way we live</li> <li>public demand for open data</li> <li>more empowered individuals wanting to co-design solutions to problems</li> <li>new models of asset ownership (called Infrastructure As A Service)</li> <li>smart communities seeking everything 'on demand' and increasing requirements to provide 'real time' information</li> <li>more demand to be able to work from home and carry out 'traditional' business remotely.</li> </ul>	<p>Advances in data and analytics should improve capacity, performance, and reliability of infrastructure, shifting design from meeting peak demand to ways of smoothing out the peaks. This should enable us to get more out of our existing infrastructure.</p> <p>Expect to see changes in how the business operates with increased remote working capabilities.</p> <p>Customer services and how we engage with our customers and communities will change.</p> <p>Increasing connectivity between energy, transportation and technology driving infrastructure investment decisions.</p> <p>There will be increased opportunities to deliver demand management and non-asset solutions as better information is available.</p> <p>More 'localised' micro-solutions may become available and affordable, as opposed to large centralised infrastructure networks.</p>	<p><b>Low for years 1 - 3.</b> <b>High for years 4 - 10.</b></p> <p>We know changes will happen, but we don't know exactly when or how disruptive those changes will be.</p>	<p>More infrastructure is likely to become obsolete before the end of its life cycle.</p> <p>Maintenance programmes may be more responsive, leading to less costly repairs.</p> <p>There may be renewal and capital expenditure decisions made on the best available information now, that are inefficient or do not meet future usage requirements. However, disruption is not an excuse for inaction.</p>	<p>Council has budgeted for continued investment into our information technology to better support our operations and improve customer experience.</p> <p>We also have an additional project to look at making the organisation increasingly future ready, with \$8.5 million budgeted over the 10 years.</p>

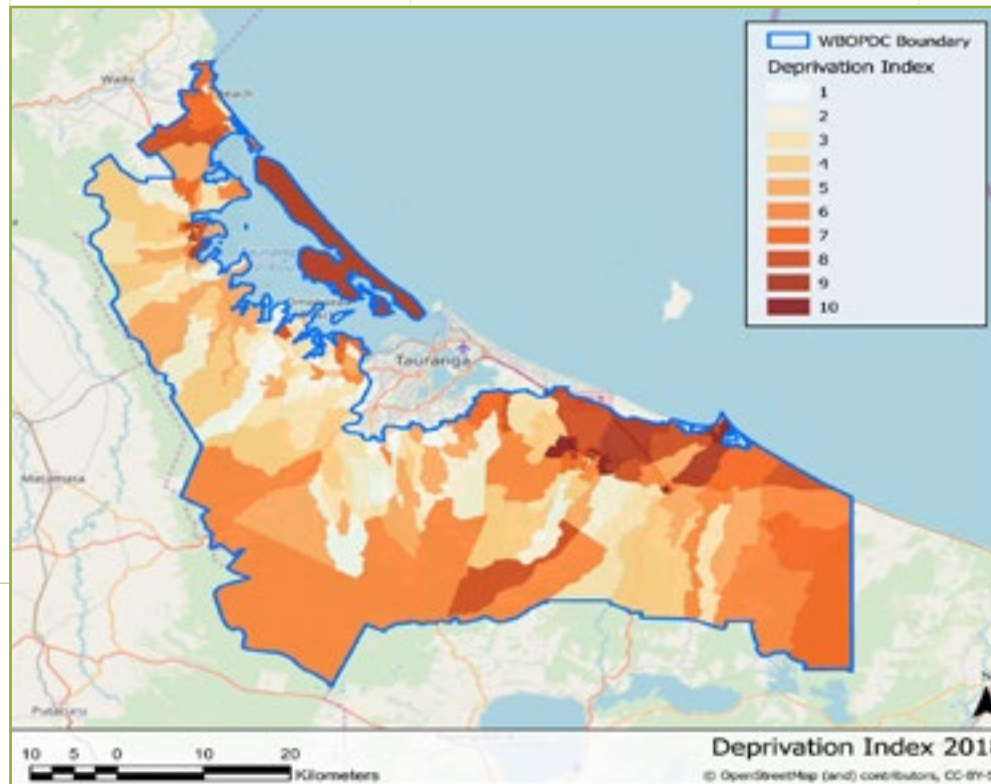




5

Social

Assumption	Implication	Level of uncertainty	Impact	Mitigation
<p>Equality and equity will continue to be issues. This may increase due to the economic implications of COVID-19 and its unprecedented nature.</p> <p>We have greater income and wealth imbalances than in the past. Some communities have reduced access to services and less ability to pay for services. We expect this imbalance to remain.</p> <p>As a result of COVID-19 it is likely that some residents will be worse off than previously. However, others may also be better off.</p> <p><b>The map to the right gives an indication of these patterns.</b></p>	<p>There will be increased demand placed on social services, community support organisations, and relief funds.</p> <p>Council may need to tailor solutions and investment for some communities, to ensure people are receiving the services they need.</p> <p>These may be geographic communities, or parts of the population (eg. older people).</p>	<p><b>Medium</b></p> <p>We expect the imbalance between communities to remain, or to change only slightly.</p>	<p>Should the pattern of social-economic wellbeing change radically across our District, Council may have to postpone, amend or add new projects to the work programme.</p> <p>Changes would generally be gradual and as such the overall financial impact would be low.</p>	<p>Regular monitoring of social deprivation index through the LTP cycle.</p> <p>Consideration of social wellbeing and needs through Council projects and plans.</p> <p>Council will continue to build on its strong relationships with community groups and organisations.</p>



# 6

## Economic

Assumption	Implication	Level of uncertainty	Impact	Mitigation
<p>The local economy will return to 2019 levels and grow from 2022.</p> <p>At the District and sub-regional levels, the economic outlook is fairly positive. Our economy has been cushioned from some of the impacts of COVID-19 due to our diverse economy, strong rural sector (especially horticulture) and low reliance on international tourists.</p> <p>The local economy will have largely recovered from the impacts of COVID-19 by close of 2022 with growth above 2019 levels.</p> <p>On the back of strong and continued population growth, the Western Bay of Plenty's economy is projected to continue to grow. We are part of the Golden Triangle (Auckland / Waikato / Bay of Plenty) and our economic growth is expected to be above the national average.</p> <p>We expect to see an increase in 'sustainable' low waste, low emission business practices as standard.</p> <p>We expect to see:</p> <ul style="list-style-type: none"> <li>• significant growth in the kiwifruit industry</li> <li>• growth in the avocado industry</li> <li>• growth in domestic tourism.</li> </ul>	<p>The kiwifruit industry is a high water user and its water demand will increase. This may put pressure on resources and infrastructure.</p> <p>Continued economic growth will require provision of business land. Demands for freight movement will need consideration in transport network planning.</p> <p>Growth in tourism means targeted infrastructure investment may be needed (such as toilets in rest areas, upgraded walking tracks). This will require cooperation with central government agencies.</p> <p>There may be increased pressure on the natural environment from increased use.</p> <p>The demands on the capacity of industry to deliver infrastructure projects may mean increased competition, leading to increased prices and possibly time delays.</p>	<p><b>High</b></p> <p>Forecasts align with national forecasts for economic growth and local trends, however the impacts of COVID-19 are uncertain.</p>	<p><b>Moderate</b></p> <p>The level of economic activity and growth in the District can directly impact ratepayers' ability to pay, while also influencing the level of financial contributions collected as development occurs or the level of demand placed on infrastructure.</p> <p>Investment decisions will be made cognisant of this uncertainty.</p>	<p>Continual monitoring of the situation and 'just in time' infrastructure will aid in mitigating some of these issues.</p> <p>Council will continually monitor the District's economic situation and may revise any plans, with consultation through Annual Plans if necessary.</p> <p>Council will continue to provide funding for organisations such as Priority One, Tourism BOP, Te Puke EDG, and Katch Katikati.</p>

7

Environmental

Assumption	Implication	Level of uncertainty	Impact	Mitigation
<p>Environmental sustainability will play an increasingly important role in decision making.</p> <p>In line with the changing global environment, environmental sustainability will continue to be a requirement. We expect to see:</p> <ul style="list-style-type: none"> <li>• increasing standards for water quality</li> <li>• increasing requirements for efficient use of water</li> <li>• increasing expectation for waste minimisation</li> <li>• continued movement towards a low carbon operation and low carbon transportation network</li> <li>• an increasing focus on the management and use of harbour and coastal margins, as a result of the NZ Coastal Policy Statement and sea level rise.</li> </ul>	<p>A business as usual approach to asset renewals and capital projects is likely to be insufficient to address new requirements. Changes are likely to come with higher capital and operational costs.</p> <p>These may be offset through joint funding of capital projects with central government agencies and other local authorities.</p>	<p><b>Low</b></p> <p>Implementation of recently revised legislation is expected to address water quality and efficient use of water and increased planning requirements are anticipated through a series of new national party statements. See page 99 for more details.</p> <p>The Zero Carbon Act provides a strong government direction for the nation.</p> <p>Council's Waste Management and Minimisation Plan emphasises the need for waste reduction.</p>	<p><b>Low</b></p> <p>Sudden increase in expectations or requirements may have significant impact on current operations or capital projects, however planning and implementation timeframes will mean sudden changes are unlikely.</p>	<p>Council has included additional budgets to address increased standards for our three waters services and for predicted increased requirements as part of resource consent renewals.</p> <p>Council is working to reduce our organisational carbon impacts.</p>



# 8

## Community expectations

Assumption	Implication	Level of uncertainty	Impact	Mitigation
<p>Our communities continue to have higher expectations for delivery of Council services.</p> <p>We expect to see:</p> <ul style="list-style-type: none"> <li>continued demands to not only maintain, but also improve levels of service across all of Council's business (with increased associated costs)</li> <li>continued demands from the community to keep rates as low as possible</li> <li>continued requirements of increased environmental standards and environmental sustainability</li> <li>demands for social sustainability and investment.</li> </ul> <p>Level of service changes are signalled in the LTP (for example for libraries, recreation facilities, swimming pools, cycleway and kerbside waste collections).</p>	<p>Council will need to continue to find innovative ways to fund service delivery, other than through rates.</p> <p>There will be tension between differing expectations between different groups.</p> <p>The key principle of 'growth pays for growth' needs to be balanced against the uncertainties of when population growth will occur and how Council can then fund growth-related infrastructure projects where these are required in advance of growth occurring.</p>	<p><b>Low</b></p> <p>Community expectations are frequently communicated with Council and level of service changes consulted on through the LTP process.</p>	<p><b>Low</b></p> <p>Level of service changes are often undertaken incrementally and with subsequent projects reassessed and possibly open to consultation.</p>	<p>Council actively seeks community input into decision making.</p> <p>Feedback is sought through the LTP 2021-2031 consultation processes on level of service changes.</p>

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Political

Assumption	Implication	Level of uncertainty	Impact	Mitigation
<p>There will be increased collaboration.</p> <p>Working with other organisations can deliver multiple benefits and thinking 'outside the square'.</p> <p>We expect to see:</p> <ul style="list-style-type: none"> <li>continued emphasis on partnerships across the community and organisations, and shared service models</li> <li>increasing public demand for different models of services delivery and community input</li> <li>more legislative changes that will impact on the way Council does business, such as Urban Development Authorities.</li> </ul>	<p>Council will need to be flexible in order to respond to this changing environment. It's important we maintain collaborative arrangements and look to build capability, as there will be an increased push for them in the future.</p>	<p><b>Low</b></p> <p>This is an observed trend that has been experienced and observed over several years.</p>	<p><b>Low</b></p> <p>Collaboration is regularly considered as we look at improvements and operational actions.</p> <p>Use of Urban Development Authorities and Boundary changes will still require a planning process and Council's active involvement.</p>	<p>Council will continue to actively collaborate where benefits can be made for the District. This may occur with other neighbouring council's through joint contract procurement sub-regionally such as through BOPLASS or SmartGrowth, or at a sector level with other provincial and rural Councils.</p> <p>Active involvement and communication is key for Council to mitigate any residual risk this poses.</p>



## Community participation

Assumption	Implication	Level of uncertainty	Impact	Mitigation
<p>Communities want to engage with Council's in different ways. They want to be actively involved in decision making. At the same time they are 'time-poor' and it's challenging to get the right level of engagement.</p>	<p>Council will need to continuously evolve the way we engage our communities and be inclusive of all members of our communities.</p> <p>We will need to rethink our traditional project management and delivery structures so that communities can have a greater role in what we do.</p>	<p><b>Low</b></p>	<p><b>Low</b></p> <p>We will look at different ways to work with, hear from, and involve the community through Council's decision-making processes and projects.</p>	<p>Council will continue to actively engage with our communities through a variety of means.</p>

11

## Tangata Whenua

Assumption	Implication	Level of uncertainty	Impact	Mitigation
<p>Partnerships with Māori will continue to increase in importance.</p> <p>The settlement of the Treaty of Waitangi (Te Tiriti o Waitangi) claims in the District will continue over the next 10 years. This will change the economic landscape, and is likely to offer new opportunities for collaboration and partnership.</p>	<p>Council may need to change the way it manages its assets to provide for greater iwi involvement. This may also impact on how we use natural resources, such as our water takes and stormwater discharges. Council is part of a joint committee of iwi authorities and councils, set up to co-govern the Kaituna River, and to look to bring all our efforts into alignment.</p> <p>This will also be a key opportunity, as settlements will provide iwi organisations with the power to invest in economic and social development projects which will ultimately benefit our community as a whole.</p>	<p><b>Low</b></p> <p>Treaty settlement processes are finalised, underway or are nearing completion.</p>	<p><b>Low</b></p> <p>Council maintains relationships with iwi in our area and will continue to build on these.</p>	<p>Through the development of the LTP 2021-2031, Council has specifically sought input from iwi and Māori.</p> <p>Council will continue to build on the relationships we maintain.</p>

## Legislative

Assumption	Implication	Level of uncertainty	Impact	Mitigation
<p>We expect to see continued focus on the way Council delivers its core services and provides infrastructure for growth.</p> <p>There is likely to be increased regulation aimed at delivering higher public health and environmental standards.</p> <p>Legislative reforms are likely to continue to focus on alternative ways to deliver public services. For example the review of Three Waters and joint Council-controlled organisations for providing services. Similarly the Future of Local Government Review and the Resource Management Act reform will have impacts.</p> <p>There is currently insufficient detail regarding the possible changes to the delivery of Three Waters (water supply, wastewater and stormwater) services. This is similar for the Local Government Review and the Resource Management Act reform work. It is prudent to plan on a business as usual approach to service delivery, but with an allowance for staff time for the initial phases as indicated by Central Government.</p>	<p>Council will need to be involved in any national conversations about service delivery, to ensure we are ready to adapt to any changes that are made at the national level.</p> <p>Costs associated with the impact of legislative changes are unlikely to be recovered from Central Government. These may be substantial.</p> <p>Individual activities of Council may need to make specific assumptions.</p>	<p><b>Moderate</b></p> <p>Legislative change and national direction is highly dependent on the political direction and priorities at the time.</p>	<p><b>High</b></p> <p>Some changes to the delivery of services could significantly alter how Council functions, however the generally lengthy development process of legislation and implementation phases will allow for suitable planning and may require community consultation.</p> <p>Changes to the delivery of three waters could significantly impact Council's financial position, depending on how this is structured. This could impact the Council's levels of debt, forecast capital and operational expenditure and income. The actual impact can not be quantified at this point.</p>	<p>Continue to watch and input into legislative developments, to ensure a Western Bay of Plenty voice is heard and Council is prepared for any changes.</p>



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COVID-19

Assumption	Implication	Level of uncertainty	Impact	Mitigation
<p>Disruptive events, such as COVID-19, have significant potential to cause shocks to international, national and local systems.</p> <p>Implications for the District are wide ranging and depend on the level of domestic infection rates, national and international responses.</p> <p>Impacts on the economy and population growth are expected to be greatest, but possibly short term. International tourism is expected to continue to be significantly impacted.</p> <p>Currently we are expecting economic impacts in 2020 and for these to be largely recovered by the close of 2022.</p> <p>We assume that our projects and works will be completed to time, as planned in the LTP, and there will be no significant delays caused directly or indirectly by COVID-19.</p>	<p>Council may need to be in a position to respond to emerging events. Council may consider bringing forward some infrastructure projects in order to help maintain economic activity in the District and support impacted workers.</p> <p>Alternatively, Council may look to defer projects in order to limit additional economic stresses.</p> <p>Council may need to change the way we work and how we use our public spaces to limit infection.</p> <p>Council may need to reschedule the timing of projects and works or reconsider budgets, due to COVID-19.</p>	<p><b>High</b></p> <p>The future situation is uncertain and very difficult to predict.</p>	<p><b>High</b></p> <p>Implications for Council's growth and financial models and work programmes could be extensive. Council will have to be flexible in its response.</p> <p>The key impact of any lockdowns affecting our District or material/contractor availability, would be potential delays in Council project delivery and associated expenditure.</p>	<p>Council will continue to monitor the situation and may revise any plans, with consultation through Annual Plans if necessary.</p>



Assumption	Implication	Level of uncertainty	Impact	Mitigation
<p>How land is used in the District will change.</p> <p>We expect to see a physical expansion and increased intensification of urban areas. This will generally be in line with the District Plan and the new SmartGrowth Joint Spatial Plan (incorporating the Urban Form and Transport Initiative (UFTI)).</p> <p>This may see an increase in impervious surfaces in urban areas.</p> <p>The Joint Spatial Plan will result in a new urban settlement pattern being developed. This may signal the development of new residential areas. However, this is likely to be in the 10-50 year time period.</p> <p>We will also expect to see continued conversion of dairy land to horticulture over the next 10 years.</p>	<p>Council will have to ensure that services are appropriately sized to accommodate growth and service any growth areas.</p> <p>Similarly, increased horticulture development may have implications for roading.</p>	<p><b>Low</b></p> <p>Growth areas are sufficiently well signalled through the District Plan and SmartGrowth. The development of a new settlement pattern will require a political process, community engagement and a high level of technical scrutiny to ensure it is viable.</p> <p>Horticulture growth is currently occurring and has been well signalled by industry.</p>	<p><b>Moderate</b></p> <p>Land use changes have direct implications for the design of our services. If this occurs in unexpected areas, or does not occur as planned, then there may be financial implications.</p>	<p>Council will maintain input into SmartGrowth and UFTI.</p> <p>Council will be reviewing the District Plan during the course of this LTP.</p>

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## Inflation rates

Assumption	Implication	Level of uncertainty	Impact	Mitigation
<p>Costs are assumed to increase due to inflation.</p> <p>Financial projections over the 10-year period have been adjusted inline with indices prepared by BERL (September 2020), which deals specifically with the costs local government deal with. Council has identified that the faster rebuild scenario is most suited for our District. The indices are applied according to the types of expenditure that make up each activity.</p> <p>An inflation assumption of 2% has been used for the remaining 20 years of the Infrastructure Strategy.</p> <p>For the Uniform Targeted Rates (UTR) (stormwater, water and wastewater) the inflation rate is defined by Council and is generally based on historic and projected financial information:</p> <p>2022: 3%</p> <p>2023-2031: 1%</p>	<p>Inflation rates impact the expected costs of our services in the future.</p> <p>These vary by activity as the type of goods purchased differ.</p>	<p><b>Moderate</b></p> <p>The level of uncertainty for this assumption is moderate. It is difficult to predict inflation over a 10-year period, therefore actual results are likely to vary from these indices, particularly from 2024 onwards.</p>	<p><b>Moderate</b></p> <p>If inflation is under-estimated and actual cost increases are materially higher than forecast, budgets for the first year of the LTP may be too low to complete the work scheduled for the year. In such cases the work would be re-scheduled.</p> <p>If inflation is less than forecast, some work may be brought forward from Year 2 of the Plan or surplus revenue held over the following year.</p>	<p>Inflation assumptions are reviewed each year as part of the annual budgeting process.</p>

Projected indexed prices from a 1,000 base in September 2020											
Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Roading	1,015	1,048	1,082	1,116	1,151	1,187	1,224	1,261	1,300	1,340	1,381
Planning and regulation	1,014	1,040	1,066	1,094	1,121	1,149	1,178	1,207	1,237	1,267	1,297
Water and environment	978	1,019	1,053	1,089	1,127	1,167	1,202	1,243	1,285	1,328	1,369
Community activity	1,007	1,038	1,067	1,097	1,127	1,159	1,189	1,222	1,256	1,291	1,325

# 16

## Interest rates

Assumption	Implication	Level of uncertainty	Impact	Mitigation
Interest rates will fluctuate over the course of the LTP. However, on average, the interest rate on future term borrowing for the 10 years of the LTP has been estimated at 3.8%.	Interest rates govern the cost of borrowing. While borrowing is beneficial in spreading the cost of infrastructure across all generations that benefit from it, fluctuating interest rates can impact how much we pay.	<p><b>Low</b></p> <p>The level of uncertainty for this assumption is low. 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, in conjunction with advice from New Zealand Treasury experts.</p>	<p><b>Moderate</b></p> <p>If interest rate assumptions were too low, it would result in borrowing costs being higher than forecast.</p> <p>If interest rate assumptions were too high, borrowing costs would be lower than forecast. A 0.5% movement on \$150m of debt equates to a \$750k movement in interest expense.</p>	Interest rate assumptions are reviewed each year as part of the annual budgeting process.

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## External funding for projects

Assumption	Implication	Level of uncertainty	Impact	Mitigation
<p>External funding will be available and some projects will be contingent on this.</p> <p>Council and the community often rely on external funding sources to help deliver projects.</p> <p>Council is aware of approximately \$87m of community and recreation facility projects that the community is wanting to deliver over the next 10 years. Where Council is planning on making a contribution, this has been included in the LTP. Otherwise it is assumed that the projects will be delivered with external funding and that there will be no ongoing cost to Council.</p> <p>Council is able to access central government funds in some situations to assist with delivery of projects. It is assumed these projects will not be delivered unless there is certainty of funds from Central Government.</p> <p>There will be more central government funding available in the early years of the LTP, as part of the economic recovery response to COVID-19. However, there will be less funding available from other sectors (philanthropic organisations).</p>	<p>Some projects will only be progressed with sufficient external funding.</p>	<p><b>High</b></p> <p>The level of uncertainty for this assumption is high. It is difficult to predict whether community groups and Council for that matter will be successful in obtaining external funding for projects.</p> <p>The level of funding available may vary from our assumptions.</p>	<p><b>Moderate</b></p> <p>If the project is unable to secure funds then Council may be approached to meet any shortfall. If this is the case, this request will be considered through the annual budget process. If the project does not proceed, Council will remove the funding contribution (if applicable) from the budget.</p>	<p>Council will continue to talk with partnering agencies regarding funding availability.</p>



## Asset lifecycles

Assumption	Implication	Level of uncertainty	Impact	Mitigation (revise through LTP)
<p>Asset lifecycles will align with those forecast and used as the basis of depreciation. It is assumed that assets will be replaced at the end of their useful life.</p> <p>Please refer to the depreciation section of Council's Significant Accounting Policies.</p>	<p>Asset life cycles drive our renewals and maintenance schedules.</p>	<p><b>Low</b></p> <p>Asset condition is monitored to ensure that maintenance or replacement is optimised.</p>	<p><b>Low</b></p> <p>Several asset classes have very young infrastructure (they have a long time until their theoretical end of life). As such the likelihood of significant levels of failures or early replacement is muted for Council.</p>	<p>Council will continue to maintain its asset management processes and plan accordingly.</p>



Pyes Pa School

# Financial Strategy

## Rautaki Tahua

The Financial Strategy describes how we plan to finance our activities in a way that is sustainable over the long term and promotes community wellbeing. This provides the framework for delivery of the Long Term Plan 2021-2031 (LTP) and the 30-year Infrastructure Strategy. Debt and rates limits are tools that enable us to deliver projects and services through providing the financial resources, while also making sure that the costs are controlled and spread prudently. Prioritisation is the key to ensuring the community has the services it expects to have, in a way that balances affordability with delivery.





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## Introduction

Western Bay of Plenty District aspires to be a vibrant, healthy and welcoming place with a thriving economy and clean, green and valued environment. We want to promote inter-generational community wellbeing – across each of the social, environmental, cultural and economic aspects. To achieve this, we need to have the capacity and resources to deliver quality and affordable services to the community.

The Western Bay of Plenty District is a high growth area and has had considerable population and economic growth over the past 10 years. Our close proximity to Tauranga City, and location in the 'golden triangle' (between Auckland, Hamilton and Tauranga) has led to the popularity of our District for new residents and businesses. We expect growth to continue for the foreseeable future. This growth does come at a cost, with investment in infrastructure necessary to provide increased capacity and allow for development of new areas. Our debt profiles peak in alignment with the delivery of this infrastructure and reduces over time as growth occurs and costs are recovered from developments.

Council's finances are in good shape. The economic climate in which we are operating is currently more uncertain (due to the impacts of COVID-19), but we are still confident in the economic strength underpinning our District over the long-term. We understand circumstances can change and have adopted a balanced financial approach in this strategy that supports the District's continued population and economic growth, while ensuring prudent management of debt and rates levels and providing scope to adapt to changing circumstances. Recent Central Government funding, as part of the COVID-19 recovery funds, has increased the number of capital projects we plan to deliver.

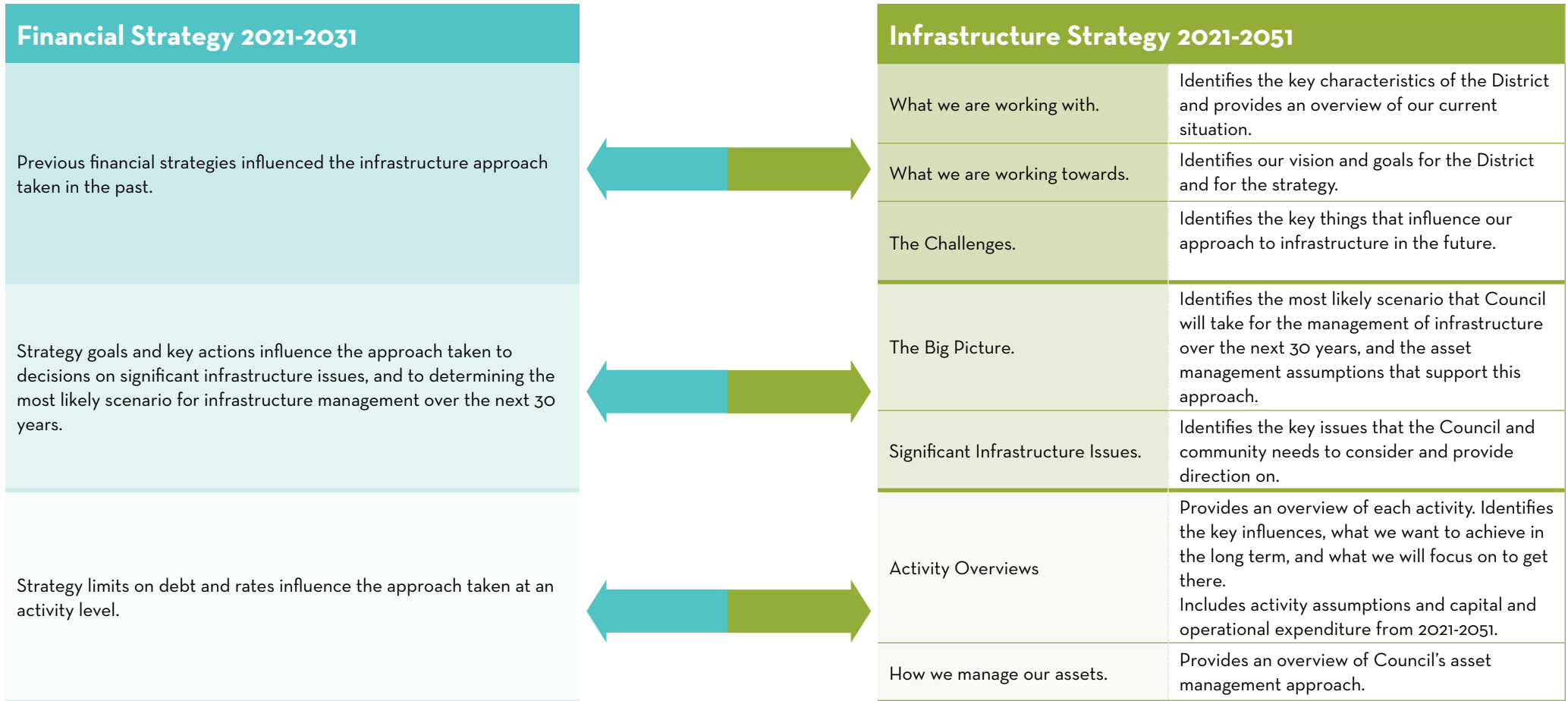
Year one of the LTP 2021 sees a planned step-change for rates. This is in response to an increase in capital project delivery to respond to growth, increased levels of service including the new kerbside waste service, increased maintenance costs for our roading assets and to meet legislative deliverables such as the review of the District Plan and Three Waters' compliance. Council has plans to limit the average rates increase across the District to 12% for year one of the 2021 LTP and subsequently reduce this limit to 4% per annum, for year two onwards, and ensure that net debt does not exceed 180% of our total revenue.

This approach supports delivery of the Infrastructure Strategy where the focus is on maintaining the infrastructure we currently have, and investing in infrastructure where benefits for community wellbeing can be achieved, and where legislation requires it. Priorities include infrastructure investment in Ōmokoroa and proactively planning for and responding to environmental issues including climate change and increasing water quality standards that impact on Council's water supply, wastewater and stormwater activities. Proposed changes to levels of service are highlighted as are other key decision points. The Financial Strategy provides 'room to move', recognising that decisions made down the track may change our forecast expenditure profile.



# How the Financial Strategy and Infrastructure Strategy work together

The two strategies go hand in hand. The Infrastructure Strategy outlines what we need to do, when and why, and the Financial Strategy puts the financial framework around this to provide a balance between delivery and affordability.



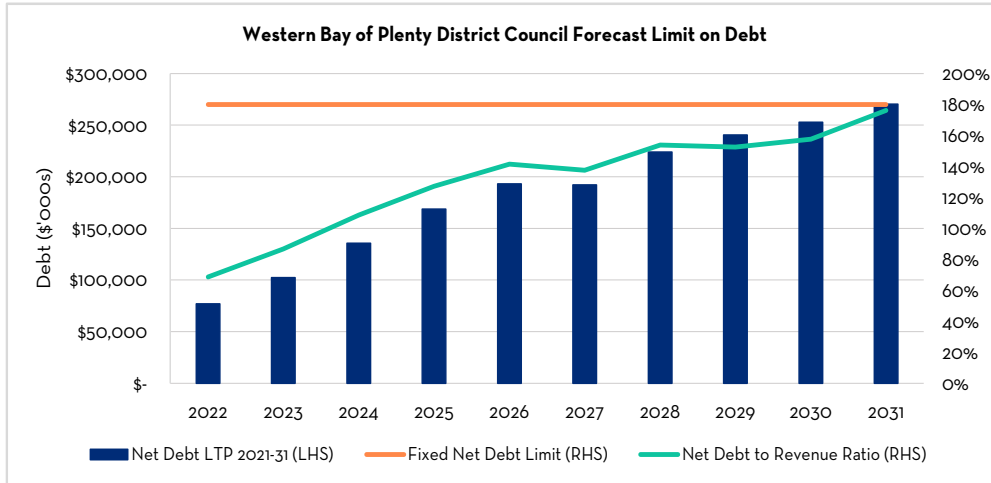
## Key messages

Council will continue with the good financial progress made over the last three years. The focus from 2021 to 2031 will be on achieving the following goals and actions.

