



LONG TERM PLAN 2012-2022

TE KAUNIHERA A ROHE MAI I NGA KURI-A-WHAREI KI OTAMARAKAU KI TE URU



Contents

Introduction	Page	Chapter Three - Council activities	Page	Chapter Four - Financials	Page
Our District	1	Leadership		Funding impact statement and other rating information (including rates examples)	303
What is the Long Term Plan?	4	Representation	60	Prospective financial statements	316
Audit Report	5	Planning for the future	74	Reserve funds	323
Guide to this Plan	7	Building communities		Schedule of fees and charges and indicative financial contributions	328
		Communities strategy	90		
Chapter One - Overview		• Community building	96	Chapter Five - Policies, summaries and statements	
Message from the Mayor	11	• Libraries and service centres	106	Policies	
Decisions on key issues	13	• Community facilities	116	• Overall revenue and financing policy	369
Finances at a glance	22	• Civil defence and emergency management	128	• Specific rates policies	396
Key risks and growth assumptions	24	Recreation and leisure	134	• Significant accounting policies	408
		Regulatory services	158	• Summary financial contributions policy	419
Chapter Two - Informing our planning		Transportation	176	• Treasury policy	422
Financial strategy	31	Water supply	200	• Policy on significance	427
Our approach to sustainable development	50	Stormwater	216	Summaries and statements	
		Protecting the environment		• Statement on Council-controlled organisations	430
		Natural environment	234	• Summary of the Western Bay of Plenty District Assessment of Water and Sanitary Services Revised 2009 (statement of variation)	435
		Waste - wastewater	246	• Summary of the Waste Management Plan for Western Bay of Plenty District Council and Tauranga City Council (statement of variation)	438
		Waste - solid waste	264	Activity funding impact statements	440
		Supporting our economy		Glossary	456
		Economic	280		
		Support services	296		



Introduction

	Page
Our District	1
What is the Long Term Plan?	4
Audit Report	5
Guide to this Plan	7

OUR DISTRICT

Our history

The Western Bay of Plenty has a long history of settlement by Māori. The western area of the District (Tauranga Moana) was occupied by the iwi of Ngati Ranginui, Ngaiterangi and Ngati Pukenga from the waka Takitumu and Mataatua. Te Arawa descendents from the waka Te Arawa inhabited much of the eastern area of the District and south to Rotorua.

Traders and missionaries were among the first European settlers who developed communities at Maketu and Tauranga. George Vesey Stewart founded Ulster settlements at both Katikati in 1875 and Te Puke in 1880. Tauranga, Te Puke and Katikati formed the nucleus for subsequent expansion of European pastoral farms. Te Puke and Katikati have grown steadily over the years and are the largest settlements in the District.

Our people

Western Bay of Plenty District is one of the faster growing areas in New Zealand with its current estimated population of just over 46,000 people expected to reach around 55,000 by 2026. Between the 2001 and 2006 censuses, the population of the District grew by 10.1%; it is estimated that in the subsequent five years to 2011 the population grew by 9.5%. Most of this growth has come from migration from other parts of New Zealand.

At a glance

- ▶ Of the District's population 17% identify themselves as Māori, which is a little higher than the national average of 15%
- ▶ 15% of residents in the District are over 65 years old, higher than the national average of 11%
- ▶ Unlike the rest of New Zealand the most common family type in the District is couples without children (46%), reflecting the older age structure of the population
- ▶ The average household size in the District is slightly lower at 2.6 than the national average of 2.7
- ▶ In 2006 there were 15,741 occupied dwellings in the Western Bay of Plenty District, an increase of 1,659 dwellings or 12% compared with the 2001 Census
- ▶ Overall the District has a lower level of socio-economic deprivation than the country as a whole
- ▶ District residents had a lower than the national average personal income of \$22,600, compared to the national average income of \$24,400 in 2006
- ▶ 53% of the District's residents own their own home, compared with 55% nationally
- ▶ Weekly average rent is considerably lower than nationally (\$186 compared to \$225 nationally, based on 2006 census data)



Our environment

The Western Bay of Plenty District surrounds Tauranga, a fast-growing city of 117,000 people. The District covers 212,000 hectares of coastal, rural and urban areas. Almost half of the District is covered by forest, both planted (12.8%) and indigenous (35.4%) and a further 40% is pastoral land. Less than 1% of the total area of the District is urban and includes the townships of Waihi Beach, Katikati, Omokoroa, Te Puna, Te Puke and Maketu. Smaller rural settlements are at Paengaroa, Pongakawa and Pukehina in the east and at Kauri Point, Tanners Point, Ongare, Tuapiro and Athenree in the western part of the District.

