



2018-28

Long Term Plan
Mahere Roanga

WHAKATĀNE DISTRICT

The place of choice for people to live, work and play

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

TE ROHE O WHAKATĀNE

Te rohe pai ki te noho, ki te mahi, me te takaro

- ▶ He hapori haumarua, ponitakatia e ngā tāngata ngākaunui
- ▶ Kei te angitu ngā pakihi
- ▶ He whakaute, he whakahī ki tā tātou rohe hītori
- ▶ Ngā kaitiaki tātou o te taiao

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WHAT IS THIS DOCUMENT?

He aha tenei tuhinga?

This is the Long Term Plan (LTP) for the Whakatāne District Council. It sets Council's strategic direction, priorities and work programme for the ten year period, 2018-28. The Long Term Plan outlines the services we will provide, the projects we will undertake, the cost of doing this work, how it will be paid for and how we will measure our performance.



INTRODUCTION FROM THE MAYOR

Kupu whakataki o te Tumuaki

Nau mai ki te Mahere Roanga o 2018-2028. Kei te poho kererū au ki te noho i te rohe nei o Whakatāne. Ko tā mātou ko ngā Kaikaunihera e noho haepapa ana kia tū tonu ai te rohe he rohe pai ki te noho, ki te mahi, ki te takaro, ki te hāpai whānau, anō hoki ki te mahi pakihi. He mahere tēnei o ngā tau tekau e heke mai nei, me ngā take whakahirahira o te Kaunihera i waenga i ngā wero nui o tō tātou rohe. He taonga ngā whanaungatanga hapori, ā, ka anga whakamua mātou ki te mahi tahi ki te tutuki i ō tātou nei take whakahirahira.

Welcome to the Long Term Plan for 2018-28. The Whakatāne District is a place that I feel proud to call home and I know Council elected members are committed to ensuring that our District continues to be a great place to live, work, play, raise a family and do business.

This plan sets the Council's priorities for the next 10 years, in the context of some significant challenges and opportunities.

Over the coming decade and beyond, we will need to make major investments in our three water services – water supplies, wastewater treatment and disposal and stormwater systems. Resource consents for many of our three waters operations are due to expire in 2026 and increasing Central Government standards, technology advances and community expectations mean that the new consents will require much higher operating standards. Our wastewater systems in particular – some of which discharge treated waste into our rivers – will need to be improved to achieve better environmental outcomes. The actual system upgrades involved will fall just beyond this Long Term Plan, but we are starting to prepare now.

Working with others to support employment opportunities and economic growth in our District and the wider Eastern Bay of Plenty continues to be a high priority. By working in partnership with the community and other stakeholders, we will continue to create an environment where communities and businesses thrive.

Our District also continues to work through the implications of climate change and vulnerability to natural hazards. The storm events and flooding of Edgecumbe in April 2017 are an unfortunate reminder of how vulnerable we are now, without the compounding impacts that climate change will bring. The implications of this challenge will be significant and will require a whole-of-society response.

Alongside these challenges, our communities have told us about their aspirations and priorities for the Whakatāne District through the Whakatāne Ki Mua community vision and collaboration project. This project continues to evolve, building partnerships and drawing people together to take action on the things that are important to us.

We are very keen to progress some major opportunities for our District but are ever-mindful of the costs for our communities. With this in mind, partnerships with Central Government are critical to the success of a number of large projects we are expecting to progress in the next 10 years.

We also acknowledge that much of our work relies on local collaboration and local relationships. We value the energy, passion and commitment our communities and people contribute, as we shape our future together.

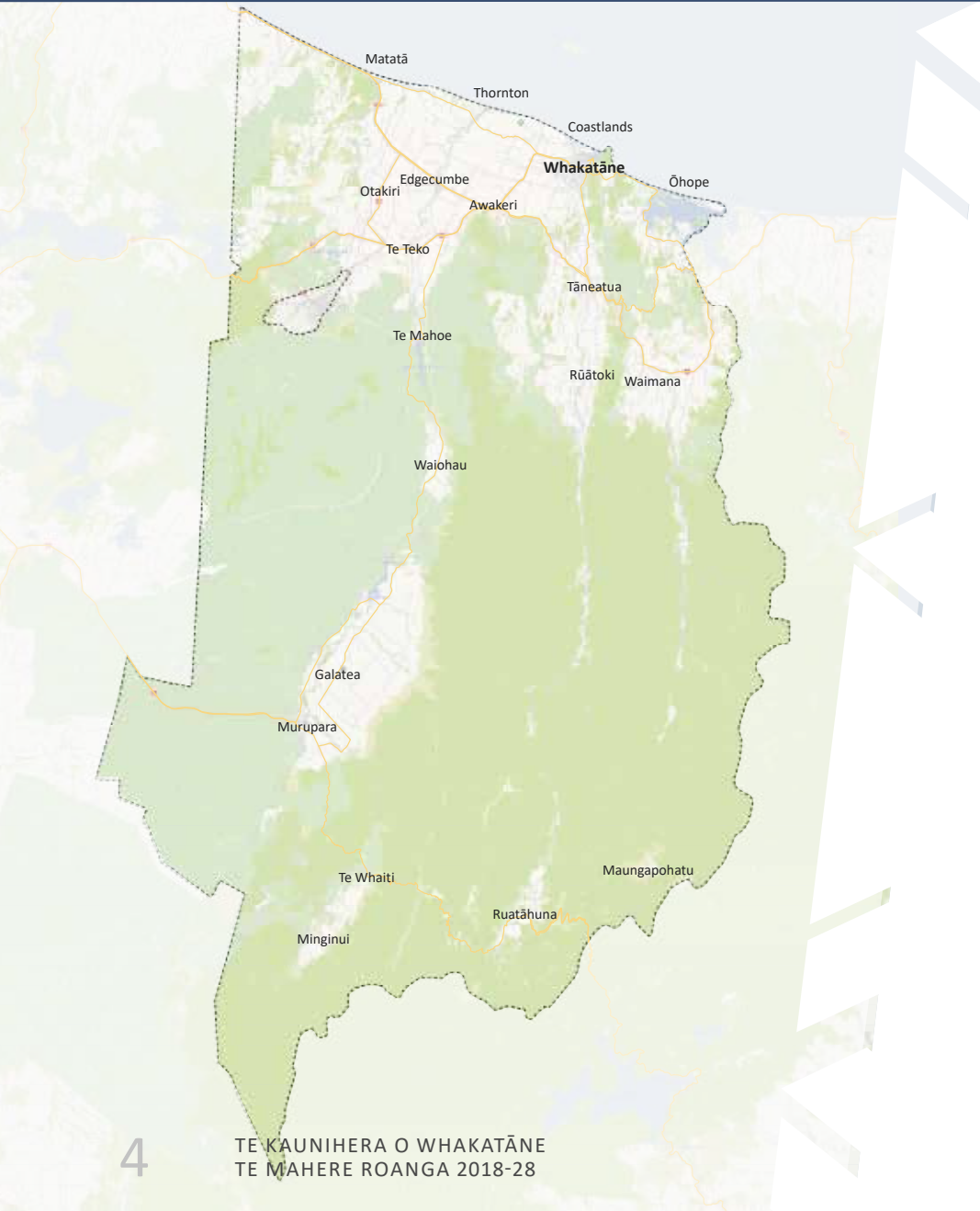
Nāku noa, nā



Tony Bonne - MAYOR, WHAKATĀNE DISTRICT



OUR DISTRICT AT A GLANCE *He titiro whakakeko o tō tātou rohe*



The Whakatāne District in the Eastern Bay of Plenty has a rich history, a strong cultural identity and beautiful natural landscapes. Extending from Ōtamarākau and Matatā in the west to Ōhiwa Harbour in the east, and inland to take in communities including Murupara, Minginui and Ruatāhuna, our District is a place of great diversity.

Sandy beaches are predominant along the 54 kilometres of coastline and are popular with locals and holidaymakers for fishing, swimming, surfing and other recreational activities. We have NZ's most loved beach and we are regularly a contender for sunshine capital of New Zealand.

Te Urewera and Whirinaki Te Pua-a-Tāne in the south form part of the largest remaining indigenous forest tract left in the North Island and are home to a rich array of flora and fauna, providing opportunities for tramping, mountain biking, hunting and outdoor adventures.

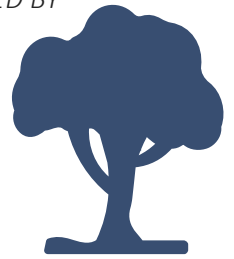
Fertile and highly productive farming areas include the lowland Rangitāiki Plains, bordering the coast, and inland, the Galatea basin. Alongside agriculture and horticulture, large parts of our District are covered by commercial plantation forest.

Whakatāne Town, including Ōhope and Coastlands, is the largest urban centre. The town is home to 18,100 people - just over half of the District's population, and is where Council's main offices are located. The remaining population is shared between the rural areas of the District and a number of smaller towns and settlements. The largest of these are Edgecumbe with a population of 1,780 and Murupara with 1,770 residents.

The Whakatāne District is a place that locals recognise as offering a fantastic quality of life.

7.3 PEOPLE
per square kilometre

OF THE DISTRICT IS COVERED BY
48% INDIGENOUS FOREST
A FURTHER 29% IS PLANTATION FOREST

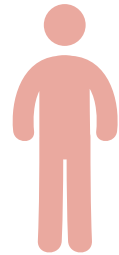


34,610



TOTAL POPULATION

Population distribution



18,110 WHAKATĀNE/ŌHOPE
AND COASTLANDS

5,520 OTHER TOWNS
AND VILLAGES

10,980 RURAL

Major ethnic groups

- **66.3% EUROPEAN**
- **43.5% MĀORI**
- **2.5% PACIFIC**
- **2.5% ASIAN**

13,827

Total dwellings



4,457KM²

District area

High Sunshine hours

ABOUT 2,700

SUNSHINE HOURS EVERY YEAR



Main iwi in the whakatāne district

- **NGĀTI AWA**
- **NGĀTI MANAWA**
- **NGĀTI RANGITIHI**
- **NGĀI TŪHOE**
- **NGĀTI TŪWHARETOA**
- **NGĀTI WHARE**

Major industries by employment:

- 1. HEALTH CARE AND SOCIAL ASSISTANCE**
- 2. EDUCATION AND TRAINING**
- 3. DAIRY CATTLE FARMING**
- 4. CONSTRUCTION SERVICES**
- 5. ACCOMMODATION AND FOOD SERVICES**

IN THE WHAKATĀNE DISTRICT

WHAKATĀNE



45-minute flight
FROM AUCKLAND



60-minute drive
FROM TAURANGA
AND ROTORUA

YOUR COUNCIL

Te Kaunihera-ā-Rohe

(AS AT 30 JUNE 2018)

The Whakatāne District Council consists of the Mayor (elected by the District at large), and ten Councillors elected from four wards: Rangitāiki, Galatea-Murupara, Tāneatua-Waimana and Whakatāne-Ōhope. The Council is elected every three years, with the most recent election held in October 2016.

The Council and Committees of Council meet regularly to provide direction and make decisions. Meetings are generally open to the public. Information about meetings and access to agendas can be found on our website.



MAYOR
Tony Bonne
07 312 4787
027 440 1126
tony.bonne@whakatane.govt.nz

Rangitāiki Ward



COUNCILLOR
Russell Orr
07 322 8473
027 290 7565
russell.orr@whakatane.govt.nz



COUNCILLOR
George Johnston
07 304 8373
027 667 3645
george.johnston@whakatane.govt.nz



COUNCILLOR
Gerard van Beek
07 308 6474
027 444 4940
gerard.vanbeek@whakatane.govt.nz

Tāneatua - Waimana Ward



COUNCILLOR
Andrew Iles
07 312 3191
027 294 1849
waimanailles@xtra.co.nz

Galatea - Murupara Ward



COUNCILLOR
Alison Silcock
07 366 4087
027 451 2087
alison.silcock@whakatane.govt.nz

Whakatāne-Ōhope Ward



DEPUTY MAYOR
Judy Turner
07 307 1171
021 309 803
judy.turner@whakatane.govt.nz



COUNCILLOR
Scott Jarrett
027 493 8019
scott.jarrett@whakatane.govt.nz



COUNCILLOR
Mike van der Boom
07 322 8347
027 697 7194
mike.vanderboom@whakatane.govt.nz



COUNCILLOR
Julie Jukes
07 312 5644
027 412 1025
julie.jukes@whakatane.govt.nz



COUNCILLOR
Nándor Tanczos
021 887 011
nandor.tanczos@whakatane.govt.nz

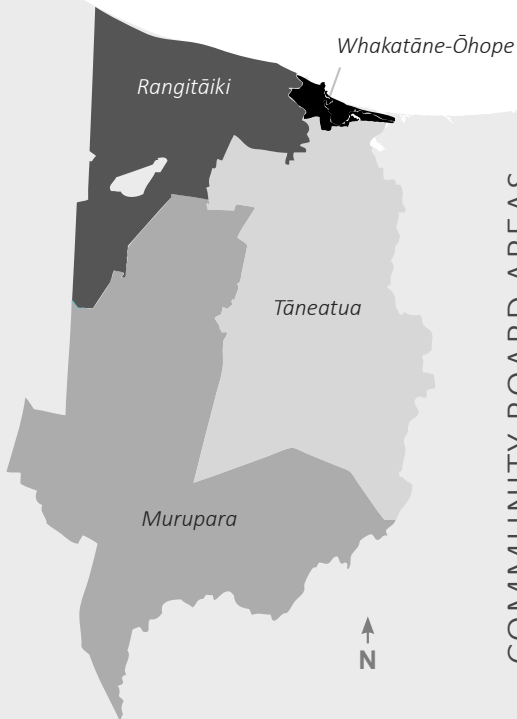
YOUR COMMUNITY BOARD MEMBERS

Te Poari Hāpori (AS AT 30 JUNE 2018)

The Whakatāne District Council has four Community Boards covering the entire District. Each board is made up of members elected from within the four wards, and an appointed Councillor (two Councillors for Whakatāne-Ōhope) from the same area. Community Boards provide an important link between the Council and the community.

