



# ASSET MANAGEMENT PLAN

## Part A: General Information

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## **Asset Management Plan Part A**

Part A is Common to all of the Whakatāne District Council's Asset Management Plans, for the period 2018-2028.

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## Foreword

Assets represent a significant investment by the community that need to be protected. Many public services rely on assets to support their delivery. Assets are also often taken for granted until they fail, which can have economic, social and environmental effects on the district. To avoid this, the Council actively manages its assets.

Good asset management makes an essential contribution to the governance and management of a public entity's business and is an integral part of an organisation's wider service and financial planning process.

The AMPs are living documents; relevant and integral to daily activity. To ensure plans remain useful and relevant on-going process of AMP monitoring and review activity will be undertaken.

### **1 Asset Management Plan – Part A**

This document provides the overarching information and discussion of methodology for all the Whakatāne District Council's Asset Management Plans (AMPs).

Our activities and assets all share a similar environment, be that legislative, demographic or economic. This key information has been rationalised into the one document, with the remaining activity/asset specific information available in Part B.

### **2 Asset Management Plan – Part B**

These documents provide the specific information and outlines how the Whakatāne District Council intends to maintain and manage its assets to achieve its Community Outcomes.

Part A and Part B of the AMPs should be treated as one document and reflect each other in both structure and content.



## Overview of Asset Management Planning

### 1 Asset management Objectives

Asset Management Plans (AMPs) are the fundamental driver of services, which impact directly on customers.

In order to fulfil the Community Outcomes, vision, goals and objectives (outlined in the Strategic Environment section of this plan), Whakatāne District has adopted a systematic approach to the long term management of its assets by preparing AMPs.

The Council's overall Asset Management objective is to operate, maintain, replace/upgrade and create/purchase new assets over the long term to meet required Levels of Service (LoS) for the foreseeable, future needs of the community, in a sustainable way.

The Whakatāne District Council is committed to appropriate best practice and achieving key asset management objectives:

- Ensure all capital projects are justified, satisfy relevant sustainability criteria and are delivered according to plan
- Compliance with all relevant statutory requirements and best practice, including, but not limited to legislation, regulations, bylaws and plans
- Encourage and plan for growth across the District
- Ensure a lifecycle approach is taken for all decisions on infrastructure assets.

### 2 Purpose of AMPs

The purpose of the plans is to formally document the management philosophy that is applied to infrastructure assets. This approach ensures that acceptable levels of service are provided in the most cost effective manner and contributes to the achievement of the Long Term Plan (LTP).

This long term planning approach is considered necessary given the large capital and operating expenditure expected, the long lives of the assets and the lead times in planning for upgrades, replacements and the purchase or building of new assets. The sequencing and timing of works are developed through discussions with key stakeholders.

The key purpose of AMP's are to:

- Provide a document to convey the long-term strategy for the management of assets
- Improve understanding of service level standards and options, while improving customer satisfaction and organisational image
- Identify minimum lifecycle (long term) costs to provide agreed level of service
- Provide the basis for improved understanding and forecasting asset related management options and costs, to smooth peak funding demands
- Clearly justify the long term works programmes and justification of funding requirements
- Manage the environmental, service delivery and financial risks of asset failure
- Demonstrate that the service potential of assets is being maintained by Asset Management Progression.

The Council is committed to the preparation and implementation of sound AMPs for its infrastructure.



### **3 Plan Timeframes**

The AMPs cover a 10-year timeframe in detail. The plans assume that the assets as a whole have an indefinite life and the main focus of the plan is determining the strategies required maintaining, rehabilitating and renewing components over the next 10 years. It is intended that the plans be reviewed every year with a major update every three years prior to the LTP process.

### **4 Infrastructure Strategy**

The Council prepares a 30-year infrastructure strategy for the following assets:

- Water supply
- Sewage treatment and disposal
- Stormwater drainage
- Roads and footpaths.

The Council's current Infrastructure Strategy covers the period 2018-48 and is incorporated into the 2018-28 Long Term Plan. The strategy scopes and prioritises key long-term infrastructure issues, and how the Council proposes to address them.

This strategy provides for a plan of long-term action, given that many of Council's assets have a very long life. The infrastructure strategy provides the long-term perspective required to assess whether there are hidden investment gaps or affordability issues beyond the ten-year planning horizon provided in the LTP 2018-28.

### **5 Limitations of the AMPs**

The AMPs have been prepared based on:

- Currently available information and data;
- Existing levels of service;
- Forecasts are currently only completed for 10 years;
- Limited community consultation.

### **6 AMP review process**

The AMP review process consists of the following aspects:

- Formal adoption of the AMP by the Committee/Council
- Revise AMP annually to incorporate and document changes to works programmes, outcome of service level reviews and new knowledge resulting from the AMP improvement programme.
- Quality assurance audits of AM information to ensure the integrity and cost effectiveness of data collected.
- Review and formally adopt levels of service to comply with community outcomes
- External audits to assess the effectiveness with which AMP's meet corporate objectives. Periodic internal audits will be undertaken to assess the adequacy of Asset Management processes, systems and data and external audits will be undertaken to measure Asset Management performance against 'best practice'.

## The Whakatāne District context

### 1 Context

The first Whakatāne County Council was formed in 1876 and mainly covered the same areas of today's Ōpōtiki and Whakatāne districts.

In 1900, the first council split and became the Ōpōtiki County Council and the second Whakatāne County Council. The latter took care of all local government matters until 1917, when the Whakatāne Borough Council and the third Whakatāne County Council were formed.

These two bodies, together with the Whakatāne Harbour Board, amalgamated in 1976 to become the Whakatāne District Council.

In 1989, in line with the nation-wide reorganisation of local government, the Whakatāne District Council amalgamated with the Murupara Borough Council. It also took in a portion of the Ōpōtiki district in the Waimana/Nukuhou area, and a portion of the Taupō district comprising a large part of the Kaingaroa Forest.

### 2 The Cultural Environment

Over 1,000 years ago, the first inhabitant of Whakatāne was Tīwakawaka, a grandson of Maui, the legendary discoverer of Aotearoa. Tīwakawaka was the first explorer to settle the land around Kakahoroa (Whakatāne). His canoe was Te Aratauwahaiti, and his descendants came to be known as Ngāti Ngainui, the original people of Whakatāne.

Some 200 years after the arrival of Tīwakawaka, the waka Mataatua sailed from the ancestral home of Hawaiki and moored in the river estuary near the town's commercial centre. Those aboard brought the kūmara (sweet potato) to Kakahoroa, and a parcel of soil from Rangiatea to place in the garden, Matirerau, in Whakatāne.

Toroa was captain of the Mataatua. He took the men who had sailed with him and climbed the hillside to Kapu-te-rangi leaving the women behind. With the outgoing tide threatening to carry away the waka, Wairaka (Toroa's daughter) exclaimed "e kia Whakatāne ake au I ahau" (let me act the part of man) and breaking tradition, the women paddled the waka back to safety. From this incident, Whakatāne received its name.

Today, Māori make up 43.5% of the total population.

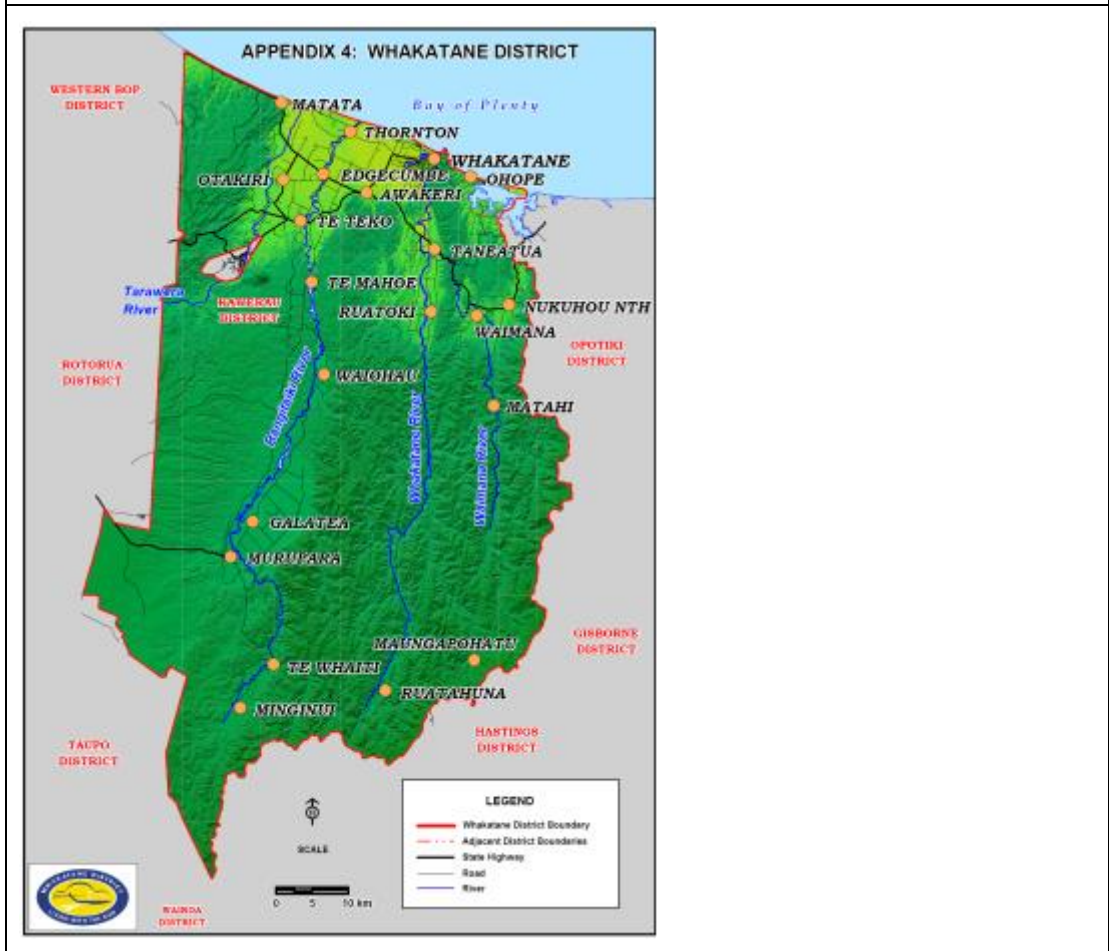
The Whakatāne District is the ancestral home to Ngāti Rangitihi of the Arawa waka, and five iwi of the Mātaatua waka; Ngāti Awa, Ngāti Manawa, Ngāti Whare, Tūhoe and Te Ūpokorehe. Also from our District are Tūwharetoa ki Kawerau whose area is predominately within the Kawerau District and Ngāti Mākino within the Western Bay District, as a small portion of their boundaries sit within the Whakatāne District.

### 3 Geographical Context

The Whakatāne District in the Eastern Bay of Plenty is one of the most diversely beautiful areas in New Zealand. Sandy beaches are predominant along the 54 kilometres of coastline that stretches from Otamarakau in the west to Ohiwa in the east. Central areas include fertile lowlands and farming areas on the Rangitaiki Plains through to Murupara. Te Urewera

National Park in the south makes up 41% of the district. This is protected native forest and is home to a rich array of flora and fauna. The total area of the district covers 433,000ha or 4,442km<sup>2</sup>.

Figure 1: Map of Whakatāne District



#### 4 Climate and Climate Change

The District boasts an attractive climate with temperatures generally between 25 and 28 degrees in the summer months, usually in high teens during winter, and seldom lower than 11 degrees.

Whakatāne records the highest temperature in New Zealand approximately 55 days per year. Average annual sunshine is 2,332 hours with an average annual rainfall of 1,207 mm.

Along with an abundance of sunshine hours, the Whakatāne District also is subjected to heavy rain events. Over the past decade, a number of heavy rain events have resulted in widespread surface and river flooding. These have occurred in both summer and winter months, as a result of tropical depressions and deep lows moving in from the North of New Zealand.

For further information on flooding in the District, see Section 5: Natural Hazards.

#### 4.1 Potential effects of climate change

Climate change is already impacting how the community lives and functions, and these impacts are expected to increase in magnitude and extent over time. Future asset management and planning will need to consider the impact of climate change on asset lifecycles, demand and levels of service.

NIWA mid-range estimates (RCP4) indicate sea levels will rise by 0.27m by 2040 and almost a meter by the end of this century. Temperatures will be on average 1.2 degrees higher by 2040 and in the range of 2.7-3.9 degrees warmer by 2090. Frosts will become increasingly rare over this time period. There will be increased chance of drought with a drier winter and spring. There will be more extreme 24-hour rainfall events and tropical cyclones of greater intensity. There is a risk that climate change estimates may be on the conservative side, and that a response may increasingly be compelled by events.

The medium and longer term forecasts raise very serious implications for communities and the Council such as: Increased risk to existing settlements and infrastructure in low lying coastal areas; Consideration for location of future growth areas and infrastructure solutions; Economic impact on horticulture and agriculture sector such as lack of frosts and need to store water and; Levels of service implications for storm water systems (WDC) and flood protection (BOPRC). Some of our communities will be heavily affected by these implications, while others may experience few direct effects at all.

Table 1 below provides an overview of the likely effect of climate change on Whakatāne District.

	Now	2040	2090
Annual days above 25°C	22 days a year	47 days a year	80 days a year
150mm rainfall within a 24 hour period	Is a 1-in-50 year event	Is a 1-in-29 year event	Is a 1-in-16 year event
Approximate annual frost occurrence	5 days a year	Once a year	Once every ten years
Sea level rise expectation	Current level	+0.27m	+0.9m

## 5 Natural Hazards

The Whakatāne District and surrounding region are exposed to a number of natural hazards. From an activity point of view hazards have the potential to cause major disruption and need to be taken into account. It should be noted that Natural Hazards Planning is to be undertaken to manage the risks of identified hazards. This is being undertaken through the current District Plan Review and also on a wider regional level.

## 5.1 Flooding

Flooding is a commonly occurring major natural hazard that results when the natural and modified drainage systems fail in a particular rainfall event. The risk of flooding is influenced by a number of factors such as:

- Weather systems
- Hydrological factors (catchment size, rainfall intensity and infiltration)
- Hydraulic factors
- Soil type
- Land use
- Ground saturation

Storm events and the resulting flooding can result in significant adverse effects on both residents and the environment. These effects may include:

- Personal injury or loss of life, property and possessions or livelihood
- Disruption of utilities and transportation networks
- Impacts on the environment may include vegetation and habitat loss, erosion and sedimentation in waterways, and soil and water contamination.

The worst river flooding occurred across the district, particularly Edgecumbe, in 2017. Ex-Tropical Cyclone Debbie saw severe rain and weather hit the district in early April 2017. At 8:30am on 6 April 2017 the Rangitāiki River breached the College Road floodwall in Edgecumbe and the township was evacuated.

Ex-Tropical Cyclone Cook followed during the evening and night of 13 April 2017. Residents of Westend Ōhope, Ōhope Beachfront and Coastal Campgrounds on Matatā Straight were advised to evacuate due to the risk of storm surge and coastal storm inundation.

Ex-Tropical Cyclone Debbie caused the biggest rain event in the Whakatāne and Rangataiki catchments since records began. (Rangitāiki River Scheme Review April 2017 Flood Event Final Report – Rangataiki River Scheme Review Panel, 18 September 2017)

The district has also experienced other instances of flooding and severe rainfall:

- On Good Friday 2014, more than 60mm fell in less than 45 minutes while in June 2010 more than 75mm fell in a single hour. In both events a number of properties in Whakatāne and Ōhope were damaged as a result and required extensive repair
- From 2010 to 2012, several strong systems moved across the district resulting in widespread surface flooding of district roads, slips and damage to infrastructure and homes throughout the district
- In 2005 severe rainfall caused the Matatā debris flow
- In 2004 the Whakatāne River overtopped the stopbank at Awatapu, resulting in the evacuation of residents

Mitigation works have been undertaken and are underway for many of the affected communities including Matata, Edgecumbe, Whakatāne, and Ōhope. Works include the debris dams, realignment of culverts and flood flow channels.

## 5.2 Earthquakes & Volcanic Eruptions

New Zealand is considered amongst the most seismically active places on earth, as it is located on an active boundary of two tectonic plates.

The Bay of Plenty is a zone of active tectonics with earthquakes occurring on a regular basis although most are not strong enough to be felt. However, the region has experienced significant earthquakes in the past that have resulted in widespread damage and serious injury such as the Edgecumbe earthquake in 1987.

The 1987 Edgecumbe earthquake caused substantial damage to sewer and water utilities, which affected services on reserve land in Edgecumbe.

The Bay of Plenty also has the potential hazard of increased volcanic activity that could impact activities and services.

## 5.3 Tsunami

Tsunamis are usually created by a sudden movement or rupture of the ocean floor, such as earthquakes, underwater landslides and underwater volcanic eruptions.

Tsunami can cause:

- Personal injury or loss of life, property and possessions or livelihood
- Disruption of utilities and transportation networks
- Impacts on the environment may include vegetation and habitat loss, erosion and sedimentation, soil and water contamination and salination of land.

The damage from tsunamis can occur as a result of inundation (flooding roads, buildings and land), the impact of the moving water (erosion, structural damage) and debris flow (debris carried by the wave moving inland and receding).

While tsunami have not been considered a significant threat in Whakatāne in the past, the District's coastal location and proximity to a tectonically active seabed requires consideration of this natural hazard particularly for coastal and low lying areas, where many Airport assets are located. During 2010 and 2011, the District was put on alert from a tsunami threat, although no tsunami was recorded in these events.

## 5.4 Future Requirements

The main item that needs to be addressed from an environmental stewardship perspective is the tracking of resource consents and the conditions that they may contain. Tracking legislation will also need to occur, specifically in relation to climate change and the impacts this might have. In addition to this, a constant monitoring of natural hazards and their impacts will need to be on-going.

## 6 The Natural Environment

The region is rich in forestry resources and has some of the country's best dairy farms, along with a large dairy processing plant located at Edgecumbe. The fertile soil of the district supports a variety of horticultural activities including market gardens, kiwifruit orchards and flower growing. Bottling water for export is an emerging industry.

The district has a strong forestry industry with up to a third of the area planted in exotic forests.

