



CHAPTER ONE

Overview

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MESSAGE FROM THE MAYOR WELCOME

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

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



Welcome to this 2015-25 Long Term Plan (LTP) decision document. In the following pages you will find details of decisions on the key issues, priorities and projects that Council will carry out during the next 10 years.

Council made these decisions after deliberating on more than 1000 submissions to the LTP from property owners and members of the community.

This came after three months of consultation and community engagement, including a District-wide roadshow by Councillors and staff to highlight the issues, a one-month submission period and a week of hearings.

Ratepayers gave us a very strong message that affordability of rates and a reduction of debt were the two issues of greatest concern.

Keeping rates affordable

We listened to ratepayers' call for a rein-in on rates. This resulted in a rates increase of less than four percent for the 2015/16 year and a four percent cap on total rates rises from 2016 to 2025. Council has managed to achieve this by changing the timing for some projects in 2015/16. This means the resulting rates increase is slightly higher than the forecast growth of 1.3 per cent and inflation of 1.7 per cent.

Rates freeze

It's important to acknowledge that Council received a petition signed by approximately 2000 people demanding a rates freeze. The petition, presented by the Western Ward Residents and Ratepayers Association, did not specify which services or projects people wanted cut from the LTP to achieve the rates freeze.

After careful consideration the rates freeze has not been implemented, as Elected Members feel it would have potentially harmful consequences for our District. A freeze would lead to a significant decline in Council's ability to service ratepayers' needs, a reduction in operational and maintenance work and no ability to reduce debt.

Managing our debt

In response to more than 600 submissions calling for Council to trim debt and manage it more prudently, we have confirmed our commitment to steadily reduce debt over the next 10 years.

To make this happen, Council will increase the funding it puts into growth-related debt interest payments from the \$1m allocated last financial year to \$2.5m. Council will recover the \$2.5m from a mix of the general, uniform and roading rates - an option supported by 421 submitters.

MESSAGE FROM THE MAYOR

Key issues Council called for feedback on include a rebuild of the Katikati library; retention of the Katikati museum collection; Council's role regarding museums; a change to stormwater; three coastal cycleways and funding for Waihi Beach events and promotions. These have been addressed through the plan and detailed information is included in this document.

We also made a commitment to rural residents seeking relief from dusty and bumpy roads. By applying extra funding and changing our criteria we will be able to increase the amount of rural roads we seal and ensure the roads most in need of upgrading are done first.

Wastewater scheme subsidies for Te Puna West and Ongare Point communities have received approval in principle.

Other important LTP decisions highlighted in this document include a change in the stormwater funding split to a 90 per cent targeted rate and 10 per cent District-wide rate and budgeted coastal and creek erosion work at Waihi Beach.

I trust you find we have a plan for the District for the next 10 years that strikes the right balance between managing debt, keeping rates affordable and continuing to prudently manage our infrastructure, while delivering levels of service the community has come to expect.



Ross Paterson

Mayor

Western Bay of Plenty District

OUR PRIORITIES FOR THE NEXT 10 YEARS

We make the following commitments for this 10 year plan:

1

We will maintain or increase the services we provide to the community. Our libraries will remain open, reserves will be maintained, sports venues will be provided.

2

We will manage and reduce our debt and focus on at least covering the interest, so our debt does not escalate.

3

We will keep total rates increases to no more than 4 percent in any one year (and in most cases much lower).

4

We will plan for the needs of our ageing population when making decisions about things such as recreation facilities, meeting places, footpaths and the types of homes our District will need.



OUR APPROACH TO MAKING DECISIONS ON THE KEY ISSUES

We are continuing to move away from making decisions about our spending based on the idea that 'growth funds growth'.

In the early 2000s our District was growing quickly and this was expected to continue. We put in a lot of infrastructure, such as wastewater systems and roads, with the idea that this would stimulate further growth.

The new infrastructure was installed ahead (sometimes well ahead) of demand and was funded by loans to be repaid by future subdivision.

The financial crises that hit the global economy between 2007 and 2011 meant growth slowed and our income from development reduced.

We made a decision in 2012 to take a more conservative approach to our infrastructure spending, and have changed to a 'just in time' policy. This means that we only install infrastructure when there is definite development occurring.

We expect growth to remain flat for some time. Therefore we will continue to take a 'just in time' approach to infrastructure spending, and are focusing on reducing our current debt.

We're continuing to transition from user pays to a standard charge to fund for some of our services.

Much of our wastewater, stormwater and water supply infrastructure was previously charged for on a user pays basis. Because the facilities varied in age and needed different levels of upkeep and maintenance, the fees varied in different areas.

After consulting with the community during the development of our last 10 year plan in 2012, we are moving to a standard charge for many of these services. For example, last year we moved from having five different wastewater treatment charges for Waihi Beach, Katikati, Omokoroa, Te Puke and Maketu to one flat charge across the District.

We think this is fairer because the service to each ratepayer is the same, and therefore they should pay the same charge regardless of where their property is located.

This approach flattens out costs by spreading them across a larger number of ratepayers. It also ensures that if we need to pay for upgrades or new projects in the future, any rates increases will be absorbed across a larger pool of ratepayers.

DECISIONS ON KEY ISSUES

The consultation period ran from 27 March 2015 to 30 April 2015 and during that time we received over 1000 submissions from property owners and members of the community.

The Long Term Plan decision-making came after three months of consultation and community engagement, including a District-wide roadshow by Councillors and staff to highlight the issues and a one-month submission period and a week of hearings.

In the following pages you will find details of decisions on the key issues, priorities and projects that Council proposes to carry out during the next 10 years.

Ratepayers gave us a very strong message that affordability of rates and a reduction of debt were the two issues of greatest concern.

The graphs in [Chapter Four](#), pages 366 to 370 show forecast rates for typical property sizes in each ward.



Balancing the Books

Our main financial goal is to achieve the community's aspirations, as identified in the Long Term Plan (LTP), in a fiscally responsible way. A big part of this is keeping our debt at manageable levels.

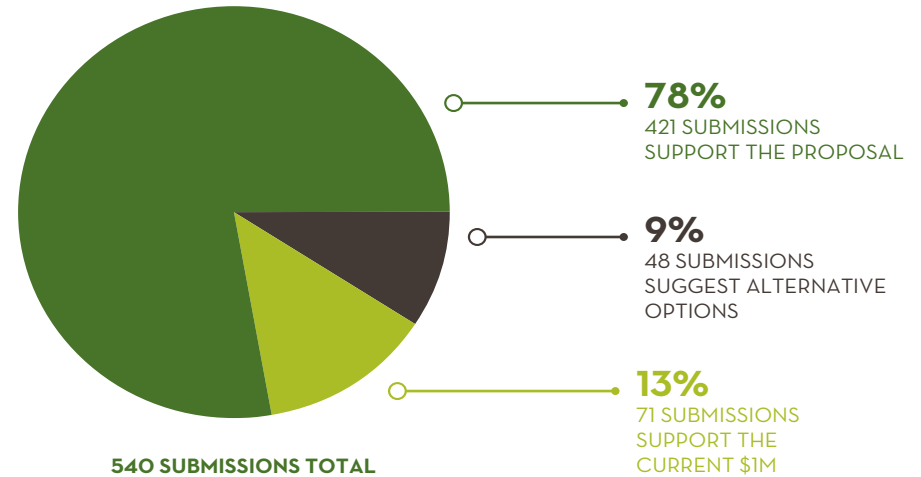
The Western Bay has experienced significant population growth in recent years. To service the growth we invested in infrastructure to meet our residents' needs.

This is funded through loans that will be repaid over time by those who benefit from the infrastructure. The good news is that our investment in infrastructure has created capacity that will serve our District well into the future.

Through the LTP Consultation Document we asked for your feedback on managing rates and debt.

We received 540 submissions on this topic.