Community Boards meet every seven weeks in an open meeting that you are welcome to attend. Contact information for your Community Board representatives and more details on meeting dates and venues are available on our website.

If you have questions or concerns about a Council process or service, are looking for more information or advice, or have an idea to enhance your community - feel free to get in touch with your local Councillor or Community Board members.



COMMUNITY BOARD AREAS

WHAKATĀNE-ŌHOPE COMMUNITY BOARD

- Christine Chambers - Chair
- Moira Hanna - Deputy Chair
- Scott Jarrett - Councillor
- Mike van der Boom - Councillor
- Kay Boreham
- Gerard Casey
- Neville Delahunty
- Carolyn Hamill
- Mark Inman
- Jennifer Manning

RANGITĀIKI COMMUNITY BOARD

- Charelle Stevenson - Chair
- Kris Byrne - Deputy Chair
- Gerard van Beek - Councillor
- Graeme Bourk
- Alison Clark
- Gavin Dennis
- Evan Harvey

TĀNEATUA COMMUNITY BOARD

- Diane Yalden - Chair
- Geoff Chater - Deputy Chair
- Andrew Iles - Councillor
- Les Knowles
- Hohepa McLean
- Michael Robert
- Luke Ruiterman

MURUPARA COMMUNITY BOARD

- Alison Silcock - Chair and Councillor
- Jackie Te Amo - Deputy Chair
- Ormond Hynes
- Bruce Jenkins
- Mem Jenner
- April O'Brien
- Te Waiti Rangiwai

OUR WORK

Tā mātou mahi

The Whakatāne District Council is your Council - here to promote and represent the interests of our communities and District. We work to ensure the wellbeing and hauora of our communities and District, for today and into the future.

Our purpose is to provide:

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

Our mahi involves the delivery of a wide range of services and facilities that families, households and businesses rely on and use every day. At the top of our list of priorities is providing services that ensure the health and safety of our community, such as providing clean drinking water, appropriate treatment and disposal of sewage, and providing a local roading network which allows people to move safely about the District. Many other Council activities play an essential role in making this a great District in which we all want to live, work and play.

In total, we deliver 36 activities under 11 activity groups and manage over \$700 million worth of assets on behalf of the community. Detailed information about our activities can be found in the “Our Work in Detail” chapter of this Long Term Plan.



These are just some of our services:

TRANSPORTATION NETWORK

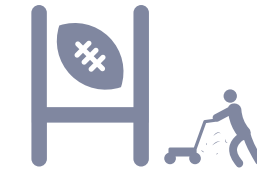
ROADS
FOOTPATHS
STREETLIGHTS
BRIDGES



Your Water,
Stormwater
& Sewerage
— SERVICES —



EMERGENCY
MANAGEMENT



— YOUR —
Museum
Te Kōputu &
EXHIBITION SPACES
— YOUR —
Libraries



your PARKS
& RESERVES



And much more...

THE ROLE OF THE LONG TERM PLAN

Te take o te Mahere Roanga



LONG TERM PLAN (THIS DOCUMENT)

The **Long Term Plan** sets Council's strategic direction, priorities and work programme for the ten years ahead. It outlines the services we will provide, the projects we will undertake, the cost of doing this work, how it will be paid for and how we will measure our performance.

While the Long Term Plan looks ten years ahead, we renew it every three years. This is because the opportunities and challenges facing our communities and District, and the context within which we work, are continuously evolving. This Long Term Plan covers the period 2018-28 and replaces our previous 2015-25 Long Term Plan.

Regardless of whether or not you are a ratepayer, the Long Term Plan affects us all. It is more than just a work plan for the Council. It is about working towards the kind of community and District we want to live in, and a future we want to be a part of.



ANNUAL BUDGET UPDATE

The **Annual Budget Update** is produced in each of the two years between our Long Term Plans. These provide an opportunity to make any necessary refinements to what was planned for the year in the Long Term Plan. If there are major or significant changes proposed, we consult on them with the community as part of developing the Annual Budget Update.



ANNUAL REPORT

The **Annual Report** is our scorecard for each year. It is produced at the end of every financial year and provides insight into what we achieved that year. It reports back on how we performed against what we said we would do, and how much we said it would cost in the Long Term Plan and Annual Budget Update.



Our Direction
Te aronga whakamua

OUR VISION, COMMUNITY OUTCOMES AND PRINCIPLES

*Tō tātou Kitenga, ngā Hua,
me ngā Tikanga o te Hapori*

Vision

The Vision guiding the Council's work and this Long Term Plan is for the Whakatāne District to be the place of choice for people to live, work and play. In achieving this 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; and we will be successful guardians of our natural environment.

Community Outcomes

Our Community Outcomes (set out on the following pages) provide greater detail to the Council Vision. They are a high-level set of desired goals that we aim to achieve. The Community Outcomes seek to improve the social, economic, environmental, and cultural well-being of our District, now and for the future. The Council uses the Community Outcomes to guide and inform planning processes and the setting of priorities, and help us focus on a long-term Vision for the District.

Principles

Our LTP is guided by a set of overarching principles, as set out below. While the Vision and Community Outcomes focus on what we aim to achieve, the Principles guide how we will work.

***Takohanga* - RESPONSIBLE**

We'll work together with the community to prioritise essential core services and manage our assets prudently.

***Whakauka* - SUSTAINABLE**

We'll manage our assets and activities in a way that does not compromise the environmental, social, cultural, or economic wellbeing of the community, now or into the future.

***Whakamana* - ENABLING**

We'll take opportunities to encourage and support activities which will grow the vibrancy, vitality and prosperity of our District.

***Ka tāea te utu* - AFFORDABLE**

We'll be responsive and sensitive to the issue of rates affordability across the District.

COMMUNITY OUTCOMES

Ngā Hua o te Hapori



Effective Leadership

Striving for our future and well-being

- Be visible, strong, have a clear vision and listen to all sectors of the community
- Work in partnership with Iwi and the community
- Ensure accountability to the community through transparent, open and inclusive decision making
- Respond and advocate on community issues.



Sustainable Economic Development

Working in partnership

- Facilitate an economy that is prosperous in both urban and rural areas
- Encourage business growth that builds on the region's assets
- Support Māori economic development
- Promote connected businesses through effective networks.



Community Needs

A caring community

- Create vibrant, connected and safe communities
- Support healthy, active communities
- Build inclusive communities
- Value, celebrate, promote and protect Māori culture.



Quality Services

Excellent value for money

- Provide services that meet the aspirations of the community
- Ensure all customers are dealt with in a timely, helpful and friendly way.



Valuing our Environment

Sustaining for future generations

- Sustainably manage the natural and physical resources
- Recognise and protect places of natural and cultural heritage
- Proactively plan for growth and ensure the effects and costs are managed.



Reliable and Affordable Infrastructure

Meeting current and future needs

- Provide infrastructure that facilitates growth and development
- Sustainably manage community assets
- Ensure people, infrastructure and the environment are protected from natural disasters.



Our Policies and Strategies
Ngā kaupapa here me ngā rautaki



KEY PRIORITIES FOR THE COMING TEN YEARS

Ngā take whakahirahira mō ngā
tau tekau e heke mai nei

The coming ten years will present some major challenges and opportunities to our District as we continue to work towards achieving our Community Outcomes.

Over time, these challenges and opportunities change, as do the needs and expectations of our communities. As part of developing our Long Term Plan, we checked whether our vision and priorities are still relevant, or if we need to adjust our focus and efforts.

Through this process we worked with user groups, stakeholders, businesses, iwi, and the wider community. We reviewed what the community has been telling us through our annual 'Communitrak' surveys and through the Whakatāne Ki Mua Community Vision project. We reflected on the feedback that we have received over recent years through other channels like requests for service and consultation on specific projects. And we undertook a community consultation campaign specifically to inform key decisions on priorities, projects and services in the Long Term Plan.

We have organised the resulting priorities into four key focus areas, as set out on the following pages. Each key focus area includes a summary of the key challenges and opportunities we face and how we intend to respond

RESILIENT PEOPLE AND PLACES

We want to make sure our communities are able to withstand difficulties and recover from adversity quickly.

VIBRANT COMMUNITIES

We want to work with the community to make sure our District continues to be vibrant, engaged, and connected.

THRIVING ECONOMY

We want our District to continue to experience economic development and growth.

RESPONSIBLE MONEY MANAGEMENT

We want to find the right balance between the level of services we provide and what they cost.

Community feedback helped to determine priorities and inform decisions about projects and services

Your feedback has been valuable in finalising a Plan that balances the various priorities of our communities.

We appreciate the time and effort people have taken to engage in these important processes. We also acknowledge that this LTP is a moment in time and that our conversations need to continue to make sure we continue to head down the right track.

WHAKATĀNE KI MUA
COMMUNITY VISION

We reviewed the ideas and concerns raised through engagement on the Whakatāne Ki Mua community vision

In 2017, a major community vision engagement process resulted in over 18,000 comments and ideas being generated from people, groups and organisations across the District. This process told us what our communities love about our District, and what they see as the top challenges and opportunities.

The feedback told us that community cohesion, community spirit, the lifestyle, and natural environment were foremost amongst the things we love and want to retain for our District.

The greatest challenges were dominated by social issues, including gangs, crime prevention, and employment opportunities. Natural hazards and civil defence preparedness also featured, given the timing of flood events in Edgecumbe.

A huge number of ideas were contributed - for walking and cycling, for recreation and entertainment, for retail opportunities, for sustainable living and for use of our parks, reserves and open spaces for example. We reviewed this feedback in the development of this Long Term Plan.

More information about this project is available on the website: whakatanekimua.nz.

We reflected on the findings and comments from our annual 'Communitrak' residents survey

Every year we undertake a random sample survey of residents in our District, asking them about their experiences and views on Council services and facilities. This allows us to track the changes in levels of community satisfaction with our services over time, and provides insight into our community's priorities.

Over time the Communitrak survey has consistently shown a high community priority placed on business, tourism and events related activities as well as the need for increased stormwater protection (feedback that shown to intensify in correlation with flood events), and improving drinking water quality and public toilets, for example.

Information from the survey has fed into the development of our LTP and is also a crucial part of our performance monitoring framework.

Our Communitrak Survey reports can be found on our website: whakatane.govt.nz.



WE READ AND LISTENED TO THE FEEDBACK RECEIVED ON OUR LTP COMMUNITY CONSULTATION

Formal community consultation on our LTP was held from March to May 2018. Through this process, we listened to your feedback at open days, public events and workshops. We read the comments provided through workshops, on Facebook and on our brainstorm boards. We read the 209 formal submissions that were received, and we held a full day and evening of hearings to listen to the submitters who wanted to present their submission in person.

In total 883 various submission points were raised. You told us what you liked and did not like about the proposals that we were looking to include in our Long Term Plan, and providing insight into the things you consider are important for the future of our District.

Feedback from community consultation has influenced our decisions as we finalise this Long Term Plan. Some of the examples include:

- Delaying the equalisation of rating costs for Murupara water and wastewater schemes until there is greater clarity around future upgrading works and costs.
- Confirming the increase in funding towards tourism and events, to work towards increasing the economic benefit of these activities to our District.
- Setting aside some of the funding from the sale of the Opihi land block towards the development of a possible walk and cycle bridge linking Whakatāne township to Opihi/Coastlands.
- Including funding to support waste management education and projects by Community Resources Whakatāne (CRew).
- Trialling a reduction of opening hours of Te Kōputu a te whanga a Toi (Library and Exhibition Centre) on Sundays over the winter months of the year to save costs.
- Seeking grants funding to undertake investigations into the costs of installing, maintaining and operating a removable roof to allow year round swimming in the outdoor pool at the Whakatāne Aquatic Centre - to inform consideration of the project in the 2019/20 year.
- Establishing a partnership facilitation fund of \$50,000 to support community groups that are seeking to provide community facilities, such as the development of a Mountain bike park, the extension and upgrade of the Whakatāne skatepark and options for the future use and amenity of Bob Byrne Park in Ōhope.
- Providing budget to support the continued coordination of the Whakatāne Ki Mua community vision and collaboration project.
- Increasing funding to the Annual Grants budget in response to the Surf Lifesaving Submission for an extension of the regional lifeguard service within the District.
- Sealing the access way to the Galatea Cemetery.
- A reduction in the average rates rise across the District, to 3.83% (down from 3.99%)



VIBRANT COMMUNITIES

Ngā hapori whitawhita

We are privileged to live in an area of such natural beauty and rich cultural diversity. Survey results consistently show that our communities regard their quality of life much higher than the New Zealand average.