The District has a warm, sunny climate with an average of 1,900 – 2,300 sunshine hours per year with moderate rainfall of 1,200 – 2,400 mm per year. This diverse landscape, combined with a favourable temperate climate, provides an area rich in resources such as indigenous flora and fauna, highly versatile soils, rivers and harbours.

The land of the Western Bay of Plenty faces north-east to the sea. To the west are the rugged bush-covered Kaimai Ranges. Numerous streams drain the Kaimais, flowing down through the hills and coastal lowlands, into the swampy estuaries and mudflats of the Tauranga Harbour.

In the east, the Kaituna River drains the lakes of Rotorua and Rotoiti into the Maketu Estuary and out to sea, while smaller streams drain the eastern District into the Waihi Estuary.

Matakana Island forms a natural barrier between Tauranga Harbour and the Pacific Ocean.

Our economy

Agriculture and horticulture are the main economic drivers of the Western Bay of Plenty District and the greater Tauranga and Western Bay sub-region. These two primary sectors fuel a multitude of professional businesses and service industries, employing a diverse labour force. Our environment, soils and climate are not only attractive for agricultural production but are also a magnet for people wanting a relaxed outdoor lifestyle. We are close to the amenities of Tauranga, yet we retain a rural and small town atmosphere. Manufacturing, commerce and trades are also vital to the sub-region's economic growth.

Our District is three times more reliant on horticulture and agriculture for its economic output than New Zealand as a whole. This dependence presents challenges for the District, as well as opportunities. The outbreak of the kiwifruit vine disease Psa-V in November 2010 is an example of the risks associated with economic dependence on single crops.

Our Council



Ross Paterson
Mayor



Cr Paul Thomas
Deputy Mayor
Te Puke Ward



Cr Maureen Burgess
Te Puke Ward



Cr Michael Pittar
Te Puke Ward



Cr Kevin Marsh
Maketu Ward



Cr Sue Matthews
Maketu Ward



Cr Don Thwaites
Kaimai Ward



Cr Garry Webber
Kaimai Ward



Cr Gwenda Merriman
Kaimai Ward



Cr Margaret Murray-Benge
Kaimai Ward



Cr Mike Williams
Katikati Ward



Cr Norm Mayo
Katikati Ward



Cr Anne Gilmer
Waihi Beach Ward

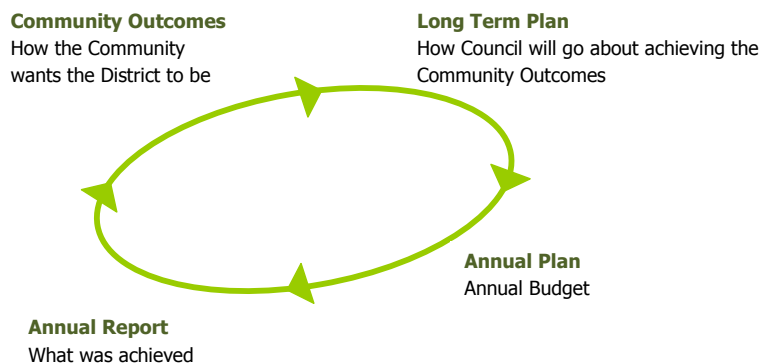
WHAT IS THE LONG TERM PLAN?

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

This is our 'big picture' plan or more specifically, our Long Term Plan. The Long Term Plan sets out our priorities for the next ten years (with particular emphasis on the first three years) including what those priorities will cost and how we intend to fund them. It describes our approach to sustainable development and more particularly our financial strategy, which is how we intend to be financially sustainable in the years to come so we can continue to provide quality services.

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

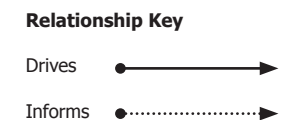
The Long Term Plan is based on a set of assumptions about the future and is reviewed every three years to reflect changes in the District, the economy and the priorities of the community. In years two and three we produce an Annual Plan that shows how we're implementing the Long Term Plan. At the end of each year we produce an Annual Report which shows our financial results and the progress we've made against the Long Term Plan.