### Goal 1: We will continue to manage our levels of service

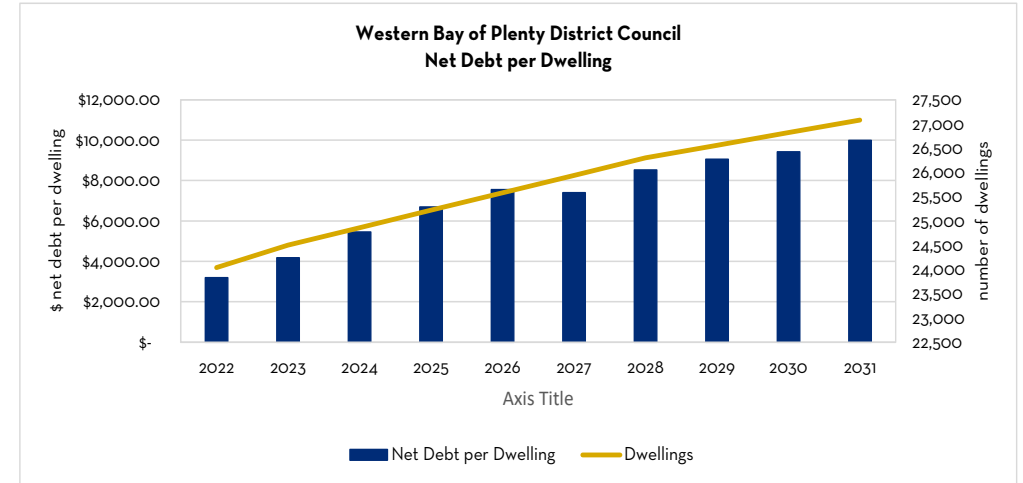
Why is this important	What we have done to date	Key actions to achieve this goal
<p>It is important that we can achieve the community's aspirations in a fiscally responsible way, through balancing delivery of services that people want, with the community's ability to pay for these services. We also need to ensure we have 'room to move' for those unexpected situations that can arise.</p>	<p>Since 2015, we have been including a rates portion to fund growth-related debt interest payments. Through the 2018-28 LTP, the community supported Council reviewing the actual amount annually to take account of growth. Over the last three years, the amount we put towards this has been able to reduce, due to increased building and the recovery of the costs from developments and favourable interest rates.</p> <p>This approach, coupled with prudent management of the capital works programme, means our net debt has reduced from \$144 million in 2015 to \$75.5 million in 2019/20. For the 2020/21 year our total gross debt is tracking below what was forecast in the 2018-28 LTP (\$90m vs \$120m) which creates a more manageable financial situation for the future.</p> <p>Over the next 10 years we will see net debt increase, but remain under our self imposed 180% of total revenue cap*. Debt spreads the costs of an asset across its lifetime, meaning that all those that benefit from it contribute. This is key to intergenerational wellbeing.</p> <p>*The Local Government Funding Agency Limited currently sets a limit of net debt at 300% for local authority borrowers.</p>	<ol style="list-style-type: none"> <li>1. Ensure that net debt (total external debt less cash on hand) does not exceed 180% of our total revenue. While we are currently substantially below this limit (net debt to revenue was 83% in 2019 reduced from 168% in 2015), the limit is set at a prudent level to ensure we can respond to unforeseen circumstances as necessary.</li> <li>2. That Council has the option to contribute a portion of rates per year to growth related interest and debt repayments, according to forecast growth. This will be considered by Council each year through the Annual Plan process.</li> <li>3. Continue to apply a prudent approach to implementation of the capex programme through the 'just in time' principle, assessing capacity to deliver, and staging works where practical.</li> </ol>

Figure 1: Forecast Debt 2021-2031



Net debt is projected to peak at 2031 with projections post-2031 indicating a reduction in debt levels based on the infrastructure demands contained in the Asset Management Plans that support Council's Infrastructure Strategy within the 2021-31 Long Term Plan.

Figure 2: Net Debt per Dwelling 2021-2031 and number of Dwellings



\* The number of dwellings is based on Council's population growth and dwelling projections.



## Goal 2: We will continue to manage rates

Why is this important	What we have done to date	Key actions to achieve this goal
<p>It is important that we can achieve the community's aspirations in a fiscally responsible way, through balancing delivery of services that people want, with the community's ability to pay for these services. We also need to ensure we have 'room to move' for those unanticipated situations that can arise and are difficult to predict.</p>	<p>In the 2018-28 LTP the community supported Council continuing to limit rates increases to 4% per annum. This includes an allowance for growth and inflation ((local government cost index (LGCI) - the inflation measure used by councils) each year.</p> <p>Since 2015 the actual rates increase has been below 4% (with one exception just above 4% due to growth exceeding forecast estimates).</p> <p>Year one of the LTP 2021 sees a planned step-change for rates. This is due to increased capital project delivery to respond to growth, increased levels of service including the new kerbside waste service, increased maintenance costs for our roading assets and to meet legislative deliverables such as the review of the District Plan and Three Water's compliance.</p>	<p><b>4.</b> Limit the average rates increase to 12% for 2021/2022. This includes inflation and excludes growth.</p> <p>Limit the average rates increase across the District to 4% per annum for years 2022/2023 onwards. This includes inflation and excludes growth.</p> <p><b>Figure 3</b> shows the total rates increase excluding growth and <b>Figure 4</b> shows the total rates increase including growth.</p> <p><b>5.</b> Rates income is limited to a maximum of 80% of total revenue, with the balance derived from other sources. Figure 5 shows the sources of revenue and Figure 6 shows how this will be achieved over the LTP period.</p>

**Figure 3:** Planned increase in total rates excluding growth

Total rates	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Rates before inflation	8.31 %	1.08 %	1.00 %	0.70 %	(0.07)%	1.01 %	0.45 %	0.41 %	(1.45)%	(0.69)%
Inflation (LGCI)	3.20 %	2.90 %	2.90 %	2.90 %	2.90 %	2.80 %	2.90 %	2.90 %	2.90 %	2.70 %
<b>Rates after inflation</b>	<b>11.51 %</b>	<b>3.98 %</b>	<b>3.90 %</b>	<b>3.60 %</b>	<b>2.83 %</b>	<b>3.81 %</b>	<b>3.35 %</b>	<b>3.31 %</b>	<b>1.45 %</b>	<b>2.01 %</b>

These rate increase percentages exclude water by meter and rating penalties.

**Figure 4:** Planned increase in total rates including growth

Total rates	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Rates before inflation	8.31 %	1.08 %	1.00 %	0.70 %	(0.07)%	1.01 %	0.45 %	0.41 %	(1.45)%	(0.69)%
Inflation (LGCI)	3.20 %	2.90 %	2.90 %	2.90 %	2.90 %	2.80 %	2.90 %	2.90 %	2.90 %	2.70 %
<b>Rates after inflation</b>	<b>11.51 %</b>	<b>3.98 %</b>	<b>3.90 %</b>	<b>3.60 %</b>	<b>2.83 %</b>	<b>3.81 %</b>	<b>3.35 %</b>	<b>3.31 %</b>	<b>1.45 %</b>	<b>2.01 %</b>
Growth	1.43 %	1.50 %	1.36 %	1.34 %	1.32 %	1.30 %	1.29 %	1.18 %	1.17 %	1.16 %
<b>Increase in rates (including growth)</b>	<b>12.94 %</b>	<b>5.48 %</b>	<b>5.26 %</b>	<b>4.94 %</b>	<b>4.16 %</b>	<b>5.11 %</b>	<b>4.63 %</b>	<b>4.50 %</b>	<b>2.62 %</b>	<b>3.17 %</b>

These rate increase percentages exclude water by meter and rating penalties.

Figure 5: Sources of Revenue (excludes vested assets)

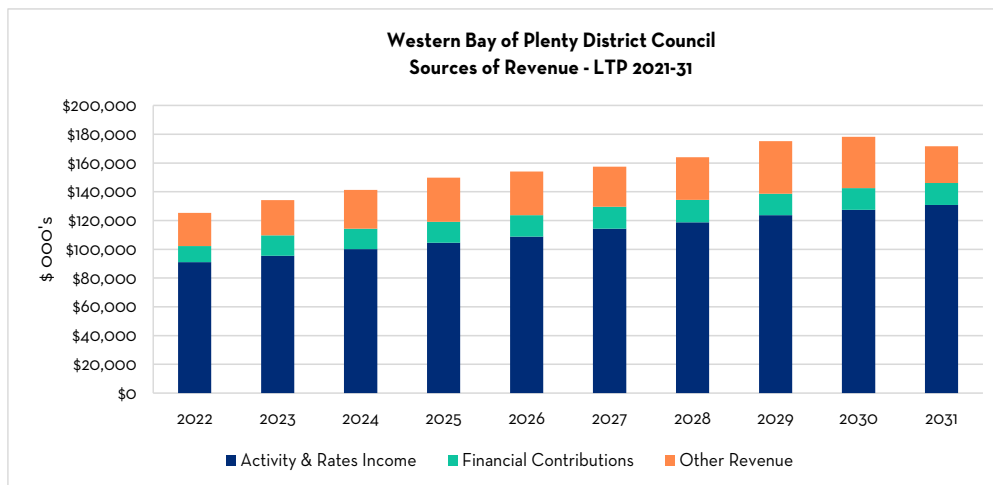
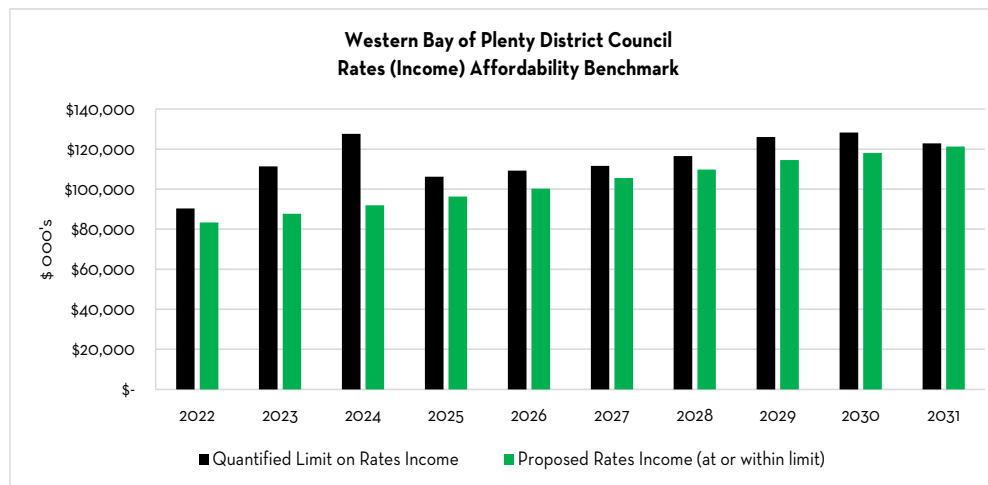


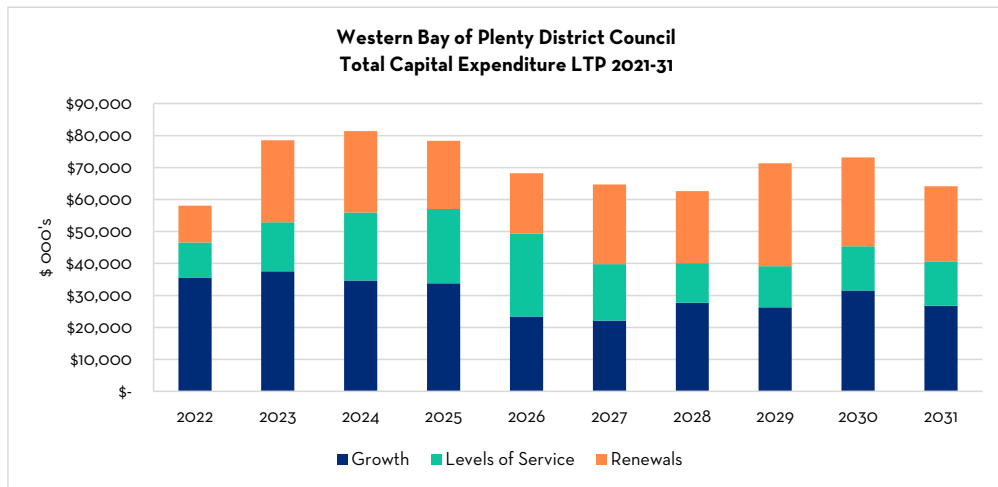
Figure 6: Maximum Rates Income Limit



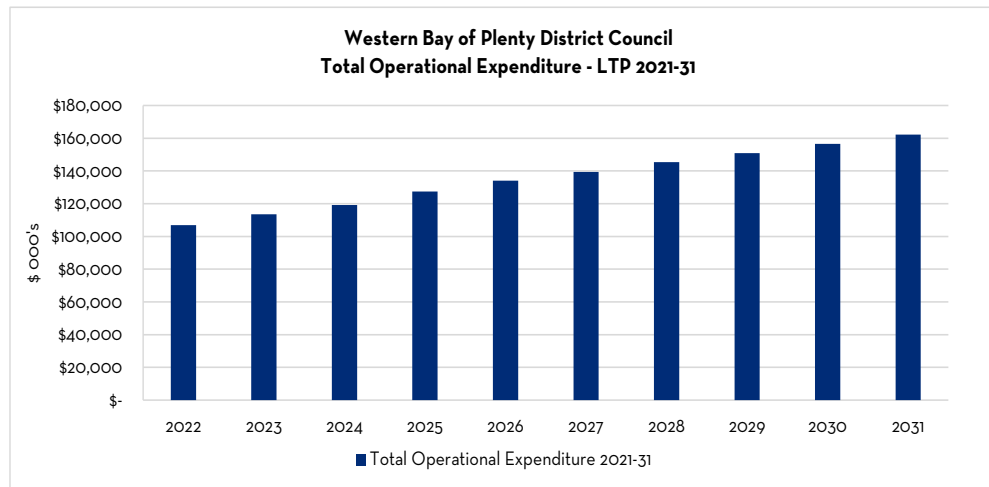
**Goal 3: We will continue to invest in our communities and the future of our District**

Why is this important	What we have done to date	Key actions to achieve this goal
<p>It is important that we provide good quality infrastructure to attract investment to our District and provide confidence to ratepayers that levels of service can be delivered now and in the future.</p> <p>It is important that Council continues to encourage growth in our District as it brings many benefits including increased prosperity, attracting investment, and community vibrancy and diversity.</p> <p>Our approach enables intergenerational wellbeing to be safeguarded, with today's communities and tomorrow's communities paying their share.</p>	<p>In the 2021-31 LTP supporting information, Council has outlined the planned infrastructure spending for stormwater, wastewater, water supply and transportation. This recognised the need to spend over \$500 million on new or replacement infrastructure, and over \$300 million on operational costs such as maintenance over the 10 years.</p>	<ol style="list-style-type: none"> <li>6. Allocate \$187 million during 2021-2031 to renew assets for water, wastewater, stormwater and transportation.</li> <li>7. Allocate \$296 million during 2021-2031 for water, wastewater, stormwater and transportation infrastructure to provide for growth. The majority of this is for development of Ōmokoroa.</li> <li>8. Continue to charge developers a contribution towards costs of providing new infrastructure required for growth.</li> <li>9. Continue with a 'just in time' approach to infrastructure provision, with close monitoring of the actual uptake of growth.</li> <li>10. Ensure that there is sufficient funding in place for renewal of assets when required.</li> </ol> <p><b>Figure 7</b> shows the whole of Council capital expenditure from 2021-2031. <b>Figure 8</b> shows the whole of Council operational expenditure from 2021-31.</p> <p>Note: for a breakdown of the infrastructure expenditure components of these graphs, please refer to the Infrastructure Strategy.</p>

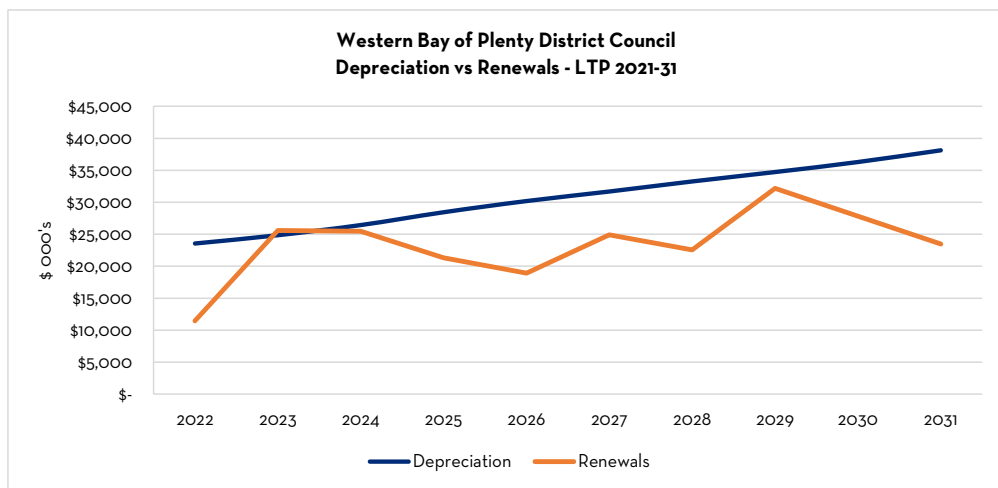
**Figure 7:** Total Capital Expenditure 2021-2031



**Figure 8:** Total Operational Expenditure 2021-2031



**Figure 9:** Depreciation vs renewals





## Future influences on our financial approach

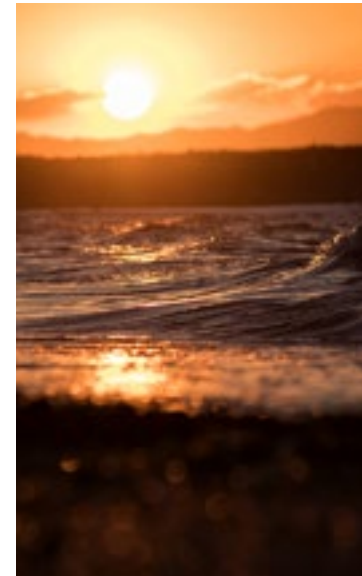
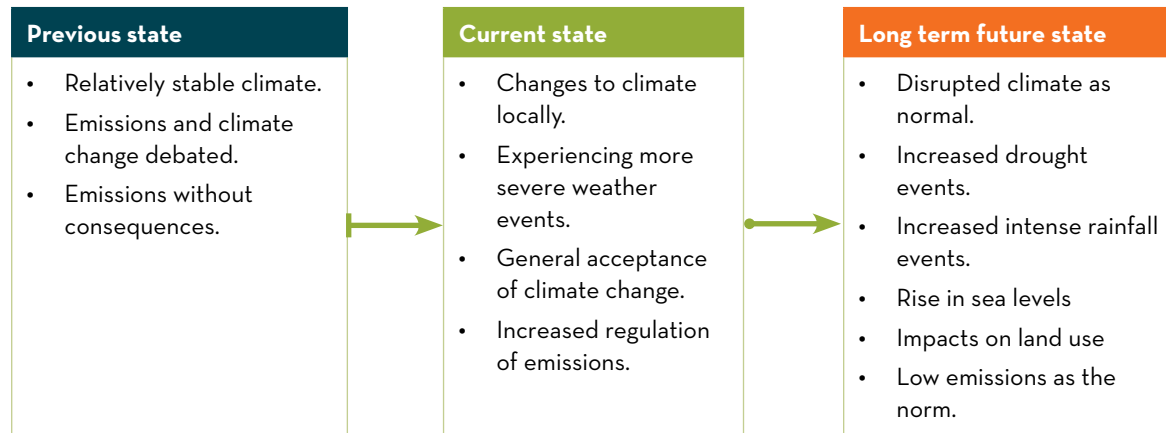
### Significant infrastructure issues over the next 30 years

The Infrastructure Strategy identifies 12 significant issues over the next 30 years (outlined below). Significant decisions on these issues are required within the term of this LTP however the potential budget implications are likely to be felt over a longer period of time.

Issue	Why this is significant
<b>1.</b> Significant investment in growth infrastructure for Ōmokoroa, in particular implications of Ōmokoroa Stage 3 Structure Plan.	Currently underway.
<b>2.</b> Development of the Rangiuru Business Park and associated infrastructure.	Initial works currently underway. Further decisions necessary in 2021- 2023.
<b>3.</b> Implementation of SmartGrowth / UFTI growth infrastructure. Including the implications on local roads from the construction of the Takitimu North Link and Ōmokoroa four laning.	Significant decision required for 2027-2037 LTP process.
<b>4.</b> Provision of community and recreation facilities for a growing community – swimming pools, libraries/ community hubs and recreation facilities	Significant decision required for 2021-2031 LTP process, and 2036-46 LTP process.
<b>5.</b> Increased roading costs due to asset maintenance needs and growth pressures	Significant decision required for 2021-2031 LTP process.
<b>6.</b> Increased standards of compliance for treatment of and method of wastewater discharge.	Significant decision required for 2024-2034 LTP process.
<b>7.</b> Increased demand for new and improved walking and cycling facilities.	Significant decisions required for 2021-2031 LTP process.
<b>8.</b> Council's level of service for solid waste, kerbside services, provision of a greenwaste/recycling/ resource recovery centre in Ōmokoroa and waste infrastructure investigations.	Decision made through the LTP Amendment in 2019. Further decisions to be made following investigations in 2024.
<b>9.</b> Increased standards of compliance for treatment of stormwater discharge.	Decision made through the 2018 LTP, however there are ongoing decision points
<b>10.</b> Provision of boat launching facilities to the harbour to cater for growth.	Works planned for 2021-31.
<b>11.</b> Security, resilience and increased compliance for water supply.	Further decisions required following initial works.
<b>12.</b> Investment into provision of elder housing stock.	Significant decision required for 2021-2031 LTP process.

## Climate Change

A key consideration is how climate change may impact our communities and our assets. We expect that we will experience increased effects from climate change and will have to have the financial capacity to prepare and respond.



We have to make provision to plan for and address the implications of climate change. We will progress this through four work streams to establish our governance, our strategy, our risk management approach and to put in place metrics and targets. This involves individual projects in our activity areas, a Council-wide approach to mitigation and risk, and providing sufficient debt headroom for works as needed (either in responding to events made more severe by climate change or undertaking mitigation actions). The strategic assumptions set out the basis of our current planning. The uncertainty around the exact timing of climate change impacts requires a flexible approach and it is important to ensure we have financing available if we need it.

## Affordability

A key financial consideration is the ability of our community to pay for the cost of services delivered through their rates. The ageing population will result in a high proportion of our community being on fixed incomes. This impacts on their ability to absorb significant or cumulative rates increases.

The current measure used to describe rates affordability is the rates affordability benchmark. The Financial Strategy sets in place the limits that this benchmark is assessed against. Council meets the rate affordability benchmark if:

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

Debt affordability benchmarks are also set in this strategy through quantified limits on borrowing.



### Long Term Plan consultation

Consultation on the LTP is the key way to 'test' the community's willingness to pay the rate increases (to achieve the delivery of services). From this Council determines the appropriate level of increase that ratepayers could absorb.

Council is required to include a disclosure statement in the Annual Report on the financial performance in relation to these benchmarks.

## National and global influence

Our District is influenced by external factors – national and international, environmental, economic and political. Future changes in interest rates, international markets and legislation, as well as natural hazards and climate change, are likely to impact on our financial situation.

The continued impacts of the COVID-19 pandemic at an international and national level will be a disrupting force. Council's resilience and ability to respond to these factors outside of its control will be enhanced by the prudent approach to debt management. This gives us flexibility to respond to new situations.

Recognising that there are many unknowns about future events and circumstances, we have included a brief comment from work carried out by BERL (economists) to look at economic scenarios to 2030 below, as well as a brief comment with a more local focus.



## COVID-19 and beyond

### Immediate impact

Immediate spike in unemployment, especially face-to-face sectors like tourism. Alert level 4 containment measures imply a 21 percent decrease in employment. Alert level 1 containment measures imply a three percent decrease in employment.

Accommodation and food services; construction; and arts and recreation services exhibit a drop in employment of 39, 36 and 36 percent, respectively.

### Long term recovery

The economic crisis brought about by COVID-19 containment measures has seen a sharp drop in economic activity. While official Treasury and Reserve Bank scenarios project a swift recovery, global considerations along with vaccine timelines suggest a recovery over a longer time horizon. We suggest a five to eight-year recovery scenario; as opposed to a two-year turnaround.

The manufacturing, construction, agriculture, education, and healthcare and social assistance sectors will recover by 2030. Tourism will experience a more prolonged period of lower activity.

### Challenges and opportunities

A growing population reinforces the need for local government to continue providing services.

While a shrinking working-age proportion of the population implies the need to consider new challenges.

New options for local government funding should be explored. Debt financing is a prudent option, especially as long-term interest rates are set to remain low for longer.

The role of local government during the recovery will be to support the demand side by maintaining (if not bringing forward) operating spending. On the supply side, investments in community infrastructure to instil confidence will be important.

Māori have historically been disproportionately affected by economic crises. However, the increasing diversification of Māori economic activity may also be a factor in improving resilience to future crises.

**Leisure, work, and ways of living are changing. One common theme that has emerged is connectedness. Local government has a role to play in facilitating connectedness through effective investment in “third places”, including actively advocating for digital inclusion.**

(Economic Scenarios to 2030: The post-COVID-19 scene – July 2020)

## The local outlook

At the District and sub-region wide level, the economic outlook is fairly positive. Our economy has been cushioned from some of the impacts of COVID-19, due to our diverse economy, strong rural sector (especially horticulture) and low reliance on international tourists.

### Our economy pre-COVID-19

- six years of strong growth
- high demand for housing
- development pipeline
- low unemployment - 3.3%
- Port of Tauranga strong
- diversified regional economy
- some challenges: housing, transport, environmental.



Figure 10: Top 10 Industries (Western Bay sub-region) - GDP



Figure 11: Employment by sector (Western Bay sub-region)



We expect to see continued population growth due to the District's natural appeal and attraction to internal migrants. We expect to see continued economic growth, but not at the levels forecast pre-COVID-19. There will be growth in terms of jobs and output. This is an area where continual monitoring and engagement with the business community is important.

# What are we working with

## Our District

The Infrastructure Strategy provides an overview of the key characteristics of the Western Bay of Plenty District. In summary our District is:

- A sunbelt destination due to the coastal and harbour location and temperate climate.
- Growing from 30,000 people in 1991, to an estimated population of 57,355 in 2021, and projected to continue to grow to 71,367 by 2051.
- A mix of four urban growth areas at Ōmokoroa, Waihi Beach, Katikati and Te Puke, smaller settlements such as Maketu and Paengaroa, and the balance being predominately rural.
- An area with a higher national average of people aged 65 years and over.
- Located next to one of New Zealand's fastest growing cities, Tauranga, where the growth is projected to continue over the next 30 years.
- Dominated by the primary industries of agriculture and horticulture, that drives a multitude of professional businesses and service industries.

The context provides both challenges and opportunities for the future of our District and the ability to achieve our aspirations. The challenges and opportunities are explored further in the Infrastructure Strategy with some reference where relevant in this strategy (e.g. ageing population, or affordability).

## Our current financial situation

**When the Western Bay of Plenty District Council was created in 1989 it had few financial reserves or investments and inadequate infrastructure to service its fast-growing communities. Since then Council has committed significant investment in infrastructure, including improving the quality of water supplies, establishing wastewater schemes, sealing roads and improving stormwater networks.**

Debt was used to pay for this infrastructure as a fair way of funding the cost. Our District now has infrastructure that will last well into the future. However high debt levels were a consequence of this lead investment and the impact of the global financial crisis in 2007 reduced revenue from growth required to pay for this debt. **Figure 12** shows the debt profile from 1993-2020.

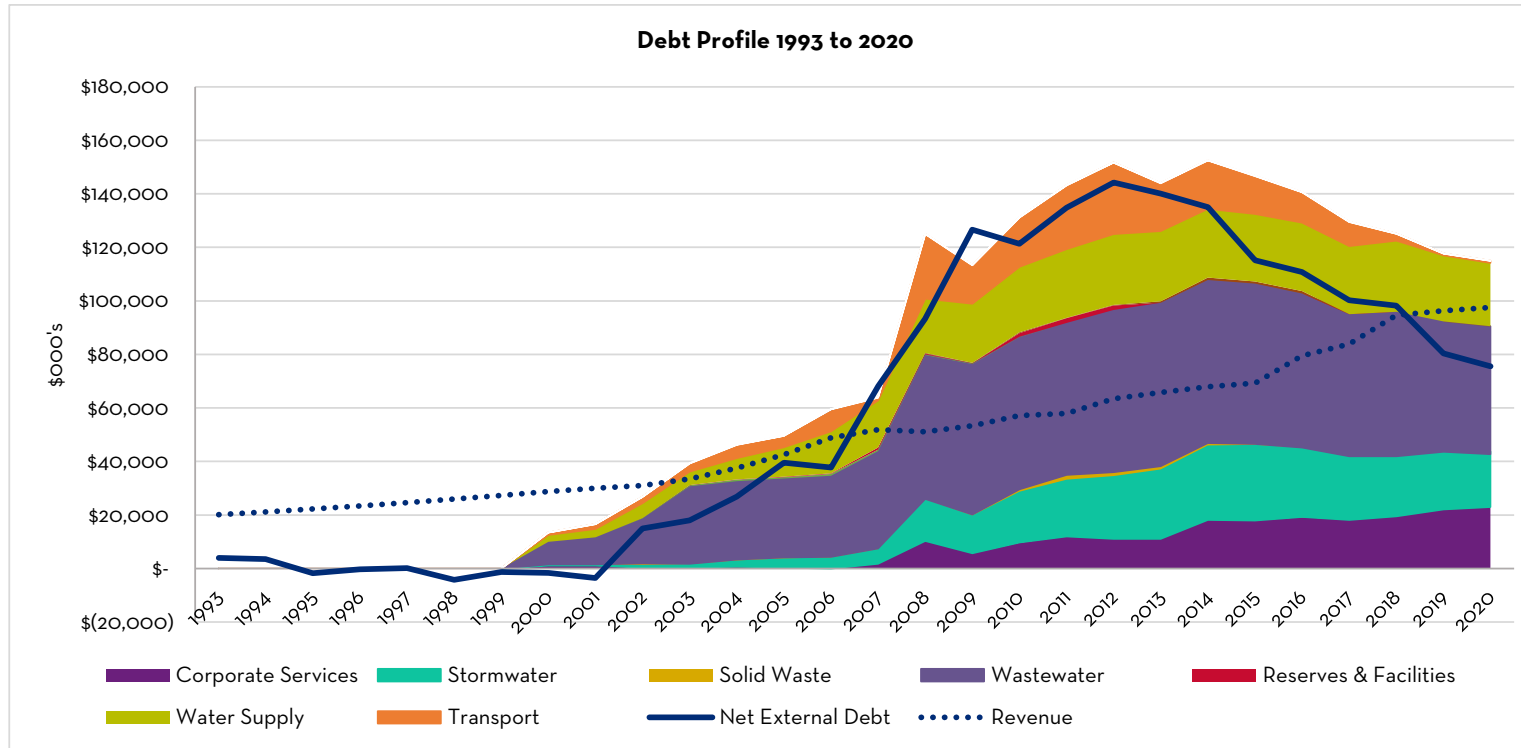
From 2015 we increased the amount of rates funding towards growth-related debt interest payments. Through the 2018-28 LTP the community supported Council reviewing the actual amount annually to take account of growth. Over the last three years, the amount we put towards this has been reduced, due to increased building and favourable interest rates.

This approach, coupled with prudent management of the capital works programme, means our net debt has reduced from \$144 million in 2015 to \$75.5 million 2019/20. This has created a more manageable financial situation for the future.

Although Western Bay has higher rates than other similar local authorities it now has infrastructure that will last well into the future and accommodate expected growth.