Much of Council's work contributes towards the vibrancy of our communities. We provide services for recreation and leisure. We work to connect people to places, and to each other. We advocate and work to address some of the social challenges facing our communities and District. Much of this work is in partnership with others.

Over the next ten years, we will continue to work with individuals, community organisations and government agencies to ensure that our District retains its vibrancy and vitality and offers the quality of life we all enjoy. While we intend to keep providing most services at the current level, we are proposing to work in partnership on some carefully considered service improvements to ensure we continue to meet the needs and aspirations of our communities.





Whakatāne Ki Mua

The situation:

In 2017 we initiated Whakatāne Ki Mua – a community vision and collaboration project. The project aims to bring people, groups and organisations together to help progress the things they think are important for their communities. Around 3,000 people participated in the engagement phase of Whakatāne Ki Mua, providing over 18,600 comments and ideas.

Our plan:

The Council has provided funding to continue the coordination of Whakatāne Ki Mua. Whakatāne Ki Mua is providing a platform for many community ideas and priorities to gain greater support, visibility and momentum. Whakatāne Ki Mua has helped to initiate or support a number of community-led groups and projects like the Disability Action Group, Bike Whakatāne, the Homelessness Action Team, Green Print Whakatāne, and Neighbours Day events, to name a few.

A cross sector forum has also been established and is bringing together local government entities, Central Government departments, iwi and other key stakeholders to collaborate on common priorities in response to community feedback.

Walking and cycling development

The situation:

Our communities continue to show demand for walking and cycling opportunities. This includes both for recreation purposes and generally as an alternative mode of transport. As well as benefiting locals, walking and cycling facilities also help to enhance the Whakatāne District and wider Eastern Bay of Plenty region as a visitor destination.

Our plan:

We have scheduled a review of the Whakatāne and Ōhope Walking and Cycling Strategy for the 2018/19 year. This will guide walking and cycling initiatives within our main urban areas and inform funding applications to the New Zealand Transport Agency and other partners.

We are also working in partnership with neighbouring Councils on an Eastern Bay of Plenty cycle trail linking the region's main communities and traversing areas of high amenity value, including coastal reserves, rivers and lakes.

As part of this trail, we have received funding from Central Government to complete a business case investigating an extension of the Mōtū trails route through to the Whakatāne Airport. We have also developed a \$1 million fund, in partnership with the developers of the Opihi land block, towards the possible development of a walk and cycle bridge linking Whakatāne township to Opihi/Coastlands.

Museum and Research Centre project

The situation:

The Whakatāne Museum and Research Centre Redevelopment is the second stage of Whakatāne District Council's major Arts and Culture Project. The Museum and Research Centre Redevelopment responds to longstanding issues with storage, climate control, access and building integrity. The first stage, Te Kōputu a te whanga a Toi (the Whakatāne Library and Exhibition Centre) opened in June 2012 and combines a public library, a museum display area and three art gallery spaces for changing exhibitions.

Our plan:

The new Museum and Research Centre is expected to open in September 2018. The opening will be preceded by a significant amount of work to return our taonga and collections to their new home and to prepare for the provision of new services. The opening will see the delivery of a multi-functional community asset with the necessary conditions required to protect and preserve our past. It will provide research and education spaces for schools and individuals to engage with our historic and growing collections.

Upgrade of the Whakatāne boat ramp area

The situation:

The Whakatāne boat ramp and trailer park area at Wairaka is a major asset for locals and visitors. The Council is planning to upgrade the area, with a key concern being user health and safety. This also provides the opportunity to make improvements requested by users of the parking area and port structures, and members of the public.

Our plan:

A concept plan for the upgrade of the Whakatāne boat ramp area was drafted with input from key stakeholders. The plan was open for general community feedback alongside the LTP receiving general support and some suggestions and ideas for changes. The project is due for construction in the 2018/19 year with costs to be met from the Harbour Fund. Amongst a number of improvements, the upgrade of the boat ramp area will provide better parking facilities, a wash down area, improved boat lift out facilities, a restricted wharf front loading area and improved safety associated with adjacent walking and cycling routes.





Redevelopment of the Whakatāne District War Memorial Hall

The situation:

The Whakatāne District War Memorial Hall is well used but lacks the facilities and appeal to cater to some major events and conferences. The interior is outdated and earthquake strengthening work is required to parts of the building. The project was included from 2017-20 in our previous LTP to redevelop the Hall into a modern, flexible facility catering for events, conferences, indoor-sports and theatre activities.

Our plan:

Investigations have commenced into the project scope, including initial consultation with regular Hall users. The project will continue into this LTP but the project timeframes have been extended to 2019-26. Council reconsidered the timing of the project to help keep our LTP affordable in the context of other major priorities.

A budget of \$10 million is included for the project with substantial portion of this needing to be secured from funding partners before going ahead with construction.

THRIVING ECONOMY

Te ōhanga e puāwai ana

People who live in and visit our District know that it offers some amazing lifestyle and business opportunities. This is increasingly being recognised by others, especially when it comes to tourism. We are seeing considerable growth in visitor numbers and an associated financial return for local businesses. We know that our District offers many more opportunities for economic growth and job creation. We want to continue to work in partnership with the community and other stakeholders towards a District where our people and businesses thrive.





Growing tourism and events

The situation:

Our District continues to grow in popularity as a tourist destination. A strong theme through LTP submissions, Whakatāne Ki Mua and our annual community surveys is a desire for increased funding for tourism and events. For the year ended April 2018, our annual visitor spend was \$131 million, an economic contribution which has grown from less than \$100 million in 2013. While tourism products and accommodation make up some of this spend, over 50% is with other local retail – such as food and beverages for example. The growth in tourism is also reflected in data for commercial accommodation which shows that visitor nights have grown from under 200,000 in 2013 to nearly 300,000 in 2018.

Our plan:

We are committed to encouraging our businesses and communities to thrive. We have responded to community feedback by allocating an additional \$150,000 towards events and tourism in this LTP. We support and seek out events that will have both a community and visitor appeal and includes a focus on arts, food, sports and lifestyle. These types of events bring in immediate economic benefits and positive media, which entices more visitors to the district.

Developing the port and waterfront

The situation:

The ageing Main Commercial Wharf on the Whakatāne River is in significant disrepair and the wider port environment does not cater adequately for the needs and demands of its current users. Commercial and economic development opportunities are constrained by the lack of available facilities and the port environment cannot accommodate existing needs or meet current business aspirations.

The Main Commercial Wharf was originally built for cargo handling at a time when there was less need for ease of access, compared to present day requirements. A part of the wharf is more than 100 years old and structural assessment reports confirm that it requires urgent replacement.

Our plan:

We have included \$6 million for a 'like for like' wharf replacement in this LTP. While a new wharf structure needs to provide for unmet demand for commercial berthage, now and in the future, the location, design and scope of replacement options has the potential to create a vibrant new waterfront area which will transform the Whakatāne town centre. The Council are working closely with Te Rūnanga o Ngāti Awa and Ngāti Awa Group Holdings on this project to align with their cultural and commercial interests in the area.

Providing for residential growth and development

The situation:

The Whakatāne District population is currently 34,600. In the past 2-3 years, we have experienced an increase in population growth. This is expected to continue into the future, due to our lifestyle attraction and major economic development opportunities currently being progressed across the Eastern Bay of Plenty.

Our plan:

In response to likely demand, a number of residential development opportunities are already well underway by private developers. The sale of Council's land block at Opihi will provide further residential and retirement opportunities.

We are currently progressing a Development Strategy for the Whakatāne District which will provide direction for sustainable growth and development. It will assess the residential and business development capacity requirements by taking a number of different approaches. The Development Strategy will consider a 30 year timeframe, with an emphasis on providing direction for the next 10 years.

Enhancing the District's White Island/Whakaari Brand

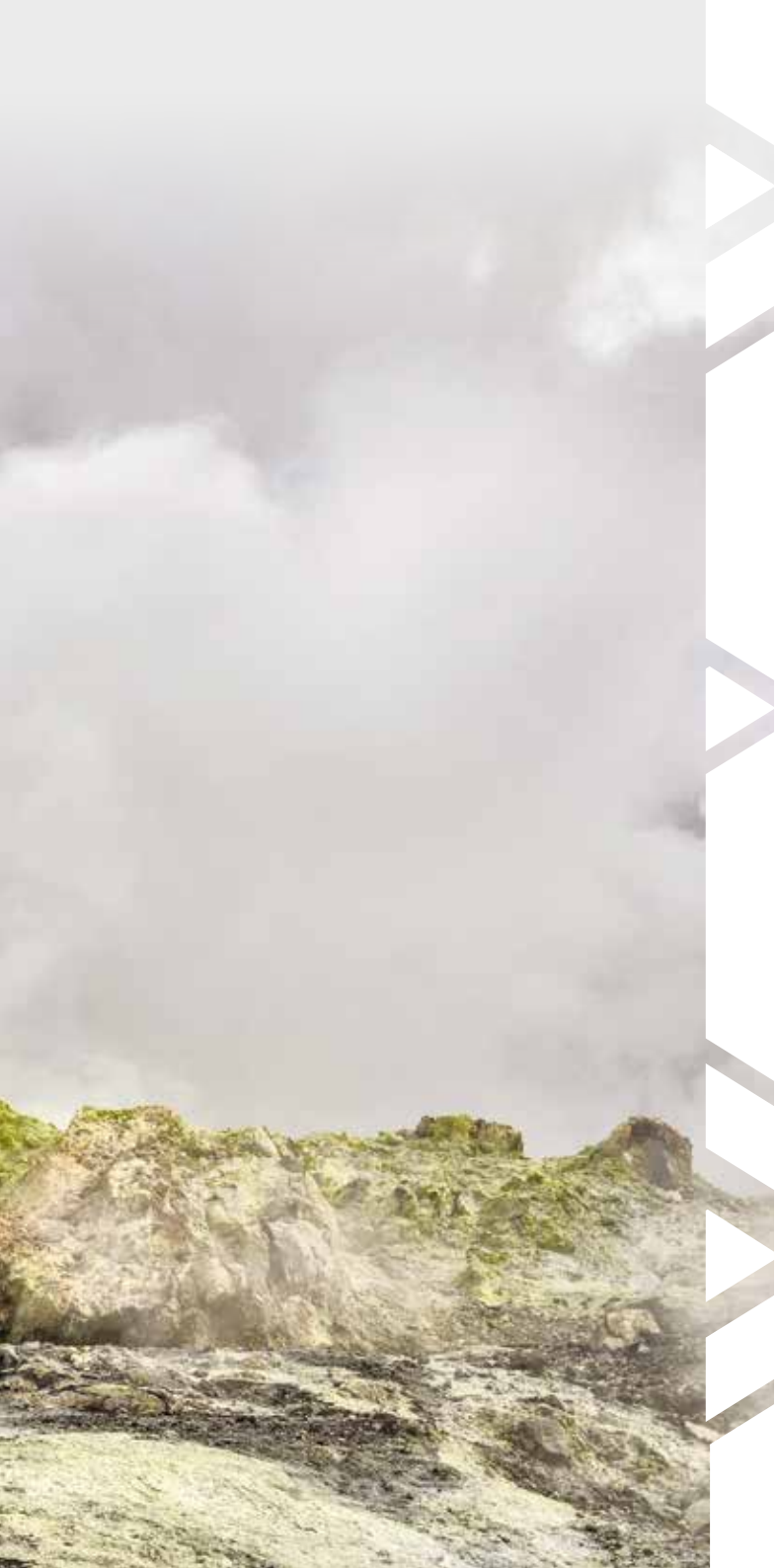
The situation:

White Island/Whakaari is an international tourism attraction for New Zealand. Currently, more than 20,000 people visit the island every year and 80% of these are international visitors. Tourism New Zealand is now marketing White Island/Whakaari as an iconic attraction and the island receives global media attention. The uniqueness of the White Island/Whakaari experience is a point of difference that no other region in New Zealand has. Whakatāne's status as a Gateway to White Island/Whakaari can be leveraged to draw more international and domestic travellers. The consistent message we are getting from industry experts is that White Island/Whakaari is the 'jewel in our crown' and that if we embrace this opportunity, it will provide a significant step change in Whakatāne's tourism economy.

Our plan:

Whakatāne District Council has developed the 'White Island/Whakaari Tourism Project', which will investigate the economic opportunities that can be generated by using White Island/Whakaari as the cornerstone tourism attraction and key promotional tool for Whakatāne. This work will be undertaken with operators and the wider tourism industry. There is an opportunity to utilise a unique tourism product to benefit the business sector and the community. An expansion for White Island Tours, White Island/Whakaari Experience Centre, and improved passenger access are among some of the potential tourism plans that will help boost our waterfront economy.





Supporting iwi-led development opportunities

The situation:

A number of iwi have areas of interest that fall within the Whakatāne District. Ngāti Awa, Ngāti Manawa, Ngāti Tūwharetoa Ki Kawerau (Bay of Plenty), Ngāti Whare, and Ngāi Tūhoe have reached settlements with the Crown, with four of these settlements being reached in the past five years. Ngāti Rangitihī is currently in negotiations with the Office of Treaty Settlements. Post-settlement iwi are leveraging off their strengths and asset base to support and advance their economic opportunities. Council has a role to support these aspirations.