USING \$2.5M FROM RATES TO FUND INTEREST AND DEBT

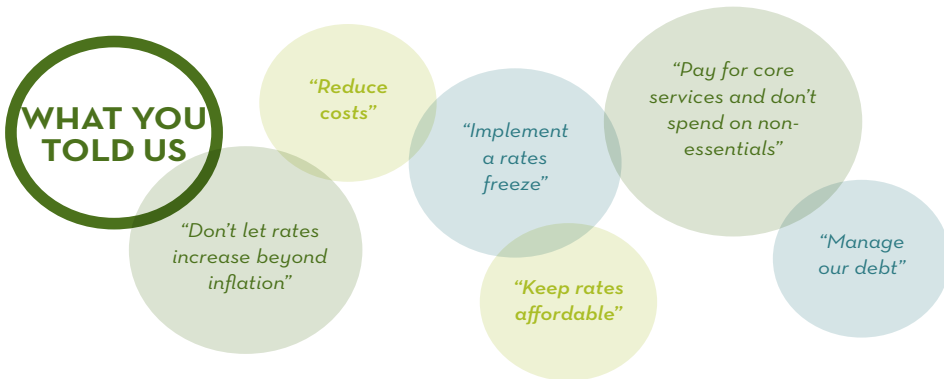


Our decisions

As outlined in the introduction to this document, a significant part of the community engagement process was a 2000-plus signature petition calling for a rates freeze. This was presented to Council by the Western Ward Residents and Ratepayers Association. The rates freeze was considered but will not be implemented. The reasons for this are that it would significantly restrict Council's ability to service ratepayers' needs, reduce operational and maintenance work and not allow us to reduce debt.

Having considered all the feedback we decided to limit total rates increases to four percent per year, including an allowance for inflation and growth.

This is less than the five percent proposed in the Consultation Document. It means the income Council receives from rates will not increase by more than four percent in any year. Due to the way different types of properties are rated this limit does not guarantee an individual property's rates increase will be less than four percent.



We also decided to put a tighter limit on Council's debt-to-revenue ratio by reducing the ratio from 220 percent in 2016 to 180 percent by 2018. The reduction in debt relative to Council's income over the next 10 years will reduce Council's ability to borrow in the future.

Council will increase the funding it puts into growth-related debt interest payments from the \$1m allocated last financial year to \$2.5m. We will recover this from a mix of the general, uniform and roading rates. The proposed plan enables us to steadily reduce net debt over the next 10 years

Reasons for our decisions

It comes down to balance. Council works hard to strike a balance between what communities desire and what they need in the form of essential services. These are the key issues we considered when making decisions on rates and debt:

• Paying for core services

As part of the 2015-25 LTP preparation the proposed capital and operational expenditure budgets were thoroughly reviewed. Many projects in the plan maintain core assets such as water, wastewater, stormwater and transportation to ensure they are fit for purpose for today's and future residents. These services account for more than 60 percent of Council expenditure. Council is committed to maintaining its core infrastructure as required under the Local Government Act 2002. To ensure this happens we prepare Asset Management Plans and an Infrastructure Strategy that look forward 30 years. These are independently audited.

• Cutting costs while maintaining levels of service

Less funding encourages Council to reduce costs and innovate. This can be a good thing – up to a point. Council has already been doing this in a number of ways, such as maintaining total staff numbers and through a performance based roading contract that is forecast to save \$25m over nine years.

Some funding cuts lead to Council having to reduce levels of service. Deciding which services to reduce is a complex business, as what one person thinks is a non-essential service another sees as essential.

• Paying back debt

Council's net debt is currently \$125m. This is a reduction of \$38m since 2013 and is a decrease of 23 percent. The net debt per rateable property has also fallen from \$7,200 in June 2012 to \$6,070 in June 2015. This represents a reduction of 16 percent per property.

As part of the 2015-25 LTP Council worked hard to ensure debt continues to steadily reduce without compromising the services we provide.

• Keeping rates affordable

Affordability is of great concern. Many people advised they are struggling financially, particularly those on fixed incomes. There are a number of options for making it easier to pay rates, including rebates, automatic payment plans and postponements. Council's website provides more information on these options or you can phone our Customer Service Centre for assistance.

Rates vary considerably across the District, depending on what services - such as wastewater, water or stormwater - each ratepayer can access. The average rate for the Western Bay District is approximately \$2,660. Some commentators use a figure in excess of \$3,000. This is the average urban rate - not the average rate across the District.

Total rates are forecast to increase by an average of about three percent over the 10 years of the 2015-25 LTP. The 'real' effect is much less than this though when you allow for the expected increase in number of rateable properties at an average of 1.3 percent per year, and a forecast long term inflation rate of two percent.

In summary, we believe these decisions strike the right balance between managing debt, keeping rates affordable and continuing to prudently manage our infrastructure while delivering levels of service the community has come to expect.

Funding for stormwater activities

We provide stormwater systems such as pipes, drains and outlets into rivers and the ocean to help prevent flooding. With climate change comes more frequent and severe rain events and, in some areas of our District, more risk of flooding.

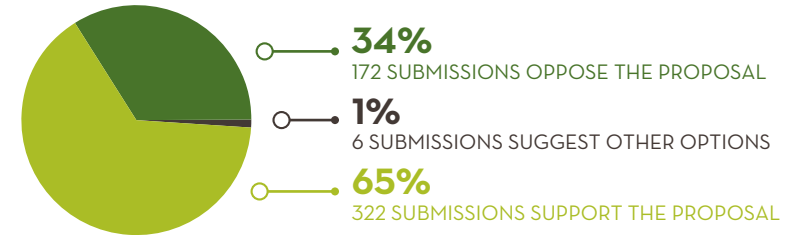
The way we manage and pay for stormwater was a significant part of our Consultation Document. We sought your feedback on two specific issues.

- changing how we rate for stormwater from 100 percent funding through targeted rates to 90 percent from targeted rates and 10 percent from general rates
- dealing with flooding at Waihi Beach.

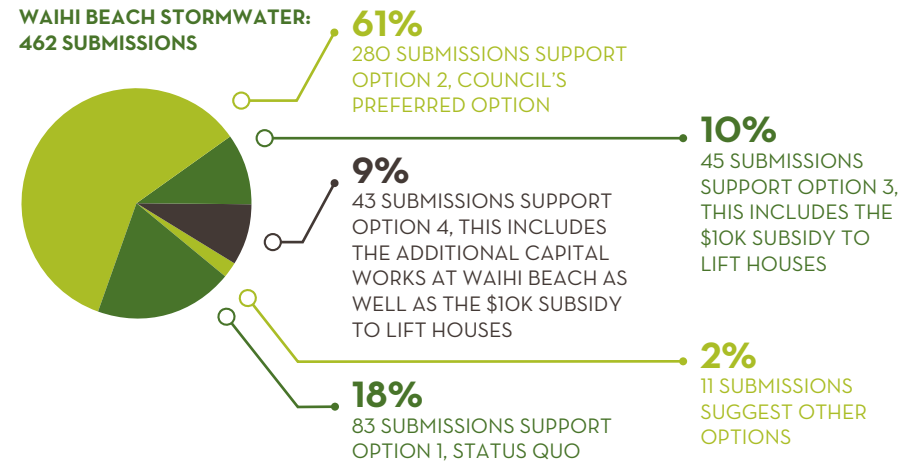
A number of people made suggestions about other stormwater management issues, including requests for specific work to be done.

We received 154 submissions on general stormwater-related issues and more than 500 on specific stormwater issues such as Waihi Beach and our stormwater revenue policy.

STORMWATER REVENUE AND FINANCING POLICY CHANGE TO 90% TARGETED RATE 10% GENERAL RATE: 500 SUBMISSIONS



WAIHI BEACH STORMWATER: 462 SUBMISSIONS



Our decisions

Having considered the feedback we decided to roll out a \$20m District-wide stormwater flood prevention programme over the next 10 years including \$3m for additional works at Two Mile Creek, Waihi Beach. Council will also offer a house-raising consent fee waiver of up to \$3,000 for flood prone properties.

We will fund 90 percent of our stormwater activities through a targeted rate for those ratepayers who benefit directly and 10 percent from general rates. Currently stormwater is funded entirely through targeted rates.

We are increasing the annual stormwater charge for growth communities Te Puke, Waihi Beach, Omokoroa and Katikati by \$100 to \$367. Other communities will continue to be charged \$156.

Reasons for our decisions

Maintaining and upgrading the stormwater network and building new flood prevention works is expensive and must be balanced against the severity, risk and physical and social impacts of potential flooding.