## 7 Economy

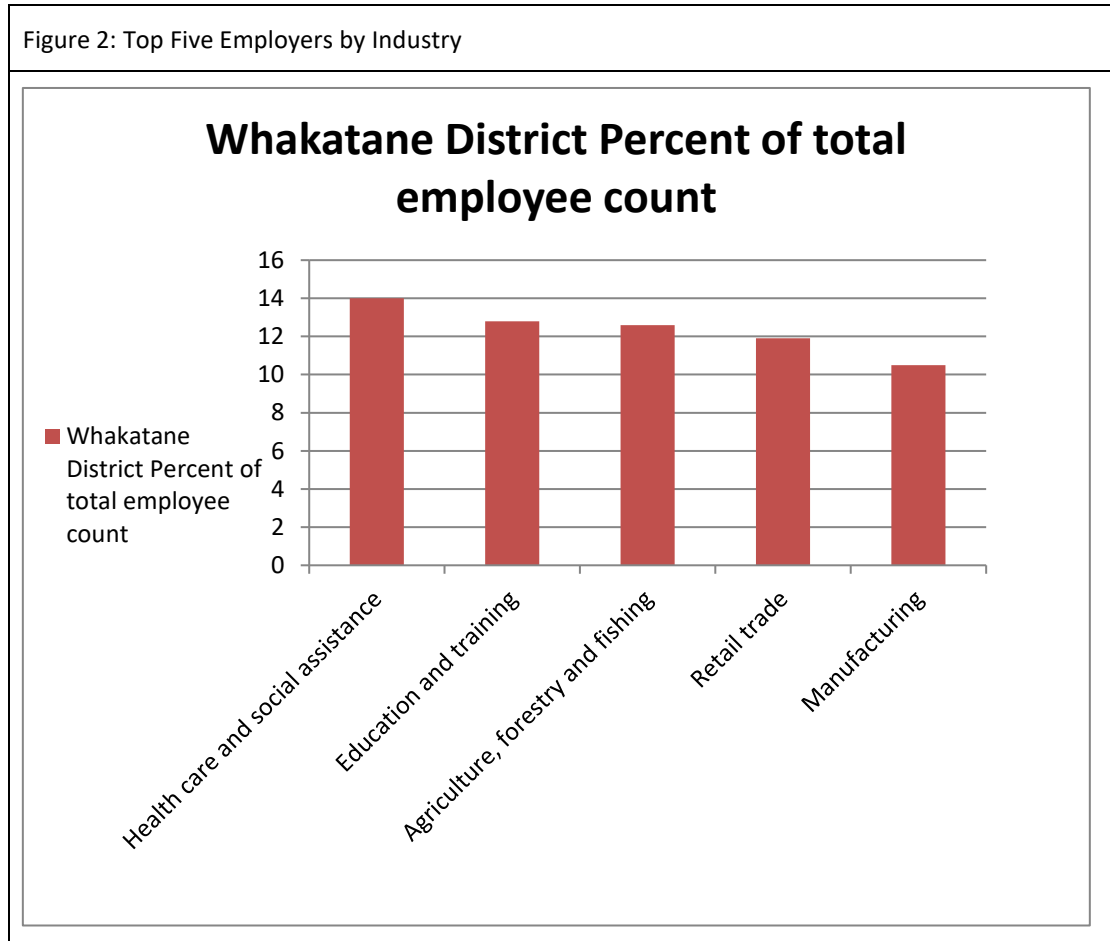
Industrial and agricultural development accelerated from 1910 onwards when work began to drain the swamplands of the Rangitaiki Plains. Reclamation in Whakatāne also created new land for residential and commercial development.

Agriculture remains an economic mainstay, but since the 1950s, plantation forestry and wood processing have also become increasingly important.

The Whakatāne District will look to advance a number of niche growth sector opportunities of its own; tourism, residential and lifestyle development, marine industries, airport and port development, alongside supporting major industry developments in Opotiki and Kawerau. Communities, Iwi and Council are considering opportunities to keep our smaller centres buoyant. Significant opportunities may exist in terms of tourism and iwi led growth initiatives.

The graph below outlines the top 5 employers by industry as at the 2013 Census.

Figure 2: Top Five Employers by Industry



Tourism has taken on an important role as more and more people, particularly international visitors, have come to appreciate the region's rich heritage, wonderful coastal and bush resources and outstanding climate.

For further detail please see the 'Growth and Demand' section or the Trends Influences & Assumptions Document 2018-28.



## 8 Population

Whakatāne District's resident population is currently 34, 600. This an increase of 1,909, approximately 5.5%, from the 2013 Census figure of 32, 691.

Comparatively, the 2013 Census, recorded Whakatāne District's resident population at 32, 691 a decrease of 606, 1.8%, on the 2006 Census figure of 33,297.

The population of the Whakatāne District is projected to remain approximately stable until the mid-2030's, experiencing both minor growth and decline until 2029 and falling to approximately 33,408 in 2033. The decline reflects both an accelerated shift from natural increase to natural decline, beginning around 2036, and net migration across the entire period (Jackson, Cameron and Cochrane, 2014).

Growth is not constant across the Whakatāne District. Some areas are facing decline while already while others remain stable or continue to grow.

For further detail please see the 'Growth and Demand' section or the Trends Influences Assumptions Document 2018-28.

## 9 Ageing population

The aging of the 'baby boom' era will see significant changes in the age profile of our district over the coming decades.

Currently, approximately 16% of Whakatāne's population is aged 65+. This is expected to increase to 24% by 2028, and reach around 30%, just under one-third of the population, by 2043. This is driven primarily by the net migration loss of reproductive age adults and also initial gains at older ages.

In relation to this trend, the average household size in the Whakatāne District decreased from 2.8 people in 2006 to 2.7 in 2013 and will continue to decrease into the future. The District will also see a continued decrease in the number of family households with children while one-person households will increase. (Trends Influences Assumptions LTP 2018-28).

There were 3,178 one-person households in 2013. This number is predicted to increase to 5,253 in 2038, then decline to 4,067 in 2063.

For further detail please see the 'Growth and Demand' section or the Trends Influences Assumptions Document 2018-28.

## Strategic Environment

The strategic direction of Council and the legislative environment in which we operate is largely consistent across our activities. This context is discussed below. Legislation specific to individual activity areas is discussed in Part B.

### 1 Context – Legislative environment

Statutory requirements impact on the way in which Whakatāne District Council operates to meet its obligations to its customers. There are several key pieces of legislation that guide all of our asset management plans (specific activity focused legislation is discussed in Part B individual AMP):

#### 1.1 Local Government Act 2002

The Local Government Act 2002 (LGA) is based on a sustainable, effective, responsible, responsive and accountable local government being fundamental to achieving the long-term well-being of communities. The LGA outlines the responsibilities of local government and the decision making process for activities undertaken on behalf of the community, primarily through the adoption of the LTP.

Section 10 of the LGA sets out the purpose of local government:

- To enable democratic local decision-making and action by, and on behalf of, communities; and
- To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is the most cost-effective for households and businesses.

Effective asset management planning is integral to successfully achieving the second purpose and affects the ability of the Council to achieve the first.

Section 14 provides the importance of asset management:

A local authority should ensure prudent stewardship and the efficient and effective use of its resources in the interests of its district or region, including by planning effectively for the future management of its assets.

##### 1.1.1 Strategic Assets

Section 5 of the Local Government Act 2002 defines strategic assets as:

an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community.

Section 97(1)(b) requires that decisions to transfer the ownership or control of a strategic asset to or from Council be undertaken only if provided for in the LTP. The proposal to provide for the decision must also be explicitly included in a statement of proposal in the LTP.

Strategic assets are the assets in total and not the separate elements of the assets. The requirements of section 97 are only triggered if the proposal relates to the asset as a whole.

The AMPs must therefore take into account the need for community consultation regarding the future of strategic assets and integrating such decisions with the development of the LTP.

The Council's "Significance and Engagement Policy" provides additional detail and further information of our strategic assets, and is legislatively required to list them. The Policy enables the Council to identify the degree of significance attached to particular assets or issues, and how much community engagement is needed to make a good decision. For further information, see the Community Consultation section.

### **1.1.2 Specific Requirements for Asset Management Planning**

The LGA 2002 has a focus on improved transparency, accountability and financial management, with emphasis in Schedule 10 on financial reporting. Clause 3 (1) of Schedule 10 requires Council to include a statement in the LTP of the capital expenditure budgeted to:

- (a) Meet additional demand for an activity
- (b) Improve the level of service
- (c) Replace existing assets.

This has an implication for asset management planning, which must address:

- **Demand** – In relation to estimated additional capacity and the associated costs and funding sources. The Growth & Demand chapter in Part A and in Part B of the AMPs covers this in more detail.
- **Levels of Service (LoS)** – Intended LoS performance targets and other measures by which actual levels of service provision may be meaningfully assessed, and the estimated costs of achieving and maintaining identified LoS, including sources of funding. The Levels of Service chapters cover this in more detail.
- **Renewals** – Including maintenance renewal and upgrades. This is covered in considerable detail in the Life Cycle Management chapter in Part B of the AMPs.

Council must, as part of the LTP, prepare and adopt a 30-year infrastructure strategy, under Section 101B of the LGA.

## **1.2 Resource Management Act 1991**

The Resource Management Act (RMA) 1991 is New Zealand's primary legislation dealing with the management of natural and physical resources. It provides a national framework to manage land, air, water and soil resources, the coast, subdivision, and the control of pollution, contaminants and hazardous substances.

The RMA has a single overarching purpose:

To promote the sustainable management of natural and physical resources.

The RMA establishes a hierarchy of policy documents from national instruments to regional policy statements, and regional and district plans. This 'hierarchy', and the requirement to ensure consistency between plans, is to promote sustainable management and ensure integrated management of natural and physical resources at a national, regional and local level.

The RMA requires the Council to mitigate any negative effects on the environment and to consider the sustainability of its plans. This has implications for Asset Management Planning.

### **1.3 Civil Defence Emergency Management Act (CDEM) 2002**

The Civil Defence Emergency Management Act 2002 ensures that New Zealand is prepared for, and has the resources to manage, emergencies.

Emergency Management focuses on 'the 4Rs':

- Reduction – identifying and analysing risks to human life and property
- Readiness – developing capabilities before an emergency occurs
- Response – taking action immediately before, during or directly after an emergency
- Recovery – initiating activities after impact, and extending them until the community's capacity for self-help is restored.

The Civil Defence Emergency Management Act 2002 requires:

- Whakatāne District and other district and city councils in the region to form a Civil Defence and Emergency Management Group (CDEM Group)
- To develop a Civil Defence Emergency Management Plan that identifies risks from hazards and puts readiness, response and recovery procedures in place. The Plan is developed with public input to ensure hazards and risks are dealt with to a level accepted by the community.

Asset managers have a particular responsibility in relation to the reduction and readiness aspects of civil defence. They must manage the assets in such a way that they contribute to reducing the potential harm of emergencies and preparing the community's response to emergencies.

### **1.4 Health and Safety at Work Act 2015**

The Health and Safety at Work Act 2015 (HSWA) received Royal Assent on 4 September 2015. HSWA repealed the Health and Safety in Employment Act 1992 on 4 April 2016.

The main purpose of HSWA is to provide for a balanced framework to secure the health and safety of workers and workplaces by protecting workers and other persons against harm to their health, safety and wellbeing.

Further, regard must be had to the principle that workers and other persons should be given the highest level of protection against harm to their health, safety and welfare from hazards and risks arising from work or from specified types of plant as is reasonably practicable.

HSWA establishes the concept of a Person Conducting a Business or Undertaking (PCBU). A PCBU is the principal duty holder and in most cases is an organisation. The Whakatāne District Council is a PCBU.

A PCBU, in carrying out their work, must ensure, so far as is reasonably practicable, the health and safety of its workers, any other workers it influences or directs, and all other people who could be put at risk by its work.

A PCBU cannot contract out of its duties under the HSWA.

It is essential that asset managers consider these implications when planning both Capital and Operational Works.

### **1.5 Local Government (Rating) Act 2002**

The Local Government (Rating) Act 2002 replaced the Rating Powers Act 1988 with updated and streamlined rating powers. The intention is to ensure that the community has the

opportunity to be well informed about what its money is being spent on, and to express its views when major decisions are being made.

The three main purposes of the Act are to:

- Provide local authorities with flexible powers to set, assess and collect rates
- Ensure that rates reflect decisions made in a transparent and consultative manner
- Provide for processes and information to ensure that ratepayers can identify and understand their liability for rates.

Asset based spending has a large impact on the amount of rates required and how they can be sourced.

## **1.6 Building Act 2004**

In New Zealand, the construction, alteration, demolition and maintenance of houses and other buildings is governed by the Building Act 2004.

The purpose of the Building Act 2004 is to ensure:

- People can use buildings safely and without endangering their health
- Buildings have attributes that contribute appropriately to the health, physical independence and wellbeing of the people who use them
- People who use a building can escape from the building if it is on fire
- Buildings are designed, constructed and able to be used in ways that promote sustainable development.

Compliance with the Building Act 2004 will be considered and incorporated by Asset Managers in developing work programmes.

## **1.7 Hazardous Substances and New Organisms Act 1996 (HSNO)**

The Hazardous Substances and New Organisms (HSNO) Act provides territorial authorities with an enforcement role in the following areas:

- Premises not covered by the other enforcement agencies (e.g. private dwellings and public spaces)
- Dangerous goods licensing during the transitional period of the HSNO Act
- Enforcing the HSNO Act when enforcing the Resource Management Act 1991
- Functions transferred by other enforcement agencies.

The first two enforcement roles are mandatory for territorial authorities and unitary authorities under the HSNO Act. The second two enforcement roles are voluntary, depending on any authority's preparedness and ability to take on such an enforcement role.

# **2 The Whakatāne District Council**

## **2.1 The Council vision and purpose**

The Whakatāne District Council's Vision and Purpose guide everything the Council does. It sets out, at a high level, where we want to be and how we will get there.

### **2.1.1 The Council's vision:**

The Whakatāne District Council's vision is to be known as the place of choice for people to live, work and play.

In achieving our vision:

- Our community will be safe and surrounded by people who are friendly and caring
- Businesses will be thriving
- There will be respect for and pride in our history
- We will be successful guardians of our natural environment

### **2.1.2 The Council's purpose**

Our purpose is to lead the Whakatāne District to meet the current and future needs of our community.

As a District Council we will achieve this through:

- Good governance, leadership and advocacy
- Integrated, long-term planning
- Effective and reliable community infrastructure
- Outstanding service delivery

## **2.2 Community outcomes**

Community outcomes are a high level set of desired goals that we aim to achieve. These outcomes seek to improve the social, economic, environmental and cultural well-being of our district, now and into the future.

Community Outcomes are used to guide and inform the planning process and set out priorities. The AMPs are an essential element in achieving these outcomes. The Community outcomes, specific for each group of activities are considered in the creation of the AMPs.

The current Community Outcomes were developed as part of the LTP 2012-22 process and are reviewed every three years.

Figure 3: Community Outcomes



### 2.3 Sustainability outcomes

The LTP affirms Council's commitment to managing our assets and activities in a way that does not compromise our ability to provide quality, affordable services to the community now and into the future.



Council will be commencing a review of the 2010-15 Sustainability Strategy in 2018 as part of the development of a Climate Change Action Plan. Any amended strategy will align with the LTP commitment to integrated sustainability.

#### **2.4 Delivery of Services**

Levels of Service (LoS) standards define the levels to which Whakatāne District Council provides services to the community. Some LoS are defined by statutory requirements, others in conjunction with the community, and some with key stakeholders. These LoS provide a basis for determining whether assets need to be constructed, replaced, remanufactured, upgraded or maintained. These performance measures have been defined to enable the Council's performance to be measured and reported against.

More detail is provided in the Levels of Service section below and in part B.

#### **2.5 Health and Safety**

The Council is committed to achieving zero harm in the workplace, by taking all practicable steps to prevent all work-related injuries and illnesses.

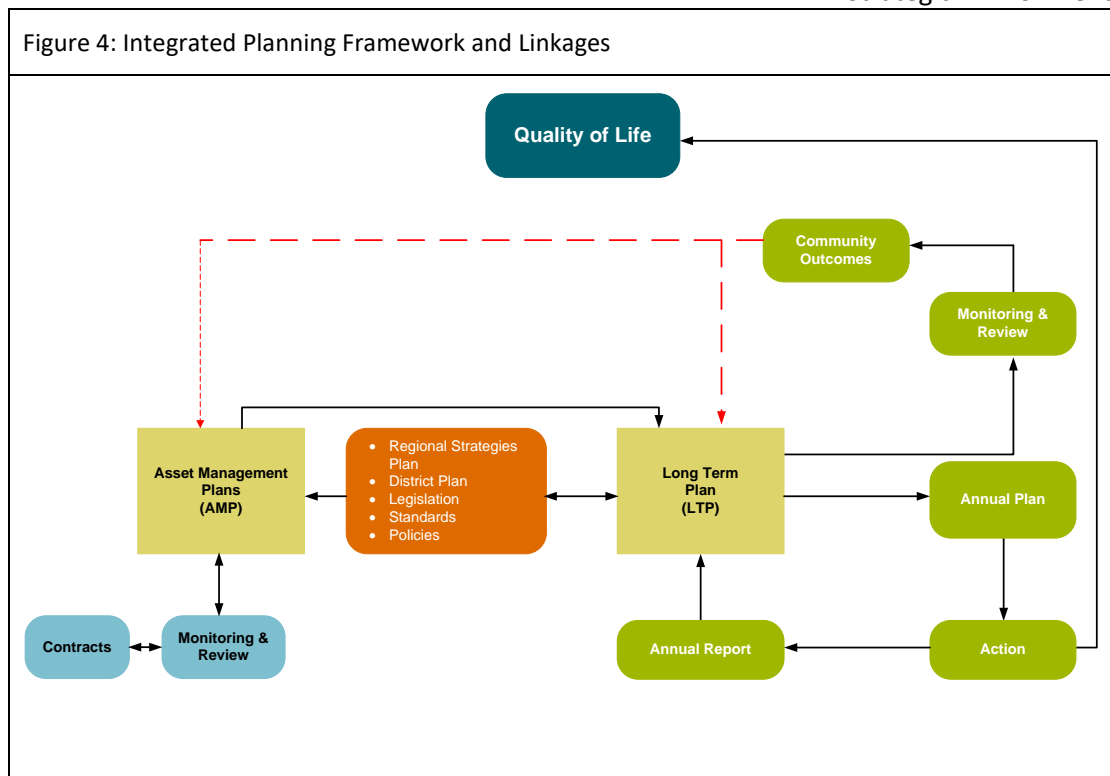
Adopted in April 2017, the Health and Safety Policy aligns with the Health and Safety at Work Act 2015. The policy is scheduled for review in 2019. For further detail, see the Health and Safety Policy.

### **3 Relationship with other Plans and Documents**

The Council's strategic direction and the legislative environment all contribute to the development of the AMPs.

The Council has a number of key strategic documents in place that govern many of its activities. These relate to, and will assist, in working towards the achievement of community outcomes.

The relationship between the AMPs and other documents is shown in Figure 4.



### 3.1 Long Term Plan (LTP)

The LTP identifies all Council activities and prioritises projects for future development based on community expectations. The LTP sets out an agreed vision and community outcomes for the Whakatāne District Council. The framework of this plan is in line with the requirements of the Local Government Act 2002 (LGA 2002). It sets out the work plan and budgets for the next 10 years and is produced every 3 years.