Our plan:

We will continue building collaborative relationships to support iwi-led development. Work is ongoing, and as any new iwi-led projects and initiatives arise, we will explore how we can best work together. Examples include collaborating with Te Rūnanga o Ngāti Awa on the wharf development, supporting Tūhoe Te Uru Taumatua and Te Urewera Board on the Nature's Road/ SH38 project, the Ngāti Manawa water bottling opportunity, supporting Ngāti Whare's nursery and redevelopment of Minginui, and supporting various iwi in pursuing cultural and ecotourism aspirations.

The 'Supporting and encouraging Māori to contribute to Council decision-making' section of this LTP contains further information on Council and iwi partnerships.

Supporting and partnering with our Eastern Bay of Plenty neighbours - Ōpōtiki and Kawerau

The situation:

The districts in the Eastern Bay of Plenty share a number of common aspirations. Alongside our neighbours, Ōpōtiki and Kawerau, we want to realise our economic potential, while creating employment opportunities and positive social outcomes. Our proximity to our neighbours means that positive economic outcomes often have mutual benefits to the whole Eastern Bay of Plenty region.

Our plan:

We are working with our neighbouring districts both directly and through Toi-EDA (the economic development agency for the Eastern Bay of Plenty). The aim is to harness our collective strengths and aspirations for development. Ōpōtiki has identified aquaculture and horticulture development as key priorities, and Kawerau has key projects in dairy, wood manufacturing, geothermal and industrial development. Whakatāne, with its strong tourism focus on leveraging White Island/ Whakaari, also stands as a service centre for growth that is occurring in adjoining districts. If we work towards our priorities together, it will result in economic and employment benefits across the Eastern Bay of Plenty.



RESILIENT PEOPLE AND PLACES

Ngā tāngata me ngā wāhi manawaroa

Our District will face a number of significant challenges over the next few years and beyond. These include managing the effects of natural hazards and climate change, maintaining a safe and secure water supply network, and making sure that all of our infrastructure (things like buildings, pipes, and roads) works well, meets your needs, and fulfils our legislative requirements. Our work will help to ensure that people, places, and resources are resilient – that means that they are able to withstand or recover quickly from difficult situations.





Upgrading wastewater treatment systems

The situation:

The resource consents for the Whakatāne, Edgecumbe, Tāneatua and Murupara wastewater treatment systems all expire on 1 October 2026. To continue to deliver wastewater systems we will need to apply to the Bay of Plenty Regional Council for new consents. Because technology and environmental standards have changed over the years, the new resource consents are very likely to require changes to the way our treatment plants operate.

Our plan:

We'll start applying for new resource consents during the 10 years of the 2018-28 Long Term Plan. We won't know exactly what changes need to be made to our treatment systems until we start the resource consent process, but we have budgeted for the types of upgrades we're expecting will be required. As we learn more about what we need to do, we'll ask the community to help us make decisions about these projects. Over the next 10 years we have budgeted \$4 million to replace our wastewater resource consents and \$14 million to begin wastewater treatment system upgrades. We have currently indicated a further cost of \$46 million (in our 30 year Infrastructure Strategy) falling beyond the coming ten years to continue these upgrades.

As part of our consultation on the LTP we asked for feedback on equalising the rates costs of Murupara's water and wastewater. With the timing of the projects to improve Murupara's water and wastewater currently being reconsidered we have decided to delay equalisation of rating costs until we have more certainty.

Project update - Finding funding for the Matatā and integrated wastewater solution:

Our initial plans sought to develop a new wastewater scheme in Matatā in 2015-2017, but the resource consent for this project was overturned by the Environment Court. We're now proposing an alternative 'integrated wastewater system.' This would pipe raw sewage from Matatā to Edgecumbe for treatment, and then to Whakatāne for discharge.

This proposal makes the most of our existing infrastructure, requires minimal changes to existing resource consents, and also provides improvements for Edgecumbe and Whakatāne. It would cost about \$32 million. Because of the high cost, this project can only be progressed if we are able to confirm external funding support. We will continue ongoing discussions with Central and Regional Government to help fund this project. If funding is received, we will consult with the community about options for this significant project.



Finding an alternative water supply for Whakatāne and Ōhope

The situation:

Currently, water for Whakatāne and Ōhope comes from the Whakatāne River. The quality of the water can be affected by high turbidity and by saltwater intrusion. It is a risk to continue to rely on this supply alone, particularly as we experience more extreme weather patterns.

Our plan:

The most cost-effective solution would be to develop a number of shallow wells along the Whakatāne River, upstream of the current water treatment plant. We've included \$300,000 in the budget for 2018/19 to investigate this option. If that investigation is successful, we will spend just over \$2 million the next year (2019/20) on developing the wells. If the investigation is not successful, we will need to look at other options.

Making sure water is safe to drink

The situation:

The focus on drinking water safety has increased following the Havelock North drinking water contamination event in August 2016. It is very likely that at some point in the near future, Central Government will require councils across the country to upgrade their drinking water safety standards, which could include mandatory chlorine treatment.

Our plan:

Our LTP budget includes \$1 million for specific water safety-related projects across a number of Council schemes.

Amongst these projects, the Murupara water supply has been identified as having an elevated risk because it is currently not chlorinated. Following a strong plea from the Murupara community, the Council recently made a decision not to chlorinate this water supply. An alternative option will install backflow prevention to help manage some risk within this reticulation system.

We will continue to work closely with Toi Te Ora Public Health drinking water assessors and our communities to implement any necessary changes to our systems.

Strengthening earthquake-prone buildings

The situation:

In the wake of the recent Canterbury and Kaikoura earthquakes, many communities around New Zealand are dealing with earthquake-prone building regulation. Central Government direction has tasked local authorities with the responsibility of ensuring buildings are assessed and strengthened to reduce the risk to people and property during earthquakes. Initial evaluations indicated that 67 percent of buildings in the Whakatāne CBD are potentially earthquake-prone, meaning those buildings may not meet the required standards.

Our plan:

The challenge of dealing with earthquake-prone buildings is complex and potentially costly for building owners. The Council has implemented an Earthquake-prone Buildings Programme to guide and coordinate a response to this issue. As part of this programme the Council has undertaken a nationally recognised Ground Study and is coordinating and project managing building assessments to simplify the process and reduce the costs to private building owners.

A number of Council's own buildings and facilities require earthquake strengthening including for example the Civic Centre Building and the Whakatāne District War Memorial hall.

Coordinating a response to climate change and natural hazards

The situation:

The world's climate is changing. Trends are for a warming of average temperatures, rising sea levels and increased frequency and intensity of weather events. The impacts of climate change have far reaching implications for our society and economy that we need to consider and respond to.

The flood events in April 2017 are an example that we live in a District that is very vulnerable to natural hazards. The increasing effects of climate change are making this a growing concern.

Our plan:

We are continuing work that responds to climate change on a number of fronts. Work will continue under this LTP on a number of projects to increase the capacity of our urban stormwater systems. We have also approached the Bay of Plenty Regional Council requesting that they work closely with us on the review of their river schemes and flood catchments. A Climate Change Action Plan is being developed at the time of writing this LTP and will help to guide a collaborative response to this challenge. It will also consider how as a Council and a community, we can reduce our impact on the environment. The potential impacts of climate change are also key considerations in our District Plan and our Infrastructure Strategy.

Project update - Managing risk in the Awatarariki stream fan head:

The Matatā township was struck by devastating debris flows in 2005. Initial plans for an engineering solution to reduce risk for residents living near the Awatarariki Stream were eventually abandoned in 2012, because experts assessed this to be unworkable and unaffordable. Independent hazard and risk assessments have confirmed that the risk to life and property along parts of the lower Awatarariki Stream is unacceptably high. The most effective way to reduce risk is a 'managed retreat', to enable property owners to relocate away from the high-risk area. A case to support funding of this option is being pursued with Regional and Central Government, as it would be unaffordable for our District without support from these partners.

RESPONSIBLE MONEY MANAGEMENT

Te Haepapa Whakahaere pūtea

We are mindful of the need to balance affordability with all the work needed to help our communities be resilient, vibrant and thriving.

The LTP is all about deciding priorities within financial limitations and ensuring that we remain financially sustainable – that's why we set limits for rates increase and for the amount of debt we use to fund things.

Consultation on our LTP asked for feedback on our balance of rates affordability versus doing more for our communities. It's a balance – we could deliver more, but that would require more money, including from rates, loans and other sources. On the other hand, we could look to keep costs lower, but this would require us to reduce or cut services. In general, the feedback was split between keeping the balance of costs and services at about the level they are now, or, to deliver more, even if this meant an increase in rates or debt. Very little feedback suggested we should reduce services and projects to cut costs. This is in keeping with the messaging we get annually through our 'Communitrak' residents survey.

For more information, our Infrastructure Strategy, Financial Strategy and Revenue and Financing Policy are included in the Strategies and Policies section of this Long Term Plan.

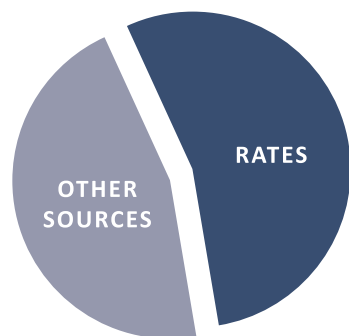
AMOUNT OF
FUNDING WE
NEED OVERALL

1. OUR BUDGET SETTING PROCESS IMPACTS RATES AFFORDABILITY:

As we developed the LTP we made choices about projects and services that we will deliver and others that do not make the cut. The amount that we spend and how we spread these costs over time (such as through loan funding) has a direct impact on what rates will be. Our overall budget setting process works within limits that we have set for rates and debt.

Many of our priorities in this LTP are 'must do' items. Outside of those things, we will continue to deliver most services at the current level, unless we can find ways to make improvements with minimal cost to ratepayers.

We will also continue to review the way our services are delivered including those delivered through contracts. We look for more efficient, productive or innovative ways to deliver services.

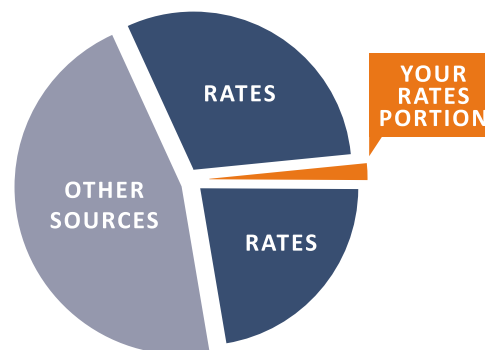


2. THE AMOUNT OF FUNDING WE ARE ABLE TO GET FROM OTHER SOURCES IMPACTS RATES AFFORDABILITY:

We will source as much funding as we can from external sources like the Regional Growth Fund, Ministry of Health, NZ Transport Agency, the Lotteries Commission, local partnerships and others. This helps to minimise some of the costs to ratepayers. Rates usually make up around 65-70% of our funding.

For a number of key projects, we will only proceed on the basis that a certain amount of external (non-ratepayer) funding has been secured.

We will also look to benefit from the Harbour Fund, but continue to manage this for long term sustainability.



3. OUR SYSTEM OF RATING IMPACTS RATES AFFORDABILITY:

In our District we have 15,617 rateable properties. Our “rates requirement” is divided amongst these properties and the amount of rates charged is different for each property. These differences are based on a balance between the capital value of the property, and on the services those property owners can access or are likely to benefit from.

To see what rates could look like for your property in the 2018/19 year, have a look at the ‘Indicative Rating Examples’ included later in this Long Term Plan.



4. OUR DAY TO DAY FINANCIAL MANAGEMENT IMPACTS RATES AFFORDABILITY:

Staying within the budgets that have been set for any given year, is a key part of rates affordability. This is because cost overruns in one year can cause a rating deficit which would need to be recovered in the following year or years.

We will continue our disciplined approach to day-to-day financial management to make sure we finish each year in a strong financial position.

When unexpected costs happen, we will always try to accommodate these within existing budgets first, to avoid or minimise budget overruns.

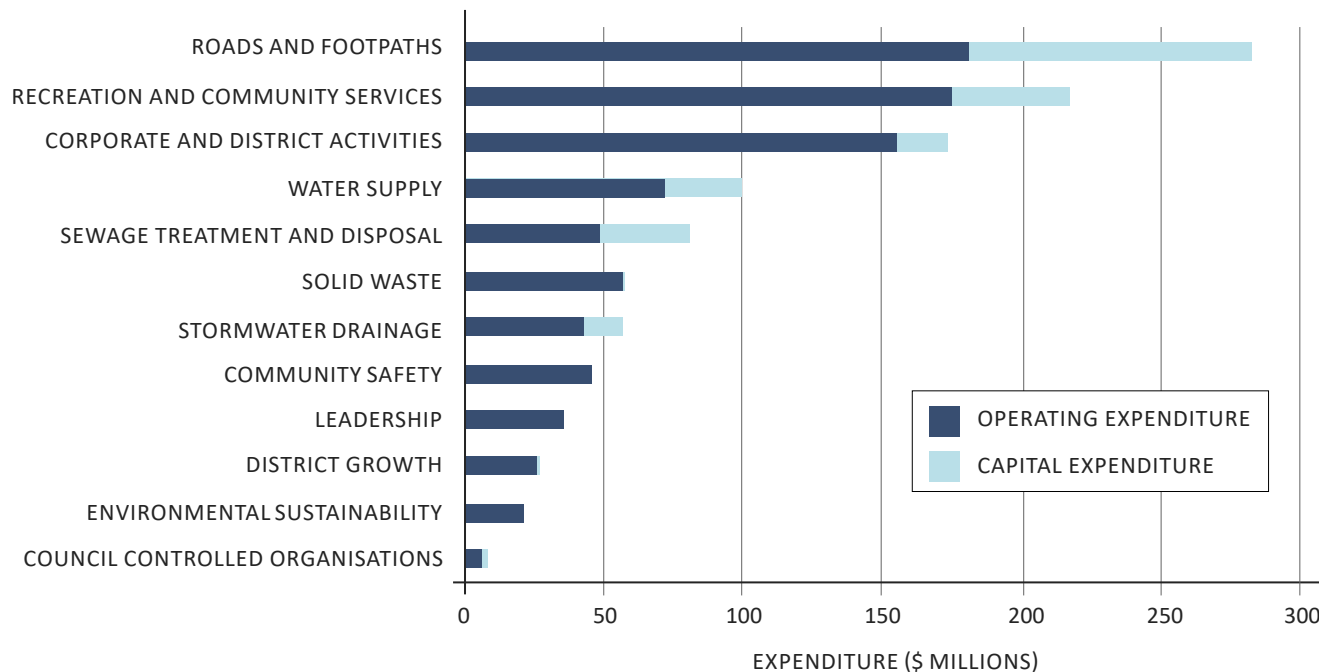
While unforeseeable events, such as storms, are difficult to plan for, we will continue to set aside some reserves to help meet the costs of emergency response and reinstatement work.