Our decisions enable Council to meet the proposed level of service which sets a target of no more than three percent of habitable properties District-wide experiencing flooding in a 1-in-10 year rain event. We can also keep working with communities to address significant flooding issues at Waihi Beach and other low-lying coastal areas.

Funding stormwater from both targeted and District-wide rates recognises there are both private and public benefits gained from stormwater networks, and better management of stormwater debt.

We think this is fairer because stormwater networks benefit us all by keeping communities functioning in times of heavy rainfall, reducing stress in communities at risk of flooding, preventing the erosion of waterways and reducing the amount of sediment in stormwater entering the Tauranga Harbour and coastal estuaries.

Increasing the targeted rate for urban properties by \$100 per property provides an additional \$865,000 in annual stormwater revenue that will be used for stormwater works and debt reduction.

Waihi Beach

More than 70 percent of submitters supported additional works at Waihi Beach, with the vast majority of these in favour of Council's preferred option. This includes maintaining our current network, offering a house-raising consent fee waiver for at-risk properties and the additional work.

The work taking place over the next 10 years is a continuation of a collaborative process between Council and the Waihi Beach community - and in particular members of the Stormwater Action Team - SWAT.

We know we can't entirely remove the flood risk at Waihi Beach. However, we are confident this plan is the most sustainable and cost effective way to reduce the flood risk for as many properties as possible.

Please refer to Chapter Three, Stormwater, and Chapter Five, Revenue and Financing policy for decisions regarding stormwater plans for Two Mile Creek, Shaw Road, Glen Isla Place and Didsbury Drive.

Maketu, Te Puke and Katikati

A number of people highlighted specific flooding and stormwater issues at Maketu, Te Puke and Katikati.

In response to this Council will do the following:

- work with the Regional Council to replace the Otumakoro Stream culvert at Spencer Avenue
- fund stormwater modelling for urban settlements including Maketu
- upgrade stormwater management at King Street, Te Puke in the 2021/2022 financial year
- work with the Katikati Community Board to find an appropriate enhancement for the Highfields stormwater pond.

Council and the Bay of Plenty Regional Council continue to work collaboratively on a Regional Flood Risk Management Framework that will provide both councils with better tools to mitigate and reduce the impacts of flooding from future high rainfall events.

In summary, we think these decisions will enable Council to continue improving stormwater protection throughout the District in collaboration with the community and funding partners.

Waihi Beach Community Events and Promotion

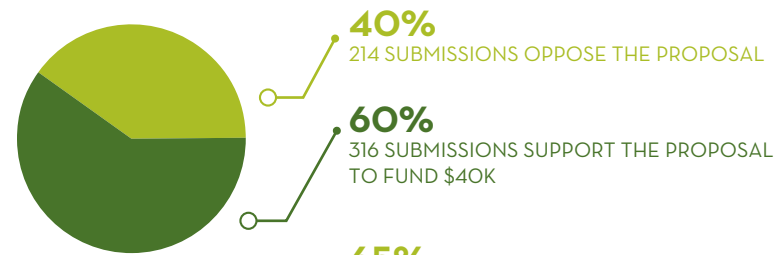
We know Waihi Beach is a great place to live and visit. We'd like to have more events for locals and bring more tourists to the area to support local businesses and the community.

Through the LTP Consultation Document we asked for your feedback on the proposal to fund the Waihi Beach Community Events and Promotion Association.

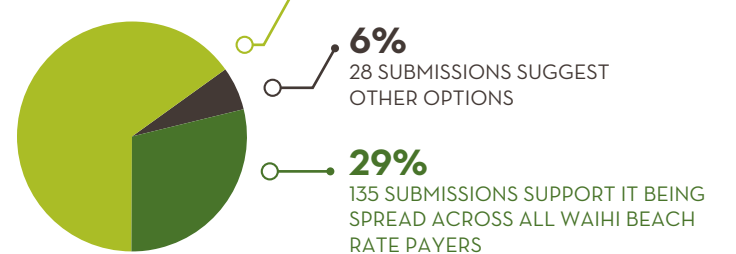
We received 530 submissions.



**WAIHI BEACH PROMOTIONS:
530 SUBMISSIONS**



**RATING FOR WAIHI
BEACH PROMOTIONS:
466 SUBMISSIONS**



Our decision

Having considered the feedback we decided to fund the Waihi Beach Community Events and Promotion Association at \$40,000 per year for the next 10 years.

This means the Waihi Beach community and local businesses will continue to enjoy the benefits of the association. In previous years this has included initiatives such as 'Charlie' the information caravan, and events like the Soundshell Music Series, Nugget Multisport Festival and the Op Shop Ball.

Council opted for 25 percent of the funding to come from Waihi Beach businesses (\$149) and 75 percent from Waihi Beach residential ratepayers (\$10.12). This keeps the rate more in line with the amount local businesses pay for similar support from Katch Katikati and the Te Puke Economic Development Group.

Reasons for our decision

The decision acknowledges the existing local business support for the Waihi Beach Community Events and Promotion Association. For example, the Waihi Beach Soundshell was recently upgraded by volunteers using cleaning products and paint donated by local businesses.

Nevertheless, Council believes the association provides greater benefit to businesses than residents and this should be reflected through funding ratios. We support economic development and tourism across the District in many ways – similar services are provided in Katikati by Katch Katikati and Te Puke by the Te Puke Economic Development Group. We also make funding contributions to the economic development agency Priority One and Tourism Bay of Plenty.

While Council appreciates that not all businesses in Waihi Beach cater to tourists and visitors, many businesses do benefit from the increased number of people in the area and not just on weekends. Exempting businesses that do not open on the weekend would also be very difficult to administer.

In summary, we believe funding economic development activities in Waihi Beach is a good investment.

District Cycle Trails

Cycleways or cycle trails offer many benefits to the community. They provide a safe place for cycling, and can encourage people to cycle or walk to work. There are health and fitness benefits, as well as recreation and tourism opportunities.

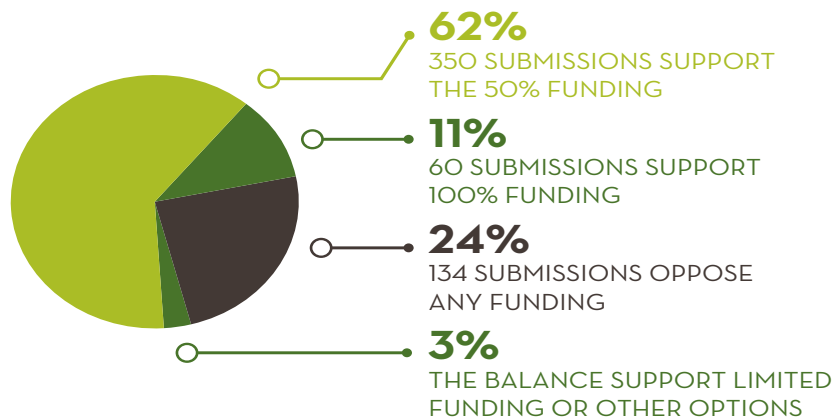
Through the LTP Consultation Document we asked for your feedback on investing in three cycle routes in our District.

The priority routes are:

- Omokoroa to Tauranga along a coastal route (with Tauranga City Council)
- Waihi to Waihi Beach (with Hauraki District Council)
- Tauranga Eastern Link, from Kaituna Road to Maketu and Paengaroa.

We received 569 submissions on the District Cycle Trails. We received a further 226 submissions on other roading issues, the majority relating to roading upgrades and suggestions for cycling routes.





Our decisions

Having considered the feedback we decided to proceed with option three - funding of \$3m over 10 years.

Council is taking a multi-party funding approach for the cycleway construction with contributions and support sought from the New Zealand Transport Agency, community trusts, Tauranga City Council and other organisations.

The ability to gain external funding and support from partner organisations was a big part of this decision.

In general the cycleways will be off-road, beside the road, or use roads with low traffic volumes. They will be used for walking and cycling with the potential on certain sections for horse riders to use the cycleway, or space beside it. The cycleways will include appropriate signage of historical and environmental features and links to local businesses.