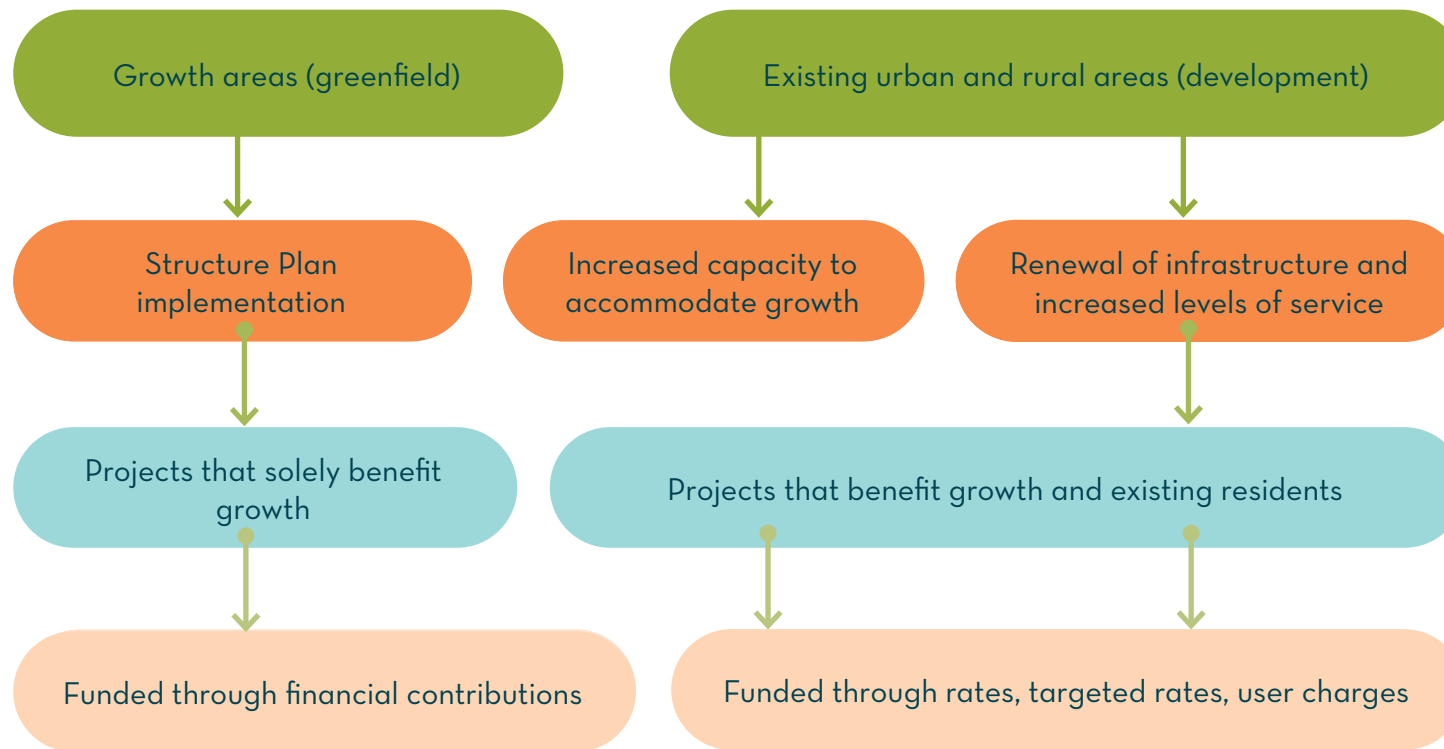
**Figure 12:** Council's Debt Profile 1993-2020



### Funding growth

We fund growth-related infrastructure in a number of ways. Developers are charged financial contributions under the Resource Management Act 1991 and we use rates, targeted rates and user charges. Our sources of income to fund growth-related infrastructure are shown in **Figure 13**.

Figure 13: Sources of income to fund development



### Use of debt

By using loans to pay for assets with a long life, we can recover the cost from ratepayers over the life of the asset. In this way the cost is allocated fairly between current and future ratepayers and better provides for intergenerational equity. The roading, sewerage, stormwater and potable water extensions and upgrades that we have invested in have long lives and will continue to be used over the next 20-50 years. We need to ensure that future ratepayers pay their fair share of the cost of infrastructure developed for their eventual use, rather than costs being met by current ratepayers.

### Reliability of asset data that forecasts are based on

Overall asset condition data is considered to be extensive and reasonably accurate, particularly in the transportation activity due to the nature of the performance-based contract. Wastewater and stormwater assets are relatively young in age so there is limited need to confirm condition assessments. In some cases there is still data to be obtained and this is a focus moving forward to ensure asset condition data is captured as required. This information will improve future investment decisions.

Council has a good degree of confidence in the reliability of asset information however regular analysis is undertaken to identify opportunities for improvement. One of the key tools is implementation of our asset management system called AssetFinda and associated resourcing to improve asset data and modelling and to provide technical advice and support to managers.

## Cost influences

There are several major drivers of Council cost shown in the table below.

Driver	Key considerations
<b>Increased service demand</b>	<ul style="list-style-type: none"><li>• growth in population, visitor numbers, businesses and properties</li><li>• changes in land use</li><li>• extending the areas covered by existing utility networks.</li></ul>
<b>Changes in service levels</b>	<ul style="list-style-type: none"><li>• frequency and reliability of service</li><li>• higher or lower standards of service - can be in response to community aspirations, legislation or affordability constraints.</li></ul>
<b>New services</b>	<ul style="list-style-type: none"><li>• new infrastructure such as wastewater schemes</li><li>• new services - usually in response to community demand</li><li>• new services required by legislation.</li></ul>
<b>Asset management</b>	<ul style="list-style-type: none"><li>• maintaining and renewing assets - is influenced by the type and age of assets</li><li>• depreciation - this is a way of providing for future replacement of assets</li><li>• purchase and sale of assets.</li></ul>
<b>Debt servicing</b>	<ul style="list-style-type: none"><li>• changes in interest rates</li><li>• new expenditure funded through loans</li><li>• speed of debt repayment - largely depends on income from financial contributions paid when properties are subdivided.</li></ul>
<b>Price changes</b>	<ul style="list-style-type: none"><li>• local government cost index - this reflects price changes in the goods councils usually purchase</li><li>• contract price escalations - long term contracts sometimes contain cost escalation clauses</li><li>• tender prices - this is influenced by availability of materials and skilled labour.</li></ul>
<b>Productivity</b>	<ul style="list-style-type: none"><li>• finding smarter ways of doing things in everyday business</li><li>• shared service delivery - working with other councils to avoid duplication and provide better services.</li></ul>



# The challenges

## Population growth



In 2021, the estimated population of the Western Bay of Plenty District is 57,355. This is projected to grow to 71,367 in 2051, bringing another 14,012 people to our District. The majority of this growth will be experienced in Ōmokoroa where the population will more than double in size over the next 30 years, increasing from 4,575 in 2021 to 12,086 people in 2051.

The planned population capacity for the Ōmokoroa urban growth area is around 12,000 and this is expected to be reached by 2045. That's almost the combined population of Katikati and Te Puke today. The majority of this growth will occur prior to 2031, and then we will experience a slowing down of growth which reflects a shift from natural increase to natural decline. Most of the population growth experienced to date has come from migration from other areas in New Zealand and also immigration and it is expected that this will continue to be the case. Further information on population growth projections is included in the assumptions section of the LTP.

### Existing urban growth areas

Western Bay of Plenty District has four existing urban growth areas identified in the SmartGrowth Settlement Pattern at Waihi Beach, Katikati, Ōmokoroa and Te Puke. These towns have been growing since the 1980s and still have capacity for additional residential dwellings and commercial/industrial development. Minimal growth is expected outside of these main urban centres. In Ōmokoroa, planning is underway for development of the land between State Highway 2 and the railway which will increase the total capacity to 5,300 dwellings on the peninsula. The existing urban growth areas are where Council's planning and infrastructure investment has been focused to date.

### Future urban growth areas

The Urban Form and Transport Initiative (UFTI), a collaboration of WBOPDC, Tauranga City Council, Waka Kotahi NZ Transport Agency and other Crown bodies has been working to identify how the sub-region may grow in the future. The adopted final report suggests the development of a new settlement in the East of the district and development of Te Puna and Plummers Point may occur beyond the next 30 years. These recommendations are still subject to several planning studies before significant infrastructure investment will progress, and there may be changes to timing. The UFTI final report also has implications for the Northern Corridor (Bethlehem to Waihi Beach), particularly around provision for public transport. The Infrastructure Strategy expands on this further. The Financial Strategy has been prepared to position Council's finances to allow for future investment as necessary to deliver on the expected growth.



Ōmokoroa Growth

## Repaying growth related debt



We manage our spending so that the timing of infrastructure projects is matched to income from financial contributions. In some cases, such as park and reserve development, the project can be undertaken in stages, timed to match revenue from growth as it occurs (i.e. the ‘just in time’ principle).

Difficulties arise with projects like wastewater schemes, which are typically designed for a large capacity so they are financially viable. In such cases it is more difficult to match expenditure to income because it is not practical to construct the project in stages so decisions are based on assumptions of growth for many years ahead. For example, our Ōmokoroa wastewater scheme was built to cater for an eventual expected population of 12,000 residents. If growth expectations are subsequently reduced, we have to find other funding sources to meet the interest and capital repayments on loans raised to pay for the development.

The paying down of debt, through rates, is one option. Goal One of this Financial Strategy enables the use of rates to fund debt repayments, however any potential use of this tool will depend on the economic and growth projections for coming years and will be assessed on an annual basis.

## Effect of changes in land use on service demand



Demand for infrastructure services (roads, water supply, wastewater, stormwater, reserves, facilities) increases where development occurs. Development may be subdivisions for housing, new commercial or industrial areas or intensification of existing development. For our District, growth is mainly driven by housing development.

Within the rural sector land use changes could affect service demand, especially for water supply and roading. For example, if an area serviced by the water supply network changed from a dry land crop to a crop requiring irrigation there could be an increase in demand for water. Likewise, for roading, if the land use changed from forestry to lifestyle blocks, the pattern of road use would change. The monitoring frameworks we have in place are important to understand actual growth and future growth projections for residential and other land use activities. The annual Development Trends report and our reporting requirements against the National Policy Statement on Urban Development are key ways that we can inform our infrastructure planning processes.

## Long term financial information for some activities



From a long term planning perspective, there is good information in place for the Three Waters and transport to determine a financial capital and operational programme of expenditure and highlight any forecast issues over a 30-year period as required by the Infrastructure Strategy.

Recreation and open space, solid waste and community facility activities currently only have robust financial information for the next 10 years to 2031. It is expected that Council’s asset management system (AssetFinda) will provide improved capability to forecast beyond this and will be incorporated into the 2024-2054 Infrastructure Strategy process.





## What we are working towards

### Vision for the Western Bay of Plenty District

**Our community has helped to identify what is important and these are things we want to retain and grow further so that our District will be a place where people continue to enjoy living want to move to and want to visit.**

**The type of District we want to live in is one 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.
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Our strategies provide specific direction on the contribution that infrastructure and all Council services will make to this vision, and the framework for what we do and why do it. For this LTP, community conversations held during 2020 have helped to identify the key things that are important to the community and that require prioritisation over the next ten years. **The themes are centred on the wellbeing of our communities:**



Social



Environmental



Cultural



Economic

The role of the Financial Strategy is to support the ability of Council to appropriately invest in these areas of importance through providing a balance between prudent financial management and delivery of services.

### Where we will be in 2031

The goals and key actions in this strategy provide direction on the financial approach we will take to work towards achieving this vision and strategic direction. Our aim is that by 2031 we will have:

- Maintained annual average rates increases at less than 4% (excluding growth) over the course of the LTP period, excluding the planned 11.51% increase in 2021/22.
- Utilised our strong balance sheet and low interest rate operating environment to invest in long-term assets and community infrastructure.
- Development will continue to make a fair and reasonable contribution to the cost of growth infrastructure, through Financial Contributions.
- Provided infrastructure that meets the level of service needs of our community.
- Continued to provide timely infrastructure that enables growth in key areas.

**Looking beyond 2031, we will have more ratepayers and more infrastructure to look after and will still be growing!**

## How we will manage the unexpected

As the world continues to deal with the impacts of COVID-19, the future is somewhat uncertain. In developing this strategy, we considered how we would respond if faced with unexpected situations that could affect our financial situation.

### Lower than expected growth

Growth forecasts are volatile and can be affected by external factors outside of our control, such as what happens in overseas financial markets, or how the world responds to a global pandemic. We have been conservative in our approach to ensure that, should growth not meet expectations, we will still be in a good position to cover the interest costs on our debt (although we may not be able to make repayments on the principal).

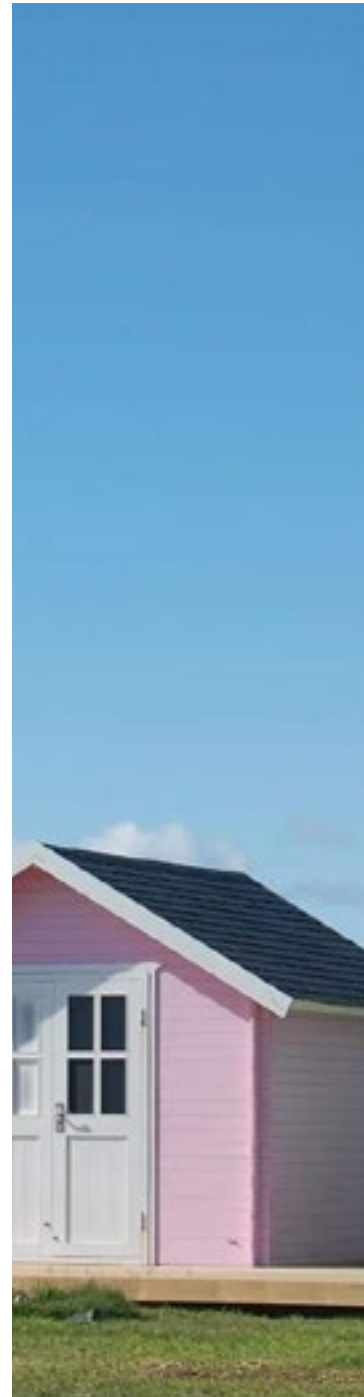
**If growth is substantially less than forecast, the shortfall can be managed. Our general approach would be to:**

- Promote development in areas where there is existing capacity in infrastructure.
- Consider reductions in levels of service.
- Sell assets that are not essential to operations and are easiest to sell, for example Capamagian Farm, Waihi Beach.
- Sell and lease back operational land, for example our head office at Barkes Corner, Tauranga.
- Seek Central Government assistance where practical.
- Avoid adding to our debt until levels of growth improve. This means postponing the start of projects (particularly those driven by growth), delaying or cancelling planned projects that are funded by loans, and/or delaying infrastructure upgrades.
- We would be very reluctant to defer maintenance of assets or reduce maintenance standards, as this may end up being more costly in the long run. Borrowing to cover an income shortfall would be our last resort because this would make the problem worse in later years.

On the other hand, if growth and therefore financial contributions income is higher than our forecasts, there may be an opportunity to reduce the need for further rates increase.

Our strategy to use rates to service our growth-related debt where appropriate, will be reviewed each year. We will look at growth rates and interest rates, to determine if a rates contribution is necessary. Any significant or material changes to the level of rates used to repay debt will be publicly consulted on through the Annual Plan process for that year.

Enabling Rangiora Business Park is an important role for Council and this involves a number of projects. The Council is taking a largely administrative role as a funding mechanism for Waka Kotahi funding. Council mitigates its risk through the ability to walk away from projects if external funding arrangements aren't in place. Residual risk is the same as all other structure plan areas.



## Cost of debt and access to refinancing

Over the next few years there is a risk that access to borrowing may become more difficult. When our existing debt matures, re-financing may be harder to obtain, particularly if financial markets deteriorate because of ongoing financial problems globally that may be exacerbated by the impacts of COVID-19.

We considered what might happen if these markets deteriorated to such an extent that borrowing becomes difficult in New Zealand. While we believe this is unlikely, we have considered how we would respond. The situation would arise without notice and the severity of the immediate situation would depend on the maturity profile of our debt at the time.

### Our response would be to:

- seek central government assistance to meet immediate commitments
- seek Bay of Plenty Regional Council assistance (where practical)
- raise income through an emergency rates increase
- aggressively sell land and other liquid assets
- postpone the start of all projects not already committed.

## Contingency and disaster management

The Canterbury earthquakes of 2010 and 2011 raised public awareness of our vulnerability to unexpected events and the potential for sudden destruction of infrastructure, such as water networks, roading and buildings that are the foundations of our community.

We considered how we might respond if there was a failure in major infrastructure that demanded significant unplanned expenditure. This might occur because of a natural disaster, accident or other event.

Council is part of the Bay of Plenty Lifelines Group which contributes to joint initiatives to reduce the vulnerability of utilities to hazards. The group undertakes an assessment of the vulnerability of various types of infrastructure to hazards including floods, earthquake, volcanic eruption, tsunami, storm surge, fire, wind and landslide.

We have built up a Disaster Contingency Fund which currently sits at \$9.3m and have insurances that cover some of our assets. However, in the event of major infrastructure failure this amount would not cover the total cost of replacement or repair.

### Our initial approach would be:

- use financial investments to provide ready cash flow
- use debt capacity to access borrowing
- use insurance payouts where available
- utilise the self-funding disaster contingency fund
- seek Central Government assistance
- sell assets not essential to operations that are easiest to sell.

**In the longer term, our recovery strategy would be to increase rates to top-up reserves or to provide increased insurance cover on underground assets.**



# Financial policies and investment holdings

## Notes on investment holdings

We are required to include in our Financial Strategy information on our objectives for holding financial investments and equity securities and to provide quantified targets for returns on those investments. We must also include our policy on giving of securities for our borrowing.

### Financial instruments

We hold financial investments such as term deposits, as part of managing our cash flow to finance expenditure on operations, for example to:

- 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.

Our main aim when investing is the protection of our investment so only creditworthy counterparties are acceptable.

We also seek to:

- maximise return on our investment
- ensure investments are liquid
- manage potential capital losses due to interest rate movements if investments need to be liquidated before maturity.

We also invest in interest rate swaps and forward foreign exchange contracts, for the purpose of managing the risks of movements in exchange rates and interest rates. These financial instruments are used as hedging tools rather than to earn a return on the investment.

### Te Tumu investment

In 2007 Tauranga City Council and Western Bay of Plenty District Council jointly acquired a block of land in Papamoa, referred to as Te Tumu. This land was purchased with the condition of providing the vendor the option to acquire it sometime between December 2016 and December 2026 by repaying the loan and interest to Tauranga City Council and Western Bay of Plenty District Council.

Our objective in purchasing the land was to ensure development of the land was consistent with SmartGrowth initiatives. Neither council intended to be the developer of this land or retain ownership in the long-term.

In November 2020 Western Bay District Council disposed of its interest in Te Tumu to Tauranga City Council, in order to allow Tauranga City Council to negotiate directly with the developer rather than through a tripartite agreement involving both councils. This disposal involved a loan agreement between Western Bay District Council and Tauranga City Council, and it is envisaged that the loan will be repaid to Western Bay Council during the 2026 financial year. This loan has a projected balance on maturity of \$13m.

## Equity securities

We do not currently hold equity securities (shares) for the primary purpose of earning a return on our investment. There are no plans to invest in equity securities during the term of this plan.

Below is a list of the companies in which we currently hold shares and details of the objective for holding the equity securities and a target rate of return.

Company	Objective of holding equity	Target rate of return
New Zealand Local Government Funding Authority (LGFA) – 8% shareholding.	<ul style="list-style-type: none"> <li>To obtain a return on investment</li> <li>To ensure that the LGFA has sufficient capital to become and remain viable so that it continues as a source of debt funding for us.</li> </ul>	≥0%
Bay of Plenty Local Authority Shared Services – 1/9th holding.	<ul style="list-style-type: none"> <li>To provide the Bay of Plenty region councils with an umbrella vehicle to investigate, procure, develop and deliver shared services.</li> </ul>	≥0%
Western Bay of Plenty Tourism and Visitors' Trust – 50% holding.	<ul style="list-style-type: none"> <li>To facilitate the establishment and governance of a regional tourism organisation, Tourism Bay of Plenty, which is a not-for-profit entity established to promote the economic welfare and development of the western Bay of Plenty region and its citizens through marketing, management and other activities that impact the region as a visitor and tourism destination.</li> </ul>	≥0%
NZ Local Government Insurance Company Limited (Civic Assurance) – 16,142 shares or 0.3% holding.	<ul style="list-style-type: none"> <li>Civic Assurance is a mutual fund so a prescribed number of shares is held proportionate to our interest in the fund.</li> </ul>	≥0%
Zespri Group Limited – 17,660 shares.	<ul style="list-style-type: none"> <li>Shares were acquired as a result of purchasing of land under kiwifruit orchards. They are incidental to the main reason for buying the land, which is for future infrastructure development.</li> </ul>	≥0%

## Security for Council borrowing

Our Treasury Policy includes the following statement regarding offering security for Council borrowing:

Council's borrowings and interest-rate risk management instruments will generally be secured by way of a charge over rates and rates revenue offered through a Debenture Trust Deed. The utilisation of special funds and reserve funds and internal borrowing of special funds/reserve funds and other funds will be on an unsecured basis.

Under the Debenture Trust Deed, Council's borrowing is secured by a floating charge over all Council rates levied under the Rating Act, excluding any rates collected by Council on behalf of any other local authority. The security offered by Council ranks equally or 'Pari Passu' with other lenders.

Council offers deemed rates as security for general borrowing programs. From time to time, with prior Council approval, security may be offered by providing a charge over one or more of Councils assets. Physical assets will be charged only where:

- There is a direct relationship between the debt and the purchase or construction of the asset, which it funds (e.g. an operating lease, or project finance).
- Council considers a charge over physical assets to be appropriate.
- Any pledging of physical assets must comply with the terms and conditions contained within the Debenture Trust Deed.

Council very rarely makes purchases in foreign exchange except for the occasional purchase of equipment or services. Our Treasury Policy precludes the use of foreign exchange risk management products, except to hedge significant commitments (i.e. those over \$10,000). As a result of its limited use of foreign exchange, Council has little direct risk of changes in currency exchange rates.

## Funding renewals and replacement of assets

Prudent financial management requires organisations to plan for the replacement or renewal of their assets when they reach the end of their useful lives in order 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. This provides for the intergenerational wellbeing of our communities. There are three principal ways this can be achieved:

Approach	Details
1. <b>Pay as you go</b>	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. <b>Saving for asset replacement (charge rates over the life of the asset – spend later)</b>	Ratepayers are rated annually to fund depreciation, which builds up in a reserve account to fund future replacements of assets. Unsuitable 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. <b>Borrowing to fund asset replacement (spend now – charge rates over the life of the asset)</b>	Ratepayers are rated annually to fund interest and capital repayments on loans matched to the life of the asset. In the future replacement of the asset would be financed in the same way. Suitable if our overall level of debt can accommodate the required borrowing.

We use a mix of these approaches to fund the replacement and renewal of our assets, choosing an approach that best suits each type of asset. We do not keep individual reserves to repay loans. We either fund loan repayments from rates, financial contributions and other income in the year repayments are due, or we refinance the loan. Shown below is the approach we usually take for different asset types.

Type of asset	Objective of holding equity
Water, wastewater and stormwater reticulation, treatment plants and buildings	<b>Borrowing to fund asset replacement.</b> <b>Pay as you go.</b>
Computer systems, office furniture and equipment, motor vehicles	<b>Saving for asset replacement.</b>
Roads and bridges	<b>Pay as you go.</b> <b>Borrowing to fund asset replacement.</b>
Other buildings	<b>Saving for asset replacement.</b>





Playground - Pukehina



## Infrastructure Strategy Rautaki Hangahanga

Infrastructure provides the foundation on which our District is built and supports most of what we do in our daily lives; the water we drink, the parks we play in, the way we get to work and it doesn't end there! The decisions we make as a community on infrastructure investment have a huge influence on shaping the future of our District.

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## Introduction

Infrastructure provides the foundation on which our District is built and supports most of what we do in our daily lives; the water we drink, the parks we play in, the way we get to work and it doesn't end there! The infrastructure in our communities underpins much of our wellbeing – social, economic, environmental and cultural. The decisions we make as a community on infrastructure investment have a huge influence on shaping the future of our District.

The District is growing and changing rapidly and requires a good long-term plan in place to deliver the right infrastructure, at the right time and in the right location. This strategy provides a comprehensive overview of the infrastructure services Council will deliver to the community over the next 30 years and identifies the issues and challenges we will face in doing this. We need to be nimble in our approach as there are things we know with certainty but there are also lots of unknowns that may impact significantly on what we do in the future!

The following types of infrastructure are included as they are fundamental to the development of successful communities and for achieving our future aspirations for community wellbeing:



Infrastructure is a core part of what Council provides to the community. Council spends over \$30 million (capital expenditure) every year on infrastructure and looks after over \$1.43 billion worth of assets. It is not possible to do everything and choices are made on how Council will manage infrastructure investment. The Financial Strategy helps to achieve the balance between the ability of the community to pay and the need to deliver important infrastructure services to the community.

## Key infrastructure messages 2021-2051

**The focus of this strategy is to continue caring for and maintaining the infrastructure we currently have, and to invest in infrastructure where benefits for community wellbeing can be achieved. This means ensuring infrastructure continues to meet the needs of our communities, provides for economic, cultural, social and environmental aspects of wellbeing and provides infrastructure to enable further growth to occur. The Financial Strategy supports this approach by setting in place prudent limits on debt and rates increases.**

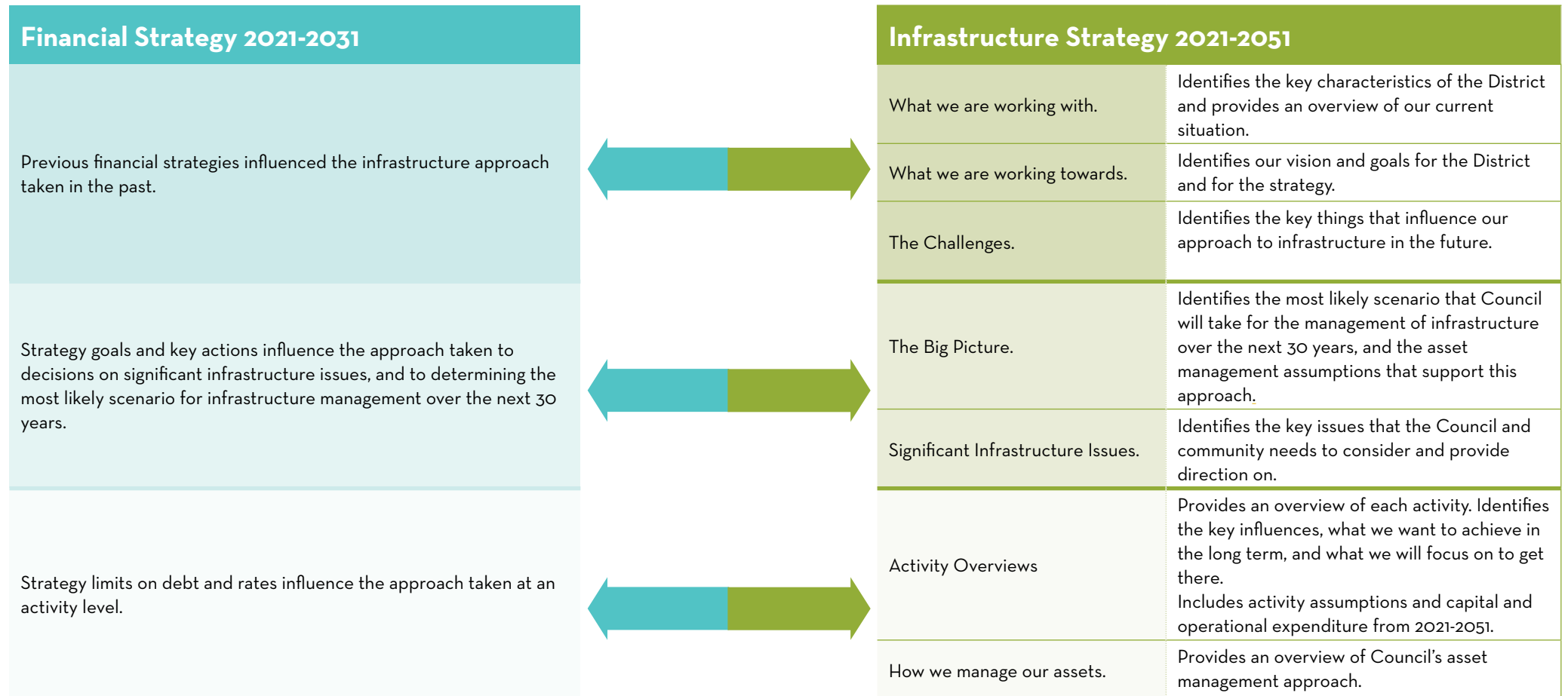
A high priority for infrastructure investment is Ōmokoroa, with significant growth-related projects over the next 30 years, particularly for transport. Council is also proactively planning for and responding to environmental issues including climate change and increasing water quality standards that particularly impact on the water, wastewater and stormwater activities of Council.

There will also be level of service changes as Council responds to community expectations. Through the LTP 2021-2031 Council considered significant changes to the level of service provided for swimming pools in the Recreation & Open Space area and changes to our approach for elder housing in the Community Facilities area. Changes in the delivery of kerbside waste services, under the Solid Waste activity, will also occur at the start of this LTP, which were agreed through a Long Term Plan amendment process in 2019/20.

The high level of population growth projected for the next ten years is greater than that expected later on. This has meant that many of our significant infrastructure issues are in the next ten years, and our District is experiencing a period of substantial infrastructure investment.

## How the Financial Strategy and Infrastructure Strategy work together

The two strategies go hand in hand. The Infrastructure Strategy outlines what we need to do, when and why, and the Financial Strategy puts the financial framework around this to provide a balance between delivery and affordability.



## What we are working with

This section provides an overview of our District; the things that make us unique and that have shaped who we are today. This provides the context for the approach taken to infrastructure in the 2021-31 Long Term Plan (LTP) and in the future.



### The environment

Western Bay of Plenty District stretches from Waihi Beach in the north to Otamarakau in the south and covers 195,000 hectares of coastal, rural and urban areas. The diverse landscape, combined with a favourable temperate climate, provides an area rich in resources including indigenous flora and fauna, highly versatile soils, rivers and harbours.

Almost half of the District is in forest and a further 40% is pastoral land. Less than 1% of the total area is urban and includes the towns of Waihi Beach, Katikati, Ōmokoroa, and Te Puke. Smaller rural settlements are located across the District. Along the Pacific Coast, Waihi Beach and Pukehina Beach have grown from being popular holiday places to places with higher proportion of permanent residents.

The spread of settlements across the District makes the delivery of infrastructure more expensive compared to a compact single settlement like a city. The topography and soil types can also increase infrastructure costs, particularly for roading which often suffers from weather-related stormwater damage. Council applies a number of techniques to make sure infrastructure spending is an efficient use of ratepayer money. This includes rules in the District Plan that concentrate development in areas where infrastructure already exists or is planned to occur.

The types of natural hazards that are potentially generated in the Bay of Plenty coastal and harbour areas include tsunamis, storm erosion and storm flooding. The major natural hazard risk in the District is flooding. Waihi Beach is the most susceptible due to a combination of low-lying urban areas impacted by tidal conditions and undersized pipes. Katikati, Te Puke and Ōmokoroa and some of the smaller settlements such as Paengaroa are also compromised by infrastructure that is under capacity.

Long term coastal erosion is evident in coastal settlements (Pukehina/Waihi Beach), seacliffs (Maketu), estuary margins (Little Waihi), and the shoreline of Tauranga Harbour (Ōmokoroa, Te Puna, Opureora) and along the open coast. The Coastal Erosion Responses Policy 2017 provides a framework for consistent decision making where Council-owned coastal land is affected by coastal erosion or subsidence and rising sea levels.