The total cost of delivering services and facilities to our communities and District for the coming ten years is \$1.1 billion.

This includes:

- \$867.9 million of operating expenditure – this is the day-to-day costs of delivering our services, maintaining existing assets, or other expenditure that does not buy or build a new asset (e.g. maintaining our parks and reserves).
- \$237.5 million of capital expenditure - this is the cost of buying or building a new asset, renewing an existing asset, or improving an asset to deliver a better service.

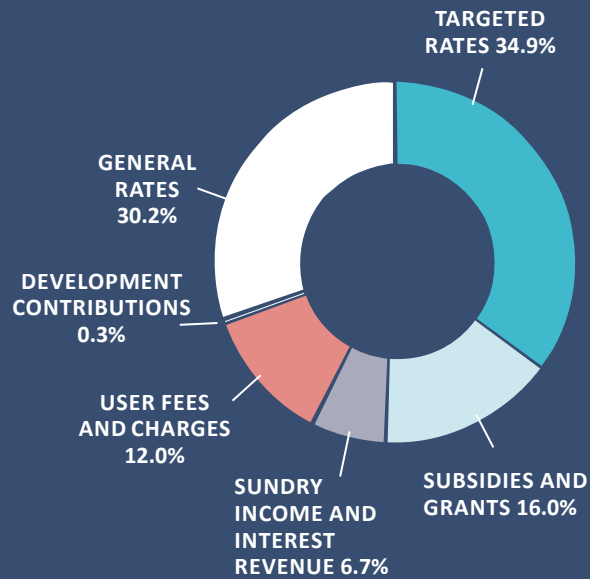
TOTAL EXPENDITURE BY GROUP OF ACTIVITIES 2018-28



This graph shows the amount of expenditure on each of our Groups of Activities in total for the coming ten years. More information about each of our activities, including why we do them and what we will work on, can be found in the "Our Work In Detail" chapter of this LTP

We don't get all of our income from rates

Rates typically provide between 65 and 70 percent of the revenue required to pay for Council services and facilities. Other funding sources include user fees and charges, subsidies, grants and development contributions.

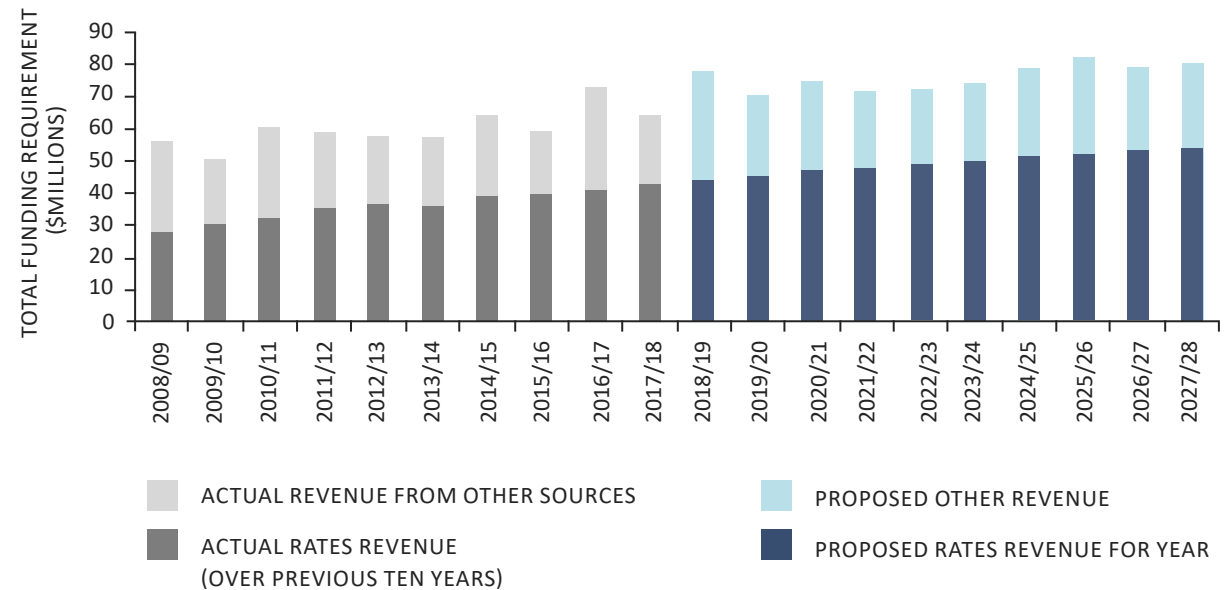


The funding from ratepayers towards services and facilities for the coming ten years is \$491.4 million.

In the first year of implementing our LTP the cost of our activities to the average rateable property is around \$54 per week. This amount is forecast to increase over time to \$66 per week by 2028.

This increase is mostly due to inflation, but also for some carefully-selected changes and improvements to our services. In particular, a major driver of cost increases in the coming years is for our three waters services (water supply, wastewater, and stormwater) but also to progress other carefully selected priorities for our communities and District.

REVENUE REQUIRED FOR COUNCIL ACTIVITIES 2018-28 (INCLUDES INFLATION)



Limiting rates increases

In this LTP we will continue to limit rates increases to inflation - based on the Local Government Cost Index (LGCI) - plus two percent. This limit applies to the total increase across the District, with actual rates increases varying from property to property. Our limits for rates increases are set out in the following table. The table also shows the rates increases that are forecast for each year of the Long Term Plan.

LGCI is a measure of inflation as it relates to the local government sector specifically (for example the changing costs of concrete, pipes and construction). LGCI figures are adjusted annually and this may change our limits for rates increases.

TOTAL RATES INCREASES AND LIMITS ON TOTAL RATES INCREASES 2018-28

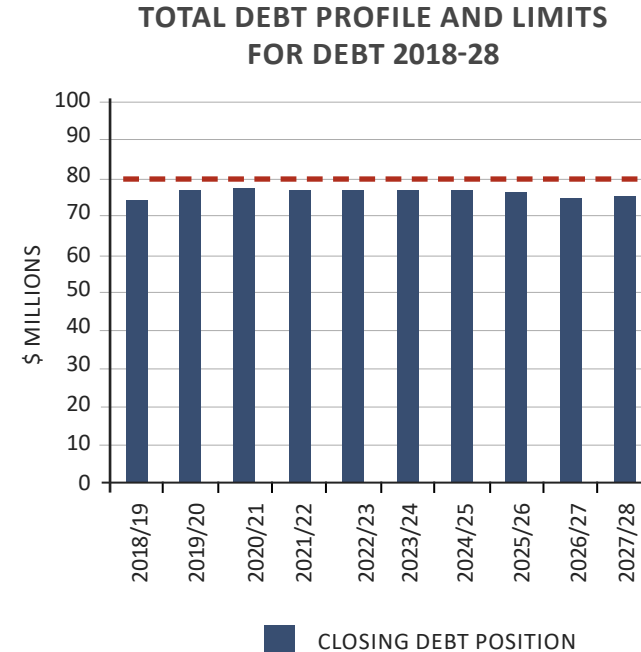
	TOTAL RATES INCREASE OVER PREVIOUS YEAR	LIMIT ON TOTAL RATES INCREASE (LGCI + 2%)
2018/19	3.83%	4.0%
2019/20	2.88%	4.2%
2020/21	3.40%	4.2%
2021/22	1.97%	4.2%
2022/23	2.18%	4.3%
2023/24	2.61%	4.3%
2024/25	1.99%	4.4%
2025/26	1.63%	4.5%
2026/27	1.96%	4.6%
2027/28	1.78%	4.7%

Limiting debt

We use loans to fund new assets that have a long lifespan. Repaying loans over time means that current and future ratepayers contribute to the cost of the asset during its lifetime. However, because loans are largely repaid from rates revenue, we need to be mindful of the level of debt we take on.

In this LTP we have increased our debt limit from \$75 to \$80 million. The need to increase the debt limits is mainly driven by a need to fund some major infrastructure projects in the coming ten years.

The graph below shows our forecast levels of debt compared to the limit, over the ten years of the Long Term Plan.





OUR POLICIES AND STRATEGIES

Ngā kaupapa here
me ngā rautaki

Introduction to Policies and Strategies

This chapter of the LTP provides a number of policy and strategy documents that have been developed in support of the LTP.

The policies and strategies in this chapter are required to be included in the LTP under the Local Government Act 2002. Other Council policies and strategies can be found on the Council's website. This chapter of the LTP includes:

- Infrastructure Strategy 2018-48
- Financial Strategy
- Revenue and Financing Policy
- (Summary of) Significance and Engagement Policy
- Building Māori Capacity to decision making
- Forecasting Assumptions and Data



INFRASTRUCTURE STRATEGY 2018 – 48

Te Rautaki tūāpapa

1. Executive Summary

The Whakatāne District faces a number of infrastructure challenges over the coming years. These include managing the effects of natural hazards and climate change, maintaining a safe and secure water supply network, and replacing and upgrading our infrastructure to ensure it is efficient, effective and fulfils all of our legislative requirements. Addressing all of these challenges such that the risks presented by them are eliminated is simply unaffordable for the community. Taking into account all of the high priority projects that we wanted to deliver, the first round of budgets we developed saw an average rates increase for 2018/19 of over 30%. We considered that 30% was not an acceptable rates increase, and so we have worked hard to try to deliver a proposal for the community to comment on that includes essential Council activities and contributes toward enhancing our District, but within a budget that represents great values to our community. The projects proposed in this Infrastructure

Strategy reflect Whakatāne District Council’s response to our infrastructure challenges. Delivering on our core service delivery in a responsible and sustainable way, but also enhancing our district within a budget that is affordable to ratepayers with an average rates increase for year one (2018/19) of 3.83%.

The April storms served as a reminder of the District’s vulnerability to natural hazards. The effects of climate change will exaggerate this vulnerability, not diminish it. Council will continue to monitor these effects and develop our infrastructure projects to enhance our District’s resilience to them. For example, saline intrusion periodically causes problems for Whakatāne’s water supply and this will occur more frequently as the sea level rises and we experience more long dry periods. To improve the resilience of the water supply Council is proposing to construct a water filtration gallery further upstream to provide a back up to the existing supply.



2. Purpose

The public health effects of the contamination of the Havelock North drinking water supply with campylobacteriosis has reiterated the importance of maintaining a safe drinking water supply. In light of this event, Council has reviewed the Water Safety Plans for each of the water supplies we operate. Council has proposed specific projects within this Infrastructure Strategy as a result of this review.

Within the next 10 years, most of the resource consents authorising Council’s water take and treated wastewater discharge consents expire. Council will also be obtaining Comprehensive Stormwater Consents for our District’s urban stormwater networks. Council will need to upgrade its infrastructure to comply with the new resource consents. We anticipate that the biggest challenge this presents will be the required wastewater treatment upgrades for Murupara, Tāneatua, Edgumbe and Whakatāne. Council has set aside \$51 million in capital upgrade costs for the wastewater treatment infrastructure upgrades alone.

To ensure Council’s infrastructure spending is affordable, we have shifted projects to keep year-by-year spending as consistent as practicable to minimise variability and consequential rating impacts. Council has also chosen not to proceed with some projects for the time being, to ensure we continue to operate within our financial limits. Therefore, the projects proposed in this Infrastructure Strategy are those that Council considers are essential, while acknowledging that maintaining affordability means some residual risk remains.

The purpose of this Infrastructure Strategy is to outline how the Whakatāne District Council intends to manage its infrastructure assets over the next 30 years.

The Council supplies a wide range of community services that rely on infrastructure assets. It is critical that those assets are well managed. This Strategy looks across the spectrum of water supply; sewage treatment and disposal; stormwater drainage; and the provision of roads and footpaths.

The Infrastructure Strategy has been developed to scope and prioritise key, long-term infrastructure issues, and outline how the Council proposes to address those issues. That information also informs the Council’s Long Term Plan (LTP) 2018-28.

An infrastructure strategy is a legislative requirement (under section 101B and Clause 9, Schedule 10 of the Local Government Act 2002). The Act states that a “local authority must prepare, as part of its long term plan, an infrastructure strategy for a period of at least 30 consecutive financial years”.