Construction will be a mixture of gravel, concrete or seal and will be constructed in sections. The rate at which the cycleways are constructed is subject to the total funding package. Full routes may take several years to complete.

Some of the future links proposed are:

- Kiwi 360 to Te Puke
- Waihi Beach to Katikati and Omokoroa
- Trails within Katikati

Reasons for our decisions

The cycleways will eventually form part of the Tauranga Moana Coastal Cycle Trail which will extend from Waihi Beach around the edge of Tauranga Harbour to Tauranga and Maketu, then inland to Paengaroa.

Investment will result in substantial benefits from tourist spending, as well as the health and recreation benefits mentioned above. Working in partnership with other agencies is a good thing for our District as we get maximum value from each dollar we spend.

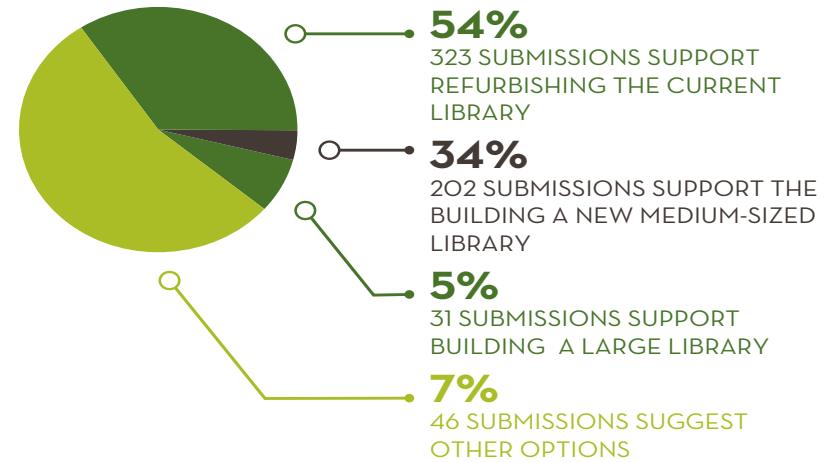
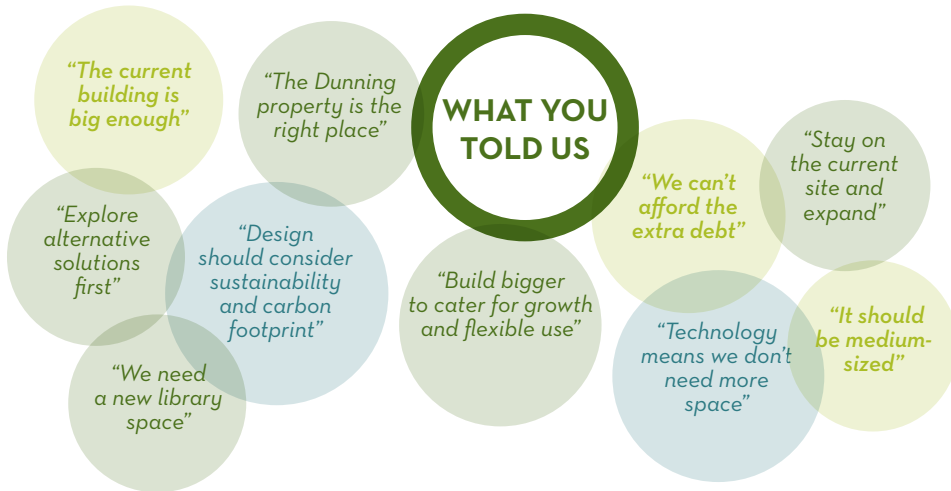
We believe the decisions respond to the concerns of those who were opposed to spending on cycleways and those who advocated for them.

Library and Service Centres

Our libraries provide book lending services, places to meet, access to information technology and Council services. Over time we plan to upgrade all the libraries in our District to ensure they continue to meet our communities' needs.

Through the LTP Consultation Document we asked for your feedback on the proposal to build a new Library and Service Centre in Katikati.

We received 602 submissions on the Katikati Library project.



Our decisions

Having considered the feedback we decided to bring forward the library project to 2016. We will construct a medium-sized building on the Dunning property, between Talisman Drive and Main Road, to house the library, Council services and a multi-use space. There will be potential to expand on the same site in the future. We have set aside funding of \$2.3m to complete this project. The annual impact on ratepayers will be \$3.85 for a \$500,000 property through to \$11.86 for a \$1.5m property.

Reasons for our decisions

We believe Council has a role to play in providing appropriate library and community spaces. Our strategy for libraries is to provide a safe, relaxing environment for learning, social interaction, recreation and general participation in community life. It's our job to promote access to information and communication technology and to support heritage preservation that builds a sense of belonging to the area.

Building a new library was a key element of the 2010 Katikati Town Centre Plan - one of a number of improvements to revitalise the town centre. Relocating the library will free up the existing space. Submitters had lots of ideas for how best to utilise this area, such as office space for community groups like Katch Katikati, or for theatre and open-air art.

We think a new medium-sized facility will meet the community's needs at a reasonable cost. Most of the funding will be met through a loan paid back over the next 25 years. This is a sensible approach as the community will benefit from the library into the future. The existing building will be retained for community use. Council has considered the feedback on the future of libraries in the digital age. We are aware the digital revolution is changing the way we live our lives and do business.

Our libraries introduced e-collections almost two years ago. The uptake on this service is steadily growing as people adopt new technology. However we still have some challenges ahead with technology, particularly in terms of broadband coverage in our rural District, and cost - both of the data and devices. Council's libraries provide free internet access as part of our core service offering to our customers.

There will continue to be a significant shift in the way library services are delivered in the years ahead. We believe this will result in a different type of demand for libraries, rather than a reduced demand for space.

In summary, we believe the decisions respond to the concerns of those who want more investment in libraries and community spaces as well as those concerned about the cost of these types of facilities and debt.

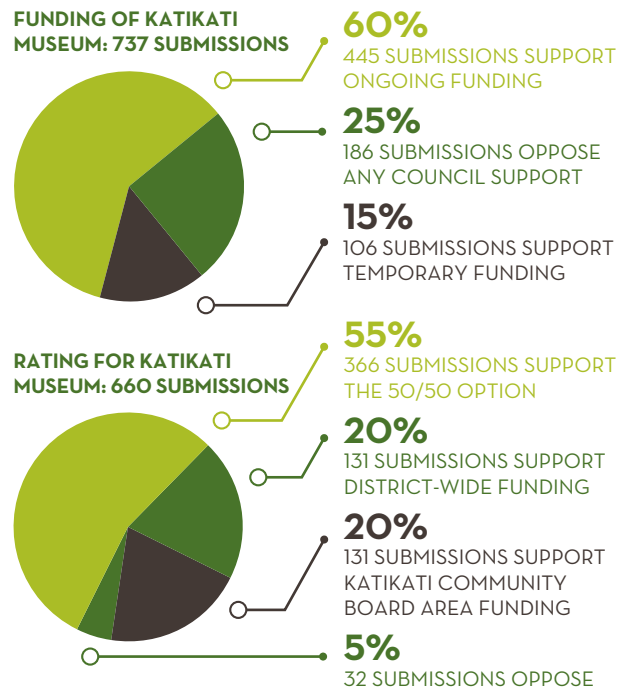
Heritage Museum

We have a role in protecting our District's cultural heritage. This includes acting as an advocate, facilitator and partner to assist the community to protect important cultural and heritage sites and artefacts.

Through the LTP Consultation Document we asked for your feedback on the Katikati Heritage Museum and outlined some options to support and fund the museum.

We received 741 submissions on the museum project and cultural heritage





Our decision

Having considered the feedback we decided to provide temporary support to the Katikati Heritage Museum of \$60,000 per year for the next three years. This funding will be subject to a business plan from the new museum trust demonstrating the museum’s viability. It is also conditional on the trust raising additional external funding to support its operations. The museum will be temporarily located in the Council-owned former fire station. Half the funding will come from Katikati ratepayers and the other half through a District-wide charge. This means Katikati ratepayers will pay \$8.70 and the District-wide charge will be approximately \$1.80. We will also consider providing up to \$75,000 funding, to be matched by the trust, to support the fit-out of the former fire station.