The majority of capital expenditure contained in the LTP is generated by the AMPs. The AMPs are therefore reviewed and updated prior to the LTP development, so that funding needs and options are included in the proposed LTP for discussion with the community.

### 3.2 Annual Budget Updates

As required under the LGA 2002, an Annual Budget Update is produced in each of the two years between LTP reviews. These do not repeat information already included in the LTP, but provide an opportunity to make any necessary refinements to what was planned for the year. If significant or material changes are proposed, community consultation will occur as part of this process. Reviewing the AMPs prior to and after the Annual Plan ensures they are up to date and reliably inform the planning process.

### 3.3 Annual Report

As required under the LGA 2002, an Annual Report is required at the end of each financial year. As the key accountability document, it informs the public how Council performed against the budget and performance targets set for the relevant year in the LTP. This includes reporting on the status of works outlined in the AMP's.

### **3.4 District Plans**

As required under the Resource Management Act 1991, the Operative District Plan states the objectives for the district and the policies to implement those objectives. The purpose of the District Plan is to assist Council in carrying out its functions in order to sustainably manage land and resources. It sets out the policies and objectives for land use and infrastructure, including designations of future works that are reflected in the AMPs.

### **3.5 Contracts**

The service levels, strategies and information requirements contained in AMPs are translated into contract specifications and reporting requirements. Contract performance should be reviewed on a monthly basis.

### **3.6 Regional Plans and Strategies**

Beyond the Whakatāne District Council, the Bay of Plenty Regional Council has several Plans and Strategies. These are reviewed as and when appropriate, in consultation with the community, and reviewed in alignment with the LTP. Several have direct requirements that must be met by specific activities. These requirements are reflected in the appropriate AMPs.

## Levels of Service

Asset management (AM) planning enables the relationship between levels of service and the cost of the service (the price/quality relationship) to be determined. This relationship is then evaluated in consultation with the community to determine the levels of service they are prepared to pay for.

Defined Levels of Service (LoS) can then be used to:

- Inform customers of the proposed LoS
- Develop AM strategies to deliver LoS
- Measure performance against defined LoS
- Identify the costs and benefits of services offered
- Enable customers to assess core values as accessibility, quality, safety, and sustainability.

In this context LoS define the quality of delivery for a particular activity or service against which service performance can be measured.

### 1 LGA Requirements

The Local Government Act 2002 (LGA 2002) prescribed that LoS must be developed from a community perspective. LoS need to be presented to the community in a clear, informed way as 'customer levels of service', and consultation used to obtain the 'community perspective'.

Schedule 10, clause 4 of the LGA 2002 requires Council to include a statement of service provision in its Long Term Plan. The statement must include the intended levels of service for each group of activities that specifies:

- Performance measures that will enable the public to assess the level of service for major aspects of groups of activities
- Targets for each performance measure
- Intended changes in the level of service and reasons for the change
- Reasons for any significant change in the cost of a service

#### 1.1 National performance measures

The Act provides for national non-financial performance measure rules for:

- water supply
- sewerage and the treatment and disposal of sewerage
- stormwater drainage
- the provision of roads and footpaths

The Non-Financial Performance Measure Rules 2013 also allow the public to compare the LoS provided by different councils. These are to be included in the 2018-2028 LTP, with specific targets discussed in the individual AMPs.

## 1.2 LoS Decision Making Process

LoS must be developed within the decision-making process set out in sections 76-81 of the LGA 2002:

- Section 76 – Decision making
- Section 77 – Requirements in relation to decisions
- Section 78 – Community views in relation to decisions
- Section 79 – Compliance with procedures in relation to decisions
- Section 80 – Identification of inconsistent decisions
- Section 81 – Contributions to the decision-making process by Māori

## 1.3 Level of Service reporting

### 1.3.1 Long Term Plan requirements

Schedule 10, Clause 4 of the LGA requires that the LTP includes a statement of service provision specifying:

- Performance measures as specified in rules made under section 261B
- Performance measures that enable the public to assess the level of service but that are not specified in rules
- Performance targets set by Council for each performance measure
- Any intended changes to the level of service that was provided in the year before the first year covered by the plan and the reasons for the changes
- The reason for any material change to the cost of a service

### 1.3.2 Annual Report requirements

Schedule 10, Clause 25 of the LGA requires that an audited statement must be included in the Annual Report that:

- Compares the LOS achieved in relation to a group of activities with the performance target or targets for the group of activities
- Specifies whether any intended change to LOS have been achieved
- Provides reasons for any significant variation between the LOS achieved and the intended LOS

## 2 Changes in Level of Service

A change in LoS will be reflected as a requirement to either increase or decrease the LoS.

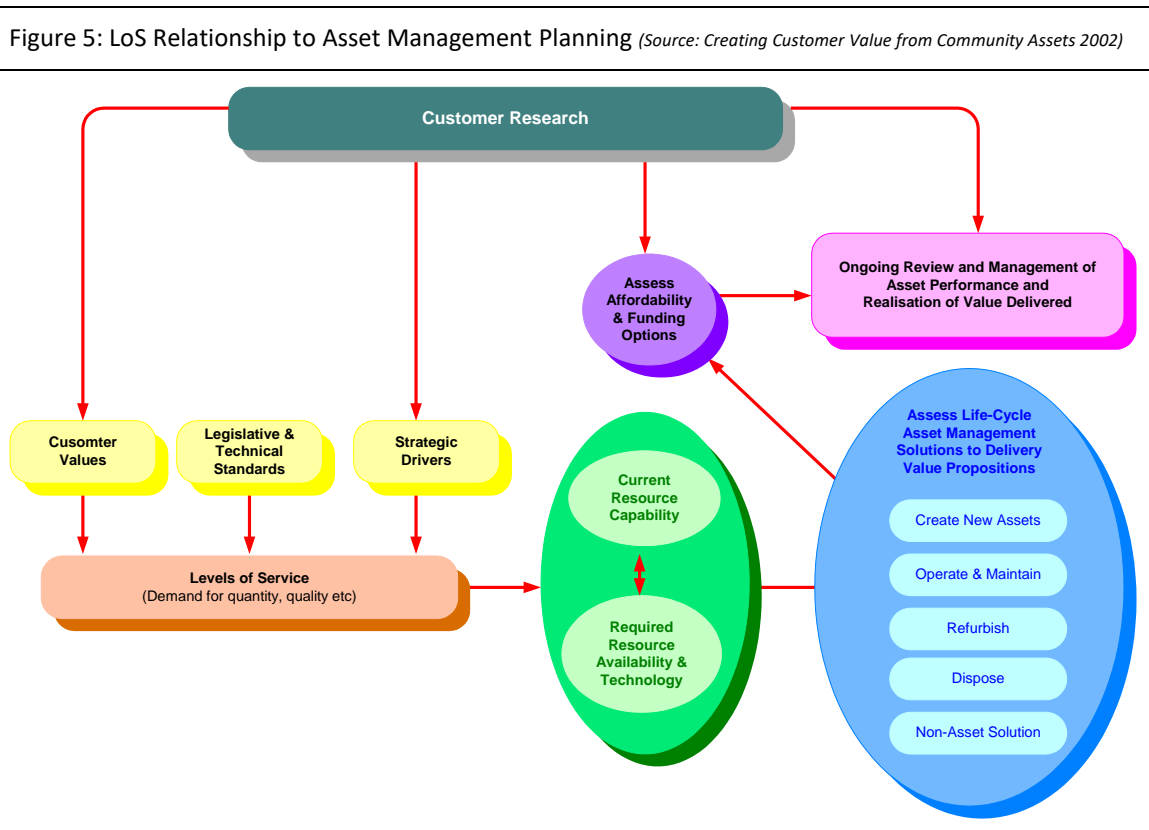
Any change will need to be consulted on with key stakeholders and the community. The outcomes are then incorporated into the decision making process.

## 3 Level of Service relationship to Asset Management Planning

A key component of asset management planning is to provide the levels of service that the current and future community want and are prepared to pay for.

LoS therefore provide the platform for all decisions relating to infrastructure management (as illustrated in Figure 5). Before developing detailed asset management strategies, Council needs to agree the LoS with the community with consideration given to the following:

- Required planned outcomes
- Minimum legislative requirements
- Technical constraints



#### 4 Level of Service development process

Levels of Service are reviewed as part of the LTP development process, and can be undertaken out of cycle if the need arises. The 2015-2025 LTP levels of service are currently being reviewed as part of the 2018-2028 LTP development process.

A range of information is considered in developing the level of service statements and measures. This includes community views and expectations which are discussed further in the 'Community Consultation' section below.

## Community Consultation

As a leader in the Community, Council acts on behalf of the diverse communities in the District, and works with residents and ratepayers so that they can confidently participate in local decision-making.

This Community Consultation section provides details of the consultation and research that Council has carried out in order to establish how the community perceives its activities and how it may better deliver Levels of Service (LoS).

### 1 Requirements under the LGA

The LGA outlines Council's requirement to consult. The Council will abide by the principles of consultation as outlined in section 82 of the Act, unless otherwise legislated for. These include providing reasonable access to relevant information, including the purpose of engagement and scope of decision making. The views of the public must be received with an open mind and given due consideration.

The Act may require a Special Consultative Procedure, for example, when adopting or amending a LTP, or making, amending or revoking a bylaw with significant public impact or interest.

#### 1.1 Significance and Engagement Policy

The LGA requires every local authority to adopt a Significance and Engagement Policy. This sets out:

- (a) that local authority's general approach to determining the significance of proposals and decisions in relation to issues, assets, and other matters; and
- (b) any criteria, or procedures that are to be used by the local authority in assessing the extent to which issues, proposals, assets, decisions, or activities are significant or may have significant consequences; and
- (c) how the local authority will respond to community preferences about engagement on decisions relating to specific issues, assets, or other matters, including the form of consultation that may be desirable; and
- (d) how the local authority will engage with communities on other matters.

The current Significance and Engagement Policy was adopted 30 June 2015 and is due for review in June 2018. A draft Policy will be consulted on alongside the LTP Consultation Document.

### 2 Partnerships with Tangata Whenua

The Whakatāne District is the ancestral home to 5 Iwi of the Mātaatua and Te Arawa wakas; they are Ngāti Awa, Ngāti Manawa, Ngāti Rangitihī, Ngāti Whare and Tūhoe. Also from the District are Tūwharetoa ki Kawerau whose area is predominately within the Kawerau District and Ngāti Mākinō within the Western Bay of Plenty District, as a small portion of their boundaries sit within the Whakatāne District.

The Maori community accounted for approximately 43.5% of the district's population at the last census. Comparatively, the national average was 14.9 %.



The Iwi Chairs Forum was formed in 2013/14 and is comprised of Chairpersons and Executive Officers of Iwi, and the Mayor and Chief Executive of the Council. The forum's aim is to continue to build on and improve the effectiveness of the Council's relationship and communication with Iwi.

The purpose of these hui is to:

- Enable strategic issues of mutual interest to be raised and discussed
- Explore opportunities to integrate and coordinate strategic planning
- Advocate to central government for the collective benefit of the Whakatāne District community
- Better understand our differences and recognise and respect each other's positions.

Council acknowledges the hugely significant role that Iwi play in the District in terms of leading economic, environmental, social and cultural opportunities for our communities. A strong and positive relationship between Iwi and Council will build a foundation for future prosperity and partnerships.

### **3 Annual Residents Survey**

#### **3.1 About the survey**

The Residents Survey provides information on the community's views of Council performance.

Annual surveys have been undertaken since 2000, (except for 2005, 2006, 2007, 2009 and 2010). The data from the surveys provides useful data for comparing and monitoring fluctuations in customer perceptions.

The Annual Residents Survey has a sample size of 300 respondents from across the Council's four community board areas, representative of the District's population distribution and demographics.

Survey questions relate to specific services that may or may not have been used by the survey respondent. The results are based on those who used, therefore able to rate, the service. The less people able to rate the service, the greater the margin of error.

A Customer Satisfaction Index (CSI) to report survey results. For detailed information, refer to the Whakatāne District Residents Survey results 2017.

#### **3.2 Changes to the survey**

Council changed its Survey provider in 2014. This means the ability to compare previous scores with the recent findings may be diminished, however a level of comparability will remain.

The current survey format allows Council to:

- better gauge community perception
- identify areas that may require an increase in LoS
- be comparable with other local authorities across New Zealand

### 3.3 Survey advantages and disadvantages

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Able to compare results since 2000</li> <li>• Ability to compare to peer and national results</li> <li>• Demographic balance e.g. Māori respondents, area balance, reflective age distribution</li> <li>• National Research Bureau is an independent provider</li> <li>• High level of confidence as margin of error is +/- 6% (at 95% confidence level)</li> </ul>	<ul style="list-style-type: none"> <li>• Sample size of only 300</li> <li>• Individual satisfaction ratings can be significantly biased by one bad experience or time of year (weather/holidays)</li> <li>• The satisfaction rating scale was changed in 2004 and 2014 which may create difficulties in comparing historic data</li> <li>• No surveys were undertaken between 2005-2007 (inclusive) or 2009 and 2010 which creates a data gap</li> </ul>

### 3.4 Using the Annual Residents Survey

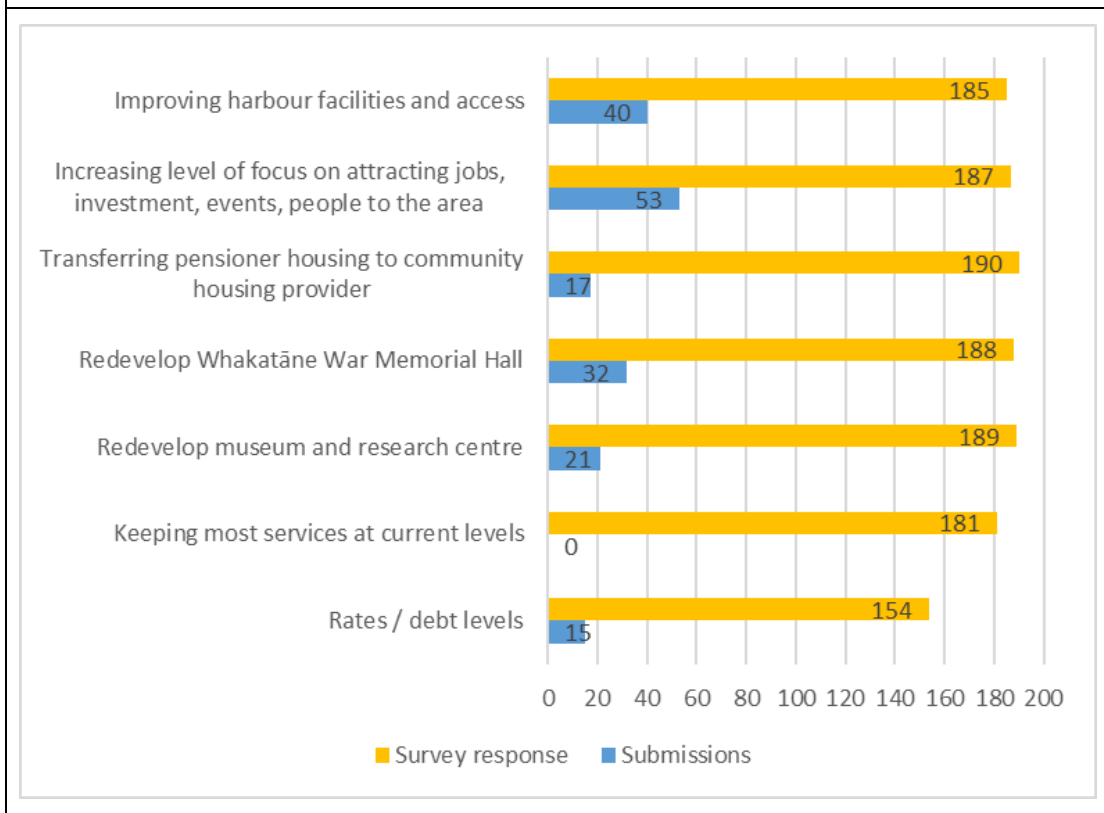
The Council uses the results of the Survey to help develop its LoS and performance indicators. It is also used in some instances to measure our ability to meet these targets.

Detailed results for the specific activity areas are provided in Part B of the AMPs.

## 4 2015-25 LTP consultation

The Draft 2015-2025 Long Term Plan was open for public submission from 12 March to 13 April 2015. A total of 229 submissions were received, with 47 submitters speaking to their submissions at the hearings. Council consulted on 'the big decisions'; 7 individual topics. These, and total feedback received per topic, is in figure 6 below.

Figure 6: Overview Draft 2012/22 LTP Submissions



‘The big decisions’ of the 2015-25 LTP addressed different areas of asset management. This community feedback was considered when formulating the appropriate asset management plan part B.

## 5 Whakatāne Ki Mua engagement

‘Whakatāne Ki Mua’ means ‘Whakatāne moving forward’. It is an all embracing project which aims to encourage people to work together to enhance their communities and District and ensure they will continue to be great places to live, work and play. Initiated by the Council in November 2016, there are over 60 partnering organisations, agencies and community groups.

Over 18,000 ideas and comments were provided by approximately 3000 people throughout the initial community engagement process. Commentary relevant to Council assets was considered when formulating the appropriate asset management plan.

## 6 Customer service requests and complaints

The Ozone customer request for service system (by Origen Technology Ltd) has been implemented across the organisation. This allows for the accurate capture of query/complaint data and allows calls/requests to be tracked through allocation to relevant departments and eventual resolution.

This does allow useful data to be collected and analysis of trends to be undertaken. However, it is not always the most useful form of gauging the community’s perception of activities, as it is particularly negatively focused by the nature of being complaint driven.

## **7 Future Stakeholder Consultation**

The LGA gives communities a mandate to be more involved in Council's decision-making processes. Local government is a representational democracy, so the final decision is vested in elected members.

Whakatāne District Council will work with the community, partners, iwi, government and private organisations and agencies, national and local. A range of consultation methods will be used to ensure public participation in this process.

Whakatāne District Council will identify key organisations that can influence and contribute to community well-being, building on historic relationships and forging new links. Whakatāne will also encourage all residents in the District to participate in determining community outcomes.

Community involvement is actively promoted and encouraged. Specific future consultation events will include:

- The Annual Residents Survey
- Long Term Plan consultation every three years
- Level of Service consultation as part of the LTP process with additional targeted pre-consultation
- Other activity specific consultation as required or as the need arises

## Growth and Demand

This section outlines the main demographic data and describes the strategy that Whakatāne District Council will adopt for growth and demand.

Schedule 10 of the LGA requires that growth and demand be considered as part of asset management planning to ensure that future requirements are identified and planned for. This will ensure that the needs of the individuals, the community and the District can be maintained over the long term.