Our planning linkages



*Built Environment Strategy provides more detail
**Walking and Cycling strategy provides more detail



AUDIT NEW ZEALAND

Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Western Bay of Plenty District Council's Long Term Plan for the 10 years commencing 1 July 2012

The Auditor-General is the auditor of Western Bay of Plenty District Council (the District Council). The Auditor-General has appointed me, David Walker, using the staff and resources of Audit New Zealand, to report on the Long Term Plan (LTP), on her behalf. We have audited the District Council's LTP dated 28 June 2012 for the 10 years commencing 1 July 2012.

The Auditor-General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTP complies with the requirements of the Act; and
- the quality of information and assumptions underlying the forecast information provided in the LTP.

Opinion

Overall Opinion

In our opinion the District Council's LTP dated 28 June 2012 provides a reasonable basis for long term integrated decision-making by the District Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the District Council.

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

Opinion on Specific Matters Required by the Act

In our view:

- **the District Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment; and**

- **the underlying information and assumptions used to prepare the LTP provide a reasonable and supportable basis for the preparation of the forecast information.**

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 28 June 2012. This is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the International Standard on Assurance Engagements (New Zealand) 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves performing procedures to obtain audit evidence about the forecast information and disclosures in the LTP. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the information in the LTP. In making those risk assessments we consider internal control

relevant to the preparation of the District Council's LTP. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council's internal control.

Our audit procedures also include assessing whether:

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

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

Responsibilities of the Council

The Council is responsible for preparing a LTP under the Act, by applying the Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The Council is also responsible for such internal control as it determines is necessary to enable the preparation of a LTP that is free from material misstatement.

The Council's responsibilities arise from section 93 of the Act.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the LTP and reporting that opinion to you based on our audit. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

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

Independence

When reporting on the LTP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than this report and in conducting the audit of the LTP Statement of Proposal and the annual audit, we have no relationship with or interests in the District Council.



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

GUIDE TO THIS PLAN

The Long Term Plan is divided into an Introduction and five chapters.

Introduction

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

Chapter 1 – Overview

The overview provides a snapshot of the detail in our Long Term Plan, including the main assumptions on which the Plan is based and the key risks we’ve taken into account in our planning. You can also read a summary of our financial situation and what it means for you.

Chapter 2 – Informing our planning

This chapter describes our approach to sustainable development and the principles that guide our decision-making and planning for the future. It also includes our Financial Strategy which details how we plan to sustainably finance services and activities over the long term.

Chapter 3 – Activities

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

The roles we may have:

Lead	We are the principal decision-making authority
Partner	We will fund and carry out activities in formal partnership (including contracts) with other agencies
Advocate	We will promote the interests of the community to other decision-making authorities
Facilitator	We will encourage others to be involved by bringing together interested parties
Research and monitoring	We will undertake research and monitoring in order to promote informed decision-making

For each group of activities you will find information about:

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

Measuring progress

We have developed measures to track progress towards our goals and community outcomes. We also have measures to track whether we’re delivering our agreed levels of service for each group of activities. For each of these measures we show the latest actual results and set targets for the ten years of this Plan. Each year the results are published and discussed in our Annual Report, which covers the year to 30 June and is published in September or October of that year.

Key assumptions

In planning for the long term we need to make assumptions about the future. Our assumptions underpin forecasts of demand for our services and our revenue. Some assumptions apply across all activities and are discussed in the section called Key risks and growth assumptions, on page 24 or where an assumption is specific to a group of activities it is included there.

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

Effects of providing the activity

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

Summary financial forecasts and additional asset requirements

The summary financial forecasts show expenditure and revenue forecasts for the ten years of the Plan, together with actual figures for 2011 and budgeted figures for 2012 for comparison.

The additional asset requirements show our planned capital expenditure for each activity,

grouped according to the main driver of each project. It is important to note that although a project may be shown here as being for a single purpose, in reality it is likely to be for more than one purpose.

Where the money comes from

For each activity, there is a short explanation of the main sources of funding. Full details of our funding rationale and approach for each activity are included in Chapter 5, Overall Revenue and Financing Policy, page 369.

Chapter 4 – Finances

This chapter includes our Funding Impact Statement (including rates examples), prospective statements of financial position, changes in equity, reserve funds and schedule of fees and charges.

Chapter 5 – Policies, summaries and statements

This chapter includes our Overall Revenue and Financing Policy, various rates policies and significant accounting policies. You can also find in this chapter a summary of our Financial Contributions Policy and summaries of assessments of water and sanitary services and waste management plan.