Neighbouring areas have active volcanoes and identified fault lines both of which have the potential to have a catastrophic impact on the District. Earthquakes have the potential to rupture wastewater and reticulated water pipes, affect bores and aquifers, while liquefaction could damage and disrupt the transport network. Slips and landslides due to increasing storms and rainfall events could damage roads and disrupt travel and in doing so have the potential to cut off some communities for a period of time.

The resilience of infrastructure is a key consideration in investment decisions. Technology is playing a big part in what we can do to improve the District's resilience to natural hazards. For example, use of more resilient materials for pipe replacement and use of data collection and monitoring.



Paengaroa



**The people**

In 1991 the District population was 30,000. The Western Bay of Plenty sub-region is now one of the fastest growing areas in New Zealand and includes Tauranga City with 154,550 people and Western Bay of Plenty District with an estimated 57,355 people (2021). Most of the growth has come from migration from other parts of New Zealand and it is expected that this will continue.

The sub-region is known as a ‘sunbelt’ destination due to the temperate climate and coastal location, attracting a higher ratio of older people than the national average. The District is projected to continue to grow to 71,367 by 2051 which means that another 14,012 people are expected to join us over the next 30 years. Waihi Beach, Katikati, Ōmokoroa, and Te Puke urban growth areas accommodate the majority of the population and future growth.



**The economy**

**The economic strengths of the District include highly productive soils, exceptional growing climate, a range of lifestyle opportunities and a manufacturing base with an export focus all next to New Zealand’s largest export port. Agriculture and horticulture are the main economic drivers in the Western Bay of Plenty.**

These primary sectors drive a multitude of professional businesses and service industries and employ a diverse labour force. Urban growth areas include land zoned for commercial and industrial purposes to support further business development occurring. The Rangiuru Business Park located near Te Puke and the Tauranga Eastern Link, provides capacity for commercial and industrial growth with around 150 hectares of land available. Access to the business park on to SH2 has been enabled through recent Central Government funding from the Provincial Growth Fund.

The environment, soils and climate are not only attractive for agricultural production but also for people wanting a relaxed outdoor lifestyle. The District is close to the amenities of Tauranga, yet retains a rural and small-town atmosphere.



**The infrastructure**

Between 1998 and 2008 the District grew rapidly with the population increasing by 18%. Council provided infrastructure for the growing community. Water and wastewater schemes were established predominately for development of urban areas, with water supply also supporting development of the primary sector in rural areas. During this period there were substantial government subsidies for these schemes which Council took advantage of.

Prior to the 2007 Global Financial Crisis, Council’s approach to infrastructure was that ‘growth pays for growth’ and that new infrastructure was installed ahead of time to encourage growth. The slowing down of growth created a conflict between these approaches, substantially increasing debt to fund the shortfall of financial contributions received from growth. This prompted a change in approach, to a policy of ‘just in time’ infrastructure provision. Where practical, capital expenditure is committed where there is sufficient information to show that development will occur. This seeks to ensure that growth-related debt is repaid as growth occurs and that existing infrastructure is used to its full extent. The good news is that our investment in infrastructure has created capacity that will serve the District well into the future.

From 2015 to 2018, the District increased the funding to growth-related debt interest payments. Through the 2018-28 LTP the community supported Council reviewing the actual amount annually to take account of growth. Over the last three years, the amount we put towards this has been reduced, due to increased building activity and favourable interest rates.

This approach, coupled with prudent management of the capital works programme, means our net debt has reduced from \$144 million in 2015 to \$75.5 million in 2020. This has created a more manageable financial situation for the future.

# What we are working towards

## Where are we now

Despite the issues caused by COVID-19, the Western Bay of Plenty District is maintaining a strong economy, largely due to a thriving primary sector and building industry and sustained population growth. High volumes of subdivision consents and building activity are positive signs for continued growth.

At the district and sub-region wide level, the economic outlook is fairly positive. Our economy has been cushioned from some of the impacts of COVID-19, due to our diverse economy, strong rural sector (especially horticulture) and low reliance on international tourists. However, we acknowledge that some parts of the community have been impacted much more.

Council has made a conscious effort over the last nine years to manage debt and achieve a reasonable balance between delivering services and managing rates increases. This has put us in a good position to continue to invest in infrastructure required for growth continue to manage existing infrastructure networks and deliver on community wellbeing. Council is aware that circumstances can change and has provided scope in this strategy and the Financial Strategy to be flexible and responsive to this change.



## Where we want to be

Our community has identified what is important and these are things that we want to retain and grow further so that our District will be a place that people continue to enjoy living, want to move to and want to visit.

### The type of District we want to live in is one 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
- leaders are effective, informed and inclusive.

We will work to improve community wellbeing across all four aspects - social, cultural, economic and environmental. Our strategies provide specific direction on the contribution that infrastructure will make to this vision and the framework for what we do and why we do it.

## Alongside this District vision sits our sub-regional approach

SmartGrowth sets the strategic vision and direction for the growth and development of Tauranga City and the Western Bay of Plenty District. SmartGrowth is a collaboration between Western Bay of Plenty District Council, Bay of Plenty Regional Council (BOPRC), Tauranga City Council (TCC) and Tangata Whenua working in partnership with Central Government, businesses, education groups, industry and the community. It provides a shared pathway to guide us all toward a single vision - making the Western Bay a great place to live, learn, work and play.



## How we are going to get there

Our goals for infrastructure planning, provision and management over the next 30 years are to:

	Goals	What this means	Financial considerations
1.	Maintain the infrastructure and services we provide as efficiently and effectively as possible.	Regular condition assessments, renewals and upgrades are undertaken to ensure infrastructure continues to meet the needs of our community.  Continue with a 'just in time' approach to renewal and replacement of assets.	<ul style="list-style-type: none"> <li>• Ensure depreciation funding is sufficient for renewals expenditure.</li> <li>• Enduring programme of renewal and operational expenditure.</li> <li>• Optimise use of infrastructure and streamline operational costs.</li> </ul>
2.	Provide the infrastructure required to support a growing community.	Continue to invest in the development of growth areas in the District, recognising the benefits of growth to our community.  Continue with a 'just in time' approach to the provision of growth infrastructure.	<ul style="list-style-type: none"> <li>• Debt limits provide capacity for growth funded capital expenditure to occur.</li> <li>• Just in time approach provides greater certainty of growth funding revenue.</li> <li>• Manages debt profile within identified debt limits.</li> </ul>
3.	Identify and plan for potential changes to levels of service in the future.	The strategy identifies if consideration needs to be given to a potential change in the current level of service approach. This could be as an outcome of the challenges outlined in this strategy, community expectation, and/or our ability to achieve the vision and goals outlined in this strategy.	<ul style="list-style-type: none"> <li>• Flexibility in Financial Strategy debt and rates limits to adjust to a potential increase or decrease of costs associated with a change in levels of service.</li> </ul>
4.	Continually improve our knowledge of infrastructure, particularly in terms of changing technologies.	This ensures that Council keeps pace with the changing world of infrastructure and technology, and applies this thinking to future planning and investment decisions.	<ul style="list-style-type: none"> <li>• Flexibility in Financial Strategy to adjust to a potential increase or decrease of costs associated with a change in approach.</li> </ul>

# The challenges

This section outlines how population growth, climate change, legislative change, as well as future trends, are likely to affect infrastructure management in the future.

There will always be a degree of uncertainty about how significant these factors are going to be, but they all have the potential to create a wide influence. For some of the challenges such as an ageing population, there are many unknowns regarding the extent of impact this demographic change will have on our approach to infrastructure provision. We can make some assumptions but will need to ‘watch this space’ to better understand from research and engagement with our community how we might need to respond to this change.

For this reason, these challenges require ongoing consideration, and Council will need to take a flexible approach to adapt to changing conditions. More detailed information on the challenges (and opportunities) is provided in the activity overviews.

While the impacts of COVID-19 are significant, it is expected that the local economy will have largely recovered from the impacts by the close of 2022 with economic growth above 2019 levels. The overall impacts of COVID-19 on the Infrastructure Strategy are expected to be limited. However, there is a high degree of uncertainty and this will be a matter of continual monitoring by Council. It has not been considered as a systemic challenge when looking at the next 30 years.

## The key challenges

There are four key challenges that have the most influence on our approach to infrastructure planning and provision over the next 30 years. These are:



**Population growth**



**Legislative change**



**Climate change**



**Economic growth**

## Our growing population



Population growth brings a number of benefits to the District but also creates challenges for the delivery of services and funding of infrastructure. Benefits include increased prosperity, attracting investment, and greater community vibrancy and diversity. Growth increases the number of rateable properties in the District and the expected demand for services and infrastructure.

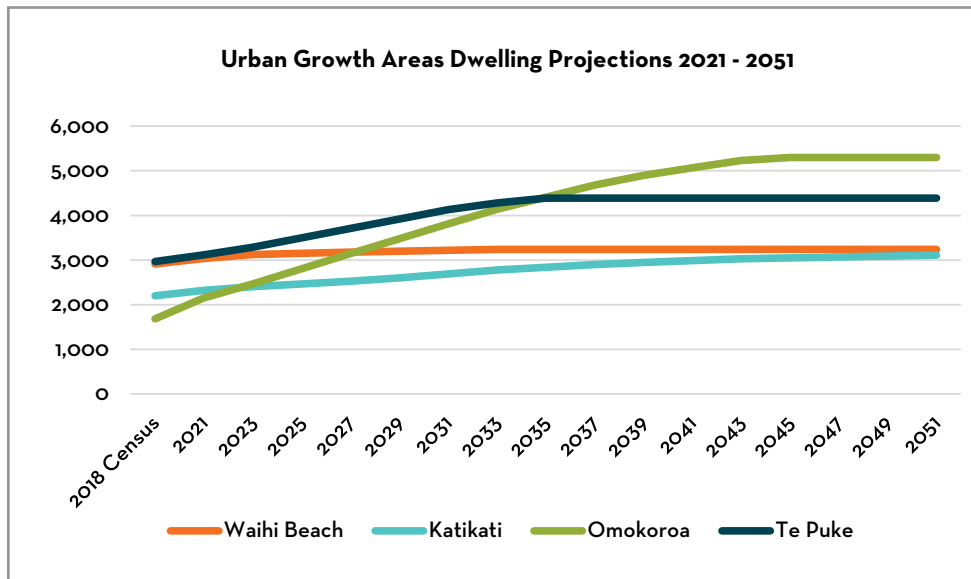
Population projections help us plan the infrastructure required for growth. The projections tell us how many people are expected to move here, the number of dwellings they are expected to require and where they are likely to go.

In 2021, the estimated population of the Western Bay of Plenty District is 57,355. This is projected to grow to 71,367 in 2051, bringing another 14,012 people to our District. The majority of this growth will be experienced in Ōmokoroa where the population will more than double over the next 30 years, increasing from 4,575 in 2021 to 12,086 people in 2051 (refer Figures 1 and 2 overleaf). The planned population capacity for this urban growth area is around 12,000 and this is expected to be reached by 2045. That’s almost the combined population of Katikati and Te Puke today. This growth is not limited to the District. Tauranga City is expected to grow by an additional 56,800 people by 2051. Given the interconnectedness of our Districts, growth planning is undertaken at a sub-regional level. The majority of this growth will occur prior to 2031, and then we will experience a slowing down of growth which reflects a shift from natural increase to natural decline. The District appeals to a broad range of people, with families, retirees, and new migrants moving here. Most of the population growth experienced to date has come from migration from other areas in New Zealand. We also attract immigration from overseas. It is expected that this will continue to be the case over the next 30 years. Further information on population growth projections is included in the assumptions section of the LTP.

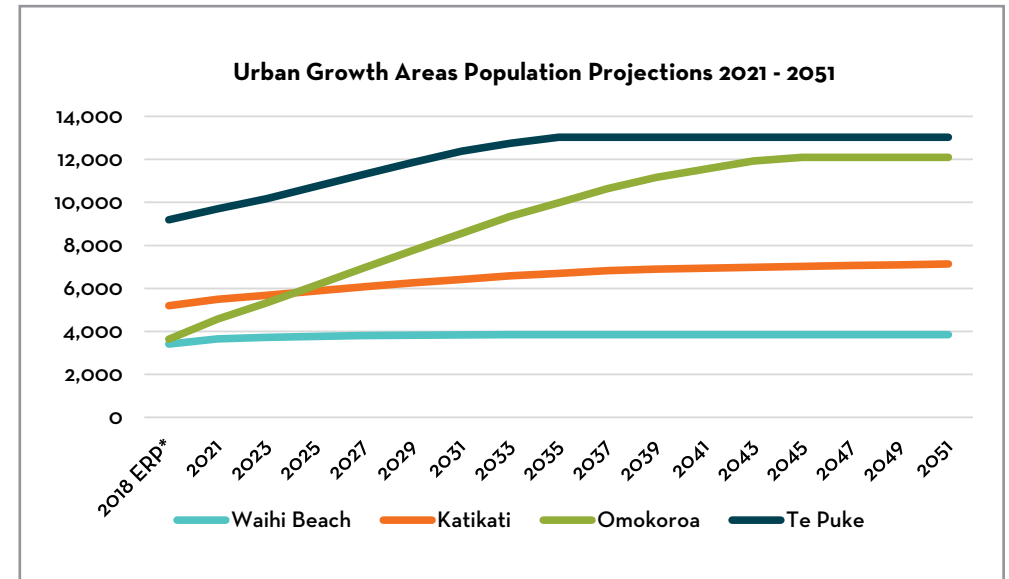
**Existing urban growth areas**

Western Bay of Plenty District has four existing urban growth areas identified in the SmartGrowth Settlement Pattern at Waihi Beach, Katikati, Ōmokoroa and Te Puke. These towns have been growing since the 1980's and still have capacity for additional residential dwellings, and commercial/industrial development. Minimal growth is expected outside of these main urban centres in the next 10 years. In Ōmokoroa, planning is underway for development of the land between State Highway 2 and the railway which will increase the total capacity to 5,300 dwellings on the peninsula. The existing urban growth areas are where Council's planning and infrastructure investment has been focused to date.

**Figure 1:** Urban Growth Area Dwelling Projections 2021-2051



**Figure 2:** Urban Growth Area Population Projections 2021-2051



**Future urban growth areas**

The Urban Form and Transport Initiative (UFTI), a collaboration of Western Bay, Tauranga City Council, Waka Kotahi (NZTA) and other Crown bodies, has been working to identify how the sub-region may grow in the future. The adopted final report suggests the development of a new settlement in the east of the District and development of Te Puna and Plummers Point may occur beyond the next 30 years. These recommendations are still subject to several planning studies before significant infrastructure investment will progress, and there may be changes to timing. The UFTI final report also has implications for the Northern Corridor (Bethlehem to Waihi Beach), particularly around provision for public transport. The Financial Strategy has been prepared to position Council's finances to allow for future investment as necessary to deliver on the expected growth.

**Compliance with the National Policy Statement on Urban Development (NPS UD)**

Our District is classified as a Tier 1 Urban Environment in the NPS UD, which reflects how quickly we're growing as a District and sub-region. We have obligations under the NPS UD to ensure provision of sufficient land for development for the short, medium and long term.

There is still enough availability of developable land under the NPS-UD 20% "competitive margin" for the short and medium term projected uptake across the District. It's projected that the remaining capacity will be used in Te Puke by 2035, and in Ōmokoroa by 2045. For the long term requirements, Council is working through SmartGrowth to identify future urban areas.

## Legislative Change



As legislation and regulation evolves and changes over time, so will the Council's investment programme. Requirements from the following legislative changes have been incorporated into the strategy thinking.

- **National Policy Statement on Urban Development** identifies the sub-region as a tier one urban area - meaning it is a high growth area. It requires assessments of demand and development capacity and a Future Development Strategy. Councils are also required to provide an additional margin of feasible development capacity over and above projected demand of at least 20% in the short to medium term (3-10 years) and 15% in the long term (30 years +). The sub-region is fortunate to already be in a good position to respond to this through UFTI, SmartGrowth and the Settlement Pattern Review process, and will continue to work in partnership to report against these requirements. It is recognised that the sub-region does not currently meet the minimum land requirements.
- **National Policy Statement for Freshwater Management (Te Mana o te Wai)** directs Bay of Plenty Regional Council to set new objectives, policies and limits for water management at a local level, and that 'gives effect' to Te Mana o te Wai. The plan changes will be designed to improve water management including the quality of water, water allocation decisions and the relationship of iwi with freshwater. Interpretation and application of the National Policy Statement may increase costs for infrastructure delivery and land supply issues.
- **National Policy Statement for Highly Productive Land** is expected to come into effect in early 2021. Its purpose is to recognise the importance of high quality land for primary production and the need to protect it from inappropriate subdivision, use and development. This may require Council to identify highly productive land, and introduce new rules to prevent subdivision of such land and to possibly introduce buffer zones with sensitive areas.
- **National Policy Statement on Indigenous Biodiversity** is expected to come into effect in the second quarter of 2021. It will require Council to identify areas of significant indigenous biodiversity in the District Plan. The Plan currently largely meets the requirements of this NPS but will need some strengthening of objectives and policies.
- **The Three Waters Review** may result in significant structural changes to Council's role in the delivery of water supply, wastewater and stormwater services. Regardless of how it is delivered, the community will still need services to be provided and planned for. There is currently insufficient detail regarding the possible changes to services, and therefore it is prudent to plan on a business as usual approach to service delivery.

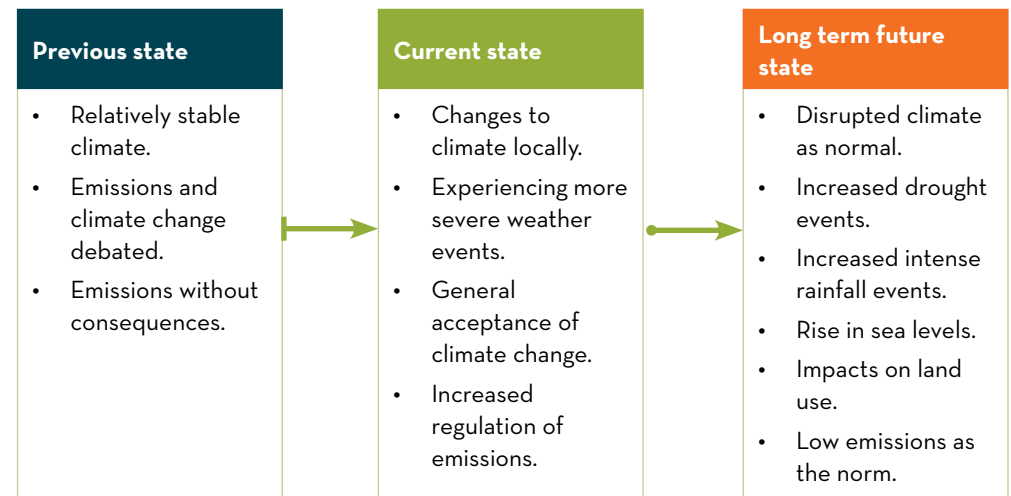
Other areas on which to keep a watching brief on are possible changes to the Resource Management Act and potential future changes to the Local Government Act through the Local Government review. These may see significant changes to Council's responsibilities, with a possible move to a region-wide unitary plan, this would impact on how growth is to be planned and provided for, and may also see an alteration to Councils' responsibilities. Full details are not known at this point and therefore we have planned on the status quo.

It is expected that Central Government and Regional Council will continue the trend of higher public health, environmental and cultural outcomes expressed through national and regional policy statements. The impact of this on resource consents for stormwater and wastewater discharge, for water takes, and drinking water standards has already been noticed and is changing what we do and how we work to ensure environmental outcomes and targets are met, often increasing our costs to deliver these services to the community. This combined with increased pressures from climate change and growth, is likely to increase the challenges for the District for secure and resilient future water sources.

## Climate Change



A key consideration is how climate change may impact our communities and our assets. We expect that we will experience increased effects from climate change and will have to have the financial capacity to prepare and respond.



We are required to make provision to plan for and address the implications of climate change. We will progress this through four work streams to establish our governance, our strategy, our risk management approach and to put in place metrics and targets. This involves individual projects in our activity areas, a Council-wide approach to mitigation and risk, and providing sufficient debt headroom for works as needed (either in responding to events made more severe by climate change or undertaking mitigation actions). The strategic assumptions set out the basis of our current planning. The uncertainty around the exact timing of climate change impacts requires a flexible approach and ensuring we have financing available if we need it is important.

The District can expect to see more extreme weather and storm events because of climate change. Our weather patterns are expected to change, with:

- more hot days (temperatures 25 degrees celcius or more)
- milder autumns and winters
- wetter winters
- decreasing summer rainfall with heavier downpours
- fewer cold nights and frosts
- rising sea levels (0.52m above Moturiki Datum 1953 at 2070).

Overall, it is expected that there will be more extreme weather and storm events (potentially three times more frequent), and increased risk from natural hazards such as coastal erosion and inundation.

Climate change is a core component of infrastructure planning and modelling. We can generally expect to see increasing erosion, inundation and damage associated with increasing storm intensity and rising sea levels. This would have a significant impact on large areas of coastline, land use planning, private property and Council's infrastructure and finances. Stormwater, wastewater and roading require increased expenditure on operational responses and repairs due to damage from storms.

Adapting to climate change is becoming a more prominent feature of the Council's work programme, as we increase our knowledge on the impact it has on infrastructure. While planning for the potential impacts of climate change is part of business as usual, we need to better understand the implications of climate change for specific assets to inform future management and investment decisions we make on our infrastructure.

Some difficult decisions will be required regarding the best approach to managing challenges where it might not be feasible or practical to continue with infrastructure provision in some areas. Decisions will be necessary in the future regarding levels of service and if the community wishes to invest more to continue to meet the current levels or accept lower service. Council will be guided by relevant policies and best practice in determining responses, supported by community engagement at relevant points. We also anticipate future Central Government direction in this area, for example with recommended changes to the RMA. Council will continue to work with other lifeline utility operators and partners in the region to understand our risks, and to identify and plan for the impacts of climate change and other events that may test the resilience of our networks. Further details of how climate change is considered is given in the activity sections.



## Economic Growth



Our economy is underpinned by agricultural and horticultural sectors and is strongly intertwined with Tauranga's economy which provides most of the sub-region's manufacturing and services. The important drivers of economic growth within the sub-region are population growth, infrastructure improvements, and increases in productivity of exporting sectors through improved technologies and higher levels of mechanisation. Despite the wider impacts of COVID-19, the western Bay of Plenty's economic outlook is still positive.

On the back of strong and continued population growth, our economy is projected to continue to grow. Our District is part of the Golden Triangle (Auckland, Waikato, Bay of Plenty) and our economic growth is expected to be above the national average. We can expect to see significant growth in the kiwifruit industry, and growth in avocado industry and tourism (building on our strong domestic visitor numbers and attracting more international visitors). These industries are heavily reliant on having an efficient transport network, particularly for freight movement, and security of water supply. Tourism (both international and domestic) also relies on access to accommodation options and tourist destinations such as historic sites, coastal and harbour parks, and recreational experiences. With our pre-Covid visitors predominantly domestic (80%), we expect continued demand in the short-term, with an increase as international tourism grows in the mid/longer term.

## Other challenges that influence our infrastructure approach

**Our District is ageing:** The projected ageing population and the corresponding decrease in younger age groups will affect employment, retail, transport systems, demand on health and social services, housing provision and recreational activity. There are many unknowns about the extent of this impact on the provision of infrastructure and we will need to be cognisant of research undertaken in this area and of our community's expectations for future levels of service to cater to the demographic changes. Trends indicate that many older people are choosing to live in urban settlements with easier access to services. They are more likely to be living in one or two person households meaning more houses requiring services, but fewer people in each household lowering demand on a household basis. By 2031, one third of our District ratepayers will be over the age of 65 and largely reliant on fixed incomes which limit ratepayer ability to absorb rate increases.

**Our District is becoming more diverse:** The District will continue to appeal to new migrants from overseas and the ethnic profile will continue to change. This is likely to bring different demands on infrastructure services (such as catering to different cultural customs) and new opportunities as well (such as contributing to the diversity of our community).

**Tauranga is growing fast:** An additional 56,800 people are projected to be accommodated in Tauranga by 2051 and employment projections are expected to also increase. The City and District are to some extent intertwined as many people's live, work, play and learn experiences cross over the boundaries daily. Boundary adjustments will occur in the future as land in the District is included in Tauranga City Council's future growth and expansion, decreasing our ratepayer base and productive land area.

**Housing is an issue:** The affordability and availability of housing is a significant issue for New Zealand. A sub-regional approach is taken to land use planning and urban growth, through SmartGrowth and UFTI. Council collaborates with several groups and initiatives in the District to improve affordability and accessibility, it is also planning to undertake a full review of the District Plan.

**Seasonal demand will continue:** Horticultural workers and holidaymakers will continue to create large seasonal increases in population, placing greater demand on infrastructure services during this time.

**We will continue to partner with Tangata Whenua:** The settlement of Treaty of Waitangi claims in the District will continue over the next five years. This will change the economic landscape and is likely to offer new opportunities for collaboration and partnership, and potentially impact on resourcing requirements.

**Technology is impacting on the way we do business:** Information availability and technology are continually improving what we know so that this can be considered in our planning processes and infrastructure investment decisions. Ultrafast digital enablement is helping to change the way people are working, with an increase in people working from home. We know that the pace of change driven by technological advancements will continue. There are still things we can't anticipate which is why we need to be resilient and flexible to change.

**Urban areas will continue to grow while rural areas have limited growth:** Council has an ongoing challenge of meeting the different needs of the community in an equitable way, with some areas experiencing growth and other areas retaining a limited or static population base. Urban areas will typically have a higher level of infrastructure investment than rural areas as there is a greater concentration of people in one place. Future development in line with the recommendations of UFTI, will see continued growth of our urban areas and will see the need for planning for additional growth areas in the longer term.

## The big picture

The **'Big Picture'** captures what we plan to do over the next 30 years, based on what we know at this point in time. This is the most likely scenario that we will take for capital and operational expenditure on infrastructure from 2021 to 2051. We have included the four activities of Council that collectively have a significant spend and that we have 30-year financial information on stormwater, water, wastewater and transportation (**refer Figure 3, 4 and 5**).

A separate overview is provided of the remaining infrastructure activities - Recreation & Open Space, solid waste and community facilities (**refer Figure 6**). A 10-year profile is provided as we need to do more work in this space to determine what the long term future looks like for these activities.

Over the next 30 years there are a number of significant issues and decisions required that will impact on the big picture scenario. This information is included in the following "Significant Infrastructure Issues" section, along with reference to when decisions will need to be made and the budget process they are likely to be considered in.

### Expenditure highlights



**The most likely scenario for Council is that we will be spending over \$1.05 billion on capital projects for infrastructure over the next 30 years and \$3.04 billion on operational costs over this time.**

Council has a focus on infrastructure investment in urban growth areas, predominately Ōmokoroa, and beyond the 10 years in identified growth nodes, achieving agreed levels of service, and a steady programme of asset renewals. The main spikes in expenditure are attributable to the wastewater, transportation and water activities:

- The Katikati ocean outfall renewal in 2037 (\$14 million) is the most significant peak in expenditure. This project is identified as a significant issue as it is anticipated that Council will need to explore a range of options for wastewater disposal due to changing consent requirements.
- The Te Puke wastewater treatment plant requires major infrastructure upgrades expected to cost \$42 million. This is budgeted 2021-30, to provide needed capacity and to meet new resource consent conditions.
- Transportation continues to have peaks throughout the 30 years. A significant focus over the first ten years is the implementation of the Ōmokoroa structure plan with most of these projects funded from financial contributions.
- Investment in swimming facilities will see the delivery of indoor pools at Te Puke, Katikati, and Ōmokoroa.

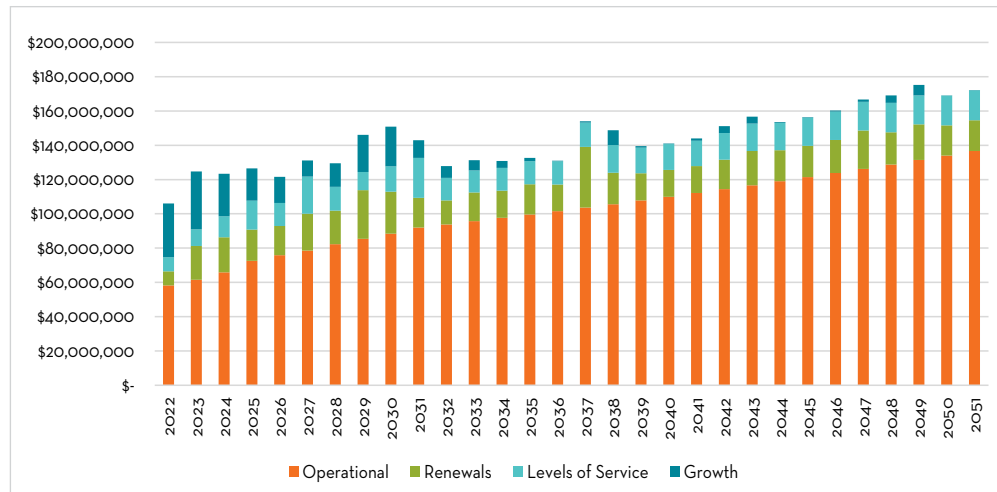
- Investment in walking and cycling will continue to increase with an additional \$12.2 million over 2021-2031.
- An increase in expenditure for water supply from 2021 relates to an upgrade of the treatment plant in the eastern supply zone and further source exploration. Security, resilience and increased compliance for water supply is identified as a significant issue. Additional bores are required in the Central Supply Zone to service growth. This is planned to occur in 2043.
- Due to the age of assets in the water supply activity, there are a number of renewal projects around 2040 for replacement of the Maketū reservoir and water reticulation improvements in the Western Supply Zone.

While the expenditure peaks put pressure on Council expenditure at times, they are considered manageable within Council's planned debt management approach (i.e. room to move), and do not indicate any potential affordability issues in the future.

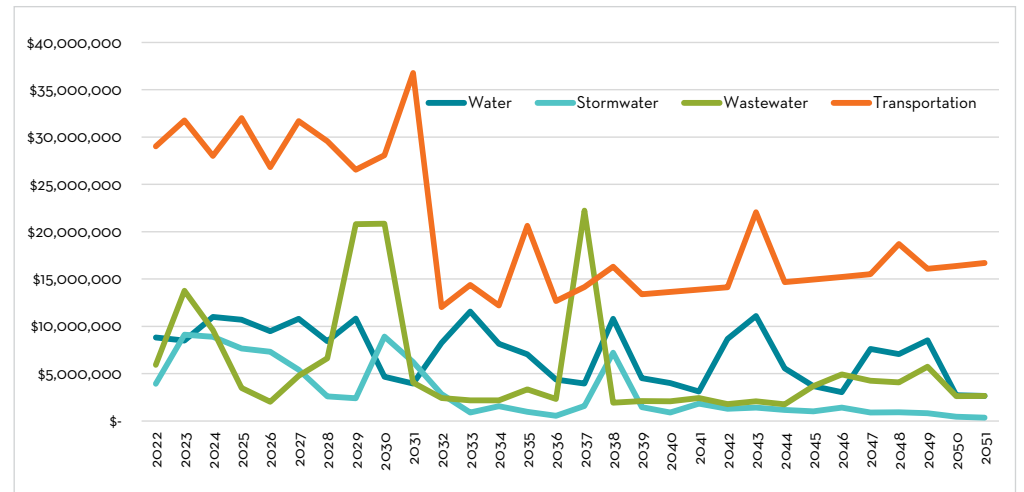
Through the LTP consultation, changes to levels of service for a number of activities have been identified as the preferred approach. This includes planned development of swimming facilities in Te Puke, Katikati and land purchase at Ōmokoroa. Investment in our elder housing stock. Delivery of libraries and community hubs for our four urban centres, is a change in approach to our libraries' service provision. Additional level of service changes are likely to occur within the next 30 years, and this means that the financial profile could change in the future. Council has ensured that there is 'room to move', in our financial planning, to accommodate these potential changes (and any other unforeseen events).