NOTE: All financial figures in this document take into account expected inflation.



3. The Whakatāne District context

DEMOGRAPHIC CONTEXT

The Whakatāne District has a resident population of 34,600 and ranks 31 out of 67 District in terms of population size. Māori make up 43.5% of the population. This is the 13th largest Māori population of the 67 districts in New Zealand, home to 2.2% of all New Zealand Māori.

Like many other parts of the country, the District's ageing population is increasing. Currently 16% of the District's population is over 65. This is expected to increase to 30%, just under a third of the District's population, by 2043. The current average age of our residents is approximately 39, slightly higher than the New Zealand average of 38.

PHYSICAL CONTEXT

The Whakatāne District comprises of a total land area of 433,000ha or 4,457km². Sandy beaches are predominant along the 54 kilometres of coastline that stretches from Otamarakau in the west to Ōhiwa in the east. Central areas include fertile lowlands and farming areas on the Rangitāiki Plains through to Murupara. Te Urewera in the south makes up 41% of the district.

Given its coastal location, river scheme, low lying land and proximity to Whakaari White Island, the District faces significant natural hazard risks. These include flooding, earthquake, volcanic eruption, and tsunami. Our climate is changing. It is anticipated that this will result in changes to temperature, rainfall, frost occurrence and sea level. This will place changing pressures on council infrastructure. Council will need to anticipate and respond appropriately, ensuring infrastructure is in place to handle these changing pressures.

Note: An overview of Whakatāne District Council's infrastructure assets is included in the Asset Base sections of this strategy.

4. Planning for the long term - the next 30 years

Many of Council's infrastructure assets have a very long life. For example, water pipes have an expected life of 60-100 years. There is therefore a long planning horizon for initial provision and renewal, both of which can present cost peaks that are best planned for well in advance. This Infrastructure Strategy provides the long-term perspective required to assess whether there are hidden investment gaps, or affordability issues, beyond the 10-year planning horizon provided in the LTP 2018-28.

This Infrastructure Strategy focuses on the following four core infrastructure services:

- a. Water supply
- b. Sewage treatment and disposal
- c. Stormwater drainage
- d. Roads and footpaths

Infrastructure assets cannot be planned for in isolation, because issues that shape our community can also influence the management of our infrastructure. Significant issues may include: demographic changes which affect the ability of the community to pay for infrastructure; growth or decline in population in particular areas within the District; natural hazards and climate change.

INFORMATION SUPPORTING THE DEVELOPMENT OF THIS STRATEGY

This Infrastructure Strategy has been developed in the context of a number of other documents and projects. In reading this Strategy you may wish to reference these supporting documents for more information. These include:

- a. **Asset Management Plans** - provide an outline of the asset management works required to prudently manage infrastructure and deliver essential services to the community.
- b. **Financial Strategy** - outlines the financial context in which the Council is operating and the financial implications of the projects proposed through this Strategy.
- c. **LTP 2018-28**. While this strategy has a 30-year planning horizon, the projects proposed for the first ten years are included in the Council's LTP 2018-28.
- d. **Whakatāne District Plan (WDP)** - identifies a number of residential growth areas for the District over the next 10 years.
- e. **Three Waters Strategy** - individual roadmaps were completed for water supply, stormwater and wastewater by AECOM in August 2017. The roadmaps address each of the three waters in a holistic and comprehensive manner to guide the Council through the implementation of this Strategy.
- f. **Eastern Bay Spatial Plan** – a development plan that provides a vision for the Eastern Bay for the next 30-50 years.

KEY PRINCIPLES UNDERLYING THIS STRATEGY

This strategy is guided by the principles of the LTP:

- | | |
|--------------------|--|
| Responsible | We will work together with the community to prioritise essential core services and manage our assets in a financially prudent way. |
| Sustainable | We will manage our assets and activities in a way that does not compromise the environmental, social, cultural, or economic wellbeing of the community, now and into the future. |
| Affordable | We will be responsive and sensitive to the issue of rates affordability across the District. |
| Enabling | We will take opportunities to encourage and support activities which will grow the vibrancy, vitality and prosperity of our District. |

PROJECT AFFORDABILITY

During 2017 the Council undertook a strategic review of its waters infrastructure. This arose from Council awareness of various issues, both within the district and nationally. A number of risks were identified in this review. Projects were proposed to address these, but to ensure that the affordability principle was met a number of these projects have not been included in the LTP 2018-28 and the Infrastructure Strategy. By not including these projects Council acknowledges that some risks have not been addressed, however this has been balanced against the requirement to limit rates increases. Additionally, for the projects that have been proposed, Council has sought to ensure capital expenditure is evenly distributed to ensure affordability. In some instances, projects have been deferred while others, such as the Murupara Wastewater Treatment Upgrade, have been brought forward. Projects that have been described in this Strategy but are not currently included in the LTP 2018-28 are listed in Section 8 of this Strategy.

CORE OUTCOMES FOR THE LTP 2018-28

The Council has identified four key outcomes for the development of the LTP 2018-28. These outcomes underlie the priorities and projects the Council is proposing to carry out over the next 30 years and form the basis of both the LTP 2018-28 and Council's Financial Strategy. They reflect the balance the Council must endeavour to achieve between focusing on the basics and providing value-added services for our community, at an affordable cost. The projects outlined through this Infrastructure Strategy have been proposed in order to help achieve these key outcomes. The Council's primary proposed responses to these outcomes are as follows:

A. RESILIENT PEOPLE AND PLACES.

This Infrastructure Strategy's key driver is getting the basics right and maintaining our existing assets to continue delivering quality core services. The majority of the works proposed in this Strategy involve renewing existing infrastructure, reflecting the Council's primary focus on maintaining core infrastructure services.

B. THRIVING ECONOMY.

Where the Council predicts growth will occur within the District, or where it is foreseen that infrastructure will help drive growth, the Council is proposing to carry out a number of projects which will enable and stimulate development.

C. VIBRANT COMMUNITY.

The Council will continue to work with our key partners and seek opportunities for further partnerships, which will add value to the community through enhanced and affordable services.

D. RESPONSIBLE MONEY MANAGEMENT.

The Council intends to respond to the community's needs in a manner that is sensitive to economic factors, keeping costs down by focusing on the basics, deferring or deleting projects where appropriate and utilising various funding mechanisms and rating systems.

KEY ISSUES IDENTIFIED THROUGH THIS STRATEGY

This Infrastructure Strategy identifies five key issues that the Council proposes to address through a range of actions and projects. This Strategy outlines the Council's significant decisions, including principle options for addressing the identified issues, and defines the implications of undertaking or not undertaking these actions. The key issues determined through this strategy are:

- a. Much of the Council's core infrastructure is ageing and the Council has a large number of renewals proposed over the next 30 years;
- b. The demand for changes to levels of service in certain areas of the District;
- c. The District is susceptible to a number of natural hazards, which can have a detrimental effect on

our infrastructure and our community;

- d. New legislation leading to stricter environmental controls, which the Council must adhere to, while also endeavouring to improve community health and safety;
- e. The District is predicted to experience a fairly static population, with growth in some areas balanced by decline in others. The population is also ageing, which may have an impact on the financial sustainability of Council's infrastructure.

PLANNING ASSUMPTIONS

A broad range of factors influencing Council's long-term planning are discussed in the LTP and can be found in the Assumptions and Data section. The high-level assumptions that are particularly relevant to this Infrastructure Strategy include:

Natural Environment

- Our District is at risk of a range of natural hazards, such as earthquakes, flooding, tsunami, debris flows, slips and volcanic activity.
- Our District is susceptible to many environmental processes, such as soil erosion, sediment build up, beach formation/erosion.
- Climate change is likely to increase the occurrence of severe weather patterns and impact on various Council activities.
- Predicted sea level rise might with time also affect some parts of our infrastructure.

Land use

- Demand for additional residential properties will be mainly focused around Whakatāne and Ōhope.
- Assumptions about residentially- and industrially-zoned land are based on the District Plan.
- Capacity for residential land will be sufficient for the next 30 years.
- Land-use elsewhere in the District is assumed to maintain the status quo.

Population

- Population growth across our District is expected to reflect the population projections provided by the Statistics NZ 'medium' scenario plus local adjustments for expected development.
- An ageing population will put added pressures on specific services.
- The socio-economic structure of our District will not change significantly.
- The number of properties from which we receive rates income is expected to increase by approximately 0.5% annually.
- The population in any one area will not decline so rapidly that significant alternative planning solutions will be required.

Economic Environment

- Toi-EDA has identified approximately \$2.2 billion will be invested in new industry developments in the Eastern Bay of Plenty over the next 2-10 years. This will create an estimated 3,500 jobs of direct employment with a potentially significant multiplier effect for the sub-regional economy and population.

- It is assumed that economic development in Kawerau and Ōpōtiki are likely to have a positive impact on Whakatāne's economy.
- We partner with the NZ Transport Agency for the operation and upkeep of our local road network. An assumption is made on the level of financial assistance NZTA provides for that activity. NZTA has confirmed the Financially Assisted Roading (FAR) Rate for Local Roads of 64% from 2019. For special purpose roads the FAR has been included at 100% for 2018-21.

Service Delivery

- There will be ongoing legislative change, particularly in terms of water management, but Council delivery of the infrastructure in this strategy is assumed to continue unchanged.
- Replacement resource consents will generally require infrastructure upgrades.
- Infrastructure needed for growth-related development will be paid for by development contributions.
- It is unlikely that changes to our service delivery will be externally imposed, although we could see greater collaboration and joint service delivery with iwi and/or other parties.
- In the event of a disaster, we will be able to continue delivering essential services to the community.
- Life-cycle assumptions for our significant infrastructure are defined through the Significant Accounting Policies found in the 'Our Costs in Detail' document available on our website: Whakatane.govt.nz.

RISK

In the course of planning for the next 30 years, the Council has had to make a series of assumptions that may not eventuate exactly as predicted. In some instances, the risk associated with assumptions not being realised is more significant. To address this, the Council will be reviewing this Strategy every three years, and will reconsider the accuracy of all assumptions and the likely impact on our infrastructure. Many assumptions around infrastructure renewals and upgrades are based on asset life cycles and population projections. The Council will continue to make asset condition inspections and monitor population changes to ensure that we are able to respond to changes in an appropriate manner. We also manage risk, utilising the processes defined in our Risk Management Policy. These processes are consistent with Australian/New Zealand Standard AS/NZS 4360, which defines best practice risk assessment and management.

The Council is mindful that change in rainfall patterns as a result of climate change can adversely affect people and property in the District. The Council recognises in the District Plan that sea level rise poses a threat to subdivision, use, and development of land within the District. The Coastal Erosion Risk Zones Areas for 2060 and the 2100 have all been established in response to future climate changes and the increased threat of coastal erosion and inundation.

The Council will continue to monitor and take into account the impact of climate change and sea level rise on the Council's key infrastructure assets.

The effects of climate change will be further investigated as Council develops a Climate Change Action Plan and the effects will be considered through Council's future infrastructure planning and project delivery.

The Council is cognisant of the need to maintain its critical assets. These are the assets that are essential to public health and safety and act as lifelines. For roading, State Highways act as the key lifelines for the community, however the Council owns a number of key roads, bridges and culverts that act as secondary routes which need to be protected. With regard to water supply, sewerage treatment and disposal and stormwater drainage, all pump stations and associated rising mains, treatment plants, reservoirs and bulk mains are considered critical assets. The risk of failure of any of these assets would cause anything from severe inconvenience to posing a substantial health risk to our communities. Our work plans and infrastructure strategy have taken this into account and works associated with critical assets are prioritised.

In relation to natural hazard risks, Council will initially attempt to meet any costs from within existing budgets and, where available, from insurances and external subsidies. The Council has two reserve funds to assist with this, the Road Storm Damage Reserve and the Disaster Recovery Reserve. The Financial Strategy provides further detail regarding the financial provisions made to manage natural hazard risks.

HOW THE COUNCIL IS PROPOSING TO ADDRESS THE SIGNIFICANT INFRASTRUCTURE ISSUES FACING THE WHAKATĀNE DISTRICT

The following pages summarise the significant infrastructure issues facing the Whakatāne District Council, the proposed response to those issues, and the implications of taking or not taking the response action proposed. In many instances, the same principal response option is capable of addressing several infrastructure issues.

Four core infrastructure services are outlined through this strategy:

- a. Water Supply
- b. Sewage Treatment and Disposal
- c. Stormwater Drainage
- d. Roading and Footpaths.

The issues outlined in this Strategy are also categorised into issues relating to the Council's core outcome objectives of:

- a. Resilient People and Places
- b. Thriving Economy
- c. Vibrant Communities
- d. Responsible Money Management.





5. Resilient People and Places

ISSUE 1 – COUNCIL'S INFRASTRUCTURE IS AGEING

The Council provides core services that are essential for the health, safety and wellbeing of the community. If those services cease for any reason, the impact can be significant. Providing services that are reliable and not prone to breakage or outages is therefore essential. The Council carefully manages its core infrastructure to extend the life of our assets and gain the greatest value from our investment. We also maintain our assets appropriately and plan to replace them before they start to fail, minimising service disruption. A large number of the Council's core infrastructure assets will be coming to the theoretical end of their useful life within the 30-year period of this Strategy. The Council monitors its underground assets in order to ensure that their actual condition and needs and priorities for its renewal are well understood. Nevertheless this means the Council will have to undertake significant renewal works to maintain its current infrastructure networks. In renewing this infrastructure, Council will consider innovative and creative approaches to redesign the network and incorporate these where practicable. The Council funds renewals over a period of time, to help

build up renewal reserve funds. This helps to spread the cost of renewals over the wider population that will benefit from the assets involved.