Reasons for our decision

We believe Council does have a role in protecting our District’s heritage and history. But this does not necessarily mean we should operate museums.

We acknowledge there are things that contribute to the overall health and wellbeing of a community or District that aren’t always sustainable without Council funding. These things include facilities such as museums, art galleries, libraries and swimming pools.

Having funding certainty for three years will enable the museum trust to develop a business plan and think innovatively about future funding options. It will also make it easier to attract other funding providers.

Council believes locating all or part of the museum collection in the former fire station is a good short-term solution. Again, it provides the museum trust with some breathing space to determine its ongoing operation.

Council will continue to talk with the Katikati community about the best use of community spaces in the future. This is particularly significant given the development of a new library and multi-purpose space on the Dunning Block, also supported through the Long Term Plan.

Discussions about building a new sub-regional museum in Tauranga City will be ongoing. We feel that simply paying to store the museum collection until this time would be the wrong approach.

In summary, we believe this decision responds to the concerns of those who were opposed to the museum and those who advocated for it.

Spending on arts and culture

As noted above, a number of people believe Council spends very little on arts and culture compared to recreation and parks. Consistent with our view that we do have a role in protecting our heritage and culture, it is important to note the funding Council does provide:

- \$35,000 grant funding to the Tauranga Art Gallery. A significant percentage of visitors to the art gallery come from the Western Bay of Plenty District including many children who travel to the gallery on the Art Bus
- \$18,000 annual grant to Katikati Open Air Art
- \$180,000 total funding to Katch Katikati, the Te Puke Economic Development Group and the Waihi Beach Community Events and Promotion Association to help facilitate community activities and events
- \$1.55m funding for District libraries as vital community spaces from which culture, heritage and history can be celebrated and shared.

Ongare Point Waste Water Scheme

Council has been working with the Ongare Point community and Bay of Plenty Regional Council to find an affordable wastewater solution for that community.

A number of existing septic tanks at Ongare Point don't comply with current effluent treatment standards and about half of them can't be upgraded.

We need to either upgrade existing systems or install a community system to reduce nutrients and pollution entering the harbour.

What you told us

- “we need a cost effective solution”
- “the Regional Council has not demonstrated to our satisfaction the need to upgrade”
- “the cost of a community scheme outweighs the benefits”
- “the Regional Council needs to provide a subsidy”

Our decision

Council and Bay of Plenty Regional Council will continue consulting with the Ongare Point community to determine their views and preferred solution. We have included in the budget funding for a community scheme based on contributions from property owners and both councils.

Subject to agreement with the Ongare Point community, the agreed wastewater solution will be implemented in 2016 or 2017.

Reasons for our decision

We believe this decision, in principle, allows consultation to continue with the Ongare Point community. The funding model includes a Regional Council subsidy, Western Bay Council funding and an owner contribution. This provides a cost effective solution for property owners. If they decide to proceed the funding model is in place.

Te Puna West Waste Water Scheme

Council has been working with the Te Puna West community and Bay of Plenty Regional Council in order to find an affordable wastewater solution for that community.

Most of the existing septic tanks at Te Puna West don't comply with current effluent treatment standards and about half of them can't be upgraded.

The residents need to either upgrade the existing systems or have Council install a community system to reduce nutrients and pollution entering the harbour. A new community wastewater scheme is the best long term solution.

What you told us

- “we need a cost effective solution”
- “we need a Council system as we can't upgrade on our property”
- “the Regional Council needs to provide a subsidy”

Our decision

Council will work with the Te Puna West community over the next year to finalise the design and costing for the new low pressure sewer system that will connect to the wastewater pipeline that runs between Omokoroa and Tauranga. A formal agreement with each land owner is required as part of this process.

Construction of the scheme is expected to begin in 2016.

The scheme will be funded by the property owners, by Council and through a subsidy from the Bay of Plenty Regional Council.

Reasons for our decision

We believe this decision responds to the concerns expressed in the submissions. It also complies with the Bay of Plenty Regional Council's OSET (on-site effluent treatment) requirements. As well as adding to the quality of life for the affected residents, the community wastewater scheme will improve the quality of the water in Tauranga Harbour. The funding approach includes a Regional Council subsidy, Western Bay Council funding and an owner contribution. This provides a cost effective solution for property owners.

Seal Extension on Rural Roads

Council received a number of submissions seeking seal extension in rural areas.

There are 190kms of unsealed roads within the District. Seal extensions are a major and ongoing request from residents on unsealed roads. They experience dust nuisance in the summer and slushy conditions when it rains. Roads with pot holes and corrugations cause greater wear and tear on their vehicles. The dust can also reduce the value of horticultural crops.



Our decisions

Having considered the feedback we decided to spend savings of just over \$1m from the Joint New Zealand Transport Agency/Council Road Maintenance Contract on extra seal extension over the next two years. This equates to 3.5-6km of new seal depending on the standard of construction.

We will also review our seal extension construction standards with a view to reducing them under certain conditions. For example: no-exit roads; roads that only service a few properties; and roads with satisfactory alignment. Road user safety is a factor taken very seriously when determining the standard of construction.

Once the review of construction standards is complete we will review the formula used to set the seal extension priority order. This review may result in a change in priority from previously published lists.

Reasons for our decisions

The extra funding and changed criteria, if agreed, will allow Council to increase the amount of rural roads we seal and ensure those roads most in need of upgrading are done first.

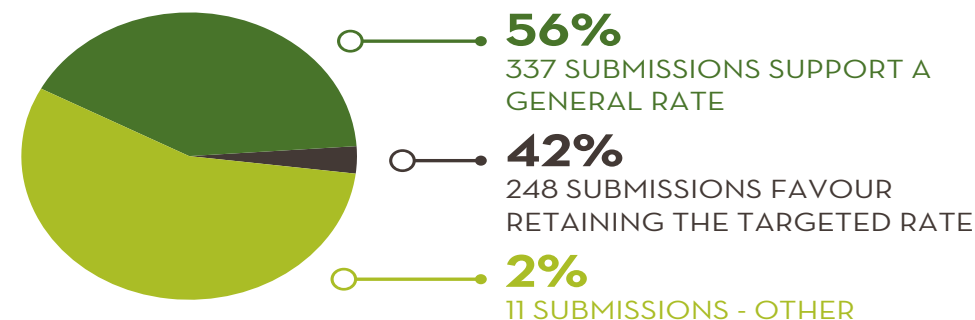
Funding Swimming Pools

The Western Bay of Plenty District funds two swimming pools - one in Te Puke and one in Katikati - through targeted rates in those communities.

Through the LTP Consultation Document we asked for your feedback on a proposal to fund swimming pools through a District-wide rate. This is how we fund most of our other recreation facilities, such as sports fields, playgrounds, boat ramps, walkways and camping grounds.



FUNDING OF SWIMMING POOLS: 596 SUBMISSIONS



Our decision

Having considered the feedback we decided to implement a District-wide general rate to fund swimming pools. This means all ratepayers in the District will pay an annual rate of \$8.40, which will be incorporated into the uniform annual general charge (UAGC).

Reasons for our decision

Funding swimming pools through a general rate spreads the costs around the District more fairly than targeted rates. It recognises that ratepayers will use different facilities in different ways at different times. The decision also means swimming pools are funded in the same way as our other recreation and leisure facilities. It's important that people have access to public swimming pools for recreation and particularly learn-to-swim and water safety activities.

Proposal to put a roof over the Dave Hume Pool at Katikati

A group of interested locals asked Council to assist with investigating and funding a roof over the existing pool to lengthen the swimming season. We will work with the group to investigate the feasibility, options and costings for the project. At this stage no additional funding has been committed.

Proposed Te Puke Aquatic Action Centre

The existing pool in Te Puke located at the high school is old and dated and in need of replacing with a modern aquatic facility. The Te Puke Aquatic Action Centre Group has requested funding to review the previous feasibility study. We will work with the group to investigate potential sites, options, feasibility and costings. At this stage Council has not committed any additional funding towards the project.