Operational expenditure gradually increases over the 30 years primarily due to additional assets coming into Council ownership and inflation. Council does not have any significant backlogs of expenditure or deferred expenditure that may create issues further down the track and is in a comfortable position to ensure assets continue to be maintained to meet level of service requirements. The transportation activity however, will require increased investment. This will address the increased demand placed on our network (seal width deficiency, an ageing network and network safety).

**Figure 3:** Projected Infrastructure Expenditure by Type 2021/22 - 2050/51



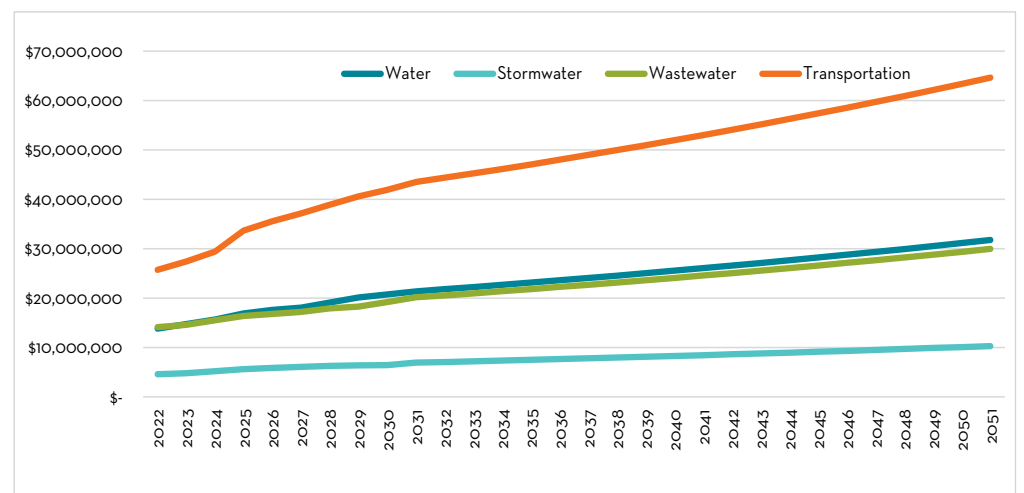
**Figure 4:** Projected Capital Expenditure by Activity 2021/22 - 2050/51



### Explanation

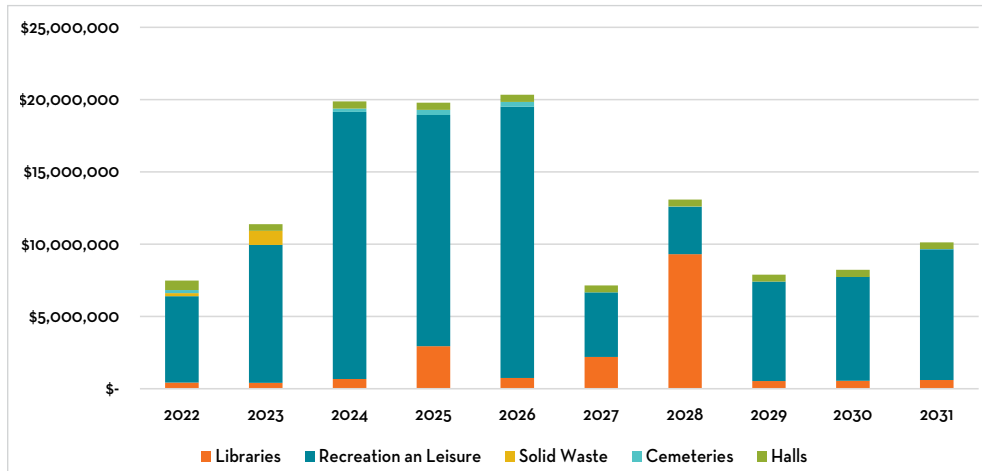
- **Growth** is used to describe new projects identified in structure plans for the urban growth areas, and funded (either wholly or partially) from financial contributions.
- **Level of service (LOS)** is used to describe projects that deliver on Council's adopted level of service, and are not growth related or renewals. It is not about new levels of service or any specific change in levels of service.
- **Renewals** are used to describe projects that replace or upgrade existing assets.
- **Operational** is what we need to do on a day-to-day basis to plan for and deliver services and ensure our assets are maintained. Operational expenditure includes costs, interest (expenses only), depreciation and overheads.
- **2022** is the 2021/22 financial year.
- All financial information in the strategy includes inflation from 2022 onwards.

**Figure 5:** Projected Operational Expenditure by Activity 2021/22 - 2050/51





**Figure 6:** Projected Capital Expenditure for Community, Recreation, Solid Waste 2021/22 - 2030/31



**Note:** Community hall expenditure is included in the graph to demonstrate expenditure over the 10 years, however it is categorised as operational as it involves a grant to community hall committees who own the facilities to complete improvements.

### Key assumptions

The 'Big Picture' is determined by applying a number of assumptions, for example population increases, climate change and demographic changes. The assumptions are outlined in the Strategic Assumptions from page 39.



## Significant Infrastructure Issues

Significant infrastructure issues are those which are likely to cost a lot, have an impact across several infrastructure activities, and/or are have the potential to be a big change to the current approach and levels of service. We deliver infrastructure to support on community wellbeing, with all our projects providing a range of benefits across the four aspects of community wellbeing - social, cultural, economic and environmental.

**The below are the significant infrastructure issues facing Council over the next 30 years. This is not exhaustive.**

 Means Council's most likely scenario.

Issue	Why this is significant	2021-2031 LTP funding	Principal options	Implications
1. Significant investment in growth infrastructure for Ōmokoroa, in particular implications of Ōmokoroa Stage 3 Structure Plan.	Significant infrastructure investment is required in Ōmokoroa over the next 30 years to service a population that will grow to 12,086 people by 2045.	\$15.6 million from 2021-2031 (Ōmokoroa stormwater capital works including renewals). \$11.6 million from 2021-2031 (Ōmokoroa wastewater capital works). Approximately \$72.3 million for Ōmokoroa urban growth transport works for 2021-2031.	Continue with 'just in time' approach to infrastructure investment.	Provides a balance between enabling development to occur in a timely manner and reducing financial risk to Council if growth was to slow down in the future.
			Adopt a lead or lag approach to infrastructure provision	Lead approach carries risk of high investment, slowing down of growth and inability to repay debt from growth contributions (similar to 2007 situation).  Lag approach may discourage development occurring and have implications for housing costs.
			Stop infrastructure investment.	Ōmokoroa zoned to provide for future urban development as part of SmartGrowth settlement pattern. Central government pressure to meet housing needs. Reduced land supply could lead to increased house prices.

Issue	Why this is significant	2021-2031 LTP funding	Principal options	Implications
<p><b>2.</b> Development of the Rangiuru Business Park and associated infrastructure.</p>	<p>The development of Rangiuru Business Park provides much needed industrial and commercial land for the sub-region.</p> <p>Enabling infrastructure is needed for its development. This includes wastewater connections, water supply improvements and transportation links.</p>	<p>\$21 million budgeted for 2021-30 for Te Puke Wastewater Treatment Plant upgrades to accommodate Rangiuru Wastewater.</p> <p>\$14.5 million budgeted for 2024 Water Supply infrastructure.</p> <p>This is a Quayside project with the obligation resting on them to deliver. Council is acting as a facilitator to secure potential Waka Kotahi funding for the project on Quayside's benefit.</p> <p>Associated roading projects are expected to cost \$52 million. This may not be led by Council.</p> <p>\$18 million provincial growth funding for the motorway interchange has also been received for its development by 2023.</p>	<p>Co-fund with Quayside holdings the development of enabling infrastructure. Recovery of costs from Quayside.</p> <p>Council solely funds infrastructure investment.</p> <p>Council does not progress.</p>	<p>Enables joint sharing of risk and effective cost recovery. Enables economic development in the District. Funding received from the Provincial Growth Fund for roading connections is already in place. It is expected that ultimately the developer will pay. Stage 1 operational 2023. Our role is mostly an administrative mechanism for funding.</p> <p>Council enables economic development but takes on a large level of risk. If demand slows down inability to repay debt from growth contributions.</p> <p>Economic benefits for the District are not realised.</p>
<p><b>3.</b> Implementation of SmartGrowth / UFTI growth infrastructure. Including the implications on local roads from the construction of the Takitimu North Link and Ōmokoroa four laning.</p>	<p>The Urban Form and Transport Initiative (UFTI) and SmartGrowth set out a growth vision for the western Bay of Plenty sub-region. This sees increased intensification in Tauranga, continued growth in Ōmokoroa, Katikati and Te Puke, and, beyond 2050, the development of Te Puna and a new town in the east of the District.</p> <p>The construction of the TNL including a major new bridge and cycleway will see the Council vested with a significant portion of the existing SH2 from Ōmokoroa Road to the Tauranga City boundary at the Wairoa River. The project will also require new local road connections and improvements with actions to encourage modal shift.</p>	<p>\$14 million from 2021-2031. This includes some transportation budgets for public transport.</p> <p>\$10 million for public transport infrastructure (including park and rides and ferry wharf upgrades).</p> <p>\$2.8 million in 2026 (subject to revocation agreements with Waka Kotahi) for additional works as a result of the SH2 revocation and vested land development assets.</p> <p>Future investment will depend on Council decisions regarding future growth nodes.</p>	<p>Delivery of enabling transportation and growth infrastructure.</p> <p>Future planning for future growth areas.</p> <p>Council does not deliver on UFTI or SmartGrowth.</p>	<p>Council, alongside its partners in SmartGrowth have committed to the implementation of the UFTI recommendations. This will help enable urban growth in the sub-region.</p> <p>Council will begin planning for future identified growth nodes. Infrastructure planning and development may need to begin within the next 10 years.</p> <p><b>Significant decision required for 2027-2037 LTP process.</b></p> <p>Council does not meet its obligations to its partners and growth is hindered. This will have negative impacts for all aspects of community wellbeing.</p>

Issue		Why this is significant	2021-2031 LTP funding	Principal options	Implications
4.	Provision of community and recreation facilities for a growing community – swimming pools, libraries/community hubs and recreation facilities.	<p>Our community and recreation assets are well used and valued by the community.</p> <p>Our swimming pools are ageing and need to better meet community aspirations and the needs of a growing community.</p> <p>Our libraries need to meet community aspirations and deliver multi-use spaces alongside traditional library services. These will be redeveloped alongside renewal schedules.</p> <p>Investment into our recreation assets is necessary to meet the increased demand placed on them by growth.</p>	<p>Te Puke Pool \$15 million in 2024-2026.</p> <p>Katikati Pool \$15 million in 2040.</p> <p>Interim covering of Katikati pool for \$2 million, and interim upgrades for Te Puke pool of \$300,000, 2021-2023.</p> <p>Ōmokoroa land purchase for a future pool, \$1 million in 2023-27.</p> <p>Ōmokoroa pool \$15 million post 2040.</p> <p>\$2.8 million in 2024-2027 for Waihi Beach Library.</p> <p>\$9 million in 2026-28 for Te Puke Library.</p> <p>\$8 million in 2032 for Ōmokoroa library.</p> <p>\$6.2 million for Ōmokoroa Active Reserves in 2022-27.</p> <p>\$13.3 million for District-wide reserves acquisitions. Primarily Ōmokoroa.</p>	<p>Council invests in indoor swimming pool facilities.</p> <p>Council provides multi-use hubs as part of library redevelopments.</p> <p>Council provides recreation facilities, in line with its levels of service, to meet growth needs in Ōmokoroa.</p> <p>Council maintains the current outdoor swimming pools and current libraries as is. Council does not formalise recreation land in Ōmokoroa.</p>	<p>Provision of indoor swimming pool facilities in the District, multi-use spaces in libraries, and recreation facilities deliver on multiple aspects of community wellbeing. It particularly strengthens social and cultural wellbeing.</p> <p><b>Significant decision made through 2021-2031 LTP process, and significant decision required for 2036-46 LTP process.</b></p> <p>Council provides two outdoor swimming pools only and does not look to deliver community hubs alongside libraries. These will likely incur increased maintenance costs as the assets continue to age and service provision does not meet communities' stated aspirations and service expectations.</p>
5.	Increased roading costs due to asset maintenance needs and growth pressures.	<p>The significant growth in population in the sub-region has increased demand on our roading network. Alongside this, our network is ageing and requires increased attention. This has meant that several of our roads are unsuitable for the traffic volumes now using them. Increased investment in replacement and maintenance is needed.</p>	<p>Our total roading spend on projects across the 10 years is \$300 million (this includes projects covered elsewhere in this list, such as Growth-related works, public transport enabling projects and walking and cycling).</p> <p>Expenditure has increased to \$96.1 million for the maintenance programme (2021-31).</p>	<p>Increased funding for maintenance and network improvements. That a lower level of service for our roading network is acceptable.</p> <p>Maintain funding levels and reduce maintenance to less than current levels.</p>	<p>Increased costs for ratepayers through the increased asset base and network investment required.</p> <p><b>Significant decision made through 2021-2031 LTP process.</b></p> <p>A lower level of service may be acceptable to the community.</p>

Issue	Why this is significant	2021-2031 LTP funding	Principal options	Implications
<p><b>6.</b> Increased standards of compliance for treatment of and method of wastewater discharge.</p>	<p>Katikati wastewater ocean outfall is the consented discharge for the Katikati wastewater system which is due for renewal in 2037. The pipeline crosses the Tauranga Harbour and Matakana Island before discharging highly treated wastewater in the ocean.</p> <p>The discharge consent will require Council to potentially implement an alternative discharge for wastewater. Actual costs for the implementation of the alternative discharge location cannot be identified until options have been worked through with the community.</p> <p>Alternative discharge options are to be considered for Te Puke Wastewater Treatment Plant within the next 30 years and prior to the end of the current resource consent. Upgrades for the Wastewater Treatment Plant are planned within the LTP to deliver renewals, improve treatment and increase capacity.</p> <p>Introduction of reticulation in the Te Puna commercial area has been identified as an environmental issue. External Central Government funding can fund this. This funding can also support marae wastewater services.</p>	<p>\$14 million for replacement of the existing Katikati outfall in 2037.</p> <p>\$20 million budgeted for 2021-30 for Te Puke Wastewater Treatment Plant upgrades for capacity and quality improvements. This is additional to the upgrades also required for the development of Rangioru Business Park.</p> <p>Te Puna commercial wastewater reticulation and associated wastewater projects delivered by external funding.</p>	<p>Undertake an assessment of options for wastewater disposal for the Katikati wastewater system including consideration of:</p> <ul style="list-style-type: none"> <li>land based discharge</li> <li>reduction of inflows</li> <li>increase in treatment standards</li> <li>upgrade or replacement of pipes</li> <li>alternative disposal options</li> <li>combination of the above options.</li> </ul> <p>This assessment will occur within the next five years.</p> <p><b>Note:</b> No alternative options identified as this assessment will be a requirement of the renewed resource consent and to meet an increased population.</p> <p>Undertake investment to meet population growth and quality requirements.</p> <p>Includes investigating options.</p> <p>The Three Waters Review funding package allows for a number of projects to be delivered. Scale and method is to be determined.</p>	<p>The option assessment will include identification of criteria that will be used to assess each option including cost, cultural impact, planning implications, community impact.</p> <p><b>Significant decision required for 2024-2034 LTP process.</b></p> <p>Upgrades to the Te Puke Wastewater Treatment Plant will deliver environmental and cultural benefits.</p> <p>Investigations on future discharge options will have to be considered and discussed with the community in a later LTP process.</p> <p>Helps deliver environmental benefits for the area, with consequential cultural and social advantages too. Specifically benefits those properties connecting.</p>

Issue	Why this is significant	2021-2031 LTP funding	Principal options	Implications	
7.	Increased demand for new and improved walking and cycling facilities.	<p>Council will continue to build on the progress made in development of the walking and cycling network, and implement the Cycle Action Plan. This includes completion of sections of the Tauranga Moana Coastal Cycle Trail and extending network connections across the District.</p> <p>As part of Council's commitment to the Transport System Plan and SmartGrowth's future planning, we will look to encourage modal shift and transport choice. Walking and cycling infrastructure is a major part of this.</p>	<p>Council's total investment in walking and cycling is \$16.6 million over the next 10 years which includes \$2.7 million through recreation and open space budgets, \$13.4 million for District-wide cycling and urban footpath development, and \$500,000 for off-road walkways in rural areas.</p> <p>Council will also use this investment to leverage external funding to assist with development of the walking and cycling network.</p> <p>An ongoing investment is expected across the next 30 years as part of the delivery modal choice.</p>	<p>Implementing the Cycle Action Plan and continued investment in the network.</p>	<p>This recognises the multiple benefits of this network including recreation, health, amenity, tourism (and associated economic benefits), and commuter links. It supports Council's role in encouraging modal shift and transport choice.</p> <p><b>Significant decision made through 2021-2031 LTP process.</b></p>
				<p>Maintain the current network only.</p>	<p>This does not deliver on the multiple benefits offered through investment in walking and cycling. It does not directly increase costs.</p>
8.	<p>Council's level of service for Solidwaste, kerbside services a greenwaste/recycling/resource recovery centre in Ōmokoroa and waste infrastructure investigations.</p>	<p>A Council-led kerbside service is being introduced in July 2021. This will see a change to the current levels of service.</p> <p>Council has recognised the need to deliver a recycling centre in Ōmokoroa to meet residual recycling needs after kerbside recycling has been introduced, and for greenwaste drop-off.</p> <p>Further investigation and delivery of future waste infrastructure needs is necessary in the next 30 years. There is a need to meet a growing population. This includes looking at transfer station provision in the District.</p>	<p>\$2.6 million operational costs from 2021/22 onwards (with increases for population growth and inflation) for the delivery of kerbside services.</p> <p>\$1.2 million from 2021/22 to 2022/23 for development of a greenwaste/recycling resource recovery centre at Ōmokoroa.</p> <p>\$675,000 has been budgeted for community re-use facilities and rural recycling drop-off points for 2021-24.</p>	<p>Council has committed to the delivery of kerbside services.</p>	<p>Council has committed to the delivery of kerbside services, following community consultation in 2019. This will principally deliver environmental benefits.</p>
			<p>\$1.2 million from 2021/22 to 2022/23 for development of a greenwaste/recycling resource recovery centre at Ōmokoroa.</p>	<p>Council will need to investigate and plan for the delivery of waste infrastructure, including greenwaste/recycle facilities at Ōmokoroa. Investigations are also required for future waste infrastructure in the District.</p>	<p>Waste and recycling infrastructure is needed to deliver on environmental and social wellbeing.</p>

Issue		Why this is significant	2021-2031 LTP funding	Principal options	Implications
9.	Increased standards of compliance for treatment of stormwater discharge.	<p>Increased standards require a change to the approach taken to development and management of the stormwater network.</p> <p>Implementation of the Comprehensive Stormwater Consent requirements including water quality, network capacity and monitoring.</p> <p>This includes monitoring and compliance of stormwater discharge and improvements to the quality of stormwater discharge.</p> <p>Upgrades are required to the network to deliver better environmental outcomes and network performance.</p>	<p>Stormwater network upgrades of approximately \$55.8 million for 2021-2031. Including funding for water quality discharge improvements.</p> <p>Increased operational costs for monitoring and to ensure compliance with resource consent conditions.</p> <p>\$5.4 million to address undersized pipes in Te Puke (2035-2039).</p>	<p>Increase stormwater budgets to respond to increased water quality standards.</p> <p>This includes additional operational costs to monitor and respond to compliance issues, and implementation of additional projects that improve the quality and/or velocity of stormwater discharge into water courses.</p> <p>Through changes to the District Plan, Council may require new development to provide onsite retention/detention devices to reduce peak flows recognising the multiple benefits of this (for example, water storage for onsite use during dry periods).</p>	<p>Ensures adequate resources are in place to respond to changing requirements for management of stormwater. Delivers environmental and social benefits.</p> <p>Recognises that further change may still occur that could have future cost implications and impact Council's current approach to stormwater management.</p> <p>Progress through a change to the District Plan. Places the responsibility on private property to provide for onsite retention/detention devices and recognises benefits of this for use during dry periods of weather (eg watering of lawns and gardens). Reduces volume of stormwater entering into Council's stormwater network.</p>
10.	Provision of boat launching facilities to cater for growth.	<p>Demand on coastal marine facilities has increased and is expected to continue to increase over time as the population (in Tauranga and Western Bay) grows. Council has a coastal structures renewal and upgrade programme.</p> <p>Council needs to ensure that this investment responds to current and future demand for water access.</p>	<p>Northern Harbour boat ramp - \$4.5 million primarily in 2024-26.</p> <p>Ōmokoroa boat ramp and associated facilities - \$5.5 million across the LTP, but mostly in 2028-2031.</p> <p>Renewal of various other jetties, boat ramps and sea walls \$10.4 million for 2021-2031.</p>	<p>Protect remaining land available at boat ramps.</p> <p>Identify location for development of an all-tide boat ramp for the Northern Harbour and undertake works. Undertake upgrades at Ōmokoroa.</p> <p>Take into consideration District Plan provisions and Coastal Erosion Responses Policy.</p> <p>Continue to implement capital programme of improvements through LTP process.</p>	<p>Applies a strategic approach to future provision, looking at demand across the sub-region.</p> <p>Nexus to growth will inform discussion on potential funding sources of coastal marine facilities (if any).</p> <p>Need to ensure delivery programme meets current and future demand for boat launching facilities.</p>

Issue	Why this is significant	2021-2031 LTP funding	Principal options	Implications	
11.	Security, resilience and increased compliance for water supply.	<p>Western Bay's water supply is generally in good shape, as we've invested in deep bores and water treatment systems. However increase in compliance standards, monitoring and treatment are expected, such as UV treatment.</p> <p>Increased growth, increasing environmental standards and potential implications of climate changes will put increasing demand on our water sources and the need for new sources. This is particularly an issue in the Eastern Supply Zone with some areas currently over-allocated for water takes.</p>	<p>\$7 million for actions to meet increased treatment requirements (2021-31).</p> <p>\$1 million for actions required for resource consent renewal (2021-31).</p> <p>\$13 million for water source exploration and new bores (2021-31) of which \$4.6 million (2021-2024) is for alternative supply in the east.</p> <p>Investment into new sources and storage will be required across the 30 years, with \$17.7 million capital expenditure between 2031-2051.</p>	<p>Increase water budgets to respond to increased water quality requirements and supply needs.</p> <p><b>Note:</b> No alternative options identified as changes will more than likely be a requirement of legislative change, Taumata Arowai and water supply regulations.</p> <p>Council would rather be prudent and proactive in its approach to planning and budgeting for this change.</p>	Ensures adequate resources are in place to respond to changing requirements for water quality management.
12.	Investment into provision of elder housing stock.	<p>Our elder housing requires redevelopment to address an ageing stock, to provide better use of sites and to deliver more units for a growing ageing population.</p>	<p>\$4.9 million for the redevelopment of three Elder Housing sites and delivery of up to 20 additional units (2021-2031).</p> <p>Further redevelopment of the existing stock across the 30 years to increase number of available units and quality (\$9.8 million between 2032-51).</p>	<p>Council invests in elder housing provision.</p> <p>Council maintains current elder housing stock.</p> <p>Council divests elder housing stock.</p>	<p>Council elder housing provision delivers on community wellbeing. Initial investment in 2021, but further investment is forecast across the 30 years.</p> <p><b>Significant decision made through 2021-2031 LTP process.</b></p>

**Note:** figures in the above table do not include inflation.





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## Stormwater



Stormwater is water that originates during rainfall events. Stormwater is of concern for two reasons; stormwater quantity and stormwater quality. If not managed correctly, the volume and timing of the surface run-off can create flooding. The run-off can also collect contaminants from the land crosses to the waterways, and this can result in water pollution.

Council is responsible for the urban stormwater networks that generally protect buildings and property from the effects of flooding and coastal erosion. The network is made up of pipes and open channels linked to guide stormwater to streams, rivers and the ocean. Council's philosophy is to use natural contours and waterways rather than hard infrastructure, wherever practical. The road network (managed within the Transportation Activity) also helps to capture and manage stormwater flows.

The District has experienced a number of flooding events over the years due to increased rainfall intensities and development particularly in coastal and low-lying areas. Council takes an integrated catchment approach to mitigating as much as possible and practicable, the extent of flooding and the impact this has on people's property.

### What influences our approach?

Issue	Response
<p><b>Population growth</b></p> <p>Urban areas have less permeable surfaces and a greater concentration of people affected by rainfall and flooding events. Therefore these areas require the highest investment in stormwater infrastructure.</p> <p>The greatest areas of demand for stormwater infrastructure are Waihi Beach, Katikati, Ōmokoroa and Te Puke.</p> <p>In some areas undersized stormwater infrastructure does not have the capacity required to dispose of stormwater runoff or deliver the required levels of protection from flooding.</p>	<p>Stormwater modelling is used to determine infrastructure requirements and uses adopted population projections.</p> <p>A level of service is in place that specifies no more than 30 properties per 1000 (3%) serviced by the stormwater network will experience flooding of homes (above floor level of habitable dwellings) in a 1-in-10-year rainfall event.</p> <p>Prioritisation of improvements to stormwater infrastructure is undertaken based on the properties most at risk of flooding.</p> <p>The District Plan rules require new dwellings to have habitable floor levels above the 1:50 year rainfall event. Building/resource consent waivers are in place for existing dwellings as incentives to landowners who want to raise their floor levels in a flood-prone area. Similarly, there are specific rules for the Minden area with overland flow paths identified.</p>
<p><b>Climate change</b></p> <p>Increased rainfall intensities require more capacity within the network to discharge stormwater run-off. More overland flow is expected for larger rainfall events.</p> <p>Sea level rise is increasing flooding and the boundaries for the 50 and 100-year floodable areas.</p>	<p>New and upgraded stormwater infrastructure incorporates the latest climate change information in design and implementation.</p> <p>Overland flow paths are identified and incorporated into new development. Identify key infrastructure subject to increased risk due to sea level rise.</p>

Issue	Response
<p><b>Environmental sustainability and legislative changes</b></p> <p>Increasing environmental standards impacting on the quality and amount of stormwater that is discharged into streams, rivers and oceans.</p> <p>Our comprehensive stormwater consents guide some of the environmental targets we aim to achieve. The National Policy Statement Freshwater Management and accompanying regulations will also bring new environmental requirements.</p> <p>There are ongoing investigations regarding who will be responsible for delivery of Stormwater, through Central Government’s Three Waters Review.</p>	<p>Water quality is likely to continue to be a focus for both central and regional government. It is also an area our community has indicated they would like to see improved.</p> <p>We use an integrated catchment management approach to provide a stormwater network that avoids impacts on water quality. We will increase monitoring and encourage options for low impact design solutions that manage flood risk and impacts on water quality and receiving environments.</p>

**What we want to achieve**



Council aims to deliver a stormwater management system that manages flood risk, contributes to improving water quality and contributes to enhancing ecological and cultural values. We want to see a reduction in flooding events that result in stormwater entering a habitable floor. This will help us all to enjoy a healthy and safe lifestyle, have vibrant and welcoming communities and a clean, green and valued environment.

In achieving this outcome, the focus over the next 30 years is to improve community resilience from potential flooding by ensuring that:

<p>There is a localised reduction of the risk of flooding events in existing floodable areas.</p>	<p>There is no increase in flooding event risk to existing development from new development or land use change.</p>	<p>Urban development is avoided in flood-prone areas unless mitigation measures can be provided.</p>	<p><b>The extent to which these goals are achieved is largely measured by Council’s stormwater level of service and customer perception surveys.</b></p>
<p>Communities are engaged and informed about stormwater and coastal erosion management approaches.</p>	<p>Compliance and monitoring activities are carried out.</p>		

## How we will achieve this

### Current approach

Council will use an integrated catchment based management approach to provide the following outcomes:

1. A stormwater network that minimises risks of flooding events.
2. Avoid negative impacts on water quality.
3. Be responsive to customer's stormwater issues.

Council has set targets that limit the percentage of properties serviced by Council's stormwater network that experience flooding of homes (above the floor level of habitable dwellings) in a 1-in-10 year rainfall event. This is location specific, ranging from 1% in Ōmokoroa and Katikati, to 3% for Te Puke and 6% for Waihi Beach. We are currently meeting this level of service.

A \$7.5 million programme has been included in the 2021-2031 LTP, building on our previous work, focusing on areas of essential upgrades and maintenance.

As the network of stormwater assets is relatively new (62% of stormwater pipes are less than 20 years old, with an 80-100 year life), the majority of renewals sit outside of the 30-year strategy. As some of the network is deemed to be undersized, the need for replacement with a larger pipe is assessed based on the flood risk to properties downstream or upstream. Overland flow paths play an important consideration in this assessment to ensure unimpeded flow.

Extensive modelling has been completed and used to obtain comprehensive stormwater consents. This helps to quantify risks to dwellings and inform priorities within the capital works programme. This information also influences decisions on where future development occurs in the District.

## Future thinking and potential changes to current approach

Comprehensive stormwater resource consents have been put in place for the Ōmokoroa and Western areas, with Eastern and Central areas being progressed. These require a greater emphasis on the quality of stormwater discharge. Additional funding is included in this LTP for increased costs of compliance and to implement systems such as water treatment devices that improve water quality standards. Based on an integrated catchment management planning approach, we will carry out monitoring and modelling work to ensure compliance with consent conditions.

The Coastal Erosion Responses Policy 2017 provides a framework for consistent decision making where Council-owned coastal land is affected by coastal erosion or subsidence. This will be applied to all relevant infrastructure decisions in the future, noting that this affects more than just the stormwater activity.

Following the completion of the Tauranga Harbour Coastal Hazards Study, Western Bay has a greater understanding of inundation risks across the harbour. We are now undertaking further analysis of rainfall flooding risks and tsunami risks. These models will be revised over the next 30 years to reflect updated information.

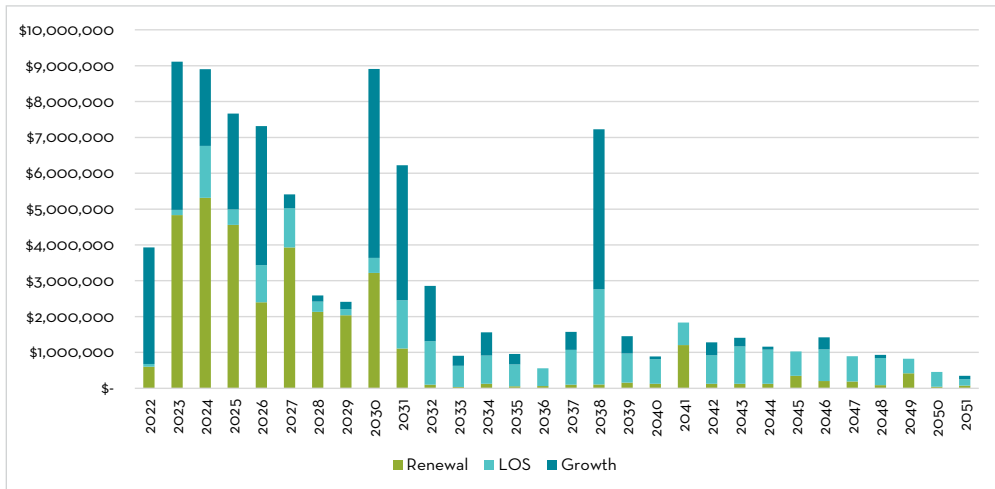
Other issues to note include any potential change to the management and operation of open drains of the Waihi Estuary catchment. This is undertaken by the Waihi Land Drainage Society, a drainage scheme near Pukehina, operated by local farmers and assisted by Council for the protection of pasture against flooding.