### 1 Introduction

The Whakatāne District consists of a number of urban communities that vary in population. Trends, Influences and Assumptions document as part of the LTP 2018-28 assists in understanding the changing demographics of these communities. This relies on a number of sources, including but not limited to:

- 'Demographic and Employment Projections 2013-2063' National Institute of Demographic and Economic Analysis (NIDEA) report – based on 2013 Census data
- Additional Statistics New Zealand 2013 Census data
- The New Zealand Deprivation Index for 2013 (NZDep2013).

Other relevant considerations include community expectations, residential and commercial development, climate change, public and environmental health, and legislative requirements.

Planning for future growth and demand is imperative to provide an economically sustainable pathway to meet the needs of the District and its visitors.

Growth and demand planning allows for identification and quantification of areas in the District that are likely to experience significant pressures.

For further information on the Districts projected growth and demand, please see the Trends, Influences and Assumptions document on the Council website.

### 2 Population and Development

The following section investigates the demographics of the Whakatāne region. The following data is provided to gain an understanding of the potential needs of the community and where services may be required in future, as growth and population change occurs in different areas.

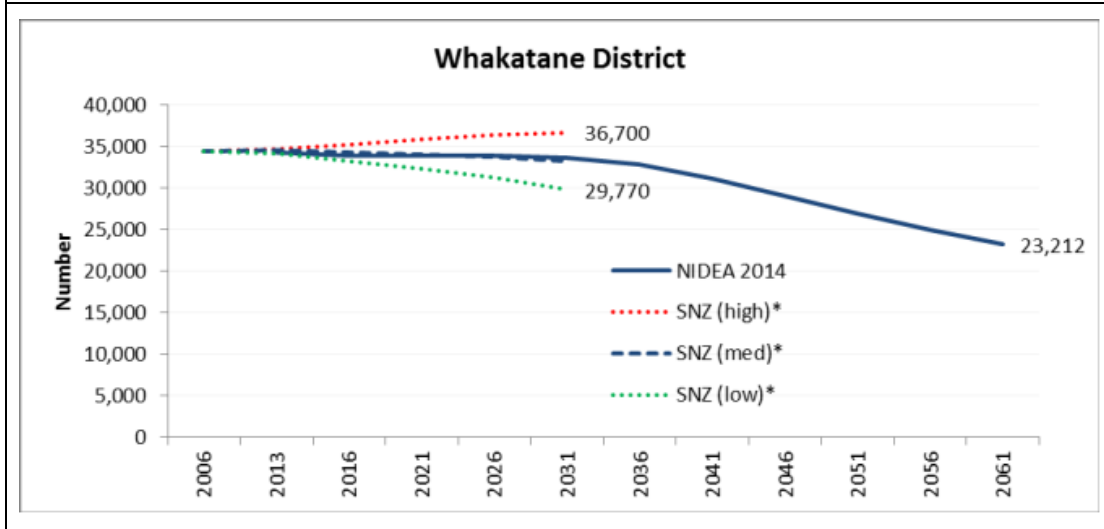
#### 2.1 Demographic Overview

Whakatāne District's resident population is currently 34,600. This is an increase of 1,909 or approximately 5.5% on the 2013 Census figure of 32,691. Over half the population (52%) live in the Whakatāne Urban Ward. This includes Whakatāne Town, Coastlands and Ōhope.

Overall, rates of growth in the Whakatāne urban area have slowed since the 1990s but there is a strong growth in particular nodal areas such as Coastlands. This is symptomatic of a general trend, nationally and internationally, of people moving closer to the coast.

Figure 7 below, based on 2013 census data, shows the Statistics New Zealand low, medium and high population projections and the NIDEA projections, for the Whakatāne district until 2031 and 2061 respectively.

Figure 7: Whakatāne District Population Projection

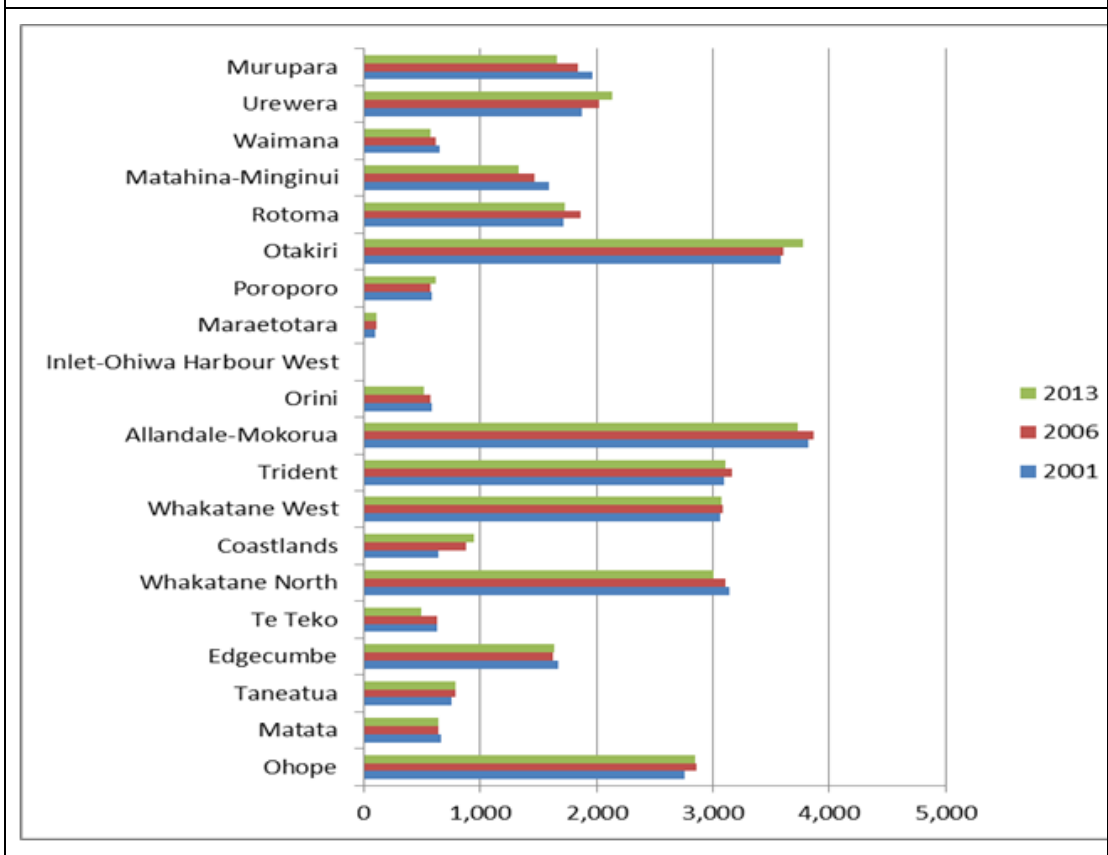


Comparing the above figures to the district’s historical census trends, the medium projection has a similar gradient to the actual rate of change for the region. This projection shows a relatively static population until around 2031, before a more rapid decline. Net migration projections and an ageing population are the main factors associated with this change.

Although the district’s population is predicted to decline, the urban areas of Whakatāne, Coastlands and Ōhope are expected to experience growth.

Figure 8 shows the change in population across the district over the last three census periods. The highest rates of population gain over the latest Census period were in Poroporo (8.9%), Coastlands (8.6%), Urewera (5.5%) and Otakiri (4.7%). The areas of noticeable population declines were Te Teko (22%), Orini (11.5%), Murupara (9.8%), Matahina-Minginui (8.8%), Rotomā (7.4%) and Waimana (6.3%).

Figure 8: Population Census Figures between 2001-2013



## 2.2 Age Profiles

Figure 9 indicates the changing population distribution in the Whakatāne District. There is an increasing aging population (65+ years) and a decreasing younger population (0-14 years), that reflects the national trend. This is predicted to continue.

Young adults (18-24 years) continue to leave the district for education, employment or life experience. These tend to be replaced by an inward migration of older persons (35+ years).

Approximately one-third of Whakatāne’s population will be aged 65+ years by 2033 (up from 15.5% in 2013). By 2063 that proportion is projected to reach 45.4%.

Implications for an aging population include a changing demand for Council services, affordability due to limited incomes, labour availability and changes in demands for housing.

Figure 9: Projection of Age Distribution 2013-2063

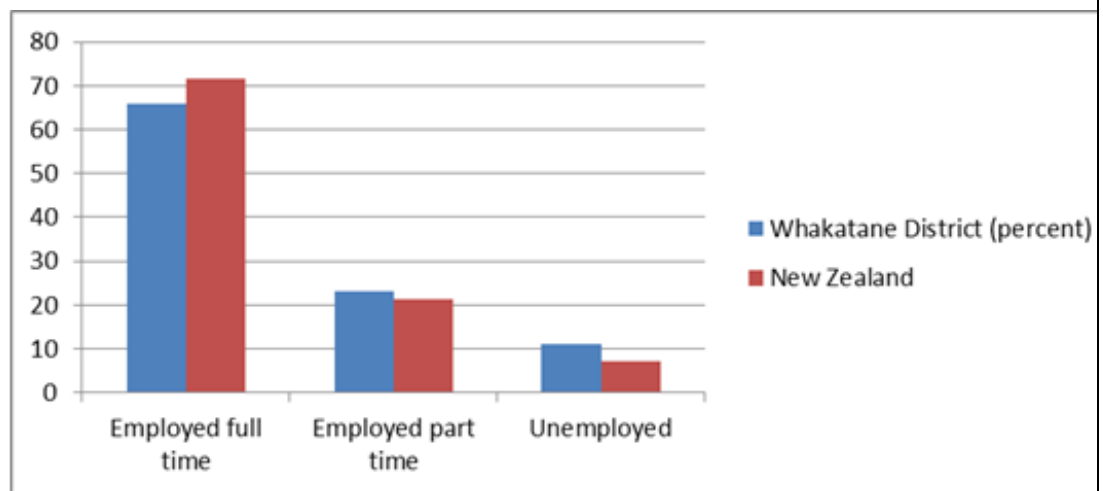


### 2.3 Employment Statistics

Figure provides a comparison of employment statistics in Whakatāne with national statistics. The unemployment rate in the Whakatāne District is 11.0 percent for people aged 15 years and over, compared with 7.1 percent for all of New Zealand.

Figures 10, 11 and 12 provide insight into the comparative ability of Whakatāne residents to pay for services.

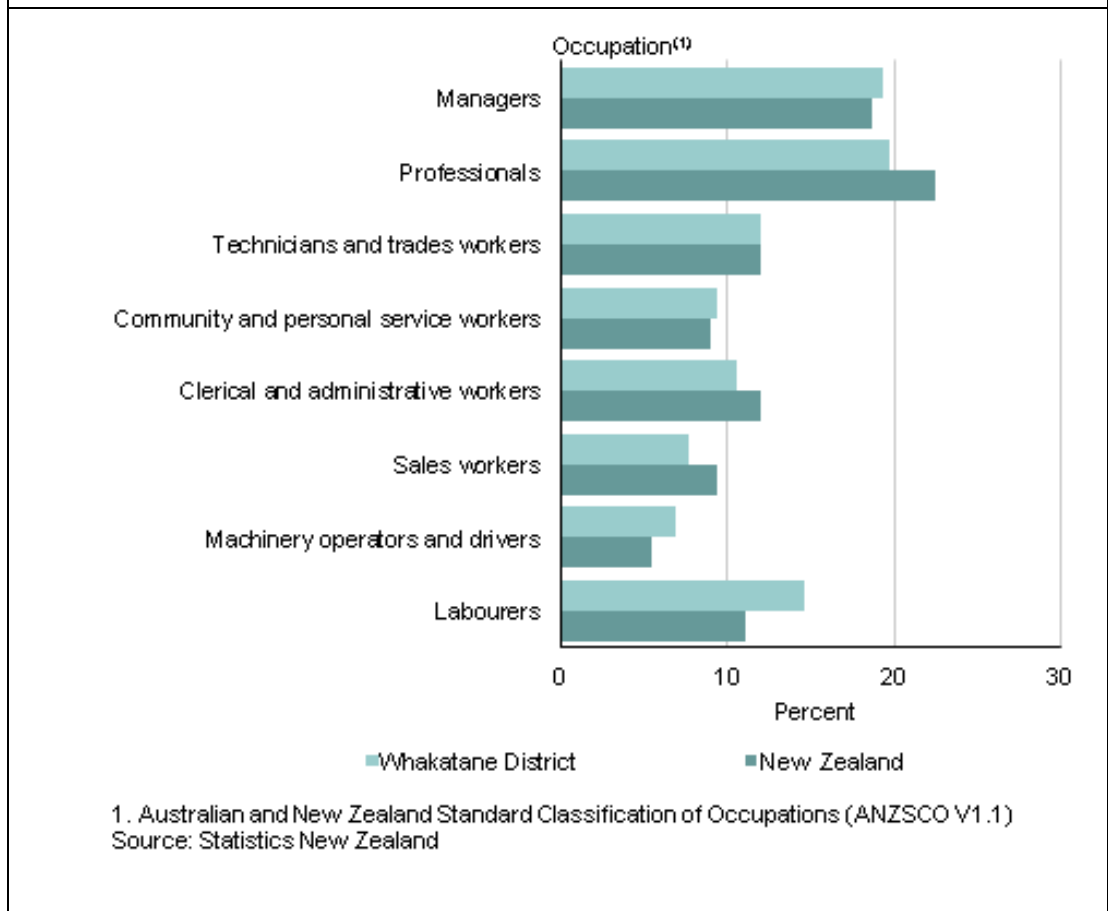
Figure 10: Comparison with National Employment Statistics



'Professionals' is the most common occupational group in Whakatāne District. This is the same as the rest of New Zealand (Figure 11).

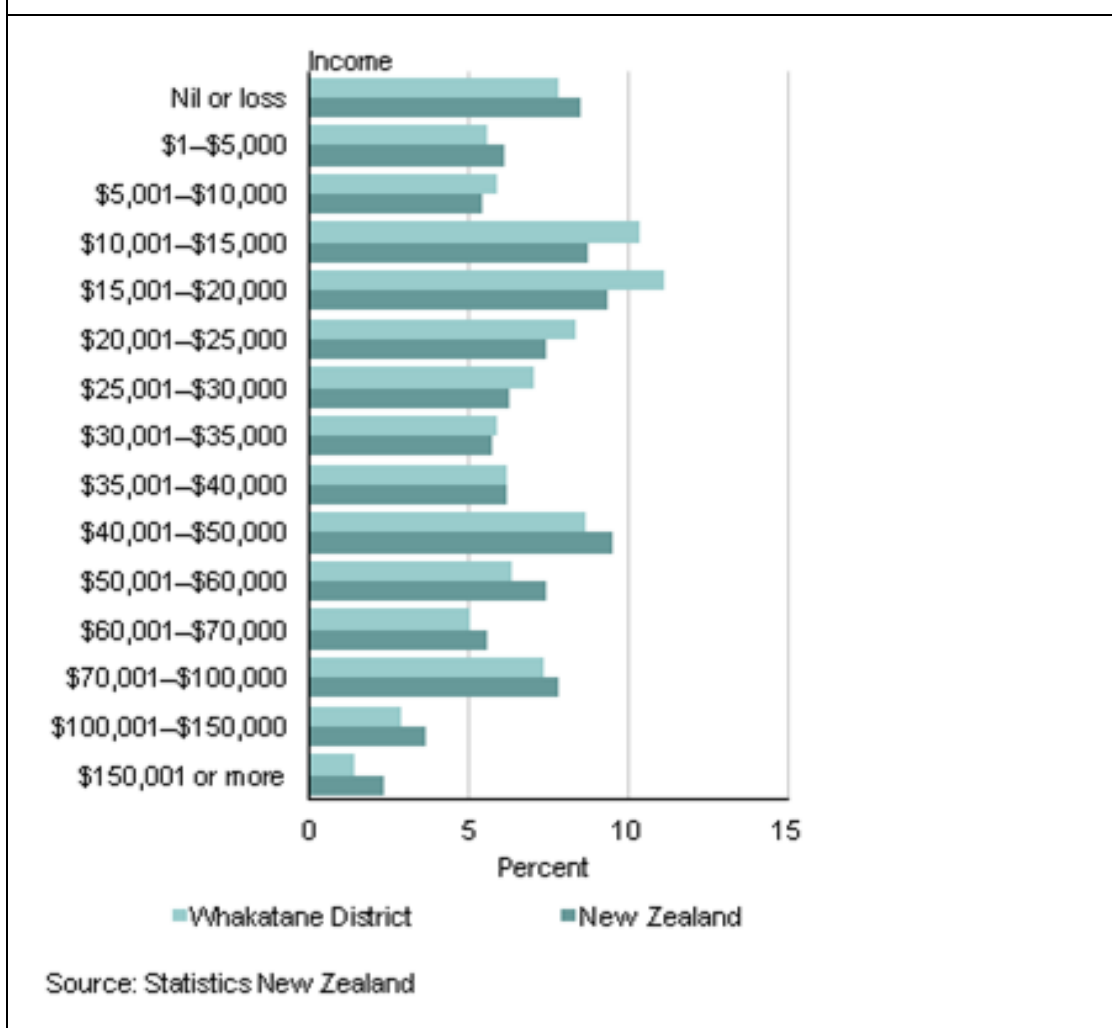


Figure 11: Professions



Whakatāne residents generally earn less than the national average. For people aged 15 years and over, the median income is \$25,600. This compares with a national median of \$28,500.

Figure 12: Total Personal Income



## 2.4 Deprivation Index

The New Zealand Deprivation Index for 2013 (NZDep2013) is a decile-based measurement, which compares relative deprivation throughout the country. It is a measure that takes into account various factors including employment status, income, lifestyle and internet accessibility. The most deprived areas have a greater numerical value. It

The Whakatāne District averages a decile 8 rating. Table 1 shows the decile and score for each census area unit of the District and Figure 10 shows the deprivation profile of the Whakatāne District.