LONG TERM PLAN DISCLOSURE STATEMENT

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

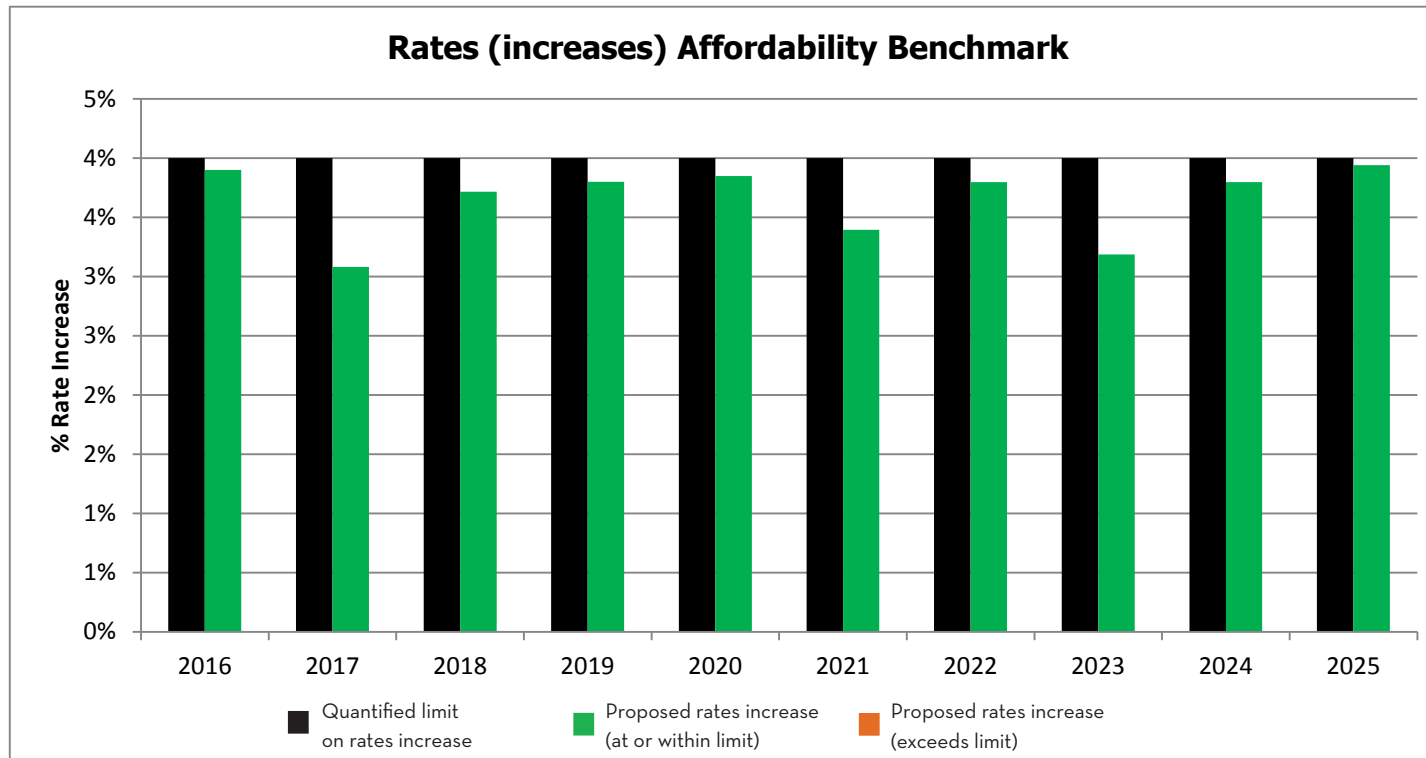
Rates affordability benchmark

The Council meets the rates affordability benchmark if:

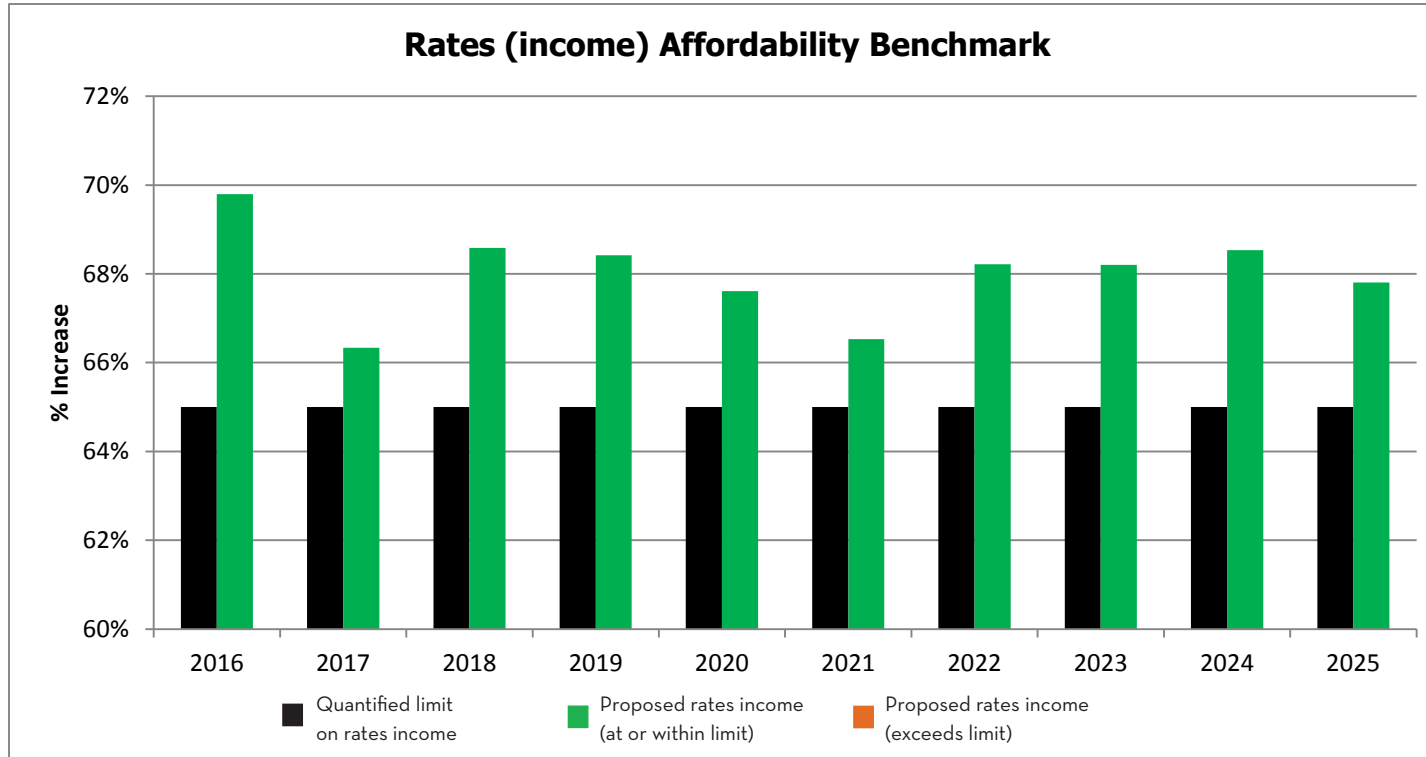
- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal or are less than each quantified limit on rates increases.

The following graph compares the Council’s planned rates with a quantified limit on rates contained in the financial strategy included in the Council’s long-term plan. The quantified limit is 4%.