Another issue is the impact of residential growth for the Te Puke township on stormwater infrastructure managed by BOPRC in the Te Puke stormwater catchment. The BOPRC has a level of service to maintain in managing a drainage canal system for the prevention of flooding of rural land.

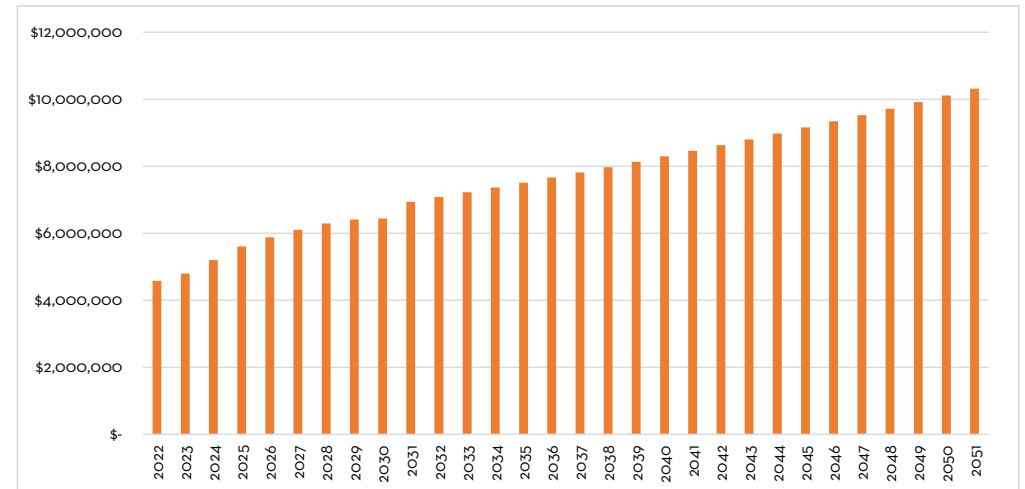
Discussions have also been had with the BOPRC regarding the level of protection and appropriate funding model for the Katikati stopbanks (as they cross a number of individually-owned properties). There may also be future areas for innovation here including moorings and floating utility services and wetland management.

## Expenditure Forecast 2021-2051

**Figure 7:** Stormwater Projected Capital Expenditure 2021/22 - 2050/51



**Figure 8:** Stormwater Projected Operational Expenditure 2021/22 - 2050/51



### Key Projects include:

- A total of \$2.3 million has been planned to assist with the application of a District Wide Resource Consent (including construction of stormwater treatment devices). This project is to be staged over several years.
- 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 totalling \$4.4 million is included in the 2021-31 LTP.
- Recent stormwater modelling for Te Puke identified areas of the piped network that are undersized. Recommended upgrades from the modelling report have been prioritised and included in Council's 30-year plan. Council has \$4.6 million allocated in the 2021-31 LTP for Te Puke stormwater upgrades.
- Growth-related stormwater infrastructure at Ōmokoroa has been budgeted at \$15.6 million across the 2021-31 LTP.
- Council worked with the community to develop a stormwater management plan for Waihi Beach. The stormwater management plan includes a long term strategy for Council and the community to help alleviate stormwater issues. Estimated costs for infrastructure upgrades is \$17.6 million which has been included in the 2021-31 LTP. Includes works at Pio Shores which are budgeted at \$3.3 million in the 2021-2031 LTP.
- Stormwater network upgrades of approximately \$55.8 million for 2021- 2031 . Including funding for water quality discharge improvements.
- \$5.4 million to address undersized pipes in Te Puke (2035-2034).

## Key activity assumptions

Relevant strategic assumptions	Activity assumptions	Risk	Impact
<b>Population growth</b>	Estimates of land coverage imperviousness are made based on recommendations in the New Zealand Building Code Handbook	Increased land coverage (above the building code) by hard or impervious surfaces e.g. in-fill, roofing and driveways means less water soaks into the ground and more water runs off at a faster rate into the stormwater system.	The financial impact of responding to this risk is not factored into current budgets which are based on modelling of adopted population projections and building code land coverage estimates.
<b>Climate change, environmental sustainability, legislative changes</b>	Rainfall intensity values are generated from actual rainfall data. Factors have been applied to account for climate change over the next 100 years as determined by the Bay of Plenty Regional Council (BOPRC). These factors are based on Ministry for the Environment Climate Change recommendations.	If changes to rainfall intensity occur significantly faster or at a greater scale than forecast, this will place stress on our networks. Increased rainfall intensity creates more flood events as the rainfall is heavier and runs off the land faster placing greater demands on stormwater infrastructure.	If the rainfall intensity events increase significantly then a greater percentage of the stormwater infrastructure will be undersized. As a result the levels of service may not be achieved, and potentially the investment in stormwater infrastructure may need to increase.
	The sea level value used in relation to stormwater assets is based on the best estimate up to 2100, making allowances for high tide and storm surge as per the requirements of BOPRC outlined in their Hydrological and Hydraulic Guidelines.	Should sea level rise progress at a rate faster than anticipated, the design of the stormwater networks may not be suitable to cope with increased salt water intrusion, reduced fall for some drains and the increased impacts of storm events.	If sea levels are higher than estimated, the impact from storm events will increase, as will coastal flooding and the requirement for coastal protection works or a managed retreat of properties. Expensive redesign of some networks maybe required.
	The Government's Three Waters Review is considering how water services are structured and delivered. This may see changes in Council's role for managing stormwater. There is currently insufficient clarity on what this may finally look like and it is therefore prudent to plan on a business as usual approach with a likely increased focus on water quality.	Stormwater moves away from Council control and to a new body.  Risk that the transition period for this is shorter than expected and additional funding is needed to meet these requirements. Alternatively, the risk that this does not occur and we plan investment that is not required.	Increased funding above that planned, may be necessary with implications for rates.  If stormwater is no longer a Council role, there will be significant financial and structural implications for Council.

## Water supply



Council is responsible for the sourcing, treatment, storage, distribution and management of the District’s water supply. Water is supplied from nine bore fields. The bores tap into deep reliable, plentiful and high-quality water in underground aquifers. Nine water treatment plants are located throughout the District. Water supply customers include residential, commercial, horticultural and agricultural users.

The past 10-20 years have seen the establishment of quality storage, source and distribution network improvements throughout the District to ensure Council can supply sufficient water to meet growing demands. Council has transformed its water supply by changing sources from rivers and streams to secure underground aquifers. This has resulted in a significant improvement in water quality from an ‘Ee’ to a ‘Bb’ Grade. Conversion to bore supplies has also enabled Council to increase its capacity and has improved the reliability of supply.

Installation of District-wide water meters was completed in 2018. Water meters have multiple benefits including customers managing their own usage in response to conservation initiatives and costs, identification of high volume users and system leaks, and the potential to delay investment in additional infrastructure as water demand decreases. Council is constantly aiming to achieve an appropriate balance between water production and water consumption. Water supply needs to be sufficient to cope with peak demand and water storage needs to ensure a minimum of 24 hours average daily demand storage in all systems.

### Council’s water supply network services three water supply zones:

- Western Water Supply Zone: Waihi Beach, Athenree, Kauri/Tanners Point, Ongare Point, Aongatete and Katikati areas.
- Central Supply Zone: Te Puna, Minden, Pahoia and Ōmokoroa areas.
- Eastern Supply Zone: Te Puke urban and surrounding rural areas and areas east of Te Puke, Paengaroa, Maketu, Pukehina and Pongakawa.

## What influences our approach?

Issue	Response
<p><b>Population growth</b></p> <p>Urban areas have a greater concentration of people that require access to water supply. The greatest areas of demand are the urban growth areas of Waihi Beach, Katikati, Ōmokoroa and Te Puke. Waihi Beach in particular has a significant impact on peak demand due to the high number of holiday homes and increases in water consumption during summer.</p>	<p>The use of water meters has helped improve our understanding of water consumption patterns, peak demand, water loss and have guided our planning for future water supply. They have acted as demand reduction tools. Council has also budgeted for additional supply and capacity works, to meet increased demand, \$12.5 million in the first seven years alone.</p>
<p><b>Economic growth</b></p> <p>Horticultural and agricultural users have high water consumption. New plantings and changes in orchard management practice encouraging greater use of frost protection and irrigation may increase future demand for water from groundwater and streams.</p> <p>Similarly, industrial/commercial development may require additional water. This would be necessary for workers’ basic drinking water and sanitation needs, but may also be needed for some business operations.</p> <p>This will only impact on Council’s supply and demand projections if they are connected to the Council-reticulated supply.</p>	<p>Council is working with BOPRC and industry leaders such as Zespri and Quayside Holdings to better understand their actual land use trends that have the potential to impact on future land use patterns and water allocation and supply. While some of this use does not affect Council’s water supply, it helps to understand the bigger picture of total water consumption in the District.</p> <p>Council also actively identifies high users and puts in place water conservation measures.</p>

Issue	Response
<p><b>Environmental sustainability and legislative changes</b></p> <p>There is a drive to conserve, use and manage water the best way possible to ensure water sources are sustainable. Increasing environmental standards impact on the approach taken to water allocation, quality and compliance.</p> <p>BOPRC is required to give effect to the National Policy Statement on Freshwater Management, which will see a changes to the Regional rules regarding water within the next three years. This creates uncertainty as to how resource consent applications for access to water supply will be considered in the future and what conditions will be imposed.</p> <p>The Government's Three Waters Review is considering how water services are structured and delivered. This may see changes in Council's role for water supply.</p>	<p>Demand management is done through water metering, Uniform Annual Charging on connection capacity, and water restrictions during peak demand periods. Pressure management and leak surveys are two ongoing initiatives to reduce losses and peak demand volumes to extend the life of the water source.</p> <p>Western Bay's water supply is generally in good shape, as we've invested in deep bores and water treatment systems. Our resource consents for water supply are up for renewal from 2024. We've factored in an additional \$1 million to meet expected regulations and standards.</p> <p>The outcome of the Three Waters Review is not yet known. Our planning is based on maintaining our levels of service and assets, and for this we have assumed no change in Council's role.</p>

### What we want to achieve



Council aims to ensure that water supply is provided in a sustainable manner. This will help to achieve a clean, green and valued environment, a thriving economy, and enjoyment of a healthy and safe lifestyle.

In achieving this outcome, the focus over the next 30 years is to:

Continue to provide potable water of an appropriate standard and quality to meet the needs of consumers within the three supply zones.

Focus on the sustainable management of our water resource, water supply infrastructure and consumer use of water across the three supply zones.

**The extent to which we achieve these goals is measured through levels of service relating to water storage and water quality, regular analysis of water consumption patterns and provision of capacity to enable growth to occur.**



## How we will achieve this

### Current approach

Council will continue with the current approach with no changes to levels of service. This focuses on water conservation and demand management and ensuring there is sufficient capacity to provide water to urban growth areas.

The maintenance and upgrades to water systems will continue as a number of water supply assets will be near the end of their useful life within the next 30 years. These include some of the reservoirs and trunk mains particularly in the Western and Eastern Supply zones.

Council will continue to identify appropriate water sources and extend the water supply network to meet the needs of our growing communities. In the Central Supply Zone planned exploration and a new bore for Youngson Road will cater for growth in the Ōmokoroa and Te Puna area. A new bore and reservoir is planned in 2028 for the Western Supply Zone to cater to Waihi Beach and Katikati. In the Eastern Supply Zone, exploration and construction of new bores is planned to cater for growth and resilience of the water supply network. Much of the Eastern Supply Zone is currently over-allocated for water-takes resource consents, which poses issues now and these may increase over time as further pressures develop.

## Future thinking and potential changes to current approach

Options are available in the Eastern Supply Zone for future water supply and storage, including further bores at Pongakawa and other locations, and an access agreement with Tauranga City Council to the Waiari water source that comes on stream in 2021. \$4.6 million (2021-2024) has been budgeted for an alternative eastern supply.

Additional budget of \$8 million is included in the LTP as a proactive response to the potential for increased water quality standards. It is expected that with the water reforms and the water regulator, Council will need to introduce a two-barrier treatment method to its water supplies through Ultra Violet (UV) treatment. Our water supply resource consents require renewal in 2026 onwards and will be assessed against any changes to legislation and water quality standards. This budget has been determined based on the potential requirement to develop UV systems for treating bore water, fluoride treatment systems (noting that this assumes a regulatory requirement to do so), automatic monitoring stations, and multi-barrier solutions.

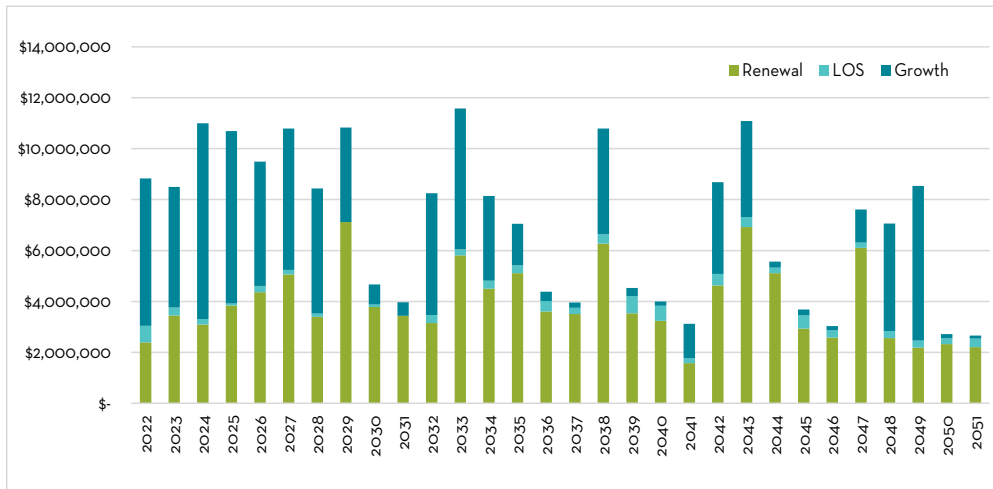
A review of the water charging regime will be undertaken in 2022. This allows for consideration of District-wide information on water use patterns and water meter data. The purpose of the review is to ensure that the water charging approach continues to be undertaken on a fair and reasonable basis, taking into account actual information on water usage derived from the water meters.

Tauranga City Council and Western Bay of Plenty District Council have jointly appointed a three waters contractor. This allows the two councils to work together in the water services space to make the most of their individual and joint resources and expertise and build on national best practice.

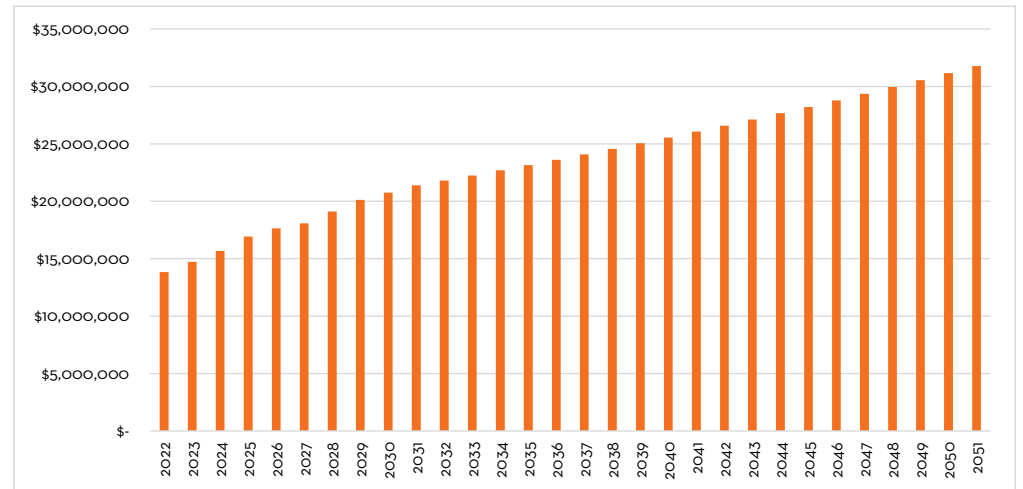


## Expenditure Forecast 2021-2051

**Figure 9:** Water Supply Projected Capital Expenditure 2021/22 - 2050/51



**Figure 10:** Water Supply Projected Operational Expenditure 2021/22 - 2050/51



**Figure 10** includes interest expense, overheads and depreciation and excludes internal interest income.



### There are a number of key projects:

- In the Eastern Supply Zone and Central Supply Zone a number of significant projects for new water storage and water sources are planned to meet growth and demand. This includes \$4.6 million (2021-2024) is for alternative eastern supply.
- A number of resource consents for Council's water source takes are due to expire from 2026. Funding has been included to begin the consent renewals application from 2023. Across the District there is an increase in renewals of ageing asbestos-cement (AC) water mains, for the 2021-2031 period. These renewals have been schedule in the asset management plan, and have been included in the Long Term Plan.

## Key activity assumptions

Relevant strategic assumptions	Activity assumptions	Risk	Impact
<p><b>Environmental sustainability and legislative changes</b></p>	<p>There will be changes to legislation seeking to improve water standards.</p> <p>Taumata Arowai (Water Services Regulator), has recently been established. Its full powers are yet to pass into legislation, but it will oversee an increased focus on water quality and compliance. It is likely that increased treatment standards (particularly related to the treatment of water from previously 'secure' sources and chlorination) will be a focus.</p>	<p>That legislative change will require increased investment in this activity.</p>	<p>Council will need to comply with these changes. This may require additional expenditure to upgrade infrastructure and/or change levels of service to better meet new requirements. For example, increased water security and compliance/monitoring systems.</p> <p>Additional budget of \$8 million is included in the 2021-31 LTP for actions required for resource consent renewal from 2024 and meeting new compliance requirements for water treatment. This includes UV treatment at our bores.</p>
	<p>The Government's Three Waters Review is considering how water services are structured and delivered. This may see changes in Council's role for water supply.</p> <p>The outcome of the Three Waters Review is not yet known. Our planning is based on maintaining our levels of service and assets, and for this we have assumed no change in Council's role.</p>	<p>That changes to how water services are structured occur quickly, with a change to the role of Council.</p>	<p>This could see provision of Water Supply removed from Council. This could have implications for local oversight and input into the management of water supply schemes, and could significantly impact the financial and organisational structure of Council.</p>

## Wastewater



Wastewater is the water that comes from toilets, showers, dishwashers, washing machines, taps and commercial or industrial processes. It is made up of 'blackwater' from the toilet and 'greywater' which is household water from the shower, bath, basins and washing machine. Demand for wastewater services is driven principally by population growth, environmental degradation and public health issues.

Council is responsible for wastewater collection, treatment and disposal to its customers in seven urban communities: Waihi Beach; Katikati, Ōmokoroa, Te Puke, Maketu/Little Waihi, Te Puna West and Ongare Point. The service applies to all residential, commercial and industrial users.

Wastewater from urban areas is collected and conveyed in pipes, manholes and pump stations to one of five wastewater treatment plants (WWTP) owned and operated by Council. Wastewater from Ōmokoroa and Te Puna West is an exception as it flows through the pressurised Ōmokoroa Transfer Pipeline and gets treated at the Chapel Street WWTP owned by Tauranga City.

### What influences our approach?

Issue	Response
<p><b>Population growth</b></p> <p>Urban areas have a greater concentration of people that require provision of wastewater services. The greatest areas of demand for wastewater services are Waihi Beach, Katikati, Ōmokoroa and Te Puke. Waihi Beach experiences additional demand driven by holidaymakers.</p> <p>Requests for new wastewater connections are also received from areas currently not serviced, usually from the margins of urban areas and or industrial development proposals from outside existing wastewater service areas.</p>	<p>Demand management planning ensures that there is capacity within the wastewater network for existing and future customers. Planned improvements to WWTPs at Waihi Beach, Katikati and Te Puke will ensure that capacity is provided for the growing population and that consent standards are adhered to.</p>
<p><b>Environmental Sustainability and Legislative Changes</b></p> <p>Higher discharge quality requirements are expected in the future. The National Policy Statement for Freshwater Management, potential changes to the Resource Management Act, establishment of Taumata Arowai, and potential new water quality legislation will impact on this activity. From a cultural perspective there is a strong desire to remove discharge of wastewater into waterways and explore alternative discharge options such as discharging to land.</p> <p>Demand can be driven by requirements or changes to the BOPRC On-site Effluent Treatment (OSET) Regional Plan rules resulting from environmental assessments that confirm serious adverse environmental effects in specific areas due to continued septic tank use.</p> <p>Government's Three Waters Review is considering how water services are structured and delivered. This may see changes in Council's role for wastewater.</p>	<p>Council will be looking at a range of discharge options over the next five years to inform decisions on renewal and expenditure of the Katikati ocean outfall, taking into account changing environmental standards, cultural expectations, increasing discharge capacity to cater for growth and changes in technology. Similarly, Council has committed to exploring alternative discharge options for Te Puke WWTP.</p> <p>Council will work closely with BOPRC to understand future changes to the OSET Regional Plan rules and the implications for our communities.</p> <p>The outcome of the Three Waters Review is not known. Our planning is based on maintaining our levels of service and assets and for this we have assumed no change in Council's role.</p>

Issue	Response
<p><b>Healthy and safe communities</b></p> <p>Provision of reticulated wastewater systems in the District provides public health and sanitation benefits to the community. If adequate wastewater disposal systems were not available, economic development may be constrained, or environmental standards may be constrained or compromised. This would affect the community as a whole.</p>	<p>Council has a programme to encourage households to connect to the wastewater system where it is available for public health reasons.</p> <p>Reticulation in the Te Puna commercial areas and improved Marae wastewater services, externally funded.</p>

## What we want to achieve



Council aims to deliver wastewater services that are well planned and maintained to ensure a clean and healthy environment. This will help us all to enjoy a healthy and safe lifestyle and a clean, green and valued environment.

In achieving this outcome, the focus over the next 30 years is:

That all Council's reticulated wastewater disposal systems meet acceptable health, safety and environmental standards.

To assist small urban communities along the Tauranga Harbour to ensure that the wastewater disposal options available to them meet health and safety requirements.

**Council's wastewater network assets have been carefully developed to mitigate untreated or inadequately treated wastewater entering the local surface water, groundwater or land that cause adverse effects on public health and natural resources. The extent to which the outcomes are achieved is measured by compliance with environmental and health standards outlined in consent requirements.**

## How we will achieve this

### Current approach

Council will continue with the current approach with no changes to levels of service. This focuses on continuing to meet standards required for operation of the wastewater network and providing wastewater capacity for urban growth areas.

Work will continue to maintain and upgrade plant and equipment through the capital and renewals programme.

### Future thinking and potential changes to current approach

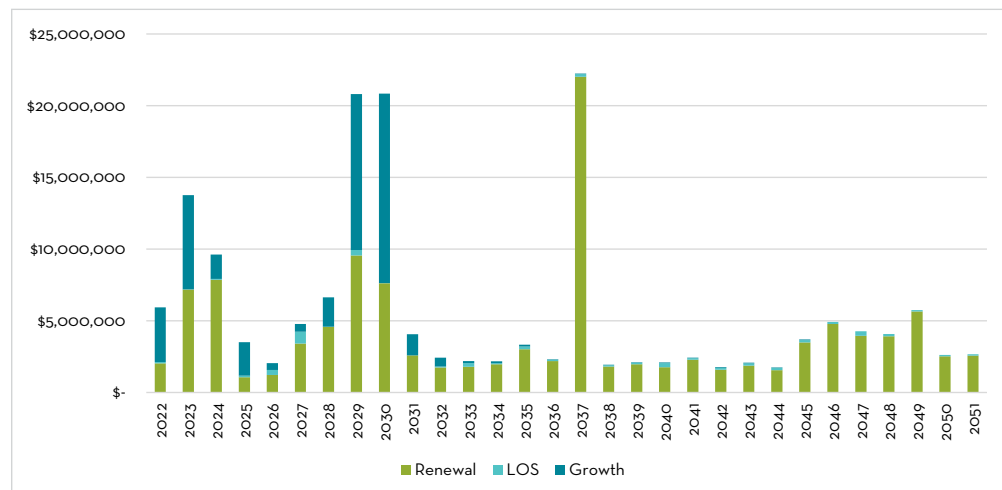
Higher discharge quality requirements are expected in the future. Council will progress investigations for alternative discharge options for both Katikati and Te Puke. The ocean outfall pipe in Katikati requires renewal in 2037 at an estimated cost of \$14 million.

Council will be looking at a range of discharge options over the next five years to inform decisions on this renewal and expenditure. This will take into account changing environmental standards, cultural expectations, increasing discharge capacity to cater for growth and changes in technology that increase water quality discharge.

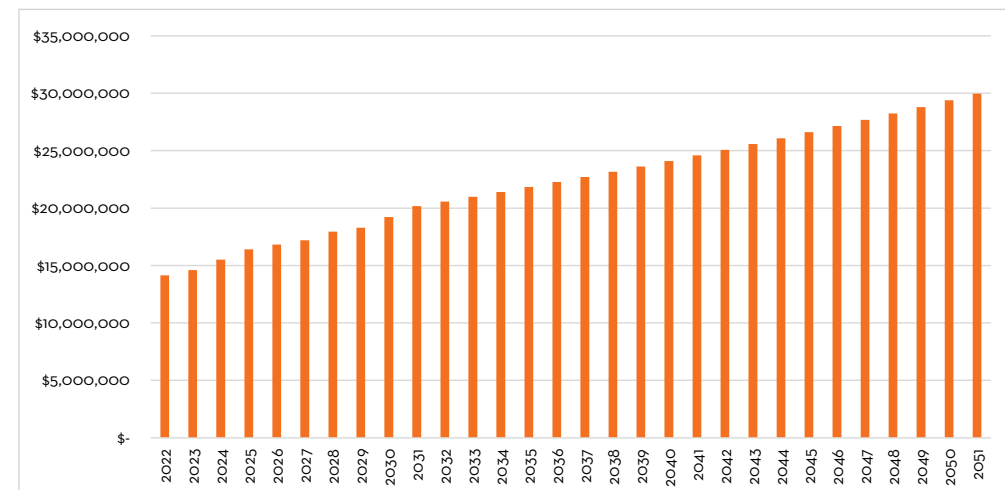
New innovative technologies that find cheaper and more efficient ways to reduce volumes, and treat and dispose of wastewater are a key consideration in Council's approach to future options for the wastewater network. Most recently this thinking has been applied to the Ongare Point and Te Puna West wastewater schemes where low-pressure pump systems (sometimes including a grinder) have been installed to collect and pump all sewage from the property to the treatment plant. The low pressure sewer system significantly reduces wet weather flows caused by infiltration and influent. Council will be using a sealed gravity system in Ōmokoroa.

## Expenditure Forecast 2021-2051

**Figure 11:** Wastewater Projected Capital Expenditure 2021/22 - 2050/51



**Figure 12:** Wastewater Projected Operational Expenditure 2021/22 - 2050/51



**Figure 12** includes interest expense, overheads and depreciation and excludes internal interest income.

### Key Projects include:

- Construction of new treatment infrastructure at Te Puke Wastewater Treatment Plant contributes towards the high capital expenditure for 2023-25 to meet increased demand due to growth, Rangiuru Business Park coming online, and new discharge consent conditions.
- Large capital expenditure is also expected over the 10-year period at the Waihi Beach Wastewater Treatment Plant to undertake upgrades and improvements for resilience.
- Katikati Wastewater Treatment Plant requires capacity upgrades to cater to growth and to continue to meet resource consent. The large capital expenditure anticipated in 2037 relates to the Katikati Wastewater Treatment Plant ocean outfall renewal.

Key activity assumptions

Relevant strategic assumptions	Activity assumptions	Risk	Impact
<p><b>Environmental sustainability and legislative changes</b></p>	<p>There will be changes to legislation and regulations that seek to improve water quality standards.</p> <p>This may be through increased national standards as a result of anticipated regulations, the National Policy Statement Freshwater Management, or similar mechanisms. It may also be through Regional Council's OSET standards or Regional Plan changes regarding water quality.</p>	<p>That legislative and regulatory changes will occur at a greater pace, or require a greater level of investment than forecast.</p>	<p>If legislation and regulations change then Council will need to comply with these changes. This may require additional expenditure to upgrade infrastructure and/or consideration of alternative methods and levels of service to better meet new requirements.</p>
	<p>The Government's Three Waters Review is considering how wastewater services are structured and delivered. This may see changes in Council's role for water supply.</p> <p>The outcome of the Three Waters Review is not yet known. Our planning is based on maintaining our levels of service and assets, and for this we have assumed no change in Council's role.</p>	<p>That changes to how wastewater services are structured occur quickly, with a change to the role of Council.</p>	<p>This could see the management of wastewater removed from Council. This could limit local oversight and input into the management of wastewater schemes, and could significantly impact the financial and organisational structure of Council.</p>



Te Ara Kahikatea Pathway, Te Puke

# Transportation



Council is responsible for the provision of local roads, footpaths, bridges, streetlights, road signs, work site safety and network operations in the District. Waka Kotahi NZ Transport Agency (NZTA) funds and maintains the state highway network.

A joint performance based, contract arrangement is in place between Council and Waka Kotahi for the management of the state highway and local road network. The contract has been designed for better service delivery and value for money from road maintenance, renewal and capital expenditure through a single contract delivery model. Council works in partnership with Waka Kotahi to ensure integration of the state highway network with the local road network. A Funding Assistance Rate of 51% is provided by Central Government towards agreed local road maintenance and network improvement projects.

The direction provided by the sub regional UFTI project (Urban Form and Transport Initiative) and subsequently the TSP (Transport System Plan) have been incorporated into our planning and the LTP.

Council has a strong focus on development of footpaths, walkways and cycleways in urban areas and where appropriate, on rural roads. These facilities are beneficial for many reasons, including encouraging active living, recreational benefits, providing commuter links and reducing car usage, and attracting visitors to the District. The road network also helps to capture and manage stormwater flows.

Council spends around a third of our annual capital and operating expenditure on transportation – approximately \$35 million each year. This includes everything from; operations, maintenance, asset renewals, capital works such as seal extensions, seal widening, asset upgrades including large urban roading projects and network safety improvements.

New roading assets are obtained from vested land development infrastructure and state highway revocations resulting from new state highways constructed by Waka Kotahi.