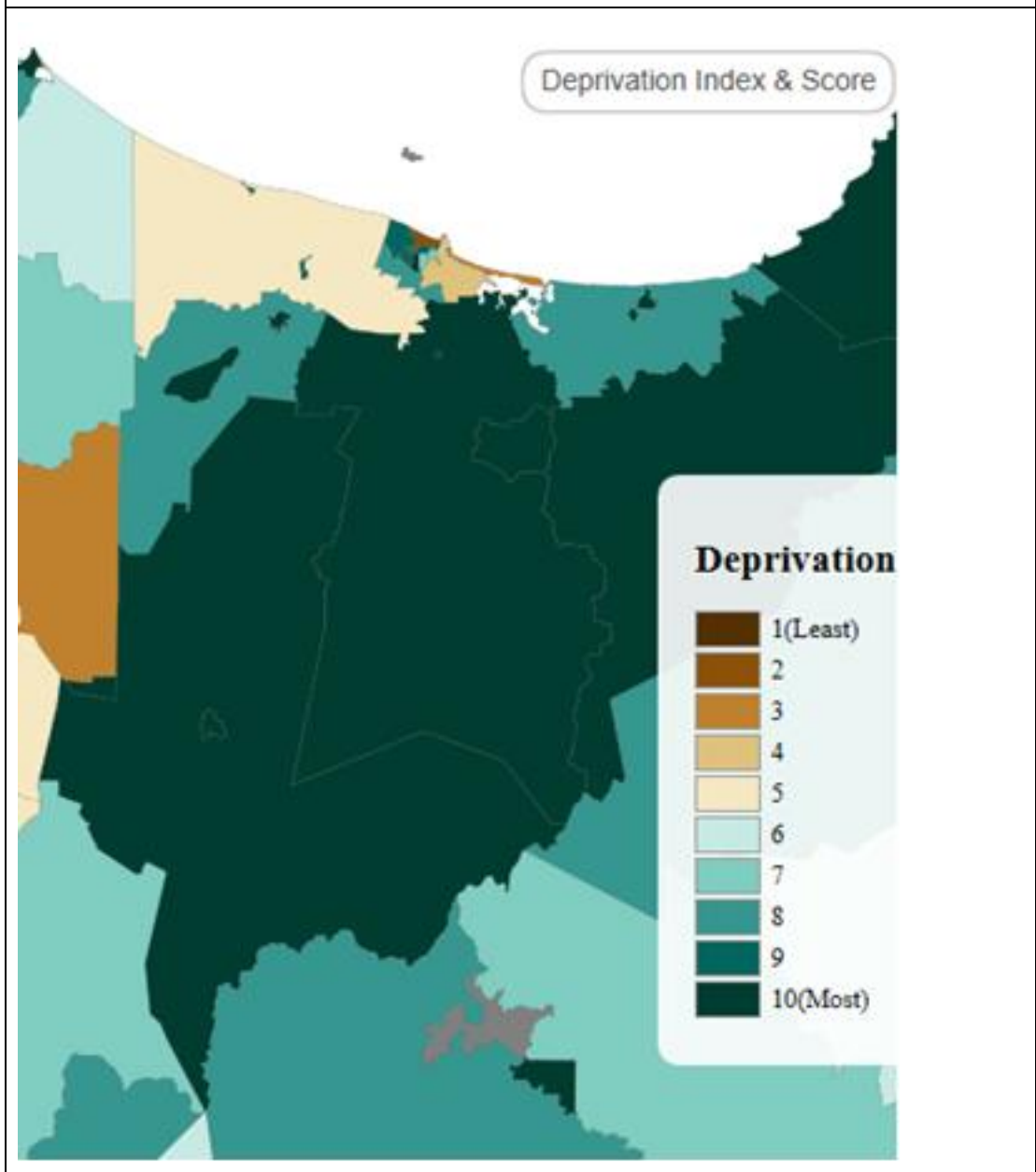
Seven of the 19 District census area units have the highest deprivation score of 10, including Murupara and Te Teko. A further five District census area units have the next highest deprivation level of nine. Together, these areas capture 58% of the District. Coastlands and Ōhope are the most affluent areas.

The Whakatāne District has high levels of deprivation, which may affect development and growth patterns. The relative deprivation of the residents in the District may affect their ability to afford services.

Table 2: Census Area Unit NZDep2013 Values

Census Area Unit	Decile	Average Score	Population (Census 2013)
<b>Ohope</b>	<b>3</b>	<b>939</b>	2,847
<b>Matata</b>	<b>9</b>	<b>1067</b>	642
<b>Taneatua</b>	<b>10</b>	<b>1152</b>	786
<b>Edgecumbe</b>	<b>9</b>	<b>1068</b>	1,638
<b>Te Teko</b>	<b>10</b>	<b>1146</b>	489
<b>Whakatāne North</b>	<b>9</b>	<b>1062</b>	3,000
<b>Coastlands</b>	<b>2</b>	<b>918</b>	948
<b>Whakatāne West</b>	<b>9</b>	<b>1090</b>	3,069
<b>Trident</b>	<b>10</b>	<b>1130</b>	3,105
<b>Allandale-Mokorua</b>	<b>7</b>	<b>1012</b>	3,726
<b>Orini</b>	<b>9</b>	<b>1093</b>	510
<b>Maraetotara</b>	<b>4</b>	<b>943</b>	111
<b>Poroporo</b>	<b>8</b>	<b>1047</b>	621
<b>Otakiri</b>	<b>5</b>	<b>971</b>	3,774
<b>Rotoma</b>	<b>8</b>	<b>1049</b>	1,725
<b>Matahina-Minginui</b>	<b>10</b>	<b>1120</b>	1,335
<b>Waimana</b>	<b>10</b>	<b>1136</b>	576
<b>Urewera</b>	<b>10</b>	<b>1110</b>	2,136
<b>Murupara</b>	<b>10</b>	<b>1278</b>	1,653

Figure 13: Whakatāne Deprivation Index 2013

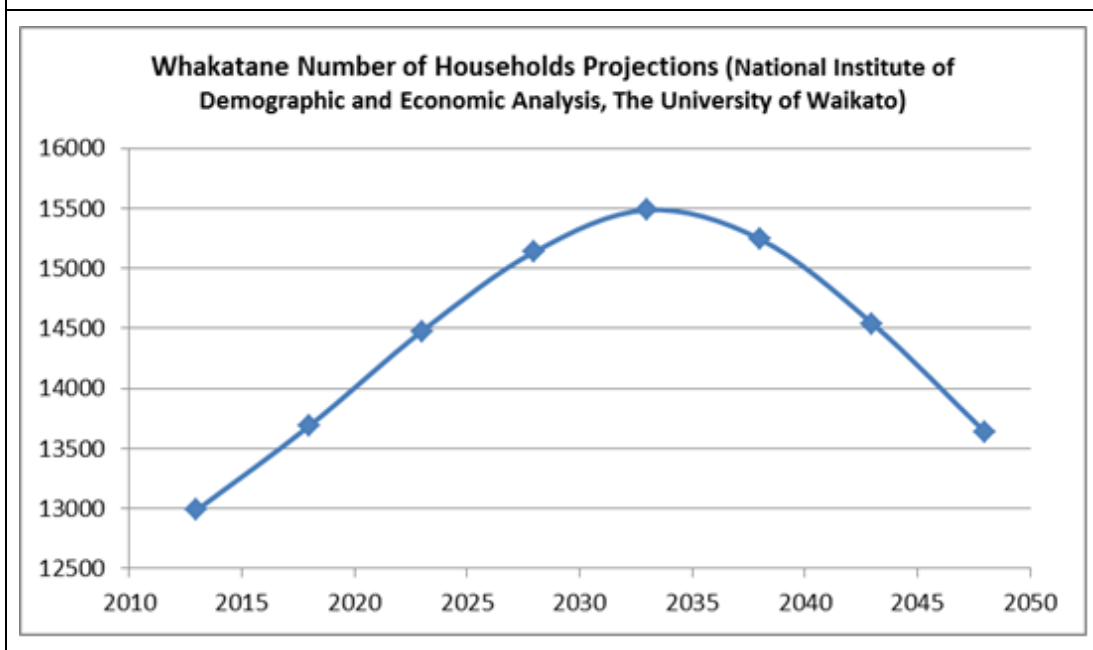


*Note: that the Te Urewera National Park and Whirinaki Forest Park account for a considerable portion of the red in the figure above.*

## 2.5 Number of Households and Occupancy

Despite a static and potentially declining population, the demand for housing is predicted to grow until around 2031 (figure 14, NIDEA).

Figure 14: Projection of Households 2013-2063



NIDEA projections indicate that there will be an increase in the overall number of households in the district up until 2033, however there is likely to be a decrease in the occupancy rate. This mirrors a current national trend with smaller families and a larger proportion of individuals living on their own (due in part to an aging population). As of the 2013 census, there are 2,757 one-person households making up 23.8 percent of all households. In New Zealand, one-person households make up 23.5 percent of all households.

On average, household size has decreased from 2.8 people in 2006, to 2.7 people in 2013 (TIA LTP 2018-2028). 2.7 people per household is the same as the average for all of New Zealand.

### 3 Residential Development

Specific areas continue to see demand for residential development, due in part, to the increasing number of people wishing to live and retire to a coastal area and the attraction of Whakatāne as a holiday destination.

Census figures indicate a 9.5% increase in dwelling between 2001 and 2013, an average increase of approximately 0.79% per year. This growth predominantly occurred in Whakatāne town, Ōhope, Coastlands and Orini (northern part of Rangitāiki Plains).

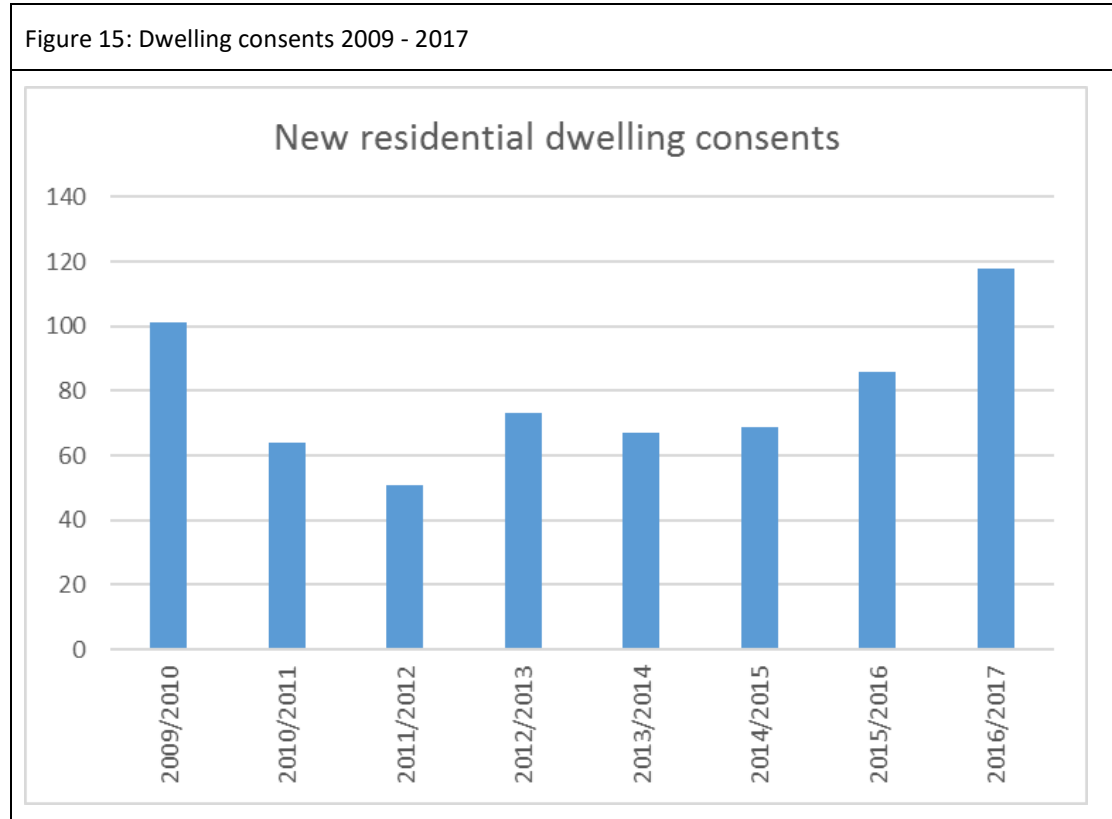
This includes both intensification of currently populated areas and extending into the lesser-populated “greenfields”. Also included are a number larger lifestyle blocks around Whakatāne.

Upgrades to existing infrastructure may also be needed for growth within urban areas.

Whakatāne District Council has a Development Contributions Policy to account for infrastructural requirements necessary for new development.

### 3.1 Historic & Projected Building Consents

Figure 15 below shows the total number of building consents for residential dwellings processed from 2009 - 2017.



### 3.2 Anticipated Residential Development by 2050

The Operative District Plan 2017 aims to rezone the Shaw/Huna Road area residential and deferred residential. Similarly, it will also rezone part of Kopeopeo, as Urban Living, to allow for intensification and a greater housing density. It is anticipated that this will allow the following potential housing yields over the next 15-20 years (Table 3). These will have to be reviewed following further investigations and final decisions as part of the District Plan process.

Table 3: Projected increase in residential dwellings

Area	Projected Dwellings
Port Ohope	36
Shaw/Huna Road	135 dwellings
Coastlands/Piripai	813 dwellings
Whakatāne / Ohope	553 dwellings

Source: District Plan- Section 32 Analysis - Strategic

The growth of residential lifestyle blocks around Whakatāne, that will ultimately become subdivisions, will also place a demand on the activities.

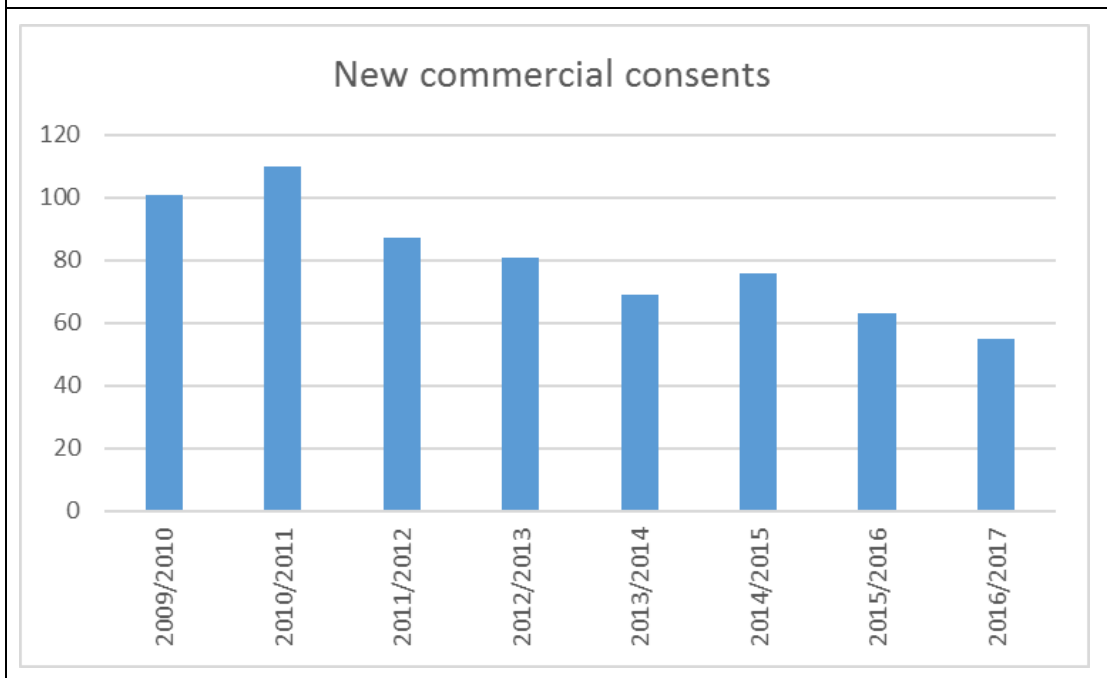
The only way to ensure that the Council is keeping ahead of development is to monitor population growth and uptake of residential land.

#### 4 Commercial Development

Commercial development includes business, office blocks, hotels/motels and industrial development.

Whakatāne has seen an increase in the number of bulk retail store commercial developments in recent years. The latest bulk retail store development (The Hub) is located at the entrance to the town. The urban area particularly has experienced demand for larger floor retailing.

Figure 16: Historical New Commercial Consents 2009-2014



##### 4.1 Anticipated Commercial / Retail Development by 2050

The Council will progressively work towards commercial / retail development in the district to provide employment and facilitate growth. The following actions have been undertaken to implement the Council's direction.

- A Structure Plan for development in the Port Ōhope area was developed and included in the recently completed District Plan review. This provides a concept plan to allow for a mix of residential, commercial and reserves.
- The District Plan now includes a new Mixed Use Zones that encourage a concentration of commercial development around the Whakatāne CBD.
- The Hub area has been rezoned large format retail in the District Plan, and is considered the best location for such development.

## 5 Industrial Development

Primary industries such as agriculture, forestry and support industries have a significant presence in the District.

Dairy farming dominates the District’s agricultural sector and is supported by the Edgecumbe Dairy Manufacturing Site. There is potential for expansion of agriculture support industries in Edgecumbe.

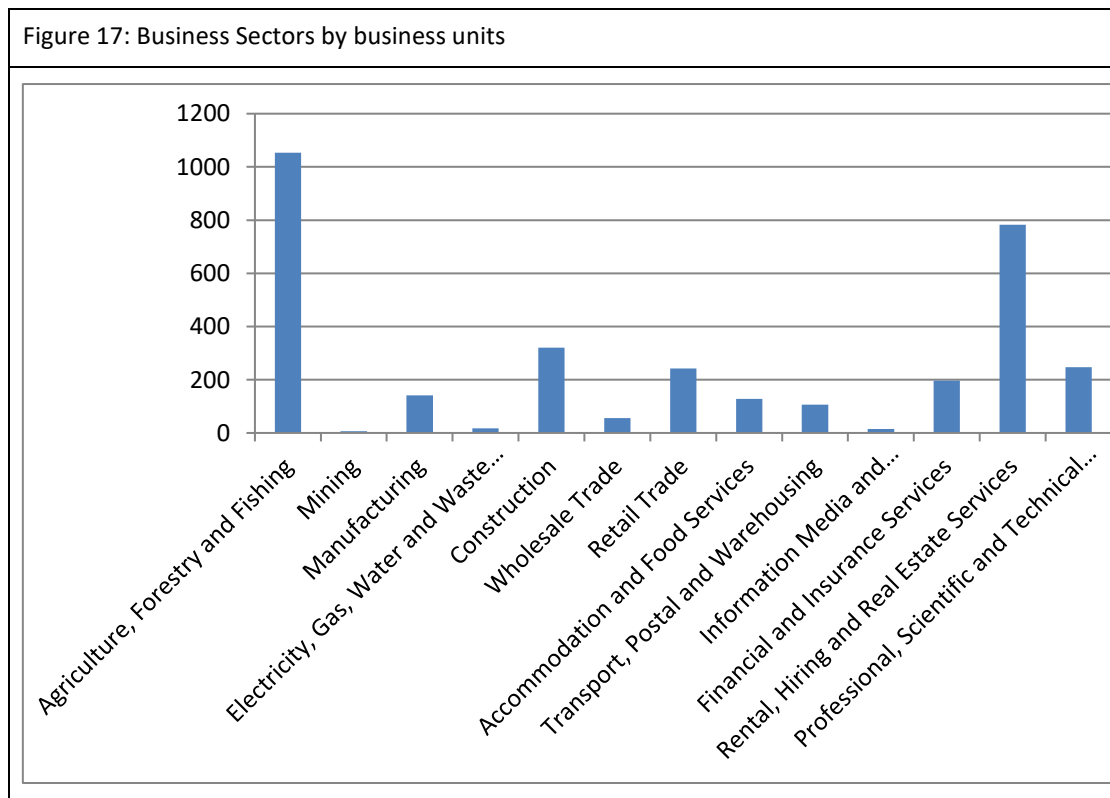
Industry in Whakatāne is focused on serving the local market and surrounding rural area. Some heavy industry, such as the Whakatāne Mill, is located on the outskirts of Whakatāne, but is predominantly located out of the District in Kawerau. There is significant new development identified for the Kawerau industrial area. This pattern is likely to continue into the future. Murupara has a large industrial area, but low employment in this sector.