88.2% of the works proposed through this Infrastructure Strategy are to maintain and renew the assets that the Council already owns and operates. Very few projects are proposed to improve or expand the level of service the Council currently delivers. The total value of the renewals required over the next 30 years equates to \$388.5 million. If the Council does not undertake these works, major disruptions could occur as the networks begin to deteriorate. Increased repairs required by ageing infrastructure would mean that the cost of not undertaking renewals would be far greater than the proactive renewals programme proposed.

COUNCIL'S SIGNIFICANT DECISIONS TO ADDRESS THE ISSUE:

Renewing our ageing water and wastewater networks

Council's water supply pipes are ageing and this increases maintenance costs and reactive repairs. Likewise, Council's wastewater pipe network is ageing and requires an ongoing renewal and replacement programme to minimise the risk of service disruption and overflows. The costs of the ongoing water and wastewater network replacement programmes is approximately \$101 million over the next 30 years.

The Edgecumbe community has experienced issues with its wastewater system since the 1987 earthquake and subsequent events including further earthquake swarms. These events have caused damage to the pipe network, resulting in groundwater infiltration. Council is proposing to replace the wastewater network, the currently preferred option involves the installation of a low pressure grinding pump system, with works commencing from 2027 at an approximate cost of \$24.8 million.

Significant expenditure required for renewals to our roading network

The Council is required to undertake significant renewals to the roading network over the next 30 years, at a total cost of approximately \$280 million. This includes 29 bridge renewals where the structure will reach the end of its theoretical useful life during that period, road pavements that have varied lifespans and deteriorate over time and drainage systems that are critical to ensuring the road network remains in good condition. The Council will review the condition of its assets on an ongoing basis to ensure that renewals are carried out as required. Not undertaking this renewals programme would lead to a significant deterioration of Council assets.

ISSUE 2 – ENSURING THE HEALTH AND SAFETY OF THE ENVIRONMENT AND THE COMMUNITY

The Council delivers services which help to meet the health and safety of residents and maintain the health of the environment. However some of these services can still have adverse environmental effects and require resource consents to operate. These include consents relating to the supply of potable water or the treatment and discharge of wastewater. A number of these consents expire over the next 30 years and will need to be replaced. The replacement consents will reflect the modern legislative environment and Regional Policy Statement. These are expected to require changes in the way we operate and deliver services, particularly through more stringent environmental standards.

The Council endeavours to deliver services in a manner which protects the health and safety of the community. Where utilisation of a service does involve some risk - our roading network, for example - the Council implements measures to reduce the risk to the community wherever practicable and affordable.

COUNCIL'S SIGNIFICANT DECISIONS TO ADDRESS THE ISSUE:

Upgrades to Council's plants to comply with new resource consent conditions

The resource consents authorising the discharge of treated wastewater into various waterways from the Whakatāne, Edgecumbe, Tāneatua and Murupara wastewater treatment plants all expire on 1 October 2026. The Whakatāne Water Treatment Plant discharge consent will also expire within the next 10 years. It is anticipated that the new consents may require upgrades to the current water and wastewater treatment systems to achieve higher levels of treatment quality. Robust assessments of the treatment and discharge options will be required. It is anticipated that these will include consideration of discharges to various land, marine and freshwater environments, the integration of wastewater schemes, as well as various treatment options to achieve the appropriate discharge standards.

In addition, the consents for water supply takes for Tahuna Road, Rūātoki, Te Mahoe, Braemar Spring, Murupara, Matatā, Waimana, Tāneatua and Whakatāne all expire within next 10 years and replacement water take consents will be required.

With regards to Council's stormwater systems, Comprehensive Stormwater Consents are required for all stormwater catchments with accompanying Catchment Management Plans developed to manage these systems.

Within the 30 year strategy, and in particular over the next 18 years, it is anticipated that approximately \$66 million will need to be spent to obtain replacement consents and to upgrade wastewater treatment systems, approximately \$2.5 million to obtain new water take consents and approximately \$2.4 million on new stormwater consents and catchment management plans. Each of the new consents will also require additional monitoring and other operational funding.

The works required will be determined by the requirements of the replacement resource consents. If the Council does not undertake the required works, this will have an impact on our ability to continue providing these core services.

Improving our service delivery to reduce adverse effects on the environment

The Council was committed to installing a new wastewater scheme in Matatā in years 2015-2017 but the resource consent application was declined by the Environment Court. An alternative of an integrated wastewater management approach for this part of the district is now being proposed. The Council has a compelling business case for an Integrated Wastewater Scheme and is seeking funding from central and/or regional government. This Infrastructure Strategy does not currently include budget for an Integrated Scheme, however, subject to external funding, the project will be included in Council's future planning documents.

Providing an alternative source of water

A number of the Council's water supplies have, or are vulnerable to, conditions that do not meet the Ministry of Health (MOH) guidelines for water quality. The quality of water supplied on the Plains has been an area of concern for the Council for many years, with no protozoa treatment and with levels of naturally occurring arsenic in the source water from Braemar Spring and the Johnson Road bores exceeding the Drinking Water Standards New Zealand 2005 (revised 2008). Council has proceeded with the installation of the Otumahi Supply Scheme which delivers water from the Paul Road bore to Edgecumbe and Te Teko. With these works completed the Plains water scheme will become primarily an agricultural scheme, whereby the naturally occurring arsenic can be addressed via a water safety plan.

The Whakatāne and Ōhope water source is vulnerable to saline water intrusion during periods of low river flow, contamination with cyanobacteria, and high turbidity during extreme rainfall events. In recent years, the Council has managed the reduced supply capability caused by salt water intrusion by imposing water restrictions, and installing a temporary emergency intake upstream from the permanent intake. However climate change will exacerbate those problems so Council is investigating other water supply options. One option is to supply water from a new bore in the Paroa Road area, although preliminary tests have found the water quality at this bore to be of poor quality. A second option is to expand abstraction from the Otumahi water supply and construct a pipeline to the Whakatāne Water Treatment Plant. This would cost

approximately \$6.8 million plus additional resource consent costs and is not currently being progressed. Instead a third option is currently underway with exploration bores further upstream of the existing water treatment plant. If successful an infiltration bore will be established in this location, likely lessening the effects of climate change on the resilience of the Whakatāne and Ōhope water supply. Another option may be to develop a large water storage site within the Awakeri/Paul Road area which will be supplied from the Otumahi system. Connecting it to the Whakatāne and Ōhope water supply will provide resilience, increased security and flexibility of water supply into the future.

Council will investigate a long term solution for water security, taking into account climate change considerations and resilience for the Whakatāne water supply and in the meantime Council will continue to utilise the temporary emergency intake arrangement and work towards consumption reduction measures until a decision is made on this project.

Since the last 30 year strategy was presented there has been a water quality incident with the Havelock North water supply. This has caught the attention of all water supply authorities and as a matter of due diligence Whakatāne District Council has undertaken a review of Water Safety Plans. This review has highlighted anomalies and gaps within our water supply systems which may potentially increase risk of problems. Council will be working closely with the Toi Te Ora Public Health Drinking Water Assessor to implement any required changes in making our water supplies safe. This will cost approximately \$1.03 million throughout the life of the LTP.

Improving the Safety of Our Transport Networks

The Council has a roading network of more than 900 kilometres spanning the whole District. Some of Council's main arterial roads suffer from alignment issues, out of context curves, and widths that are no longer appropriate for the increased traffic carried. Together with poor driver behaviour, these factors have resulted in an increase in the predicted and actual crash risk. Key affected roads are Thornton Road and Wainui Road (part of our Coastal Arterial Route). Improvements to these roads identified in the Coastal Arterial Route Study have been scheduled in the 2018-28 LTP. These works have an estimated cost of \$8.1 million, funded from 2021-28.

In addition, regular road safety inspections are undertaken on all the District's roads, with all identified safety deficiencies assessed, costed and prioritised. The Council has budgeted \$75 million over 30 years, to address minor resilience and safety improvements. Progression of these projects, together with continued road safety education and programmes and working with other agencies such as New Zealand Transport Agency, the Police and ACC, will contribute to the reduction of the District's collective crash risk over time and will ensure we continue to act consistently with 'Safer Journeys', central government's road safety strategy to 2020.

ISSUE 3 – INCREASING THE LEVEL OF SERVICE TO ENSURE A RELIABLE SUPPLY

The current capacity of some of Council's core infrastructure is not sufficient to meet the needs of the community. As the community's expectations around levels of service and the protection provided against unforeseen events increases, the Council will need to consider increasing its service capabilities to ensure reliable supply.

COUNCIL'S SIGNIFICANT DECISIONS TO ADDRESS THE ISSUE:

Increasing water storage to reduce service disruptions

The ability to continue providing a water supply service in adverse conditions can often be influenced by the level of water storage available. Council is undertaking options studies that aim to identify the risk and security of supply for all water schemes. This will build on the previous investigation of the Whakatāne-Ōhope water storage capacity issue, along with investigating other water storage options. To make Council's water supply scheme more resilient it is expected that these works would cost approximately \$9.5 million over the next 10 years. If reservoir water storage capacities are not increased there is substantial risk to maintaining continuation of water supply during supply or network failures.

Emergency storage in the Whakatāne and Ōhope wastewater pump stations is inadequate. This increases

the frequency of overflows during faults and/or electrical failures. The installation of emergency storage tanks at critical pump stations will reduce the frequency of overflows. In addition, the installation of a generator plugin point at individual pumping stations will greatly enhance operational resilience during emergency outages, reducing the likelihood of wastewater overflows. It is expected that the approximate cost to of these works will be \$7 million over the next 30 years. If Council does not undertake these proposed projects then the current level of risk will remain.

Increasing the level of infrastructure network capacity

Council is proposing to increase the capacity of the stormwater systems in Whakatāne, Ōhope and Edgumbe. These works are in response to a strong community demand for an increased level of protection from severe flooding events. The stormwater projects proposed through this Infrastructure Strategy are outlined under the section on natural hazards, as these works respond to more than one Council infrastructure issue.

In order to confirm infrastructure network capacity, Council is undertaking various computer modelling scenarios for water supply, wastewater and stormwater schemes. These models will be developed over the next 10 years and be field verified as well as calibrated. Once adopted, Council will have the in-house tools to identify underutilised infrastructure as well as infrastructure at capacity and can then develop capital works programmes to rectify the situation and plan for growth within the District.

6. Thriving Economy

ISSUE - GROWTH IN CERTAIN AREAS ADDS PRESSURE TO THE COUNCIL'S INFRASTRUCTURE

Population change is a key driver of demand for infrastructure. Change includes numerical population growth and decline, as well as changes to population structure, such as the number of persons in each age group and change in the number of households (Housing Equivalent Units) and rateable units. The parts of the district that recorded the highest rates of population gain over the last Census period were Poroporo (8.9%), Coastlands (8.6%), Urewera (5.5%) and Otakiri (4.7%). Coastlands has been an area of growth for some time, experiencing a population gain of 59% since 2001. It is expected that the population in the main settlements in the Whakatāne District, particularly around the coast, such as Whakatāne township, Ōhope and Coastlands, will remain reasonably static with pockets of growth. The biggest area of undeveloped, residential-zoned land in the District is at Piripai/Coastlands and Ōhope. This represents an opportunity for future residential development, in particular development that caters for the changing needs of our District. This area is likely to experience the greatest residential development over the next 30-year period.

The Whakatāne District Plan identifies a number of residential growth areas for the District over the next 10 years, concentrated mainly in the coastal areas of Coastlands. These identified growth areas are a mixture of greenfield sites and higher density residential areas involving newly-zoned residential land, existing residential-zoned areas where new development is anticipated and areas of residential intensification. Based on the Whakatāne District Plan, growth is anticipated in the following areas:

- a. Shaw/Huna Roads, Coastlands
- b. Piripai/Opihi, Coastlands
- c. Port Ōhope, Ōhope
- d. Maraetōtara, Ōhope
- e. Kopeopeo

In most areas of the District, the Council's current infrastructure is sufficient to cater for changes in demand due to anticipated growth in residential dwellings and population. However, the concentrated areas of development anticipated in the District Plan, particularly around coastal residential areas, as well as expansion into areas where there is no network provided, will put increased pressure on the current systems.

There is still a risk that demand for certain property types or locations may outstrip the available land and therefore act as a limitation on growth. There is also a risk that some changes in land-use elsewhere may place an unforeseen burden on Council infrastructure. In addition, infrastructure may be positioned for residential growth that does not materialise. Again the Council will monitor the progress of development and only proceed with infrastructure development when clear development plans are underway.

COUNCIL'S SIGNIFICANT DECISIONS TO ADDRESS THE ISSUE:

Upgrade Council's infrastructure to cater for growth in particular areas.

The Council's Development Contributions Policy assumes development (increase in the number of Household Equivalent Units) in the areas of Whakatāne township, Ōhope, Coastlands/Piripai/Opihi and Shaw/Huna Roads. This growth is anticipated over the next 30-plus years. The Development Contributions Policy identifies the works required to cater for this growth and how they should be funded, including an element of developer pays, where it is clear the development has necessitated the need for new infrastructure.