## What influences our approach?

Issue	Response
<p><b>Population growth</b></p> <p>Tauranga is a high growth area and the transport effects of this are also experienced in the Western Bay District on the state highway and local road network.</p> <p>The projected growth in Ōmokoroa will increase the size of this community from 4,575 (2021) to 12,086 (2045). It is expected that traffic volumes will almost triple, in line with the population growth.</p> <p>In small settlements such as the Minden, lifestyle blocks and incremental growth is increasing traffic volumes on rural roads. In some areas, peak time congestion is impacting on travel times between Tauranga and Western Bay.</p> <p>This also increases traffic volumes and results in parts of the roading network being below width and suffering from accelerated pavement deterioration.</p>	<p>Proposed Waka Kotahi improvements to the state highway network such as the Takitimu North Link and Loop Road to Ōmokoroa capacity and safety improvements will provide some relief from congestion issues along SH2 and are anticipated to improve the route’s poor safety record.</p> <p>Council will continue to implement structure plans for urban growth areas and deliver UFTI identified projects. Ōmokoroa transport investment is \$72.3m over the next 10 years.</p> <p>Council will invest in its asset base, increasing the renewal investment. This will see increased seal widening and increased network improvement programmes.</p>



Issue	Response
<p><b>Economic growth</b></p> <p>Economic growth has resulted in substantial network traffic volume increases over recent years. This has impacted on reliable journey times and increased congestion particularly along the state highway network. These traffic levels are expected to continue to increase.</p> <p>Rangiuru Business Park will deliver much needed industrial land for the sub-region to enable continued economic growth. Significant roading investment is needed for this development.</p> <p>In rural areas, the transport network serves horticulture, agriculture and forestry and their associated activities. The seasonal nature of the workforce in these industries impacts transport demand through an increase in traffic volumes, especially heavy vehicles. This can increase the rate of asset deterioration and increased maintenance. As seasonal workers are predominately working in rural areas, there is minimal access to public transport and cycleways to access service centres. The projected growth of the kiwifruit sector will increase pressure on the transport network.</p> <p>Tourism increases expectations of the customer experience from the road network including directional signs, pull off and rest areas, freedom camping areas and access to amenities such as public toilets and rubbish bins.</p>	<p>Council has levels of service that seek to provide a quality experience on local roads while meeting affordability levels. This includes responding to customer transport-related issues and ensuring that the network is in good condition and fit for purpose (measured by smooth travel exposure and responding to potential asset deterioration defects). Council monitors traffic volumes on local roads to determine if additional width is required at any point due to increased traffic demands. Increased maintenance and renewals costs have been planned for.</p> <p>Council expects transportation projects at Rangiuru Business Park to cost \$52 million. This is a Quayside project with the obligation resting on them to deliver. Council is acting as a facilitator to secure potential Waka Kotahi funding for the project on Quayside's benefit. \$18 million will also be invested by the Provincial Growth Fund for an interchange to access the site.</p> <p>Council has committed over \$16.6 million to walking and cycling in the 2021-2031 LTP (\$13.9 million through the Transport activity). It is expected that external funding will also contribute to total project costs. Limited public transport options are currently in place for the District. Through the modal shift project, in collaboration with Waka Kotahi and Tauranga City Council, we will be looking at how public transport, cycleways and ferries could be utilised.</p>
<p><b>Climate change and environmental sustainability</b></p> <p>The location of roads close to the coast may require sea defences to protect from coastal erosion or may need to be relocated in response to rising sea levels.</p> <p>Increasing frequency and intensity of storm events impacts the stormwater function of the road network due to increased run-off and current drainage may not be able to cope with this (e.g. undersized culverts).</p> <p>Given the increasing impact of climate change there will be a corresponding increasing focus on a low carbon transportation network. This is reflected through the Government's Policy Statements.</p>	<p>The Coastal Erosion Responses Policy will be applied in determining the approach to these assets.</p> <p>Council is working with other Lifeline utility owners to identify assets at risk to climate change risks and develop responses.</p> <p>Council has committed over \$16.6 million to walking and cycling in the 2021-2031 LTP and will be progressing work on modal shift and transport choice.</p>

Issue	Response
<p><b>Changing make up of our communities</b></p> <p>Ageing population seeking access to informal and passive recreational opportunities that walking and cycling networks can provide. Also require ease of access to local amenities from residential areas.</p> <p>Medical care and technology has improved, with older people living longer and driving longer than a generation ago. Older drivers are more likely to be injured or die following a crash than younger people. Health problems including diminishing vision, physical and/or cognitive abilities can make driving more difficult and risky. For example, older drivers may find their night vision deteriorates, which leads to difficulty detecting and assessing hazards at night.</p> <p>Older drivers are unlikely to have had any driver education for many years, meaning there may be gaps in general knowledge about the road code and new road rules.</p>	<p>Footpaths are being made wider and smoother to make them as accessible as possible to all ages and capabilities within the community. Pedestrian crossings provide safe access across busy roads.</p> <p>Waka Kotahi has resources that support senior drivers to stay mobile in a safe manner.</p>
<p><b>Community expectations</b></p> <p>There are ongoing concerns from residents who live on unsealed roads in rural areas wanting their roads to be sealed.</p> <p>There is a community expectation for the provision of suitable and safe walking and cycling facilities and for transport choice (multi-modal).</p> <p>Waka Kotahi and Local Government established the One Network Road Classification (ONRC) and customer levels of service to ensure that transport assets provide a consistent level of service. It is intended that the level of service is linked to future investment decisions. Therefore, if a road is below the level of service standard it is more likely to receive Waka Kotahi co-funding. If it is above the level of service, then it is less likely to receive Waka Kotahi funding subsidy.</p>	<p>Council allocates over \$1 million per annum towards seal extension, enabling 3-4 km of new seal extension each year. Prioritisation is based on criteria that include the volume of traffic, dust exposure to residents and degree of benefit gained relative to the cost of sealing the road. Council has increased the budget by an additional \$1 million per annum for the ten years of the LTP.</p> <p>Council has funds for off-road footpath and walkway/cycleway development. Council is also involved in planning for public transport options.</p> <p>The comparative measures established under the ONRC suggest that the District is achieving the required service levels for the different road categories. However, the ONRC measures are averages and are not sensitive enough to highlight service level gaps across the network.</p>
<p><b>Collaboration</b></p> <p>The timing of transportation projects is assessed on an annual basis as Council works in partnership with other agencies to fund and implement these works.</p> <p>External factors beyond Council's control such as the timing of private land use development, land issues, changes to the Waka Kotahi works and funding programmes, growth in traffic volumes and a change in accident patterns can impact on the prioritisation and timing of projects.</p>	<p>Council will continue to work in partnership with Waka Kotahi to ensure alignment of local and state highway transport projects.</p>

## What we want to achieve



Council aims to deliver transportation networks that are safe, affordable, sustainable and planned to meet our community needs and support economic development. Provision of a safe and effective transportation network contributes to a thriving economy, and a healthy and safe lifestyle.

In achieving this outcome, the focus over the next 30 years is:

<p>That transportation networks support and promote economic development.</p>	<p>That the impact on the environment of the transportation system is mitigated where practicable.</p>	<p>That transport systems enable healthy activity and reduce transport-related public health risks.</p>	<p><b>There are a range of measures that help determine progress against these goals. The measures include compliance with Council's level of service standards for footpaths and road maintenance, customer perception surveys, and the percentage of the sealed road network that is resurfaced.</b></p>
<p>Transport systems improve access and mobility.</p>	<p>Land use and transportation network planning are integrated.</p>		

## How we will achieve this

### Current approach

Council will continue with the current approach. This focuses on providing transport infrastructure in urban growth areas in accordance with structure plans (with the majority of investment in Ōmokoroa over the next 10 years, approx. \$72.3 million), roading improvements such as continuation of seal extension programme, new footpaths and the cycleway programme, and working with Waka Kotahi on projects that impact on the state highway and local road network.

The joint maintenance contract will continue to ensure that maintenance is carried out in an appropriate and timely way and that repairs and renewals are sufficient to maintain levels of service on local roads. The contract allows for a number of processes to be undertaken on behalf of Council, this ranges from preparation of our Transport Asset Management Plan, costing of Council's projects and the delivery of Transport projects under our service level agreement. A level of decision making is developed through the contract within the bounds of the performance framework.

## Future thinking and potential changes to current approach

Proposed Waka Kotahi projects will continue to have a significant impact on the transport network within the District over the next 30 years and Council will continue to advocate for these projects. This includes a programme of state highway corridor safety and capacity improvements, such as safety improvements along SH2 from Waihi to Te Puna, advocacy for the Ōmokoroa interchange, and support for the Takitimu North Link and Rangiuru Business Park interchange. We will continue to advocate for Waka Kotahi funding towards Katikati Bypass and town centre improvements.

The planned development and completion of the Takitimu North stage one (Tauranga to Te Puna) in 2026 will ease congestion on State Highway Two. Council's local roading network will increase when the old sections of state highway are revoked and are transferred to Council. This will increase road maintenance requirements over time. Additional budget has been included, however the costs may need to be revised as more information becomes available and discussions with Waka Kotahi progress. Stage two of Tauranga Northern Link (Te Puna to Ōmokoroa) has been withdrawn from the central government funded New Zealand Upgrades Programme and is now subject to funding through the National Land Transport Plan process. Indications are that stage two is unlikely to proceed in the next 10 years. Council and Waka Kotahi are working together in partnership to progress the Ōmokoroa interchange as a separate project to the wider stage two works.

Load limits on heavy vehicles have been increased to improve productivity. While most roads can support these heavy vehicles, there are some restrictions on bridges and pavements built on softer soils near the coast and on some bridges located within the state highway network. The longterm effects of heavier vehicles on local roads is not fully known but most likely will appear first on roads that act as detour routes for the state highway or on older pavements limiting their remaining lives. Council is working with Waka Kotahi to fund improvements on identified state highway detour routes to improve network resilience enabling local roads to meet a level of service suitable as a detour and to enhance customer journeys when they are diverted. The key areas of impact for Council are from logging, quarrying and packhouse activity. Council has increased the amount budgeted for maintenance and renewals to reflect the increasing demand placed on the network.

Improvements to environment outcomes driven by Government, Regional Council and the community are likely to impact on existing levels of service for transportation. Council will continue to monitor and consider potential changes that may impact on the transportation activity levels of service and investment.

As part of implementing a modal shift (moving to multiple transport choices) we will be looking at enabling increased public transport options, for example through park and ride facilities, enabling ferry services and developing walking and cycle routes.

We will develop a walking and cycling network that connects our communities, our businesses and can be used to live, work, learn and play. We have a good network that we will incrementally develop, building further links and connectivity. Over the course of the 30 years we will look to build connections across the district using both on road and separated routes.

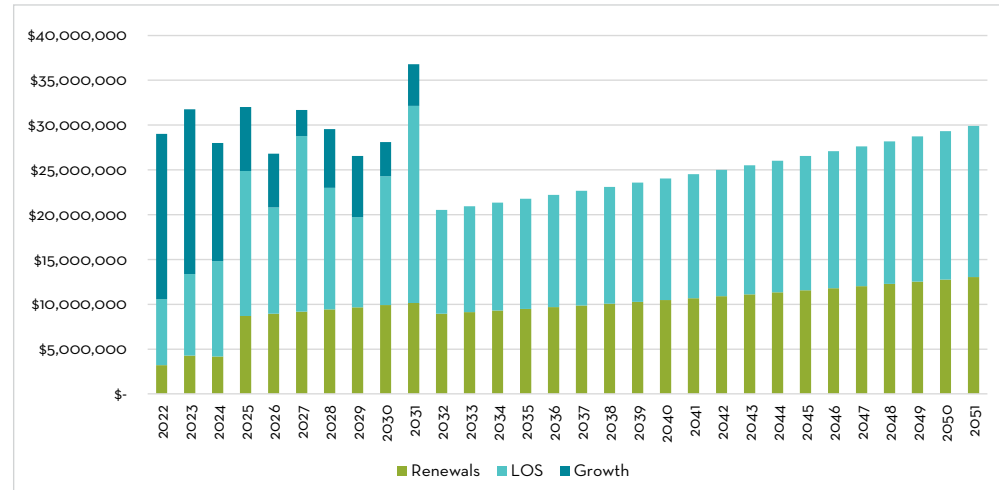
Council will continue to support effective public transport options. Although predominantly led by Regional Council, Council involvement may include planning for park and ride locations and provision of bus stops. Following the work carried out by UFTI, this may also involve the consideration of the rail corridor from Ōmokoroa, to Tauranga, to Te Puke and beyond.

The joint maintenance contract will be reviewed at the relevant points in the contract cycle. This is to determine the best approach to service delivery going forward and if necessary may see changes to the structure of service delivery and associated costs.

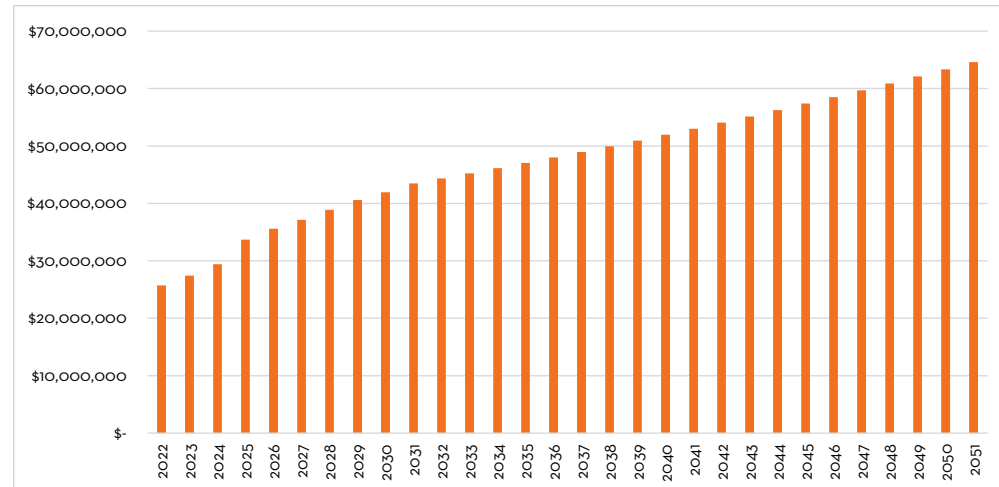


### Expenditure Forecast 2021-2051

**Figure 13:** Transportation Projected Capital Expenditure 2021/22 - 2050/51



**Figure 14:** Transportation Projected Operational Expenditure 2021/22 - 2050/51



**Figure 14** includes interest expense, overheads and depreciation and excludes internal interest income.



## Key activity assumptions

Relevant strategic assumptions	Activity assumptions	Risk	Impact
<b>Collaboration</b>	Council is in a collaborative seven-year (with the option to extend for another two years) performance based road maintenance contract with Waka Kotahi. This ends in 2023. It is assumed that the replacement contract will be a similar model that retains the contract cost structure.	That the current contract cost structure is not maintained when the contract is retendered and costs increase above inflation.	Road maintenance and renewal costs could increase significantly. It is very difficult to reliably predict the likely impact due to the end of the contract being in the future and external commercial influences. The impact could be mitigated by reviewing levels of service or decreasing capital expenditure to manage any potential rates increase.
	The Waka Kotahi Financial Assistance Rate (FAR) is projected to remain constant at 51%.  Waka Kotahi / Central Government funding will be available.	Waka Kotahi may reduce the FAR in the future which would increase costs to Council. Waka Kotahi funding may not be sufficient for all listed projects.  It is very unlikely that the FAR will increase above 51%.  If ONRC standards are below Council's current level of service then funding may reduce as it would be considered that the road maintenance is above that necessary for the road classifications.	Each 1% decrease in the FAR will increase Council's costs by around \$120,000 per annum.  Council will need to decide if projects continue, change scope or are delayed if Waka Kotahi funding decreases or is not available.  Alternative Central Government funding (e.g. NZ Upgrade Programme) may be available.
<b>Climate change</b>	It is assumed that costs for storm damage to roading will only exceed \$750,000 between two to three times over a 10-year period. The road maintenance contract with WestLink includes a risk transfer for storm damage to Council roads of \$750,000 per annum. Historical tracking shows that this cover is sufficient based on previous storm damage. The Waka Kotahi FAR applies to major events that cause significant damage to the network.	That the cost of damage to roads due to storms is significantly over \$750,000 per annum.	Potential debt increase that would need to be funded from rates if the cost of damage significantly exceeds \$750,000. The Waka Kotahi FAR subsidy would be expected to reduce the impact and increase funding for larger events.
<b>Revocations</b>	The State Highway 2 revocations will result in increasing high demand network assets and network length. This will increase Council's costs, but this maybe offset by contributions from development along the western corridor.	That ongoing land development and rates growth does not occur at the rate expected. That the lengths of SH2 vested in Council are below an adequate standard when transferred.	Maintenance and renewal costs will increase disproportionately without ongoing land development and rates growth to fund the cost of delivering the Levels of Service. There may be a reduction in the level of service or increase in rating required.

## Solid waste



Solid waste is the unwanted or unusable materials disposed of or discarded after their primary use. The type of waste is defined by its composition or source, for example organic waste and demolition waste. Council’s main role in this activity is providing kerbside collection services, providing recycling and solid waste facilities, and education and enforcement to ensure individuals, households and businesses are dealing with their waste in the most responsible way. This includes provision of recycling and greenwaste facilities, waste minimisation education, managing illegal dumping and supporting community initiatives to reduce waste.

The Waste Management and Minimisation Plan (WMMP) sets out what Council will do and how we will work together to reduce and manage waste in the most effective way. Waste minimisation initiatives in the WMMP can be partially funded by a Central Government waste disposal levy.

The impact of Central Government’s proposal to extend and increase the levy will provide more opportunities for investment in the waste sector, including infrastructure. Council’s infrastructure in this space is primarily around our waste facilities, such as recycling and greenwaste centres, and the closed landfills we monitor.

### What influences our approach?

Issue	Response
<p><b>Population growth, economic growth</b></p> <p>Urban areas have a greater concentration of people that produce waste and place greater demand on natural resources.</p> <p>An increase in commercial and industrial activity as a result (most likely) of improved economic conditions will have a direct impact on the amount of waste that is generated. Of particular importance to waste is the ongoing level of construction activity.</p>	<p>An analysis of factors driving demand for waste services in the future suggests that changes in demand will occur over time reflecting increasing population, changing household demographics, changing customer expectations and Central Government requirements (e.g. the introduction of product stewardship schemes).</p> <p>Kerbside services are planned to cater for population growth and to make responsible waste management easier.</p> <p>Future recycle centre and waste facility planning will see development of a site at Ōmokoroa, to meet the growing population’s needs, and consideration of rural recycling drop off facilities.</p>
<p><b>Environmental sustainability</b></p> <p>Solid waste ‘SWAP’ audits were undertaken in 2018 to quantify what the waste make-up of our kerbside waste was. These identified that a significant amount of waste going to landfill could be recycled or composted. About 70% of what was thrown away did not need to go to landfill, but could have been diverted elsewhere.</p>	<p>Council will introduce kerbside collection services to drive better waste outcomes for the district. This will increase diversion and deliver environmental benefits.</p> <p>Central Government decisions may have implications for how our operations function.</p>

Issue	Response
<p><b>Climate Change</b></p> <p>The District has three closed landfills and is responsible to ensure that they are monitored and maintained to the applicable resource consent conditions for each closed landfill. As has been seen elsewhere in NZ (such as the West Coast) severe weather events and natural erosion can put these at risk and see waste and contamination spread in the environment.</p>	<p>Council has actively identified risk factors for all managed closed landfills in the District and these sites are actively monitored. A high level inspection was undertaken late 2019 into the condition of the closed landfills. Apart from minor issues with the closed landfill in Waihi Beach (not Athenree) no issues were noted.</p> <p>Other indirect drivers also impact upon the demand for waste services. Some examples are climate change (extreme storm events) and incidents such as the Rena oil spill which resulted in additional waste to landfill/compost.</p>
<p><b>Economic Growth (visitor numbers)</b></p> <p>Western Bay is a well-known holiday destination and experiences a significant increase in population over the holiday season. This influences the level of waste production in the Western Bay as the consumer patterns of holidaymakers differ to that of residents. Consequently, demand for recycling and waste services increases noticeably over the holiday season.</p>	<p>Council having a lead role in the delivery of kerbside services allows for increased direction to address these issues.</p> <p>Community awareness of recycling and waste services through education and signage.</p>

## What we want to achieve



Council aims to ensure effective waste management practices that minimise waste to landfill and encourage efficient use of resources to reduce environmental harm. This will help to achieve an environment that is clean, green and valued, and help us all enjoy a healthy and safe lifestyle.

In achieving this outcome, the focus over the next 30 years is to:

Reduce and recover more waste.

Apply the latest proven and cost effective waste management and minimisation approaches.

Collect information to enable informed decision making.

Create benefit for our community.

**The extent to which these goals are achieved is measured by customer surveys, the percentage of waste recycled or recovered, the number of initiatives funded by the Ministry for the Environment Waste Minimisation Scheme and waste audits.**



## How we will achieve this

### Current approach

Council has resolved to introduce a Council-led kerbside service, which will start July 2021. The service provision will give households opportunity to divert waste from landfill through mixed recyclables, glass, and food scraps (in urban areas only) collections, with the remaining rubbish service a user-pays PAYT service. The current level of service also focuses on providing incentives (such as access to recycling and greenwaste facilities, and education programmes) to encourage responsible waste minimisation actions. Management of the bins and containers will lie with the contractor until the end of the contract, or Council purchases the assets prior (due to external funding availability).

### Future thinking and potential changes to current approach

Council will plan its waste facilities to meet the needs of a growing population. This includes provision of recycling facilities and relocating the greenwaste drop-off in Ōmokoroa to meet increased population growth, and the consideration of other waste infrastructure needs here. The level of growth in the District, may require a future transfer station to be established, however this is a matter for investigations, future community consultation and Council direction.

Council will also look at the use of rural recycling drop-off facilities to provide increased opportunities for remote rural residents to divert waste from landfill and to manage waste responsibly. Council will also look at how future collaboration with community groups can further reduce waste to landfill and deliver wider community benefits such as resource recovery parks and similar initiatives.

The recycling centres at Katikati and Athenree are operating at capacity within their current operating hours, however this may change as kerbside recycling is rolled out. Given the growth occurring in the sub-region and the changes to kerbside services, an assessment of the demand for and location of future waste infrastructure, including transfer stations and recycling facilities, needs to be undertaken on a sub-regional basis, and consider potential business models for procurement of services.

### Expenditure Forecast 2021-2051

The solid waste activity currently only has robust financial information to 2028. It is expected that the new asset management system (AssetFinda) will provide improved capability to forecast beyond this and will be used for the 2024-2054 Infrastructure Strategy.



### Within the 2021-31 LTP the main delivery projects for this activity are:

- Delivery of the new Council-led kerbside services - \$2.6 million operational costs each year, from 2021/22 onwards.
- Ōmokoroa Greenwaste and Recycling Centre - \$1.2 million from 2020/21 to 2022/23.
- Rural recycling drop-off points - \$230,000 between 2021-2024.
- Community Reuse Centres - investigate and look to establish community-led resource recovery and re-use centres, \$445,000 in 2021-2024.

## Key activity assumptions

Relevant strategic assumptions	Activity assumptions	Risk	Impact
<b>Legislative changes</b>	<p>The waste levy funding provided by the Waste Minimisation Act 2008 will not be removed and will increase.</p> <p>While central government has signalled the intention to introduce a container deposit scheme and other waste initiatives, these proposals have not been finalised.</p> <p>The plan has been prepared based on the current legislative framework.</p>	<p>The Act provides funding through a waste levy which is collected on waste delivered to landfill sites and applied to waste minimisation activities. This is a key funding source for projects that deliver on the Waste Management and Minimisation Plan.</p> <p>The risk that the planned expansion and increase to the Waste Levy will not occur.</p> <p>Legislative change will require changes to how Council services operate.</p>	<p>If the funds were not available this would either be a cost to the ratepayer or the project would not proceed.</p> <p>Increased costs may be necessary to address new legislative requirements and changes to services.</p>
<b>Environmental sustainability and community expectations</b>	<p>Environmental protection and improvements will be a community expectation of solid waste activities.</p>	<p>If Council actions are not as extensive or implemented as quick as the community expects, this may create community discontent.</p>	<p>Community discontent can direct energy away from other initiatives.</p> <p>Council revises its WMMP with community input, and Council's actions and approach to waste is aligned with the community's expectations.</p>
<b>Economic markets</b>	<p>The recyclables commodity market has had a significant level of fluctuation and this may continue for some time. COVID-19 has further impacted on these markets and incomes are not consistent.</p> <p>For the purposes of planning we assume that the current recyclables commodity market provides a consist level of return.</p>	<p>That the recyclables commodity market declines significantly.</p>	<p>The cost of operating our recycling services increases, requiring increased rates contributions. That collection of some products will have to cease due to a lack of markets or contamination rates.</p>

## Recreation and open spaces



Council is responsible for the provision of facilities that offer a range of recreational experiences and opportunities to the community. This is the most visible type of infrastructure provided and is highly valued as it contributes to active healthy communities, social interaction, and protection of environmental, ecological and cultural areas. The type of infrastructure provided includes active and passive reserves, public toilets, playgrounds, coastal structures and swimming pools.

Council works with the community to identify expectations for the provision of Recreation and Open Space experiences.

Reserve management plans help to understand and respond to these needs, balancing aspirations with competing demands and affordability. Level of Service Guidelines informs decisions on the standard, size and quality of infrastructure required.

### What influences our approach?

Issue	Response
<p><b>Population Growth</b></p> <p>Urban areas have a higher concentration of people that require access to Recreation and Open Space opportunities. They also often act as local focus points for the surrounding population. The greatest areas of demand are Waihi Beach, Katikati, Ōmokoroa and Te Puke.</p> <p>The rural and coastal nature of the District, as well as adjoining Department of Conservation land, provides a range of recreational experiences in close proximity to the urban environments within the District, Tauranga and the Waikato Region. As population increases, pressure on the use of facilities increases. This can lead to increased maintenance costs and an expectation that additional facilities are required.</p>	<p>We will provide safe, attractive and well-maintained facilities and amenities to our community. We will also provide a neighbourhood reserve (or equivalent) within 400m or within a 10-minute walk to 95% of urban households.</p> <p>We will use structure plans, reserve management planning and community planning processes to plan our reserves network to meet the demands of growth. Through 'green blue' network plans we will look for an integrated approach with other open space assets (such as stormwater reserves).</p> <p>Our swimming pools will need to be upgraded and redeveloped to meet the needs of a growing population.</p> <p>The Places and Spaces Strategy has been developed at a regional level and will inform better coordination of facility development across the region.</p>

Issue	Response
<p><b>Community Expectations and changing make up of our communities</b></p> <p>Community's expectations have increased with a greater range of activities emerging often with different requirements to what is currently provided.</p> <p>The impact is seen across this activity and includes:</p> <ul style="list-style-type: none"> <li>• Increasing expectations of the quality of play experience. This includes providing a variety of play equipment and adaptable equipment that can change over time.</li> <li>• Increasing expectations of the type of experience provided at swimming facilities including covered pools for year-round use.</li> <li>• New recreational activities being introduced to reflect a growing migrant population.</li> <li>• Increasing expectations for facilities that provide access to the water.</li> <li>• The ageing population could increase demand for low impact recreational experiences such as walking and cycling, and swimming and wellness facilities.</li> </ul>	<p>It is important that facilities are located and designed to be adaptable to changing community expectations particularly given the growth occurring and the changing demographics within our community (ethnicity and age).</p> <p>The recent review of the region-wide Spaces and Places Strategy will inform our approach here. Similarly, community involvement in the review of our Reserve Management Plans provides an opportunity to hear about community aspirations directly.</p> <p>We have planned for:</p> <ul style="list-style-type: none"> <li>• Greater community engagement and bigger budgets for playgrounds to address higher community expectations.</li> <li>• Swimming pools are proposed to change from outdoor pools operating in summer only to indoor pools operating all year around.</li> <li>• Wider, all-tide boat ramp and increased trailer parking facilities.</li> <li>• Increased budgets to fund development of shared path cycleways throughout the District.</li> </ul>
<p><b>Climate Change</b></p> <p>Rising sea levels and changes to rainfall patterns will impact on investment decisions for recreation assets. Many are located to provide a coastal and harbour experience (e.g. reserves, walkways, boat ramps) and at risk of increased erosion and inundation.</p> <p>Maintenance of sports fields and the need for irrigation and/or drainage may be of increasing concern in the future.</p>	<p>Council's Coastal Erosion Responses Policy is a key consideration in determining the future approach to renewal, upgrade or provision of public land and infrastructure located in coastal and harbour areas.</p> <p>The design and location of boardwalks in coastal/harbour areas takes into consideration sea level rise projections known at the time of construction.</p> <p>We will monitor ongoing trends to inform future planning.</p>
<p><b>Visitor Growth</b></p> <p>Tourism has an increasing impact on the recreation network through pressure on existing popular destinations such as boat ramps, and 'hidden gems' as tourists seek natural environment experiences.</p> <p>Tourism and population growth is increasing (80% of the tourism in the district has historically been domestic tourists) so this pressure will continue. For example Bowentown and Ōmokoroa experience significant congestion for carparking and boat launching at peak times.</p>	<p>Council has identified a number of projects that could improve the visitor experience and provide additional capacity. Some of these projects are included in the LTP and others may be included if external funding is achieved. This includes development and upgrade of public toilets at popular recreational destinations, boat ramps and carparking. Installation of Kiwicamp facilities to service freedom camping activities at Bowentown and the TECT All Terrain Park have also been progressed.</p> <p>Council will continue to seek Central Government funding towards tourism related infrastructure.</p>

Issue	Response
<p><b>Partnerships with Māori</b></p> <p>Treaty of Waitangi settlements have seen greater levels of involvement of Māori in planning and decision making processes. This can be through a formal structure such as co-governance and co-management arrangements, or through less formal planning and delivery processes.</p>	<p>Council is ensuring that new formal structures are integrated into our practices for delivery of this activity and will continue to apply the Te Ara Mua framework to engagement with Tangata Whenua.</p>
<p><b>Healthy and Safe Communities</b></p> <p>Physical activity levels have declined over the past decade, especially among children and young people. Obesity rates are rapidly increasing in both adults and children. Like other areas in New Zealand, the District needs to respond to increasing health related issues like cancer, cardio vascular disease and diabetes. Participation in recreation and active living contributes not only to the wellbeing of individuals but also in creating community cohesion and identity.</p>	<p>Recreation opportunities is a key way to encourage and motivate people to be active in their daily lives.</p> <p>Council will look to invest in swimming pools and walkways/cycleways alongside its sportsfields and active reserves.</p> <p>Council provide annual funding to Sport Bay of Plenty to deliver a number of sport and active living initiatives to the community such as Play in the Bay and City on its Feet.</p>

### What we want to achieve



Council aims to deliver facilities that are well planned and safe to meet the diverse and changing needs of our community. This contributes to us all enjoying a healthy and safe lifestyle, our communities being vibrant and welcoming, and a clean, green and valued environment.

In achieving this outcome, the focus over the next 30 years is to:

Provide appropriate opportunities to access the recreation and open space network.

Connect our spaces and places to each other and to destinations such as schools and community gathering places.

Protect and enhance important environmental, cultural and heritage values.

Provides spaces and places that our community are proud of, that are safe and that encourage participation.

Collaborate and partner with tangata whenua and the community to provide recreation and open space experiences.

Proactively plan for future recreation and open space needs taking into consideration the range of factors that influence this including growth, current provision, changing trends, access and environmental factors.

**Achievement of goals is measured by a range of factors including condition ratings, customer surveys, user numbers and number of engagement processes.**

## How we will achieve this

### Current approach

The current approach focuses on providing recreational experiences in growth areas such as local reserves and walkways, and maintaining existing assets to ensure they remain fit for purpose and provide a safe and enjoyable experience for users. Council will continue to work with Transportation to develop the walking and cycling network recognising the multiple benefits gained from this investment. Council, through the LTP 2021-31 process, is consulting on improvements to swimming pools and provision of indoor pools.

### Future thinking and potential changes to current approach

The Regional Spaces and Places Strategy (originally prepared in 2017) will be used to guide decision making on future planning and investment in sport and recreation within the District. This includes actions for Council to work in partnership with Tauranga City Council on future facility provision. Council's proposals regarding swimming pools have been informed by this strategy and community engagement.

Council included over \$30 million in the LTP to provide for swimming facilities in the District. \$15 million (\$10 million Council funded) has been scheduled in 2025 for the development of the Te Puke swimming pool, \$15 million (beyond 2040) for Katikati facilities and an additional \$2 million for interim funding for to cover the outdoor pool, and provision made for land purchase in Ōmokoroa to provide a pool beyond 2030. The existing swimming pools were built in the 1960s/70s and require a high level of maintenance. They are also not meeting the growing population needs or recreation aspirations.

Coastal marine assets are maintained to provide existing levels of service. However, demand on coastal marine facilities (e.g. boat ramps, jetties) is expected to increase over time as the population grows. As structures become due for renewal, upgrades are often undertaken (either to accommodate climate change, erosion effects or improve harbour access provision). A significant all-tide boat launching facility upgrade or new facility is signalled for Ōmokoroa and the location of the Northern Harbour Boat Ramp will need to be resolved. A sub-regional assessment of harbour access and demand has been undertaken, and further information is needed to be collected regarding users and to better understand the future demand. The main issues are having adequate land-based facilities (sufficient parking) and properly sized ramps. The projects also need to be assessed against Council's Coastal Erosion Responses Policy 2017.