Exotic plantation and horticulture have a large presence in the District. The exotic plantation forests make up 29% of land in the District and employs a large number of those who reside in the District; harvesting, forestry activities and wood processing. The horticulture industry is expected to grow, offering full time and seasonal employment.

Dairy, forestry, and horticulture enterprises contribute to the district’s economy and each can place pressures on Council infrastructure, particularly transport networks.

### 5.1 Historical Industrial Development

Figure 17 (below) shows the distribution of business sectors by business units, as at the 2013 census. Of the industrial units (as opposed to commercial or rural based), the construction industry has the greatest number of business units.





## 5.2 Anticipated Industrial Development by 2050

Council and other agencies (Kawerau and Ōpōtiki District Council's and the Bay of Plenty Regional Council) promote activities aimed at increasing employment, income and investment in the District. Potential economic growth areas include, but are not limited to, geothermal energy, wood processing, forestry and marine resources (e.g. aquaculture). There are also considerable opportunities associated with investment by Māori in their lands and the potential for economic growth in this area, with a resulting enhancement of cultural wellbeing noted.

The Council will progressively work towards industrial development of the district to provide employment and encourage growth.

The following actions are identified to implement the Council's direction.

- Council direction is for Kawerau to provide the majority of additional land required for industrial purposes so that Kawerau remains the industrial focus at a sub-regional scale.
- Encourage industrial development to locate at Kawerau to strengthen existing rail link between Kawerau and Port of Tauranga.
- Monitor commercial activity in the logistics and distribution sector in the region.
- Monitor land availability around the Port, and investment in rail capacity and upgrades to rolling stock.

Table 4: Anticipated Industrial Growth & Demand

Industrial Node	Existing Sectors	Anticipated Growth & Demand?
Whakatāne Town Centre	<ul style="list-style-type: none"> <li>▶ Wholesale Trade</li> <li>▶ Manufacturing</li> <li>▶ Construction</li> <li>▶ Electricity</li> <li>▶ Utilities</li> </ul>	<ul style="list-style-type: none"> <li>▶ Strongest growth in employment is in retail sector followed by professional services</li> <li>▶ Oversupply of industrial land</li> </ul>
Edgecumbe	<ul style="list-style-type: none"> <li>▶ Manufacturing</li> <li>▶ One dominant employer – Fonterra</li> </ul>	<ul style="list-style-type: none"> <li>▶ Flooding problems limit new industry. Dependant on Fonterra.</li> <li>▶ Excess supply of Industrial Land</li> </ul>
Mill Road	<ul style="list-style-type: none"> <li>▶ Small Node</li> <li>▶ Construction</li> <li>▶ Carter Holt Harvey mill</li> <li>▶ Heavy industry limited</li> <li>▶ The Hub Retail centre</li> </ul>	<ul style="list-style-type: none"> <li>▶ Consented retail activities in the area will limit heavy Industry.</li> <li>▶ Light industry to support local market.</li> <li>▶ High vacancy rate, however complements Whakatāne South</li> </ul>
Murupara	<ul style="list-style-type: none"> <li>▶ Smallest Node</li> <li>▶ Forestry and support industry</li> </ul>	<ul style="list-style-type: none"> <li>▶ Relative isolation limits any future industrial activity.</li> <li>▶ Low vacancy rate, however not under supplied</li> </ul>
Whakatāne South	<ul style="list-style-type: none"> <li>▶ Construction sector dominates</li> <li>▶ Concrete manufacture and metal supply</li> </ul>	<ul style="list-style-type: none"> <li>▶ Two small pockets of industrial zoned land</li> <li>▶ Likely to remain more industrial/ construction related.</li> <li>▶ Low vacancy rate</li> </ul>

Currently planned future growth includes land opposite the Hub for further bulk type commercial development. Also envisaged is the redevelopment of the present Central Business area.

The impacts of any future industrial development on the activity will need to be reviewed as and when building consents are issued.

## 6 Tourism

Whakatāne is a popular tourist destination. During summer months, there is a significant increase in the population of the coastal areas of the District, particularly the townships of Ōhope, Whakatāne and Matatā.

Accommodation statistics continue to reflect the upswing in popularity of the District, particularly with overseas visitors. Total guest nights rose 13.8% compared to 2016/17. International guest nights rose 33.7%,

In 2016/17 tourism contributed \$136 million to the District's economy, with international visitors contributing \$31 million of this.

Whakatāne hosts a variety of events throughout the year including Local Wild Food Challenge, Sunshine and a Plate Festival, Oxfam Trailwalker, Whai Ora Spirited Women and major sporting events such as national touch rugby and fishing competitions.

Council continues to work, and provide funding for, Tourism Bay of Plenty, which has contributed to an increased awareness of the District's attractions, particularly Whakaari/White Island, with Tourism New Zealand and offshore tourism markets. Council wants to maintain tourism growth by positioning Whakatāne as the 'Gateway to White Island/Whakaari' (Annual Report 2016/17).

## 7 Council Policies and Strategies

### 7.1 Whakatāne Integrated Urban Growth Strategy

The Whakatāne Integrated Urban Growth Strategy was adopted by the Council in 2010. The purpose of the strategy is to provide ways of planning for and managing growth in a proactive, rather than reactive, manner. The strategy provides Council with an opportunity to direct how and where growth is provided and ultimately manage the effects and costs of such growth.

This was based upon a review of the Residential Growth Strategy and various other industrial, commercial and transportation studies.

The study applied the highest growth projections for New Zealand nationally (provided by Stats NZ) to Whakatāne. This suggested that Whakatāne town's urban population would reach 25,000 by 2050. This scenario assumes an annual growth rate of around one percent, which is significantly higher than the projections provided by Statistics NZ.

The Council acknowledges this as an optimistic growth rate and it would not be financially prudent to anticipate building large scale infrastructure to meet this level of population growth, without a commitment from one or more developers to proceed. The AMPs are therefore based on the growth figures relied upon and discussed earlier in this section.

### 7.2 Development Contributions Policy

The Council's Development Contributions Policy enables the Council to take monetary contributions or contributions in the form of land, in order to fund Capital Works associated with growth. This policy is required under the LGA 2002 and is included as part of its funding and financial policies in the LTP.

The purpose of the development contributions policy is to ensure those who build on, use, subdivide land or connect to a service, make a fair contribution to the costs of upgrading or building new infrastructure. This includes improved or new parks and reserves, upgraded

roads, stormwater, water, wastewater and solid waste facilities, and other enhanced community infrastructure, for example, more public toilets.

The policy acknowledges that smaller houses are likely to have less impact on services. The Council has introduced a sliding scale for houses of 75m<sup>2</sup> in gross floor area or less. These houses will pay a percentage of the full development contribution based on how much less than 75m<sup>2</sup> in area they are.

The Whakatāne Operative District Plan 2017 incorporates financial contributions at chapter 14. Financial contributions can be required under the Resource Management Act 1991. These enable contributions to be taken to mitigate environmental effects of a development or subdivision e.g. effects on roads, public carparks and service lanes (for business activities) water supply, sewage collection and disposal, stormwater detention, collection and disposal, and community facilities including reserves.

### **7.3 Whakatāne District Development Strategy**

Council is currently preparing a Whakatāne District Development Strategy.

The Development Strategy project seeks to:

1. Review the Whakatāne Integrated Urban Growth Strategy
2. Meet new requirements for Council under the Resource Management Act and National Policy Statement on Urban Development Capacity
3. Provide an economic development direction specific to the Whakatāne District
4. Provide direction and a coordinated approach for development in the Whakatāne district.

Assessments undertaken as part of the Development Strategy will determine the development capacity required for future residential, commercial and industrial development.

The information in this plan does not reflect the Development Strategy work to date, as this has not yet been formally approved by Council. Once approved, the Development Strategy will be incorporated into the AMP's as appropriate.

### **7.4 Projects**

The projects related to growth over the next 10 years (2018 – 2028) can be found under the Projects and Financial Forecasts sections.

The Capital Works programmes included in the AMP are based on the NIDEA population projections and Statistics NZ medium projections (where NIDEA data is not available). There are likely to be variations in this projected growth rate in parts of the District over this period. The Capital Projects also take into account the land use changes included in the Proposed District Plan.

## Risk Management

This section provides an overview of the current risk management framework. For activity specific risk management registers, please see Part B.

### 1 Whakatāne District Council Risk Management Policy

Whakatāne District Council adopted the current Risk Management Policy (RMP) in March 2016.

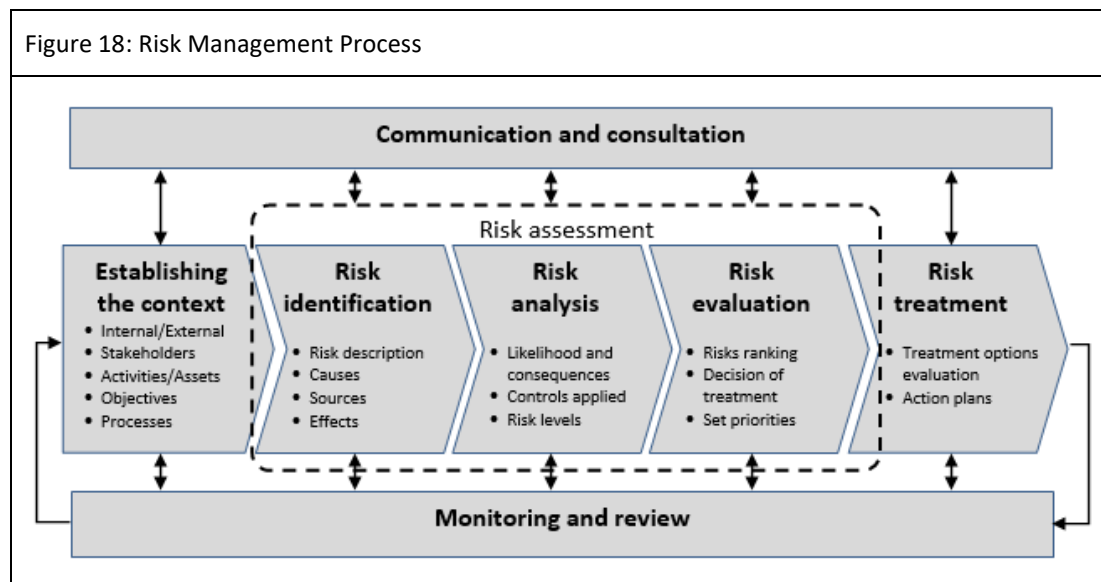
The purpose of the RMP is to establish a risk management framework to effectively and efficiently manage risks inherent to Council operations that may negatively affect its objective and goals.

The RMP describes the Councils approach to risk management, defines roles and responsibilities, outlines key aspects of the risk management process and provides methods to revise and continually improve the way Council manages risk.

Individual asset management plans are required to assess and manage risk in line with the RMP. Further information can be obtained directly from the RMP.

### 2 Risk Management Process

Risk management is an ongoing process. It is an integral part of organisation management Figure 18 outlines Councils ongoing approach to risk management.



The RMP explains this process in further detail and is available on the Council website.

To assist in asset management risk assessments, the RMP provides guidance regarding:

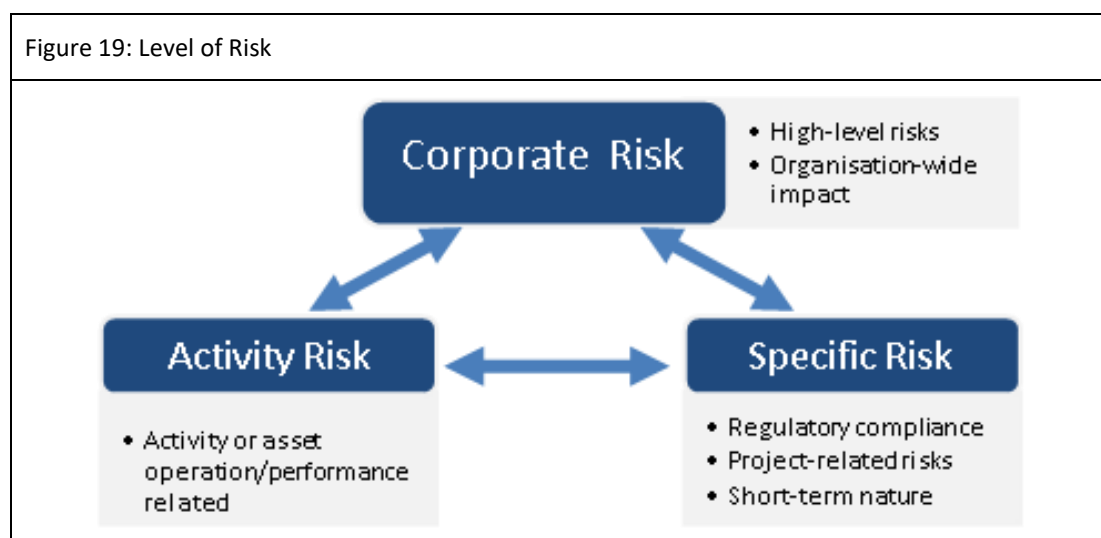
- Likelihood of occurrence
- Consequences rating table
- Risk assessment matrix and response table

### 3 Levels of Risk

Risks are identified and managed at different levels in the organisation in line with the specific nature of each risk and the responsibilities and skills of staff. The RMP identifies three risk levels; corporate risk, activity risk and specific risk:

- Corporate risks are the highest level of risk in the organisation. This includes risks that may impact on main objective or assets, or which may affect several activities or assets. They may be a combination of activity and specific risks.
- Activity risks are those that may impact on an activity’s objectives, targets and performance levels. They are both a higher, corporate level risk, and a more detailed, asset specific risk.
- Specific risks may be short-term and usually relate to specific projects.

Risk identification requires different perspectives; financial, operational, organisational, reputational and public health and safety.



All identified risks will be registered in Risk Registers according to their type. Corporate Risks will be recorded in a Corporate Risk Register and Activity and Specific Risks will be recorded in subsidiary risk registers according to the related area.

Risk Registers include identification, analysis, evaluation and treatment of individual risks, as well as the assigned responsibilities and accountabilities. More specific treatment plans can be developed if required.

### 4 Determine Gross Risk Factor

Initially, the gross risk needs to be calculated, so likelihood and consequences need to be considered as if there were no measures in place to prevent or mitigate the risk occurrence. Essentially gross risk is an exercise to determine “What is the worst that could happen?” Once the gross risk is determined it is possible to investigate the current systems and processes to identify the net risk and then formulate an action plan to further reduce the likelihood or consequences of identified risks occurring.

Table 5 and Table 6 demonstrate the scales used to determine the likelihood and consequence levels, which are input into the risk calculation to consider the effect of a risk event.

The likelihood of occurrence and severity of consequences should be based on as much real data as possible, for example local knowledge or recorded events such as maintenance records, weather events, etc. Some analysis may be required for verification.

The likelihood scales identify how likely, or often, a particular event is expected to occur, these are shown in the table below.

Table 5: Likelihood of Occurrence

Likelihood	Score	Descriptor
Almost certain	5	<ul style="list-style-type: none"> <li>&gt;90% chance of occurring in next 12 months.</li> <li>It is expected to occur in 9 of the next 10 years.</li> </ul>
Likely	4	<ul style="list-style-type: none"> <li>70% - 90% chance of occurring in next 12 months.</li> <li>It is expected to occur in 7 of the next 10 years.</li> </ul>
Possible	3	<ul style="list-style-type: none"> <li>30% - 70% chance of occurring in next 12 months.</li> <li>It is expected to occur in 3 of the next 10 years.</li> </ul>
Unlikely	2	<ul style="list-style-type: none"> <li>5% - 30% chance of occurring in next 12 months.</li> <li>It is expected to occur once in the next 10 years.</li> </ul>
Rare	1	<ul style="list-style-type: none"> <li>&lt;5% chance of occurring in next 12 months.</li> <li>It is expected to occur once in the next 30 years or more.</li> </ul>

Table 6: Consequences rating table

Scale	Score	Financial	Health and safety	Legislative and regulatory	Operational and service delivery	Image and reputation
<b>Catastrophic</b>	<b>5</b>	<p>A Capex overspend of &gt;15% or an Opex overspend of &gt;5% of the annual plan.</p> <p>Rates increase of &gt;2pp above the limit on rate increase from the financial strategy in the LTP/Annual plan.</p> <p>Unanticipated costs or losses of over \$5 Million.</p>	<p>An incident resulting in multiple fatalities.</p> <p>Long term severe health impact on significant numbers of people.</p>	<p>Breaches result in severe penalties for Officers of the Council.</p> <p>Compliance failures result in severe restrictions placed upon all areas of the core Council business.</p>	<p>Key services not available to a large proportion of the community for one week or more. Severe service degradation for one month or more.</p> <p>Failure to achieve multiple community outcomes. Deterioration in majority of KPI &gt;30%</p> <p>The majority of the critical assets are destroyed or rendered unusable for several months</p>	<p>National adverse political or media comment for more than one week. Requirement for (televised) public apology or defence</p> <p>A consistent and long term public outcry against policies or actions of the Council</p> <p>A long term irreconcilable loss of confidence in the Council's capabilities and standing</p>
<b>Major</b>	<b>4</b>	<p>A Capex overspend of &gt;10% or an Opex overspend of &gt;3%</p>	<p>An incident resulting in a single fatality.</p>	<p>Breaches result in legal action being taken against</p>	<p>Key service not available to a significant portion of the community for two days or more. Continued severe</p>	<p>National adverse political or media comment for more than two days. Regional adverse political or media</p>