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

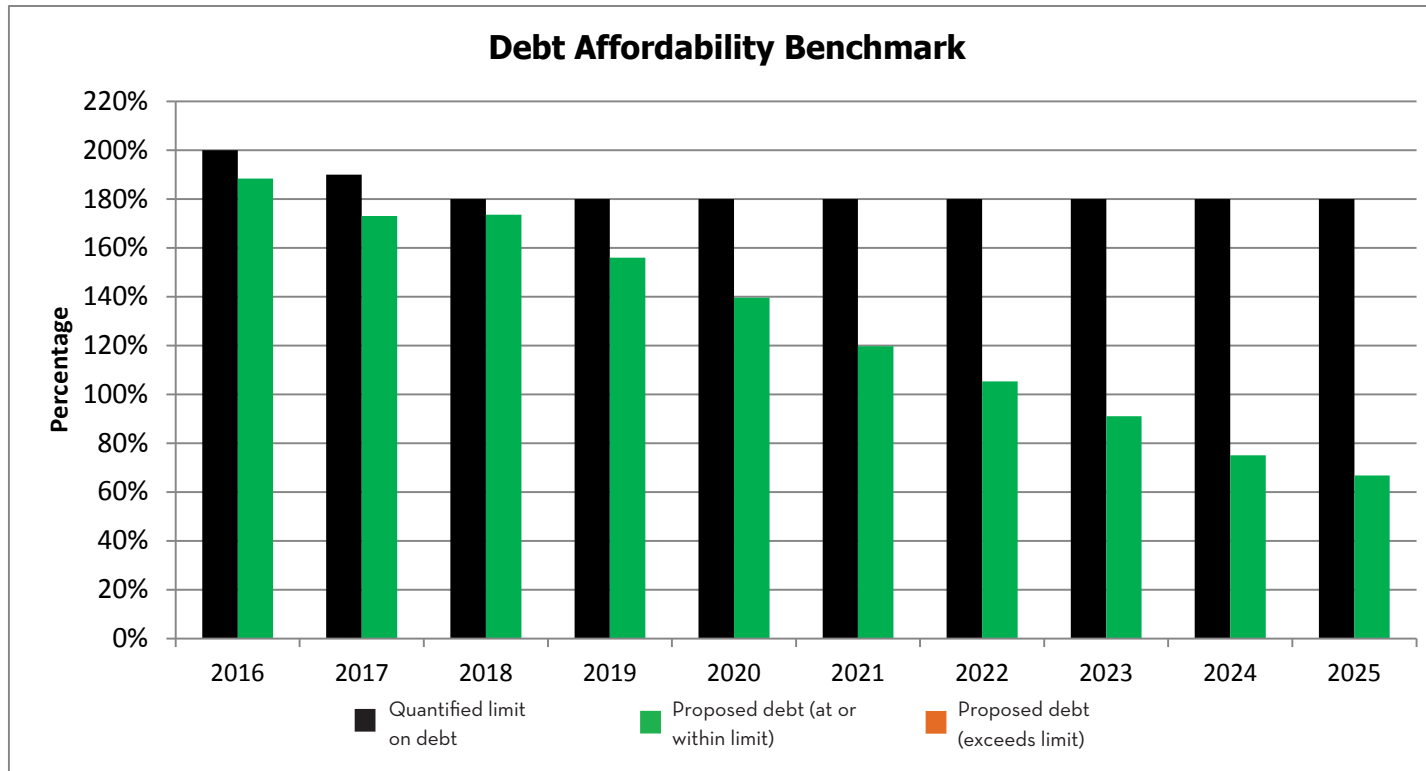


The following graph compares the council's planned rates with a quantified limit on rates contained in the financial strategy included in this long-term plan. The quantified limit is that rates will be at least 65% of total revenue. For this benchmark total revenue excludes revenue from non-cash sources e.g. vested assets and revaluation movements.



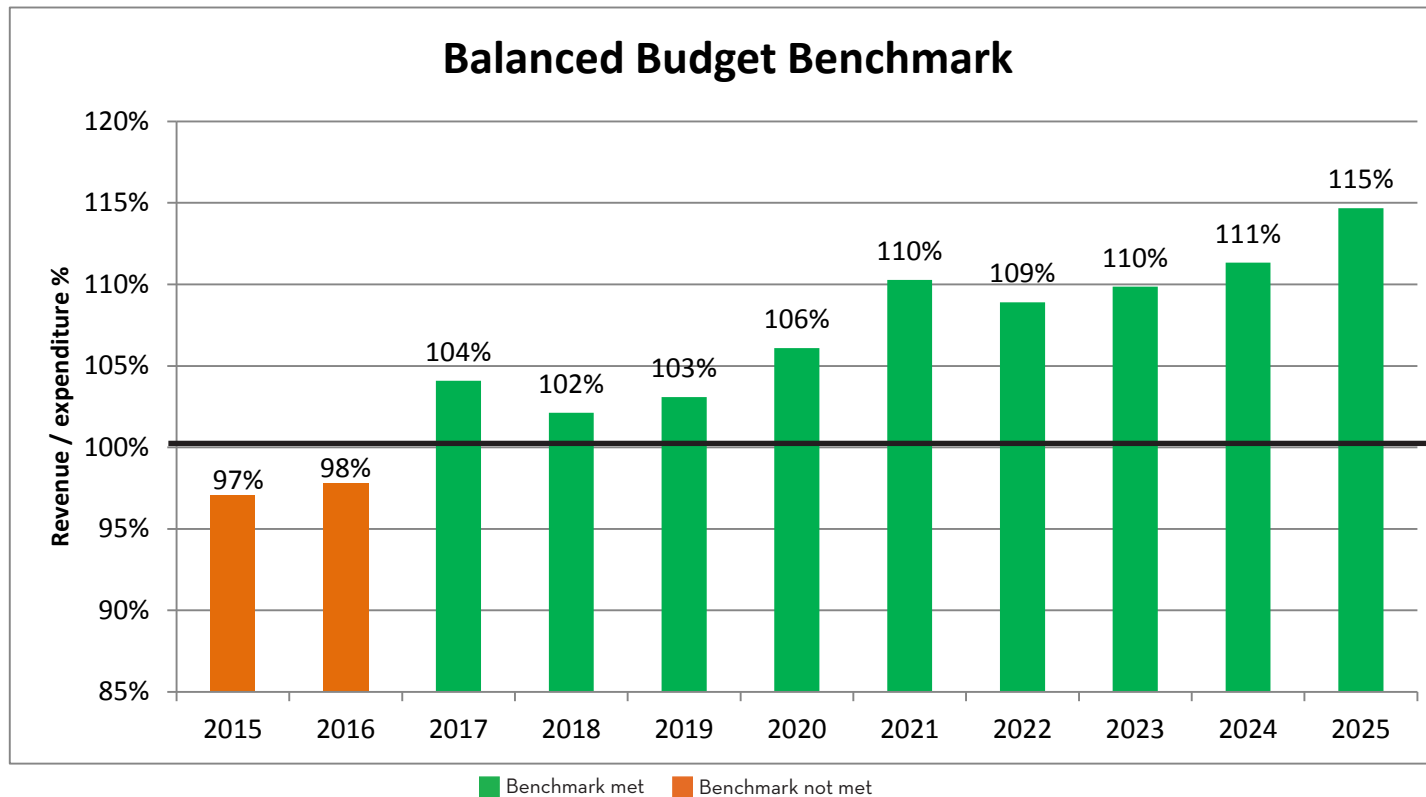
Debt affordability benchmark

The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. The following graph compares the Council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this long-term plan. The quantified limit is that debt will not exceed 200% of revenue in 2016, 190% in 2017 and 180% from 2018 to 2025.