Significant growth in the development of cycleway networks within the Western Bay of Plenty has been underway since 2017. The Walking and Cycling Strategy has been revised, including an Action Plan in preparation for public consultation. The Ōmokoroa to Tauranga cycleway is almost completed and urban cycleway connections within Waihi Beach, Katikati and Te Puke are advanced. The Paengaroa to Rotorua Lakes now connects the Tauranga region to Rotorua. Within 10 to 20 years it is expected that new shared-use cycleways will be established from Waihi Beach to Ōmokoroa, Papamoa to Maketu/Pukehina. Planning is underway to connect Ōmokoroa to Pahoia and ultimately beyond, towards Katikati. Funding for these projects will be largely supported from the transportation budget and accessing external funding, including from Waka Kotahi.

Council is not the only provider of recreation facilities in the District. A number of facilities have been or are planned to be developed by community groups using external funding. While Council may not be a direct provider of these facilities, it can often support development through provision of Council land or a partial funding contribution. Examples are a future cricket pavilion at Pongakawa, and Te Puke Sports rugby fields and grandstand.



## Expenditure Forecast 2021-2051

The Recreation and Open Space activity only has robust financial information to 2031. The new asset management system (AssetFinda) is providing improved capability to forecast beyond this but requires increased data integrity.

### Within the 2021-31 LTP the main delivery projects for this activity are:

- Northern Harbour Boat Ramp - \$4,500,000 in 2022, and 2025-2026.
- Ōmokoroa Boat Ramp - \$5,500,000 in 2022, 2024 and 2029-2031.
- Coastal marine structures renewals - \$10,350,000 from 2022-2031.
- District-wide reserves acquisition - \$13,300,000 from 2022-2031.
- District reserves asset renewals - \$6,700,000 from 2022-2031.
- District reserves erosion protection works - \$2,000,000 from 2022-2031.
- Cycleways & Walkways \$2,700,000 from 2022 - 2031.
- Ōmokoroa Active Reserve development - \$6,200,000 in 2024 and 2026.
- Te Puke new indoor pool facility \$15,000,000 from 2024 - 2026.
- Dave Hume pool – pool roof covering \$2,000,000 from 2022 - 2023.

## Key activity assumptions

Relevant strategic assumptions	Activity assumptions	Risk	Impact
<b>Changing make up of our communities, community expectations, population growth and economic growth</b>	Recreation trends and community expectations - An ageing, growing and more diverse population will see changing expectations for the type, quality and access to Recreation & Open Space activities.	Expectations could significantly change the current levels of service provided and/or the types of services provided.	Potential for increased funding to deliver places and spaces of a higher quality, greater variety of experiences and with greater levels of accessibility.
<b>Collaboration</b>	TECT All Terrain Park (jointly owned with TCC) - The Park will become self-funding through generation of forestry income and revenue from commercial activities. The estimated forecast for this is in 10-15 years.	The forestry revenue is not sufficient to achieve a self funding park and/or decisions are made to retain the forestry that impact on the ability to achieve this objective.	Ongoing ratepayer funding required for development and operation of the park.

# Community facilities



For the purpose of this strategy, community facilities incorporate the libraries and service centres activity, and the community facility activity which includes community halls, cemeteries and housing for older people.

Council provides library and service centre facilities at Waihi Beach, Katikati, Ōmokoroa, and Te Puke, an information and community centre at Maketu, and a service centre at Barkes Corner in Tauranga. The library and service centre model provides a one-stop-shop of information. The importance of community halls is reflected in local community ownership of 19 halls across the District. Council provides land for 15 of these halls and collect rates on behalf of the hall committees for maintenance and agreed capital development requirements. These facilities are highly valued by the community as they provide opportunities to socialise, recreate, connect and learn.

Councils have had a long standing role in providing housing for older people, enabling older people on low incomes to 'age in place' in a safe, secure and well-maintained environment. Council owns 70 elder housing units in Te Puke, Katikati and Waihi Beach built between 1963 and 1989. We are currently reviewing the Elder Housing Activity, and consulting with the public through the Long Term Plan. Council is looking to increase expenditure in this area to deliver an increase in housing stock.

Cemeteries provide families, friends and visitors a place to remember their loved ones. Council is legally required to provide cemeteries to ensure the burial and cremation needs of our District are met now and in the future. Five cemeteries are provided in Katikati, Maketu, Oropi and Te Puke (old cemetery and new cemetery).

## What influences our approach?

Issue	Response
<p><b>Population Growth</b></p> <p>The greatest areas of demand for community facilities are the urban growth areas of Waihi Beach, Katikati, Ōmokoroa and Te Puke.</p> <p>Increasing population corresponds with increasing capacity requirements for cemeteries.</p>	<p>Demand for library services has reached a point where building expansion is required; some locations with greater urgency than others. Pātuki Manawa, in Katikati has provided a larger library space and a multi-use community space. Ōmokoroa Library has recently moved to the new Western Avenue sports pavilion. A programme for library and service centre development is included in the LTP to ensure facilities are fit for purpose and future proofed. Upgrades/a new library and community hub are planned for Waihi Beach in 2025/28 and for Te Puke in 2027/28.</p> <p>Katikati cemetery has approximately 10 years remaining to reach capacity. The cemeteries at Maketu and Te Puke have substantial capacity beyond 20 years. We are looking at land for a new cemetery with urupa near Katikati.</p>



Issue	Response
<p><b>Community expectations</b></p> <p>The community’s expectations of facility standards and service quality have increased and there are a greater range of activities emerging often with different requirements to what is currently provided.</p> <p>The function of libraries is changing to become multi-purpose community facilities and places that provide access to technology learning centres and multimedia hubs.</p> <p>A variety of ways to memorialise people’s lives and funerary practices is expected.</p>	<p>It is important that facilities are located and designed to be adaptable to changing community expectations particularly given the growth occurring, and the changing demographics within our community (ethnicity and age).</p> <p>The review of the Communities Strategy identified a clear need for libraries and combined community hub model for across the district.</p> <p>Council is looking to progress natural burial areas within the Te Puke Cemetery and a future Katikati cemetery. We will look for other remembrance and memorial options as we review the Reserve Management Plans.</p>
<p><b>Legislative changes</b></p> <p>A review of the Burials and Cremation Act 1964 and related legislation is being undertaken by the Ministry of Health. This may see increased responsibilities for Council in this space.</p>	<p>Council will continue to monitor the legislative process. It is currently too early in the process and there is limited certainty, to inform any changes to our planning.</p>
<p><b>Changing make up of our communities</b></p> <p>The District is experiencing increasing numbers of people living longer than before. At the same time there has been a decline in the affordability of housing across the District. As a result we are likely to see an increased demand for housing for older people on low incomes.</p> <p>The District is experiencing an increase in the number of residents from Asia, the Pacific and other ethnic groups.</p> <p>Seasonal workers are heavy users of library facilities for Wi-Fi access and social connections. This is a key consideration in the design of new library spaces and the availability of existing library services.</p> <p>Increased diversity requires consideration of different cultural customs regarding burial methods when planning for future cemetery provision.</p>	<p>The challenges and opportunities that an ageing population present are being increasingly considered in planning processes.</p> <p>Council is actively looking at ways to improve housing affordability and better understand housing needs. Examples are development of the special housing area in Ōmokoroa that has 50% affordable housing (approx. 120 houses) and development of a housing needs assessment for the sub-region. Council has been reviewing its approach to Council owned elder housing, and is consulting on it through this LTP. Council’s preferred option is to increase investment in this area to deliver increased housing stock.</p> <p>The ageing population is a key driver in planning for the future provision of cemeteries. As well as this the cultural diversity of our community is changing, bringing different burial and cremation needs which may change the current level of service for cemetery/urupa provision and associated facilities.</p> <p>Multi-use spaces, as part of our libraries, have been identified as key aspects for the future of our libraries. These act as a hub for the community and a venue for a range of groups.</p>

Issue	Response
<p><b>Fast Moving Technology</b></p> <p>There is an increasing reliance on Council-provided community facilities to be places where people can use technology (e.g. free Wi-Fi and computer access) and/or learn to use technology (e.g. technology learning centres).</p>	<p>We recognise the importance that digital connectivity plays in today's world. We provide free Wi-Fi at our libraries, and offer computer literacy sessions as well as online learning course. We also offer ebooks, eAudio and online magazines through our library service.</p> <p>In line with priorities for libraries to progress digital literacy, Council has partnered with Central Government to establish the Katikati hub as a regional digital hub.</p>

## What we want to achieve



Council aims to ensure that social infrastructure (community facilities, services and networks that help individuals, families, groups and communities) meets the diverse needs of communities; and that communities are strong and can influence their futures. This contributes to us all enjoying a healthy and safe lifestyle and our communities being vibrant and welcoming.

The focus for community facilities over the next 30 years is to create facilities, services and networks that mean that in the Western Bay of Plenty, no matter what age you are:

People feel safe and welcome.

People are connected and feel they belong.

People can be active and healthy, and enjoy the outdoors.

People have access to adequate housing.

People can learn and contribute.

**Key measures that determine how we are progressing against this outcome include the number of library visits, number of maintenance programmes in place with existing hall committees and customer satisfaction with the services provided. For cemeteries the target relates to the percentage of plot availability. For elder housing targets are set regarding occupancy rates and service provision.**

## How we will achieve this

### Current approach

Council will continue with the current approach. This focuses on implementing projects that achieve level of service requirements such as library and service centre improvements and provision of additional cemetery land. Work has been completed on moving the Ōmokoroa Library to the new Sports Pavillion, offering the growing community a bigger space.

Council has reviewed the approach to elder housing through the LTP. Council will invest \$4.9 million over 2021-2031 to redevelop and increase the number of units available. This would see 17 units replaced with 34 new units at two of our sites.

### Future thinking and potential changes to current approach

Council has reviewed the Communities Strategy, to reflect our changing population and community aspirations. A key change has been Council's approach to developing community hubs alongside our libraries in the District. Our level of service is to provide a network of libraries and service centres that provide safe, welcoming, inclusive and flexible spaces for community connection in each of the four urban centres. Through this LTP, \$2.8m has been budgeted to build a new library and hub at Waihi Beach. Within the 10 years of the plan to either refurbish the existing library, or construct a new library in Te Puke. A \$9 million budget has been included for this. Similarly, a new library and hub will be built at Ōmokoroa, once the Ōmokoroa Structure Plan and plans for the town centre are finalised. This would be in 2032 and is budgeted to cost \$8 million. The Council's Head Office, at Barkes Corner, will need replacement within the next 30 years. Waka Kotahi has also indicated the need to use the current site for state highway improvements. Exact timing and scale depends on the asset condition and potential changes to local government organisation and use of the current site (Waka Kotahi may need to use part of the site for roading purposes). Investigations are planned in 2025-26, with a budget of \$250,000. A new building would be expected to cost around \$31.5 million (in 2021 figures). A provisional date of 2035-2040 has been made for the purposes of this strategy.

It is possible that the way people use community halls may change in the future, where the expectation is for development of multi-use facilities that offer a range of spaces catering to a wider range of activities (rather than one large space). The future role of community halls will be a consideration included in the Communities Strategy review.

Katikati cemetery has approximately 10 years remaining to reach capacity. The cemeteries at Maketu and Te Puke have substantial capacity beyond 20 years. New cemetery land to service the Katikati area, is currently being developed using Council-owned land, further up Hot Springs Road from the existing cemetery. This land is also providing for urupa. Additionally, provision for natural burials are being considered through the 2021-2031 LTP. A cemetery land capacity review will be undertaken prior to 2025 (when the funding is available) to determine a wider approach. This will consider where population growth is occurring across the sub-region, changing demographics and associated requirements for cemetery space. Council is also intending to work with Tangata Whenua to identify current and future requirements for urupa.

Council has reviewed its role in the provision of elder housing. Council's preferred option will see increased investment to deliver more housing and maximise the sites we currently own. \$4.9 million has been included in the first 10 years of the LTP to replace 17 units with 34 new units. From 2031-2051, Council will budget a further \$9.8 million to redevelop other sites which will see 39 units replaced by 59 new units.



## Expenditure Forecast 2021-2031

The community facility activities only have robust financial information to 2031. The new asset management system (AssetFinda) is providing improved capability to forecast beyond this but requires increased data integrity.

### Within the 2021-31 LTP the main delivery projects for this activity are:

- A capital expenditure programme of improvements to library and service centres to meet the level of service of a library and service centre providing multi-use community spaces. in each of the four urban centres (Te Puke, Katikati, Waihi Beach and Ōmokoroa):
  - Waihi Beach - \$2.8 million in 2024-2027.
  - Te Puke - \$9 million in 2026-2028.
  - Ōmokoroa - \$8 million in 2032.
- Cemetery land purchase in the west of the District - \$860,000 in 2024-2026.
- Community hall improvements - \$4.5 million from 2021-31.
- Elder housing improvements and increased stock- \$4.9 million from 2021-2031 (funded from rental income).








## Key activity assumptions

Relevant strategic assumptions	Activity assumptions	Risk	Impact
<b>Legislative changes</b>	Central Government funding arrangements for elder housing will not change.	A change in funding arrangements could either increase funding available for Council's delivery of this activity, or increase costs to tenants.	This would have implications for the financials of the activity. Changes to legislation will take time and Council will be able to prepare and make suitable decisions in advance.
<b>Changing make up of our communities</b>	<p>The District's population will get older and will become more diverse.</p> <p>This will have implications for the level of demand on elder housing; it may change how our libraries and community halls are used; it may have implications for funerary practices.</p>	That change will happen quicker than planned for and Council facilities and services no longer meet community expectations.	<p>Council has planned for multi-use hubs as part of new libraries, to enable flexible spaces for a variety of council uses.</p> <p>Council will continue to monitor trends and engage with the community to plan for the future of services.</p> <p>Council has planned to increase the number of units available as elder housing.</p>

## How we manage our assets

Council provides the community with infrastructure managed to deliver the agreed levels of service, cost effectively and within an acceptable level of delivery risk. To do this, Council must make decisions and manage its assets throughout their entire lifecycle: build, operate, maintain and renew.

### Infrastructure overview

Activity	Asset type	Approximate asset replacement cost	
 <b>Stormwater</b>	<ul style="list-style-type: none"> <li>Reticulation (pipes and pump stations)</li> <li>Drainage reserves (including stormwater ponds)</li> <li>Open drains</li> </ul>	<ul style="list-style-type: none"> <li>Open drains</li> <li>Coastal protection works</li> <li>Earth dam</li> </ul>	<b>\$170 million</b> (does not include coastal protection works (it comes under recreation & open space))
 <b>Water Supply</b>	<ul style="list-style-type: none"> <li>Source (stream intakes, groundwater bore sites, water treatment plants)</li> <li>Reticulation (mains and submains, booster pump sites)</li> </ul>	<ul style="list-style-type: none"> <li>Storage (treated water reservoirs and tank sites)</li> </ul>	<b>\$242 million</b>
 <b>Wastewater</b>	<ul style="list-style-type: none"> <li>Pipes</li> <li>Pump stations</li> </ul>	<ul style="list-style-type: none"> <li>Treatment plants</li> </ul>	<b>\$210 million</b>
 <b>Transportation</b>	<ul style="list-style-type: none"> <li>Roads (sealed and unsealed)</li> <li>Bridges</li> <li>Culverts</li> </ul>	<ul style="list-style-type: none"> <li>Footpaths (hard surface and metalled surface)</li> <li>Streetlights</li> <li>Road signs</li> </ul>	<b>\$826 million</b>
 <b>Solid Waste</b>	<ul style="list-style-type: none"> <li>Recycling and greenwaste centres (including land)</li> <li>Greenwaste drop-off</li> </ul>	<ul style="list-style-type: none"> <li>Closed and capped landfills</li> </ul>	<b>\$2 million</b>
 <b>Recreation &amp; open space</b>	<ul style="list-style-type: none"> <li>Active reserves</li> <li>Passive reserves</li> <li>TECT All Terrain Park and Huharua Park</li> <li>Forestry</li> </ul>	<ul style="list-style-type: none"> <li>Public toilets</li> <li>Playgrounds and furniture</li> <li>Coastal and marine structures (jetties, boat ramps, wharves, seawalls)</li> <li>Swimming pools</li> </ul>	<b>\$72 million excluding land</b>
 <b>Community facilities</b>	<ul style="list-style-type: none"> <li>Library and Service Centres</li> <li>Community Halls</li> </ul>	<ul style="list-style-type: none"> <li>Cemeteries</li> <li>Elder housing units</li> </ul>	<b>\$20 million</b> for libraries and service centres <b>\$1 million</b> for cemeteries <b>\$8 million</b> for elder housing <b>\$2 million</b> for dog pounds and other community buildings

## Asset Management Plans

Asset management plans (AMPs) are in place for all activities included in this strategy. The plans have been prepared based on standard industry practice and are used to forecast expenditure needed to operate, maintain and renew assets. The financial forecasts in AMPs are a result of analysing asset requirements based on three key assumptions:

- the future service level being delivered to the community
- the future demand for the service, and
- the age, performance and life of the asset.

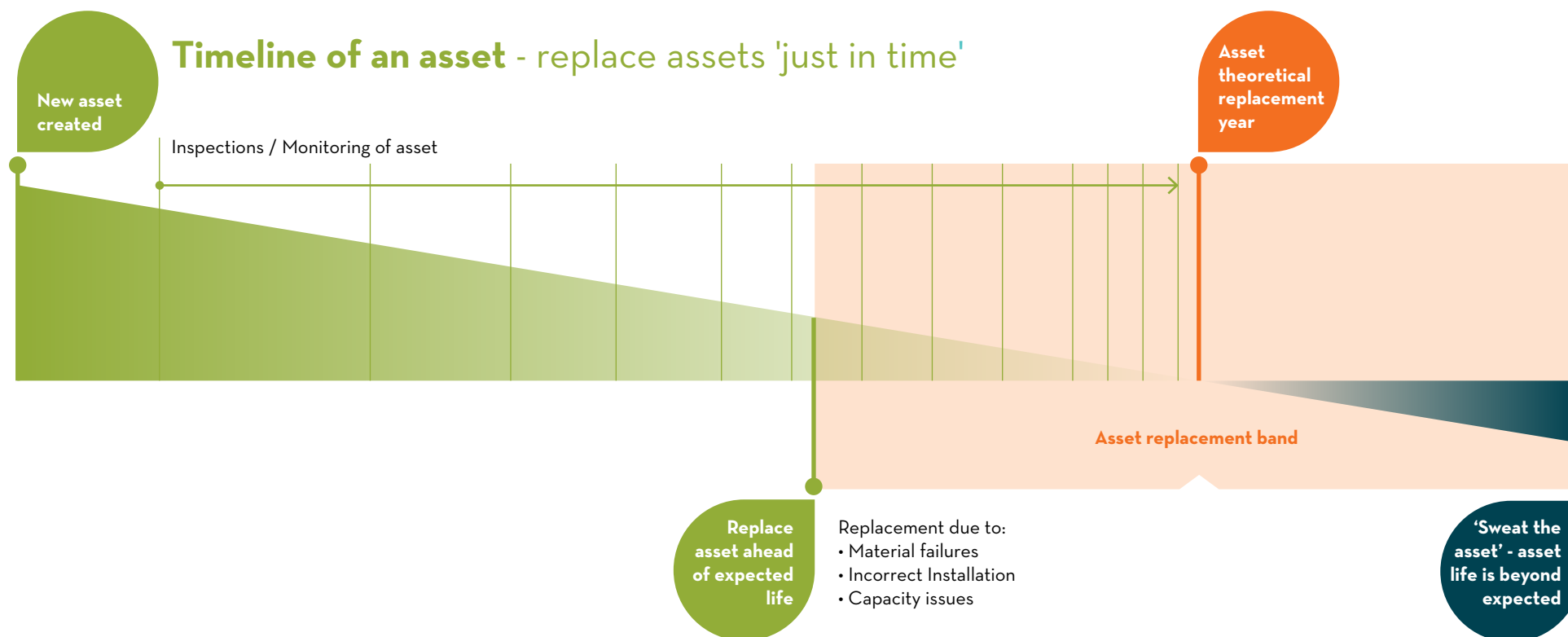
The LTP, Financial Strategy and Infrastructure Strategy then balance the forecasted spending needs with Council and ratepayer affordability.

## Replacement of assets

Council has a renewal and upgrade programme to replace assets before they fail or do not have sufficient capacity for users. When considering the renewals programme, Council looks at both the condition and performance of the asset, taking into account the level of service being delivered and whether the asset is still fit for purpose. The aim being to get the best possible use of an asset from when it is constructed to the point when it is no longer usable. This includes the servicing and maintenance of assets to extend the asset life and gain additional service benefits.

Council also receives new assets from developers, which are checked for compliance before they become a Council asset. The expected useful lives of Council assets are detailed in AMPs and an overview is provided in the significant accounting policy regarding depreciation.

The diagram below illustrates the timeline of an asset and application of the 'just in time' approach.





Most infrastructure in the District is relatively new and only a short way into its asset life. This means that the majority of significant asset renewals sit outside the 30-year strategy. The focus is instead on regular monitoring of the condition and performance of the assets. The exception to this is water assets, and some recreation and open space and road assets.

### Changes in demand and growth

Growth and demand, although related, have different implications for each activity. Growth generally relates to the growth or change in population, these changes will in turn create demand. Demand however may also be influenced by factors separate to growth such as a change in trends.

Council's infrastructure is analysed and modelled to determine when and how additional capacity should be implemented to cater for forecasted population growth. Growth rates are regularly monitored so that the investment programme can be adjusted if required to recognise a slowing down or speeding up of development on the ground. Other demand factors are identified in AMPs and in the activity overview section of this strategy.

### Levels of service

Infrastructure planning allows the relationship between levels of service and the cost of the service to be determined. Council agrees levels of service with the community and then these provide the platform for infrastructure decisions. Climate change, natural hazards, community expectations, and improving public health and environmental outcomes tend to be the main drivers that result in a change to levels of service. While the strategy identifies a 'business as usual' approach for infrastructure, it also identifies where potential level of service changes may occur in the future.

### Public health and environmental outcomes

With increasing knowledge of public health and the environment, and corresponding increasing community expectations, the requirements to improve public health and environmental outcomes inevitably increase. The AMPs and activity overviews in this strategy identify the likely implication of these changes on the management of infrastructure, in particular wastewater and stormwater discharge and water quality.

### Natural hazards and risk management

Council is aware of the importance of managing the effects of more intense storm events, rising sea levels and other natural hazards. Many initiatives are in place that seek to better understand, plan for and respond to the impact of natural hazards on Council infrastructure and operations. Council takes a Regional and District approach to the management of natural hazards and risk.

At a regional level, Council is part of the Bay of Plenty Lifelines Group along with other utility and service providers. The focus of this group is on investigating the resilience of our infrastructure, and understanding the interdependencies of the infrastructure network. The group aims to reduce the vulnerability of Bay of Plenty lifelines including improving disaster preparedness planning. The group assesses the vulnerability of various types of infrastructure to hazards including floods, earthquake, volcanic eruption, tsunami, storm surge, fire, wind and landslide. Work is underway to examine the risk profile of these lifelines assets against the impacts of climate change.

A Natural Hazards Charter is in place between Council, TCC and BOPRC. This outlines how the councils will give effect to the natural hazard risk assessment requirements of the Regional Policy Statement, and includes implementation of a natural hazards research programme.

At a District level, the Risk Management Policy (2013) provides the framework for the management of risks by Council. The aim is not to eliminate risk but rather to manage the risks involved in all activities to maximise opportunities and minimise adversity. The Policy uses a standard methodology consistent with ISO 31000 2018 (international risk management standards). A risk profile identifies the top level strategic and operational risks for the organisation and District. The most significant risks identified are macro-economic impacts (including Central Government policies), natural disasters and crises, and the renewal and maintenance of infrastructure. Mitigation measures include our detailed asset management planning, civil defence planning and testing, annual review of insurance cover, and ongoing monitoring of emerging Central Government issues.

The risk framework is applied at an activity level within AMPs. Risk is assessed against the ability to achieve the activity outcome and levels of service. The risk category tables identify the type of risk, frequency and impact ratings, and mitigation approaches. Critical asset data is included in the AMP and the management approach to these assets. For example, in the AMP for water supply, it is recognised that severe failure of critical water assets could compromise levels of service, provision of supply or ability to meet normal demands or contamination of supply. A 'Vulnerability Analysis' for water assets identifies individual critical assets and the likely impact of failure from natural events and asset priority ratings. The Utilities Operational Emergency Manual deals with the practical effects of asset failure, impact and restoration methodology. The criticality of the asset is taken into account when developing the renewal profiles.

Planned improvements to the risk management framework seek to move from a quarterly monitoring and reporting process, to a more integrated and consistent approach. The aim is to ensure risk management is a part of what we do on a regular basis and ensure that we focus on the areas that need the most attention.

The most vulnerable parts of our infrastructure to various hazards have been identified through the Regional Lifelines work and included in our GIS mapping information. This is Council-owned infrastructure identified as 'almost certain' or 'likely' to be vulnerable to hazard and include water supply in each of the three zones with vulnerability to earthquakes (and flooding, storm surge in the central zone) and roads such as Welcome Bay Road which is vulnerable to flooding.





Council has a Disaster Contingency Fund which currently sits at \$9.26 million and insurance cover. However, in the event of major infrastructure failure this amount would not cover the total cost of replacement or repair. The Financial Strategy outlines the options for funding infrastructure repairs if this situation was to occur.

Council has commissioned infrastructure modelling to better understand the impact of extreme events on underground and above ground assets and ensure that the appropriate level of insurance is in place for replacement. This will highlight areas of vulnerability and ensure that the appropriate financial and management response is in place.

The resilience of assets is a key consideration in asset renewal, replacement and investment decisions. Examples include:

- Provision of earthquake sensors and planned installation of automatic shut off valves to water supply in the event of an earthquake to minimise loss of water.
- Polyethylene pipes that are more flexible to ground movement and less likely to break.
- Installation of pressurised systems (including the use of grinder pumps) to reduce the amount of inflow (or rainwater) into the stormwater and wastewater network.
- Considering resilience in the use of construction materials and design for development of a replacement jetty.
- Exploring ways to share water within and across each water supply zone.
- Continuous improvement in the approach to materials and fitting selection. Council has a development code that lists approved materials for use and an assessment process that provides rigour to new products that come on the market, including consideration of the potential to improve the resilience of the assets.

Technological improvements play a big part in improving the resilience of assets and it is important that Council continues to keep connected with what is going on in this area.

At an organisational level, business continuity plans identify critical and non critical council functions and ensure effective systems and processes are in place should a major event occur.

### Asset condition

Overall asset condition data is considered to be extensive and reasonably accurate, particularly in the transportation activity due to the nature of the performance based contract. Wastewater and stormwater assets are relatively young in age so there is a limited need to confirm condition assessments. In some cases there is still data to be obtained and this is a focus moving forward to ensure all asset condition data is captured. This information will improve future investment decisions. For example, the installation of water meters has significantly improved data and information on water usage patterns and influences implementation of future capex programmes.

Regular condition assessments help to inform the maintenance and renewals approach. For underground assets a variety of methods are used to assess asset condition including CCTV and maintenance contracts.



## Continuous improvement

Council has a good degree of confidence in the reliability of information about its assets and regular analysis is undertaken to identify opportunities for improvement and to maintain these confidence levels.

One of the key changes implemented in June 2018 was the introduction of a new asset management system for three waters, Recreation and Open Space, solid waste and community facilities assets called AssetFinda. The overriding benefit was to improve both the quality of the asset information and the ability to use it in asset management practices. The software is helping to reduce corporate risk by allowing for improved renewal forecasting, reporting processes and new features such as predictive modelling which weren't available with our previous system. Good data is fundamental to making good decisions and a data cleansing programme has been underway since the system was introduced. A new team has also been established to drive improvements in our asset information quality and to assist with the integration of the system into Council practices.

From a long term planning perspective, there is good information in place for the three waters and transport to determine a financial capital and operational programme of expenditure and highlight any forecast issues. Recreation and open space, solid waste and community facility activities have begun to improve the information outside of the 10 year period but will require further improvements for planning beyond this timeframe. AssetFinda, along with IBIS Breeze (a new financial forecasting tool), provides improved capability to do this and we should see an increase in the quality of information for our asset and planning processes.

All AMPs have a Plan Improvement Programme in place. Progress against these actions is reviewed annually and prior to the three yearly AMP review. Operational performance measures, monthly progress reports, and annual reviews of the operational and financial components of the AMP all contribute to improved asset information.

## Asset performance

### Water, Wastewater and Stormwater

Council considers its three waters networks perform to acceptable standards as determined by levels of service and key performance indicators. Performance issues include rare instances of low pressure, pipe bursts and occasional sewage overflows due to blockages and or inflow/infiltration. There is an ongoing programme of improvements in place to address these issues.

The stormwater level of service seeks to minimise the impact of flooding events on the number of habitable floors affected, reducing as much as possible the impact on the liveable areas of peoples houses. The known issue of undersized stormwater pipes is managed by prioritising replacement for stormwater areas most at risk of flooding habitable floors.

It is expected that with the water reforms and the water regulator that Council will need to introduce a two barrier treatment method to its water supplies through UV treatment. Provision has been made for this for the first few years of the LTP. Continued compliance costs are expected across the 30 years.





### Transportation

Condition measures suggest the road network is being managed to an appropriate level. Western Bay of Plenty District is performing well when compared against peer networks. Measures show:

- Smooth travel exposure is above 90% across the different road types in the network and an average of 94%.
- Condition index (0 = defect free; 5= unsatisfactory) for sealed roads is 0.36 and unsealed roads is 2.26.
- Percentage of sealed network that is more than one metre under width is currently 23%.

To address under width roads we will focus on widening the higher volume roads where the deficiency is greater than one metre. Council is also looking to increase the amount of pavement rehabilitation and reseals through this LTP.

There is an increased demand for a quality walking and cycling network. The value of the existing network was shown through the community's response to COVID-19, where user numbers increased. We are now proposing increased investment in the walking and cycling network. Council has approved the Walking and Cycling Action Plan.

The joint principles Council/Waka Kotahi performance-based One Network Maintenance Contract requires operational performance targets and levels of service to be met as contractual deliverables. This ensures that the maintenance contract is operating to the right standard and preserving the assets overall. The maintenance contract includes a measurement regime to ensure that maintenance is carried out in an appropriate and timely way and that the repairs and renewals are sufficient to maintain the overall condition of the assets. The service delivery contract measures delivering the Council's customer levels of service are prepared and reported every year to both the contract management board and to the Council.

### Recreation and open space

Council considers its reserves and facilities networks perform to acceptable standards as determined by levels of service and key performance indicators. Council has consistently achieved the level of service that requires over 90% of recreational facilities to have a condition rating of acceptable to excellent (as defined in the New Zealand Park and Recreation Asset Grading Standard manual). Condition assessments of assets are undertaken on an annual basis. Information on the performance of assets is generally received through community feedback, and industry benchmarking. Investment in our swimming pools will see performance levels improved or maintained in this area.

### Solid waste

Condition assessments are undertaken on solid waste assets. The assets are determined to perform to acceptable standards with condition ratings as very good condition and minor defects only.

### Community facilities

Council considers the community facilities network performs to acceptable standards as determined by levels of service and key performance indicators. A hold and maintain approach is taken to asset management to ensure that facilities are adequate for their intended purpose, and to recognise that due to the age of many of the assets, they may no longer be fit for purpose and future proofed for our growing community. Council direction regarding potential changes to levels of service will provide direction on this alongside the LTP, for example increased investment into elder housing.