## Risk Management

		<p>of the annual plan.</p> <p>Rates increase above the limit on rate increase from the financial strategy in the LTP/Annual plan.</p> <p>Unanticipated costs or losses of \$1M ~ \$5M.</p>	<p>Long term severe health effects on multiple people.</p>	<p>officers of the Council.</p> <p>Compliance failures result in substantial restrictions placed on several areas of core Council business.</p>	<p>service degradation for one week or more.</p> <p>Failure to achieve a specific community outcome.</p> <p>Deterioration in multiple KPI of 15 ~ 30%.</p> <p>Majority of critical assets are destroyed or rendered unusable for several weeks.</p>	<p>comment for more than one week</p> <p>Prolonged public disaffection with the policies or actions of the Council</p> <p>Loss of confidence in the Council's capabilities and standing lasting for several months</p>
<b>Moderate</b>	<b>3</b>	<p>A Capex overspend of &gt;5% or an Opex overspend of &gt;1% of the annual plan.</p> <p>Rates increase close to the limit on rate increase from the financial strategy in the LTP/Annual plan.</p> <p>Unanticipated costs or losses of \$500K ~ \$1M.</p>	<p>A severe injury or multiple casualties requiring hospitalisation.</p> <p>Long term health effects on one or more people.</p>	<p>Breaches require significant attention or corrective actions</p> <p>Compliance failures result in restrictions placed upon limited areas of core Council business</p>	<p>Key service not available to some of the community for ten hours or more. Continued service degradation for two days or more.</p> <p>Significant difficulty introduced to achievement of community outcomes.</p> <p>Deterioration in some KPI of 5 ~ 15%.</p> <p>A range of assets, some critical, are destroyed or rendered unusable for a week.</p>	<p>Regional adverse political or media comment for more than two days</p> <p>Public disaffection with the Council's policies or actions lasting from days to weeks</p> <p>Loss of confidence in the organisation's capabilities lasting for several weeks</p>
<b>Minor</b>	<b>2</b>	<p>A Capex overspend of &gt;2% or an Opex overspend of &gt;0.5% of the annual plan.</p> <p>Rates increase considerably above the forecast from the financial strategy in the LTP/Annual plan.</p> <p>Unanticipated costs or losses of \$50K ~ \$500K</p>	<p>Injuries requiring medical attention.</p> <p>Short term negative health effects.</p>	<p>Breaches require attention or corrective action</p> <p>Compliance failures result in minor restrictions placed upon core Council business</p>	<p>Reduced service delivery that does not compromise the community's health and wellbeing. Service degradation at times during a week.</p> <p>Inconvenience or delay in achieving community outcomes. Deterioration in top key performance indicators of 1 ~ 5%.</p> <p>A number of assets are destroyed or rendered unusable, but can be replaced within acceptable timeframes.</p>	<p>Regional adverse political or media comment for one or two days</p> <p>Public disaffection with the Council's policies or actions is limited to a few days</p> <p>Short term loss in confidence regarding the Council's capabilities and standing lasting for several days</p>
<b>Insignificant</b>	<b>1</b>	<p>An Opex or Capex overspend of the annual plan.</p> <p>Rates increase slightly above the forecast from the financial strategy in the LTP /Annual plan.</p> <p>Unanticipated costs or losses of \$10K ~ \$50K</p>	<p>Incident requiring simple first aid only.</p> <p>Momentary or limited health impact.</p>	<p>Breaches are insignificant in nature with no disruption to performance of duties</p> <p>Compliance failures result in negligible restrictions placed upon core Council business</p>	<p>Short-term reduction in service delivery which is easily restored and does not compromise the community's health and wellbeing.</p> <p>There are minimal effects on the achievement of community outcomes.</p> <p>Assets receive little or minimal damage, or are only temporarily unavailable for use.</p>	<p>Short-term 'letters to the editor' (or online equivalent) commentary</p> <p>There is limited public disaffection with the policies and actions of the Council</p> <p>Public confidence in the council remains largely unaffected</p>

After the likelihood and consequence factors have been determined, the level of risk is calculated by multiplying the Likelihood of Occurrence (Table 5) and Consequence Rating (Table 6) together.

*Risk rating = the likelihood of an event occurring X the consequence of such an event.*

The final outcome is a gross risk rating. The risk rating enables definition between those risks that are significant and those that are of a lesser nature. Having established the comparative risk level applicable to individual risks, it is possible to rank those risks. Five risk categories have been used: extreme, high, moderate, low and very low (see Table 7 and 8).

Table 7: Risk rating assessment matrix

Scale of likelihood	Almost certain (5)	Medium	High	High	Extreme	Extreme
	Likely (4)	Low	Medium	High	High	Extreme
	Possible (3)	Low	Low	Medium	High	High
	Unlikely (2)	Very low	Low	Medium	Medium	High
	Rare (1)	Very low	Very low	Low	Medium	Medium
		Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
		Severity of consequences				
		Note: the level of risk is on a scale from 1 to 25.				

Once the impact has been ranked according to the relative risk level it poses, it is then possible to target the treatment of the risk exposure, by beginning with the highest risks and identifying the potential mitigation measures.



Table 8: Risk response table

Risk rating	Response
<b>Extreme Risk</b>	Immediate action required: Executive priority. Treatment plans, control and mitigation, and management responsibility specified with close scrutiny required. Evaluation by Executive and Audit and Risk Committee required.
<b>High Risk</b>	Executive attention required. Treatment plans, control and mitigation, and management responsibility specified with periodic scrutiny required. Evaluation by Executive required.
<b>Medium Risk</b>	Relevant General Manager and Activity / Asset Manager attention required. Treatment plans, control and mitigation, and management responsibility specified with periodic monitoring required. Evaluation by relevant General Manager and Activity / Asset Manager required.
<b>Low Risk</b>	Relevant Activity / Asset Manager attention advised. Monitoring control and mitigation current actions or procedures by routine. Evaluation by Activity / Asset Manager required.
<b>Very Low Risk</b>	Managed and monitored by routine. Evaluation by Activity / Asset Manager.

#### 4.1 Determine Net Risk

The net risk is the actual risk that exists considering the effective measures implemented. The measures in place reduce either, or both, the consequence and the likelihood of a risk occurrence. The revised factors are input into the same risk matrix to obtain the Net Risk Factor.

#### 4.2 Prioritise Net Risks and Formulate Action Plan for Risk Management

A priority order of issues to be addressed is obtained by sorting Net Risk Factors by risk level. The most suitable actions are determined considering available options and resources. The costs and benefits of these actions need to be analysed. The best available techniques are required to analyse the options e.g. optimised decision-making (ODM).

Application of ODM applies a 'value chain' to the proposed actions, rather than just working from the highest risk down, regardless of cost, for example:

- A high risk may have to remain due to the inhibitive costs associated with avoidance or mitigation
- A medium risk event could be easily and cost-effectively avoided within resources available

From an asset management perspective, the options for mitigating risks considered to reduce the cause, probability or impact of failure, are typically:

Table 9: Options to mitigate risks	
Do nothing	Accept the Risk
Management Strategies	Implement enhanced strategies for demand management, contingency planning, quality processes, staff training, data analysis and reporting, reduce the target service standard, etc.
Operational Strategies	Actions to reduce peak demand or stresses on the asset, operator training, documentation of operational procedures, etc.
Maintenance Strategies	Modify the maintenance regime to make the asset more reliable or to extend its life
Asset Renewal Strategies	Rehabilitation or replace assets to maintain service levels
Development Strategies	Investment to create a new asset or augment an existing asset
Asset Disposal/ Rationalisation	Divestment of assets surplus to needs because a service is determined to be a non-core activity or assets can be reconfigured to better meet needs

## 5 Risk Action Plan

A table is compiled from the Risk Register and highlights the most significant net risks faced by the activity.

Actions that are required to achieve the desired improvements are indicated along with how progress on these actions will be monitored and reported. Where applicable, Action tasks will detail timeframes for achievement, and responsibility for these actions.

The required aim to cost-effectively reduce the net risk by increasing Council's ability to minimise the chances of the risk event occurring, or minimising the consequences should it occur.

Actions should consider the overall management of the asset, not just the minimisation of risk. If possible, proposed actions should align with other initiatives to:

- Reduce capital investment costs.
- Reduce operating and maintenance costs.

- Reduce business risk exposure (BRE).
- Increase effective asset life / value.
- Increase level of service.

The resulting action plan for risk treatment needs to be practical and achievable such that the necessary resources and time frames are realistically met. The actions also need to be able to be monitored and measured.

The actions listed will be reported, monitored and reviewed regularly at the Asset Management Steering Group.

As necessary, timeframes, responsibility, and even the appropriateness of continuing with the proposed action, or adding new actions will be reviewed.

As actions are complete, the net risk should reduce in most cases. The risk tables will need to be reviewed against these and updated to reflect these improvements.

## 6 Review Risks

Most of the time, the risks identified will remain the same and reviews will occur in the context of these risks. However, it will be important to recognise when a new risk arises, or an existing risk changes in nature. In the latter case, the gross risk also needs to be re-evaluated.

The risk management structure needs to be in place to ensure that actions are monitored, reported on and reviewed regularly, particularly:

- Responsibility - Nominated person responsible for ensuring the risks are managed and improvements carried out in accordance with the programme
- Best appropriate practice - The practices that should ideally be carried out to manage risks to an acceptable level
- Audit trail - Date of entries and revisions, target date for actions to be taken and actual task completion dates

The resulting action plan for risk management needs to be practical, achievable and that necessary resources and time frames are realistically met. The actions also need to be able to be monitored and measured.

The risk tables in the individual AMPs provide more detail with regard to future actions/tasks required for risk.

The RMP provides more detailed information regarding monitoring and reviewing risks.

## Projects and Financial Forecasts

To undertake a sustainable, long term approach to asset management, it is essential to prepare long-term financial forecasts.

The long-term financial forecasts allow a long term view of how the asset will be managed, how much this will cost and when additional funding may be required to meet expected service levels.

The financial forecasts have been prepared using the LTP 2018-2028 assumptions. Additional assumptions used in the preparation of Asset Management Plans are outlined in Part B of the individual Asset Management Plan.

### 1 Expenditure types

Expenditure on individual assets can be categorised into four main types, as identified in table 10 below:

Table 10: Expenditure type	
Expenditure type	Categories
Direct costs – Operation and Maintenance	<ul style="list-style-type: none"> <li>• Routine Day to day maintenance required on an ongoing basis that is budgeted for</li> <li>• Planned (Proactive) Irregular maintenance identified in advance that is incorporated into a maintenance budget for a certain time</li> <li>• Reactive Unexpected but immediately necessary to continue operation of service</li> </ul>
Replacement (Renewals)	<ul style="list-style-type: none"> <li>• Rehabilitation Repair of an asset or component. Does not provide for planned increases in operating capacity or design loading. Enables the asset to continue operating to meet the same level of service</li> <li>• Replacement Does not provide for planned increases in operating capacity or or design loading. Minor increase in capacity may result from the process of replacement.</li> </ul>
Capital works (new works or assets)	<ul style="list-style-type: none"> <li>• Growth Any asset development (council or externally funded) that is required as a result of growth</li> <li>• Levels of Service Any asset development that is required as a result of an increase in levels of service</li> </ul>

Table 10: Expenditure type	
Expenditure type	Categories
	<ul style="list-style-type: none"> <li>• Legislative Any asset developed to meet legislative requirements</li> <li>• Vested Any asset vested (gifted) with council.</li> </ul>
Disposals	<p>The retirement or sale of assets whether surplus or superseded by new or improved systems, reasons include:</p> <ul style="list-style-type: none"> <li>• Under utilisation</li> <li>• Obsolescence</li> <li>• Provision exceeds required level of service</li> <li>• Assets replaced before its predicted economic life</li> <li>• Uneconomic to upgrade or operate</li> <li>• Policy changes</li> <li>• Service provided by other means (e.g. private sector)</li> <li>• Potential risk of ownership</li> </ul> <p>It is vital to consider and incorporate, the costs of asset disposal in the long-term financial forecasts for an asset.</p>

## 2 Maintenance strategies

Maintenance strategies cover the policies that will determine how the services will be operated and maintained on a day-to-day basis to consistently achieve the optimum use of the asset. A key element of asset management planning is determining the most cost-effective blend of planned and unplanned maintenance.

Short-term maintenance strategies are intended to maintain the current levels of service standards. Long-term maintenance strategies will be modified to reflect the following factors:

**Risk of failure** -The risk associated with failure of critical assets

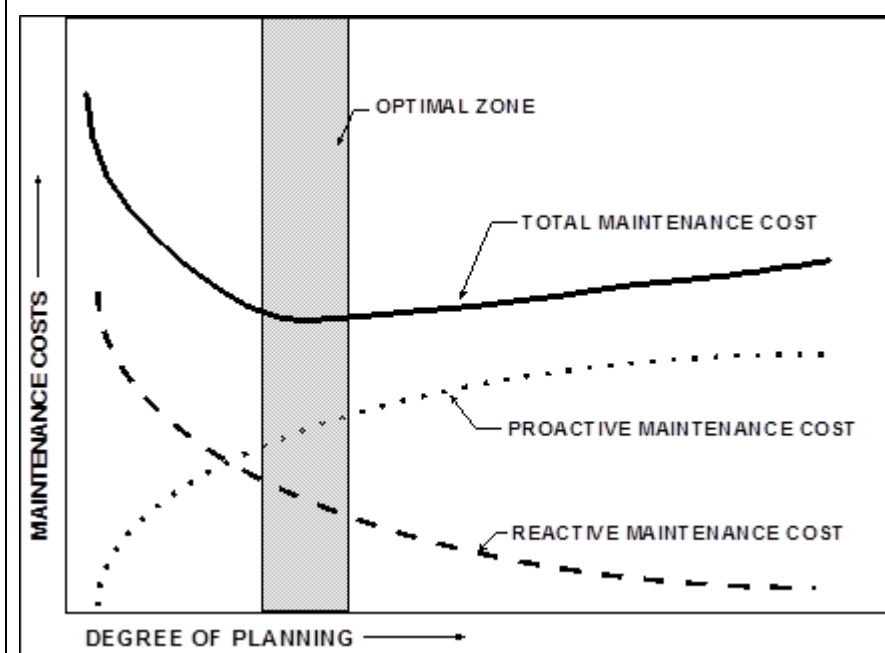
**Levels of service** - Changes in the current or agreed level of service

**Economic efficiency** -Asset condition assessment

**Extend the life of the asset component** -Asset improvements and development programme

**Legislative compliance** – e.g. requirements of, LGA 2002, RMA

Figure 20: Balancing Proactive & Reactive Maintenance



## 2.1 Operations and maintenance forecast

Maintenance works are undertaken by either the **OBU** or contractor services. A formal service level agreement is in place to measure quality and timeliness of work completed.

Maintenance work is generally reactive, although there is some cyclic maintenance undertaken.

Customer service maintenance requests are recorded and summarise data on the date, time, details, responsibility, response time and action taken. These requests are prioritised and actioned in conjunction with the programmed maintenance works.

Anticipated work needs and costs over the next 25 years to ensure delivery of the defined levels of service, include:

- Expected operational work
- The nature, incidence and cost of unplanned maintenance (responsive) currently undertaken
- Planned inspections and preventative maintenance
- Expected planned maintenance work requirements.
- Managing assets to desired levels of service.

## 3 Capital & Renewal strategies

Capital and Renewal Forecast tables are provided in Part B, for the individual activities.

### 3.1 Renewal strategy

Renewal strategies provide for the progressive replacement or rehabilitation of individual assets that have reached the end of their useful life. This is managed at a rate that maintains

the standard and value of the assets as a whole. This programme must be maintained at adequate levels to maintain current levels of service and the overall quality of assets.

The general renewal strategy is to rehabilitate or replace assets when justified by:-

- **Asset Performance**

Assets are renewed where they fail to meet the required level of service. The monitoring of asset reliability, capacity and efficiency during planned maintenance inspections and operational activity identifies non-performing assets. Indicators of non-performing assets include:

- Structural failure
- Repeated asset failure (breaks, faults)
- Ineffective and/or uneconomic operation
- Unsafe conditions for the public

- **Economics**

When it is no longer economic to continue repairing the asset (i.e. the annual cost of repairs exceeds the annualised cost of its renewal). An economic consideration is the co-ordination of renewal works with other planned works such as road reconstruction. Council actively researches the effectiveness of new technology, which may reduce the direct and social costs of repair works.

- **Risk**

The risk of failure and associated environmental, public health, financial or social impact justifies proactive action (e.g. probable extent of property damage, health and safety risk). Where such assets are identified (critical assets), proactive inspection is undertaken to determine asset condition at a frequency appropriate to the risk and rate of asset decay.

- **Life Cycle**

Refer to the Life cycle management section of individual AMPs for lifecycle expectations for each asset.

### **3.1.1 Replacement (Renewal) Works Summary**

All major works are programmed as replacement items and are managed in a similar way to new capital works.

The replacement (renewal) programme and expenditure forecasts will be continuously improved as asset condition and data confidence improves.

The financial projections are summarised in the tables in Part B and provide the renewals projects summary for the activities.

The Council will consider the financial and customer risks of having sufficient funds to deal with renewal demands, consideration of detailed assessments, implementing proactive renewals and recognising the increasing maintenance and operational requirements.

### **3.2 New works**

New works are the creation of new assets or works, which upgrade or improve an existing asset beyond its existing capacity or performance in response to changes in usage or customer

expectations. WDC recognises that asset development and asset renewal can occur simultaneously.

*Asset Renewal is maintaining the condition of the assets and current service levels.*

*Asset Development is providing service improvements, measured by asset performance.*

### 3.2.1 Selection Criteria

The Council carries out a prioritisation process of all necessary renewal or development works. The priority list is used to assign funds when preparing the financial plans. It is important that the process be regularly reviewed and that the cost estimates reviewed at detailed design stage and/or purchase.

## 4 Disposals

As part of the whole life cycle management of assets, it is vital to consider the costs of asset disposal in the long-term financial forecasts for an asset. The cost of asset disposal is expected to be incorporated within the capital cost of new works, or asset renewals.

## 5 Risk to Significant Forecasting Assumptions

The table below outlines the risks to significant forecasting assumptions. Should these assumptions prove to be incorrect there could be a significant effect on the level of rates to be collected from the community. If this were to occur, WDC would re-evaluate the works programmes to determine if the expenditure is appropriate and rates altered accordingly or whether the scope of the proposed works could be scaled down.

Title	Level of Uncertainty	Mitigating the Risk
Asset (re)valuation	Uncertainty: Medium Impact: Medium	Impairment reviews will be undertaken in the intervening years between revaluations to reduce the risk of significant shifts in value between scheduled valuation cycles, particularly that the loss has not been recognised and assets are overvalued.
Asset sales	Uncertainty: Low Impact: Medium	The expected income from the sale of assets is based on a prudent and realistic sale price.  While the intention is to use returns to reduce debt, this assumption is not included in the financial statements as a matter of financial prudence.
Borrowing, renewability and interest rates	Uncertainty: Medium Impact: Medium	The Council has a Financial Strategy and Liability Management Policy which set parameters for Council debt and contain strategies to protect ratepayers against significant fluctuations.