Balanced budget benchmark

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



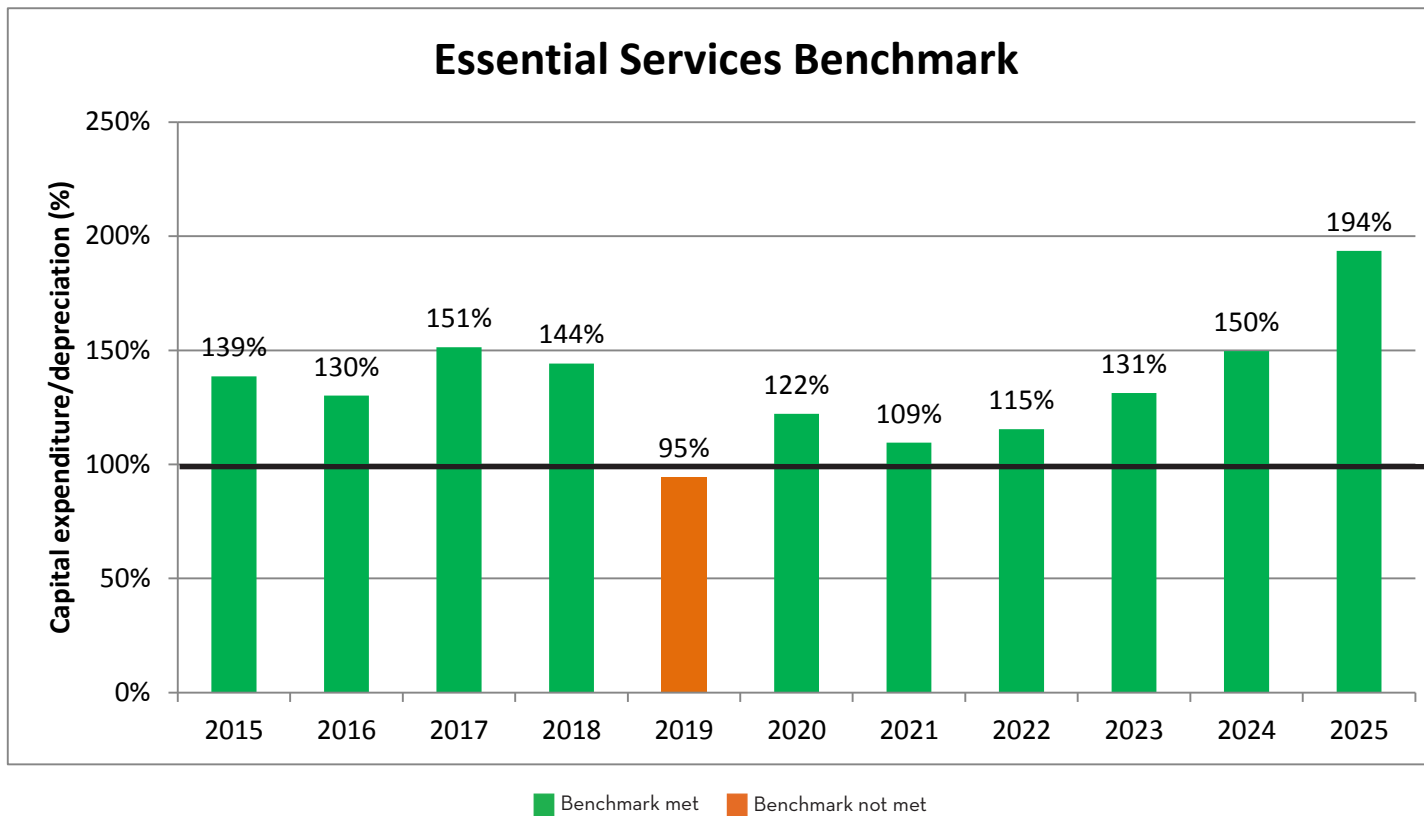
Note

In 2015 and 2016 Council does not meet the benchmark. This is due to the requirement that financial contribution income is excluded from the revenue calculation.

Essential services benchmark

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

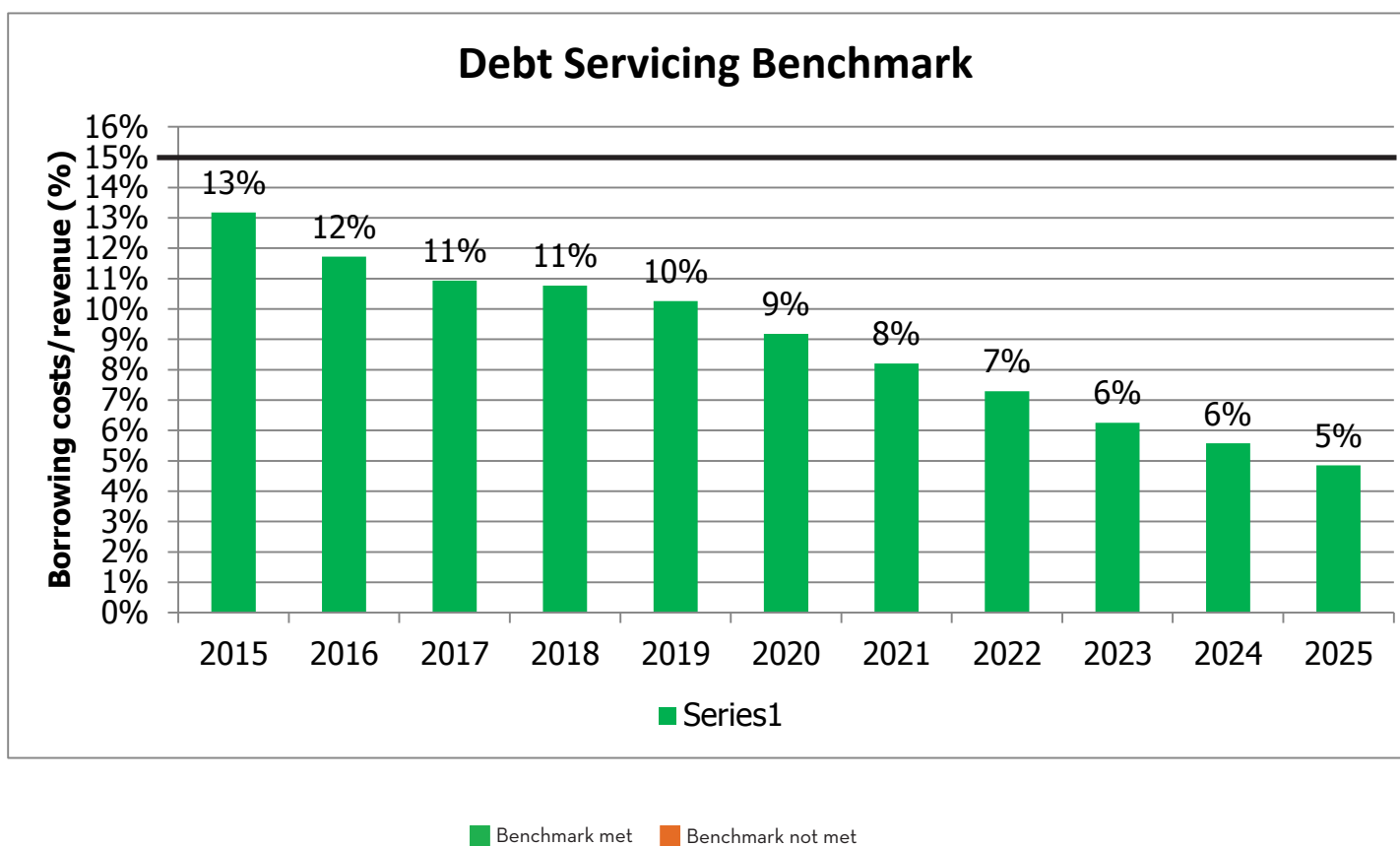
The Council meets the essential services benchmark if its planned capital expenditure on network services (being; transportation, water, wastewater and stormwater) equals or is greater than depreciation on network services.



Debt servicing benchmark

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

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



MANDATORY NON-FINANCIAL PERFORMANCE MEASURES RULES

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

In line with legislation the Secretary for Local Government has developed performance measures for water, wastewater (sewerage), stormwater, roads and footpaths. After a period of consultation the Non-Financial Performance Measure Rules 2013 were made in November 2013. These rules come into force on 30 July 2014.

Council will commence monitoring these results in the 2014/15 financial year and results will be reported in the 2015 Annual Report. At this stage performance targets have not been identified.

A review of the Council's performance framework will take place as part of the development of the Long Term Plan 2015-2025 and be implemented in July 2015. These mandatory performance measures will be integrated with other performance measures and targets as part of the review.

Water Supply

1. Safety of drinking water

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

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

2. Maintenance of the reticulation network

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

3. Fault response times

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

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

- d. resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.

4. Customer satisfaction

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

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

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

5. Demand management

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

Sewerage and the treatment and disposal of sewage

1. System and adequacy

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

2. Discharge compliance

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

- a. abatement notices
- b. infringement notices
- c. enforcement orders; and
- d. convictions,

received by the territorial authority in relation to those consents.

3. Fault response times

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

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

4. Customer satisfaction

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

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

Stormwater drainage

1. System adequacy

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

2. Discharge compliance

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

- a. abatement notices;
- b. infringement notices;
- c. enforcement orders; and
- d. convictions,

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

3. Response times

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

4. Customer satisfaction

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

The provision of roads and footpaths

1. Road safety

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

2. Road condition

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

3. Road maintenance

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

4. Footpaths

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

5. Response to service requests

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