Business continuity	Uncertainty: Low Impact: High	Business Continuity Plans have been developed for core asset departments as part of individual Asset Management Plans.
Community buy-in	Uncertainty: Medium Impact: Medium	The risk can be mitigated by the formulation and implementation of a comprehensive Communication Plan. Similarly thorough consultation through the LTP and prior to project commencement is needed.
Contractor availability	Uncertainty: Low Impact: Medium	Council has a procurement manual which ensures robust contractors. Council contracts outline the expectation of contractors. Legal/contractual rights can be exercised if work is not completed to the agreed standards and specifications.
Creation and realisation of investments, reserves and assets	Uncertainty: Low Impact: Medium	The Council's 'Proceeds from Sale of Non-Operational Assets Policy' sets out where proceeds should be applied.
Economic Growth	Uncertainty: Medium Impact: Medium	The Council will continue to monitor progress and research on the topic to inform work plans.
Funds for future replacement of significant assets	Uncertainty: Medium Impact: High	The Council reviews its work plan annually and the Revenue and Financing Policy every three years, alongside the LTP. If funding is not available through the principle specified source, Council would need to reconsider priorities or consider alternative funding sources that are available, i.e. borrowing.
Growth forecasting	Uncertainty: Medium Impact: Medium	The Development of an 'Active Development Strategy' in 2017-18 will update Council's growth assumptions and is likely to indicate an alternative scenario that that set out by Statistics NZ.  Implementation of the ADS – including notably through the Council's Infrastructure Strategy – will seek to remain agile in relation to actual growth to ensure a long term sustainable delivery of services.
Human Resources	Uncertainty: Low	The Council recruitment process focuses on the lifestyle offered by Whakatāne District and ensures that remuneration reflects the current market.

	Impact: Medium	
Income from Central Government subsidies	Uncertainty: Low Impact: High	Central Government subsidy regimes are generally changed only through consultation with the local government sector and with a period of transition. Council will have substantial lead in time where subsidy changes are being made and would be able to review and adjust work programmes where necessary.
Income from development contributions	Uncertainty; Medium Impact: Low	The Council's Development Contributions Policy is reviewed alongside the development of the LTP and conservatively based on the latest available growth forecasts.
Inflation	Uncertainty: Low Impact: Medium	BERL price change estimates are an industry recognised measure. These are updated annually and Council will review its financial strategy accordingly, particularly noting the impact of any upward movement on affordability.
Land use	Uncertainty: Medium Impact: Medium	The District Plan provides appropriately zoned land to enable future demand to be met.  Changes to land use in the District will be monitored to inform work plans.
Legislative demands on Council	Uncertainty: Medium Impact: High	Council has, and will continue to, set the work programme to take into account the expected outcome of legislative change where possible. Legislative change is often progressed with a long lead in time, allowing Council to respond accordingly
Lifecycle of significant assets	Uncertainty: Medium Impact: Medium	Condition assessments continue to be undertaken by the Council with condition information updated based on actual rather than theoretical expectations.
Natural hazards	Uncertainty: Medium Impact: High	Council has developed a policy to limit the impact of natural hazard events by building up contingency funds to pay for storm damage to roading and general disaster response and recovery. The District Plan also includes provisions to protect against coastal hazards.  Council's underground assets are also covered through Council's insurance. Central Government also has a role in disaster recovery and restoration works after natural disasters have happened.

		Council will continue to monitor the latest research in this area.
Project cost estimates	Uncertainty: Medium Impact: Medium	Cost estimates are updated annually through the Annual Plan process, and when detailed design has been completed, providing further accuracy to expected costs. Should costs change substantially from initial estimates, the viability of the project will be reviewed before progressing further.
Project Management	Uncertainty: Low Impact: Medium	A comprehensive Project Execution Plan template is used across the Council and contingencies built into project plans.  The Executive provide oversight to ensure projects are appropriately managed.
Projects contingent upon external funding	Uncertainty: Medium Impact: Medium	The Council will continue to seek subsidies for projects where available. Where funding becomes unavailable or is less than expected, the viability of the project will be reassessed before progressing.
Rating base projections	Uncertainty: Low Impact: Medium	Figures are based in census data and are reviewed regularly. A realistic approach has been taken to ensure the Council does not over burden ratepayers. As a large portion of our rates is based on Capital Value, rather than fixed charges, the change in rating units is not considered material and has not been included in the Financial Statements as a matter of financial prudence.
Relationships with external bodies	Uncertainty: Medium Impact: Medium	Regular communication between the Council and external bodies can mitigate the risks. The Council will build on the success of previous projects to look for further cooperation and develop relationships further. The Eastern Bay of Plenty Joint Committee plays an essential role in mitigating this risk.
Resource consent requirements	Uncertainty: Medium Impact: High	Council is assuming more stringent consent conditions will be required through the renewal/gaining of consents over the term of the 2018-2028 LTP and has a specific workstream addressing this. LTP work programmes and budgets are developed in accordance with this expectation.
Service delivery options	Uncertainty: Low Impact: Medium	The Council will pursue shared service options through BOPLASS and other methods, such as Public/Private Partnerships.

Strategic direction and level of service	Uncertainty: Medium Impact: Low	The strategic direction and services of council are regularly monitored to ensure a clear, appropriate and realistic direction for the District. Any changes to the Council's strategic direction would be considered within the parameters of the Financial Strategy.
Structure of Whakatāne District Council services	Uncertainty: Medium Impact: Medium	Any changes to the structure of local government services will be developed with a long lead in time and with consultation with Council and affected communities. This would allow communities and Council to influence the process and outcome, and to plan for financial implications accordingly.
Whakatāne District Governance	Uncertainty: Medium Impact: Medium	Any changes to the structure of local government will be developed with a long lead in time and with consultation with Council and affected communities. This would allow communities and Council to influence the process ensuring an appropriate/beneficial outcome.

## 6 Asset Valuation

Statutory financial reporting requires the Council to revalue its fixed assets at least every three to five years. Whakatāne District Council completes a valuation process on a three-year cyclical basis, unless circumstances demand one earlier. Valuations are used for:

- asset management (calculating long-term asset renewal projections)
- identifying loss of service potential (depreciation)
- financial reporting purposes.

Public Benefit Entity International Public Sector Accounting Standard 17 Property Plant and Equipment (PBE IPSAS 17) applies to all assets considered in the scope of this valuation for the general purpose of financial reports.

All infrastructure asset valuations are in accordance with the methodology prescribed in the New Zealand Infrastructure Asset Management Manual, and Valuation & Depreciation Guidelines.

The assets have been valued on the basis of Depreciated Replacement Cost (DRC)/Optimised Depreciation Replacement Cost (ODRC) approach for the depreciable assets in accordance with PBE IPSAS 17 requirements. Subsequent reviews for impairment are in accordance with Public Benefit Entity International Public Sector Accounting Standard 21 (PBE IPSAS 21).

### 6.1 Valuation process and methodology

Individual AMPs state when the last valuation was undertaken of their assets.

Table 12: Asset Data – Valuation Terminology	
Term	General meaning
Replacement cost (RC)	The cost of constructing a new infrastructure asset using current technology and maintaining the original service potential
Optimised replacement cost (ORC)	The cost of the modern equivalent asset that would be used to replicate the existing asset. The asset is 'optimised' down to allow for surplus capacity or technical obsolescence
Optimised depreciation replacement cost (ODRC)	Is the ORC after deducting the wear of an asset to reflect the remaining useful life of the asset, Calculated on the gross replacement cost of modern equivalent assets (MEA's)

The assessment of replacement cost and optimised replacement cost (ORC) was established in accordance with Financial Reporting Standard (NZIAS16). Once the replacement cost has been established following data capture, the asset is then optimised to factor out over design, over capacity and redundant assets. The Accumulated Depreciation (calculated on a straight line basis) is then deducted.

## 6.2 Cost type calculations

The asset Replacement costs have been calculated as:

**Replacement Cost (RC) = Unit Rate X Quantity**

**Optimised Replacement Cost (ORC) = RC x % of Optimisation**

**Optimised Depreciated Replacement Cost (ODRC) = ODRC = (ORC-RV) \* RUL/(RUL + AGE)+ RV**

Assets have been depreciated on a straight-line basis (note residual values are not depreciated) to determine the ODRC.

**Where RV = Residual Value and RUL = Remaining Useful Life**

The calculation for annual depreciation used is

**Annual Depreciation = (ORC – RV)/(RUL + Age)**

Whakatāne District Council uses the ODRC figure for valuations. This corresponds to the fair value and takes into account the life left in the asset and the wear and tear on that asset.

## 7 Policies

Table 13 summarises the financial policies adopted by Council. All, excluding the Rates Remission and Postponement Policy, are being reviewed and adopted as part of the 2018-28 LTP process.

Table 13: Financial policies	
Policy	Explanation
Revenue and financing policy	Council's funding philosophy. It describes how each of our activities will be funded and why they will be funded in that way. Funding sources may include general rates, targeted rates, fees and charges, and others.
Funding impact statement	Details the rating system and the detail behind each of the rating categories.
Liability management policy	Council's approach to managing borrowing and other liabilities, including how the risks associated with these liabilities will be managed.
Investment policy	Council's approach to managing investments such as cash, special funds, shares and property held for investment purposes.
Development contributions policy	See: Council policies and strategies 7.2
Significance and engagement policy	See: Community consultation 1.1
Rates remission and postponement policies	Defines the circumstances in which the Council may remit or postpone rates. Remission of rates involves reducing the amount owing or waiving collection of rates all together. Postponement of rates means that the payment of rates is not waived in the first instance, but delayed for a certain time, or until certain events occur. This policy includes the Policy on the Remission of Rates on Māori Freehold Land and Rates Remission for Water Leakage

## Business Processes

This section covers the key Business Processes in place to assist the Council in delivering Asset Management and services.

### 1 Business Continuity Plan

The business continuity plan enables Council to effectively react and respond to any crisis in a manner that ensures that its activities, provision of services and staff well-being are not unduly affected.

It ensures the viability of the Council in the event of an emergency or other event that significantly affects council's ability to deliver effective services to stakeholders.

### 2 Civil Defence Emergency Management

The Bay of Plenty has a wide range of hazards; flooding, earthquakes, volcanic eruption, fire and technological. These hazards can cause disruption and death in communities and we need to be ready to meet the challenges that hazard events create.

The Civil Defence Emergency Management Act (CDEM Act) 2002 requires the establishment of regional CDEM groups and group plans. Whakatāne District Council is a member of the Bay of Plenty CDEM group alongside City, District and Regional Councils.

The CDEM group plan ensures that hazard management within the region occurs in an integrated and coordinated way. It provides a framework for CDEM decisions to be made across the Bay of Plenty, and creates a commitment to the implementation of tasks and actions.

Asset Managers are responsible for the reduction and readiness aspects of civil defence. They must manage assets in a way that contributes to reducing the potential harm of emergencies and preparing the community's response to emergencies.

### 3 Lifelines

Whakatāne District Council is a member of the Bay of Plenty lifelines group. Lifelines are essential 'utility' services, which support the life of the community; water, wastewater, stormwater, power, gas, telecommunications and transportation networks.

The lifelines group works together to improve the resilience of infrastructure to hazards, and improve disaster preparedness planning. Lifeline utilities are essential to improving individual's safety and ensuring the economic viability of communities in the longer term.

### 4 Compliance with LGA 2002 Schedule 10 Requirements

On completion of this AMP update, the AMPs will be reviewed against the Local Government Act 2002, Schedule 10 requirements. This table identifies the relevant sections of the AMPs where the requirements are covered.

Table 14: Legislative requirements and corresponding AMP Part A sections		
LGA 2002 schedule 10 requirement	LGA 2002 references	Section covered
Describe, to the extent required by the local authority, the community outcomes for the local authority's district or region	Schedule 10 cl 1	Strategic environment
Identify the activities within the group of activities.	Schedule 10 cl 2 (1)(a)	Business overview
Identify the rationale for delivery of the group of activities (including the Council/community outcomes to which the group of activities primarily contributes)	Schedule 10 cl 2 (1)(b)	Business overview
Outline any significant negative effects that any activity within the group of activities may have on the local community	Schedule 10 cl 2 (1)(c)	Business overview
<p>Include,</p> <ul style="list-style-type: none"> <li>i) in detail for each of the first 3 financial years covered by the plan; and</li> <li>ii) in outline for each of the subsequent financial years covered by the plan;</li> </ul> <p>for each group of activities, a statement of the intended levels of service that specifies:</p> <ul style="list-style-type: none"> <li>a) any performance measures made under section 261B for a group of activities; and</li> <li>b) the performance measures that the local authority considers will enable the public to assess the level of service for major aspects of groups of activities for which performance measures have not been established under a); and</li> <li>c) the performance target or targets set by the local authority for each performance measure; and</li> <li>d) any intended changes to the level of service that was provided in the year before the first year covered by the plan; and</li> <li>e) the reason for any material change to the cost of a service.</li> </ul>	Schedule 10 cl 2 (1)(d) and cl 2 (4)(a) – (e)	Levels of service
<p>For each group of activities, and for each financial year covered by the plan, include a statement of the amount of capital expenditure that the authority has budgeted to:</p> <ul style="list-style-type: none"> <li>a) meet additional demand for the activity; and</li> <li>b) improve the level of service; and</li> <li>c) replace existing assets</li> </ul>	Schedule 10 cl 3 (1)(a) – (c)	Growth and demand, Projects and financial forecasts



<p>For each group of activities include a funding impact statement that identifies:</p> <ul style="list-style-type: none"> <li>a) the sources of funding to be used by the local authority; and</li> <li>b) the amount of funds expected to be produced from each source; and</li> <li>c) how the funds are to be expended.</li> </ul>	<p>Schedule 10 cl 5 (2)(a) – (c)</p>	<p>Projects and financial forecasts</p>
<p>Steps the local authority intends to take to foster the development of Maori capacity to contribute to the decision-making processes of the local authority over the period covered by the plan.</p>	<p>Schedule 10 cl 8</p>	<p>Community consultation</p>
<p>Provide as summary (or other description) of the local authority's significance and engagement policy.</p>	<p>Schedule 10 cl 11</p>	<p>Community consultation</p>
<p>Clearly identify –</p> <ul style="list-style-type: none"> <li>a) all of the significant forecasting assumptions and risks underlying the financial estimates:</li> <li>b) without limiting the generality of paragraph (a), the following assumptions on which the financial estimates are based: <ul style="list-style-type: none"> <li>i) the assumptions of the local authority concerning the useful life of significant assets; and</li> <li>ii) the assumptions of the local authority concerning sources of funds for the future replacement of significant assets:</li> </ul> </li> <li>c) in any case where significant forecasting assumptions involve a high level of uncertainty; <ul style="list-style-type: none"> <li>i) the fact of that uncertainty; and</li> <li>ii) an estimate of the potential effects of that uncertainty on the financial estimates provided.</li> </ul> </li> </ul>	<p>Schedule 10 cl 17</p>	<p>Business overview, Projects and financial forecasts</p>

## Glossary of Terms

<b>Annual Plan</b>	The Annual Plan provides a statement of the direction of Council and ensures consistency and coordination in both making policies and decisions concerning the use of Council resources. It is a reference document for monitoring and measuring performance for the community as well as the Council itself.
<b>Asset Management (AM)</b>	The combination of management, financial, economic, engineering and other practices applies to physical assets with the objective of providing the required level of service in the most cost effective manner.
<b>Asset Management System (AMS)</b>	A system (usually computerised) for collecting, analysing and reporting data on the utilisation, performance, lifecycle management and funding of existing assets.
<b>Asset Register</b>	A record or asset information considered worthy of separate identification including inventory, historical, financial, condition, construction, technical and financial information about each.
<b>Asset Renewal</b>	Major work, which restores an existing asset to its original capacity or the required condition (re-roofing, re-painting, replace heating)
<b>Auditor General</b>	The Auditor General of the New Zealand Audit Office.
<b>Benefit Cost Ratio (BCR)</b>	A ratio which compares the benefits accruing to customers and the wider community from constructing a project with at projects costs.
<b>Road Assessment and Maintenance Management (RAMM)</b>	The computerised utilities asset management software system used to record and report on transport assets with the network
<b>Hansen</b>	The computerised utilities asset management software system used to record and report on wastewater assets with the network
<b>Capital Expenditure (CAPEX)</b>	Expenditure used to create new assets or to increase the capacity of existing assets beyond their original design capacity or service potential. CAPEX increases the value of an asset.
<b>Community Outcomes</b>	Outcomes developed with the community, which outline the community's vision.

<b>Components</b>	Specific parts of an asset having independent physical or functional identity and having specific attributes such as different life expectancy, maintenance regimes, risk or criticality.
<b>Condition Monitoring</b>	Continuous or periodic inspection, assessment, measurement and interpretation of resulting data, to indicate the condition of a specific component so as to determine the need for some preventative or remedial action
<b>Condition Rating Survey</b>	Survey carried out to assess the condition of assets.
<b>Critical Assets</b>	Assets for which the financial, business or service level consequences of failure are sufficiently severe to justify proactive inspection and rehabilitation. Critical assets have a lower threshold for action than non-critical assets.
<b>Current Replacement Cost</b>	The replacing of the service potential of an existing asset, by reference to some measure of capacity, with an appropriate modern equivalent asset.
<b>Deferred Maintenance</b>	The shortfall in rehabilitation work required to maintain the service potential of an asset.
<b>Depreciated Replacement Cost</b>	The replacement cost of an asset spread over the expected lifetime of the asset.
<b>Depreciation</b>	The wearing out, consumption or other loss of value of an asset whether arising from use, passing of time or obsolescence through technological and market changes. It is accounted for the by historical cost (or re-valued amount) of the asset less its residual value over its useful life.
<b>Disposal</b>	Activities necessary to dispose of decommissioned assets.
<b>Emergency Work</b>	The restoration work required to restore a wastewater asset damaged by a sudden and unexpected event (eg storm event).
<b>Geographic Information System (GIS)</b>	Software that provides a means of spatially viewing, searching, manipulating, and analysing an electronic database.
<b>Life Cycle Management</b>	A process of managing an asset from initial construction through to disposal
<b>Net Present Value (NPV)</b>	The value of an asset to the organisation, derived from the continued use and subsequent disposal in present monetary

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	values. It is the new amount of discounted total cash inflows arising from the continued use and subsequent disposal of the asset after deducting the value of the discounted total cast outflows.
<b>Optimised Renewal Decision Making</b>	An optimisation process for considering and prioritising all options to rectify performance failures of assets. The process encompasses NPV analysis and risk assessment.
<b>Stakeholder</b>	A person or organisation who has a legitimate interest in an activity e.g. community, Iwi, etc.
<b>Sustainability</b>	The process of meeting the needs of the present community without compromising the ability of future generations to meet their own needs

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