The Council is also working with a developer to progress a residential development incorporating a lifestyle retirement village at Piripai/Opihi. This presents a great opportunity for the development of desirable residential real estate close to the Whakatāne township.

Anticipated growth in coastal residential areas will put pressure on the Council's water supply system which may also require upgrades to the Whakatāne water treatment plant. Council is also required to undertake upgrades/expansion to the reticulation network supplying Coastlands, Shaw/Huna Roads and at Ōhope. All new works will assist in meeting future demand and residential firefighting requirements.

Increased peak hour congestion continues to be experienced at some of Whakatāne township's major intersections, particularly the Landing Road Bridge roundabout, Landing/Eivers Road roundabout, and the

Domain Road/McAlister Street roundabout. Residential development on the western side of the Whakatāne River is expected to increase the congestion levels further. The Council is progressing with a business case, 'Whakatāne Urban Arterial Access', to identify the issues and develop a balanced plan of interventions to respond to the issues. Interventions are likely to encompass planning responses, enhancements to network operating efficiency, and new infrastructure. The strategic case phase has been completed which identifies the issues and presents the rationale for investing in solutions. The program business case is to be developed through 2018/19. This will identify a range of options to address the issues, the preferred option, and likely timing for implementation. Through 2018 to 2021 a total of \$2.6 million has been allowed to complete this work; \$200K to complete the program business case, and \$2.4 million for the design and implementation of interventions identified that will enhance the network operating efficiency. New infrastructure identified through the program business case will be put forward through the 2021-31 LTP.

7. Vibrant Community

ISSUE – VALUE-ADDING PROJECTS MAY BE UNAFFORDABLE FOR OUR STATIC POPULATION

While some areas of growth have been identified, overall the District is predicted to experience an ageing population and a decline in population towards the end of the period covered by this Strategy, as outlined under the affordability outcome on the following pages. These factors, coupled with the other issues highlighted in this Infrastructure Strategy (for example ageing assets requiring renewals), mean that Council needs to work hard to ensure the sustainability of the assets. Over time, the needs of our community change as a result of changing demographics, social expectations and new technology. The changes can impact on the services that the community demands. The Council needs to respond to these changes in order to maintain a thriving and vibrant community. If the Council does not keep pace with changing expectations and requirements, the issue of population decline and affordability will be exacerbated.

While the Council is solely responsible for the majority of its core infrastructure assets, we do not do this in isolation. We will actively pursue partnerships with central government and other agencies to ensure that our community benefits from extra services and facilities, which may otherwise be unaffordable if they were totally ratepayer-funded.

COUNCIL'S SIGNIFICANT DECISIONS TO ADDRESS THE ISSUE:

Develop and maintain key partnerships to enhance community services

The Council works with several key partners to deliver our core services. NZTA is a critical investment partner, providing investment for a large portion of our roading works. Thanks to this partnership, the Council is able to maintain an effective roading network across the District, and add to the network with new facilities such as cycle paths. The NZTA will be partnering with Council through the Whakatāne Urban Arterial Access business case process as the main entry to town is the SH30 bridge that joins Landing Rd.

Council also works closely with the Toi Te Ora Public Health, which enables us to deliver new or improved services to our smaller communities. A number of projects included in this Strategy are reliant on funding from Toi Te Ora Public Health, including treatment of the Murupara water supply if either the community chooses or central government requires it, and a new water bore in Matatā.

Seal Extensions

Te Urewera Route Improvements

There may be economic, social, cultural and environmental benefits from improving the resilience and sealing this route, which is a Special Purpose Road. Council is in the process of developing a business case to provide support for an NZTA funding application to look at options for improving the route. \$4.6 million has been included in the LTP from 2018 to 2021 for construction. The business case is being developed in partnership with Te Uru Taumatua, Te Urewera Board, Wairoa District Council and NZTA and will address the future management and relationship with Te Urewera. Part of this is looking at the form and function of the road from an environmental sustainability perspective and Tūhoe world view perspective. The outcomes from this process will guide the final form of any improvements to the route.

Pokairoa Rd and Ngamotu Road Seal Extension

This route is classified as a primary collector and provides the quickest and shortest route to the central North Island and points south for both cars and commercial vehicles, saving 20 minutes in time and 16 kilometres in distance. The unsealed portions of this route are by far the most expensive unsealed roads to maintain owing to the large volume of logging trucks and other commercial operators. A program business case will be completed during the 2018 to 2021 period to support a future funding application to NZTA for seal extension. The cost expectation for this project is \$8.2 million from 2021 to 2026 for construction, however this project is not yet included in the LTP, and will be considered during development of the 2021-31 LTP once the program business case is completed.

Local Road Seal Extensions

Excluding the roads above there are a further 160 kilometres of unsealed road remaining in the district. There is an ongoing demand from the rural community who reside on these roads to have them sealed. There are health benefits to the community to gain by sealing some of these roads. The maintenance costs for low volume unsealed rural roads is similar to low volume sealed roads. The main hurdle to seal extension is the capital cost involved. The Council has since 2009 decided not to fund further seal extensions. However, there may be some instances where property owners who live on an unsealed road wish to fund the cost of a seal extension. Where this is the case, the Council has signalled that it will work with property owners to facilitate a mutually agreeable solution. The current LTP does not include funding for seal extensions generally, but the Council may consider at some point in the future that there is merit in sealing a limited number of unsealed roads for strategic, safety and route efficiency reasons.



8. Responsible Money Management

ISSUE – BALANCING THE COMMUNITY’S DESIRE FOR INCREASED SERVICES WITH THE ABILITY TO PAY, GIVEN A STABLE POPULATION

As at 2017, the Whakatāne District’s resident population was 34,610. The population of the Whakatāne District is projected to remain relatively stable over the next 30 years, with some growth Whakatāne and Ōhope. From 2028 the District as a whole is predicted to experience by a slight but steady decline. This may make the maintenance, upgrading and renewal of existing infrastructure less affordable.

The small rural communities of Te Teko (22%), Orini (11.5%), Murupara (9.8%), Matahina-Minginui (8.8%), Rotomā (7.4%) and Waimana (6.3%) recorded noticeable population declines in the 2013 Census. Similarly, Matahina-Minginui, Waimana and Murupara also experienced population decline between the 2001 and 2006 Census periods. It is expected that these small rural communities will continue to decline over time as the ageing population retires and children move away to seek employment or further education opportunities. Population decline in some locations may mean that there will be fewer ratepayers to support the cost of infrastructure. While the decline is not currently predicted to reach a point where drastic changes in infrastructure planning are required, the Council will continue to monitor this to ensure that we are positioned to respond if required. The Council and other partners such as Iwi and business are also

looking at ways we can reduce or reverse the predicted decline, by enhancing the vibrancy and economy of our smaller rural communities. The Council is also using funding mechanisms to ensure that development in rural communities is not cost-prohibitive. This includes equalising the cost of key services across the District, and funding renewals on the basis of a 30-year average, reducing the potential for significant cost peaks in future years.

Whakatāne’s population is also predicted to age faster than most other areas in the Bay of Plenty. Nearly one-quarter of Whakatāne’s population will be aged 65+ years by 2028 (up from 16 percent in 2017), while the proportion is projected to reach 30 percent by 2043. This is driven primarily by the net migration loss of reproductive age adults and also initial gains at older ages. One of the implications of an ageing population is that more elderly people will be on fixed incomes and therefore will be less able to afford rates increases related to maintaining or building infrastructure. The change in the age profile of the community is also expected to lead to a larger demand for smaller households, more suited to the needs of the elderly population. This has contributed to the increase in households that the Council’s Development Contributions Policy is assuming will occur over the

next 30 years. A larger number of smaller houses with fewer occupants per house increases the relevant requirement on Council infrastructure per resident.

The predicted 30 year static/declining population at a District level and an ageing population with reduced disposable income means that our opportunities to increase the rating base of the District are reduced. Alongside the issues of ageing infrastructure and increasing community expectations already discussed in this Strategy, the Council is under increased pressure to focus on affordability. As part of the development of the 2018-28 LTP, the Council has developed a Financial Strategy that provides the framework for its debt profile and rates income, alongside other key financial considerations. As a core focus for the LTP 2018-28, affordability drives many of the decisions around the Council’s work plan and levels of service provision. The Council has identified a series of projects that it would like to undertake to address the issues raised. However, if all of these projects were to be completed within the next ten years, the rates increases required would be unaffordable for the community and debt levels would increase to an unacceptable level.

COUNCIL'S SIGNIFICANT DECISIONS TO ADDRESS THE ISSUE:

Prioritising projects, undertaking further investigations and seeking external funding

There are a number of projects outlined in this Strategy that the Council may wish to complete during the next ten years, but which are not currently scheduled through the LTP 2018-28. This is often for affordability reasons, or due to the need to undertake further investigation. Where possible, the Council will consider alternative opportunities for funding these projects, including utilising central government funding wherever possible. The following projects have not currently been included in the LTP 2018-28, but may be reconsidered in the future:

- a. Integrated wastewater scheme
- b. New Matatā water Bore
- c. New Otumahi water storage reservoir
- d. Fluoridation of water supplies
- e. Seal extensions (unless an economic benefit exists or funding is agreed with landowners)
- f. Second Whakatāne River bridge to Whakatāne urban area

Non-Infrastructure related works to address affordability

The Council is proposing to carry out a wide range of projects and works to address the ongoing sustainability and affordability of its operations. A major focus is addressing the predicted population decline by enhancing the attractiveness of the District as a lifestyle, business and tourism destination.

This includes creating development opportunities that address demographic trends. The Council is also looking to encourage communities to collaboratively enhance the vitality of the District. This includes working with iwi, following settlement of their Treaty claims, to understand their visions and aspirations and establish ways that the Council can assist the realisation of their aspirations.

The Financial Strategy looks at ways, through prudent financial management, the Council can enhance its future sustainability and affordability. This includes funding mechanisms, prudent investment and equitable income streams.

INFRASTRUCTURE INVESTMENT PROGRAMME

Total Expenditure

In addressing the issues identified in the previous section of this Strategy, the Whakatāne District Council expects to spend \$630 million on new or replacement infrastructure between 2018 and 2048. Over the same period, \$1,403 million is expected to be spent on operating costs; labour, depreciation, interest, materials, maintenance and overheads. For the 30-year period involved, these figures are anticipated to apply across the four infrastructure asset activity areas as follows:

Infrastructure Activity	Capital Expenditure \$	Operational Expenditure \$
Wastewater Treatment & Disposal	129,225,682	209,985,318
Water Supply	64,208,901	291,077,958
Stormwater Drainage	43,206,091	172,633,613
Roading and Footpaths	393,626,671	729,545,759
TOTAL	630,267,346	1,403,242,647

OPERATIONAL AND CAPITAL EXPENDITURE HIGHLIGHTS

Figures 1 and 2 show the expected expenditure year-on-year up to 2048, by driver (growth, asset renewal or level of service change) and by infrastructure activity area classification. Figure 3 shows the expected operational expenditure projections by activity for the period 2018-2048.

FIGURE 1: WHAKATĀNE DISTRICT INFRASTRUCTURE EXPENDITURE PROJECTIONS 2018-2048

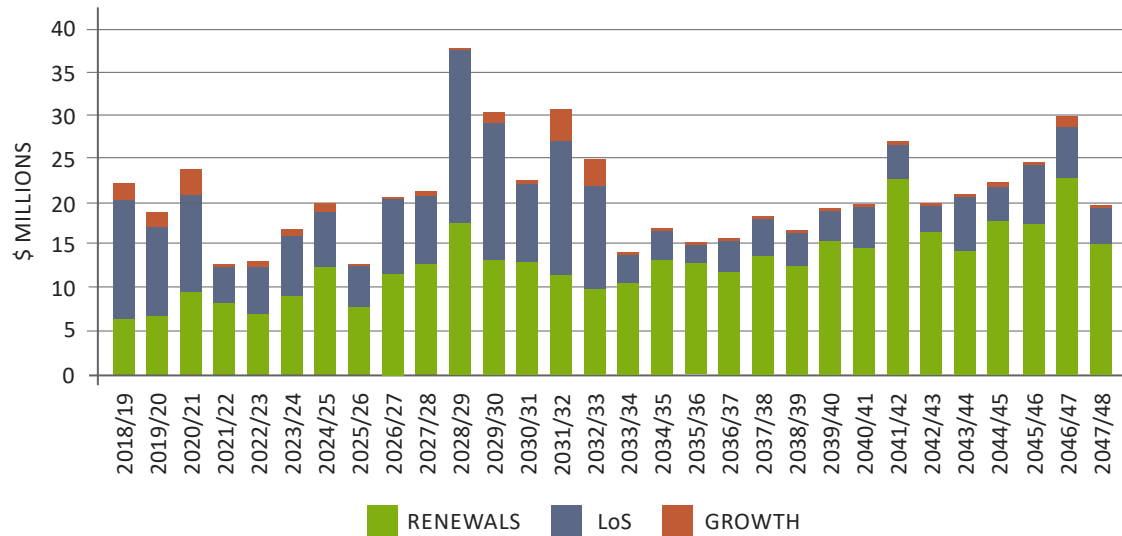




FIGURE 2: PROJECTED INFRASTRUCTURE EXPENDITURE 2018-2048 (BY INFRASTRUCTURE ACTIVITY AREA)

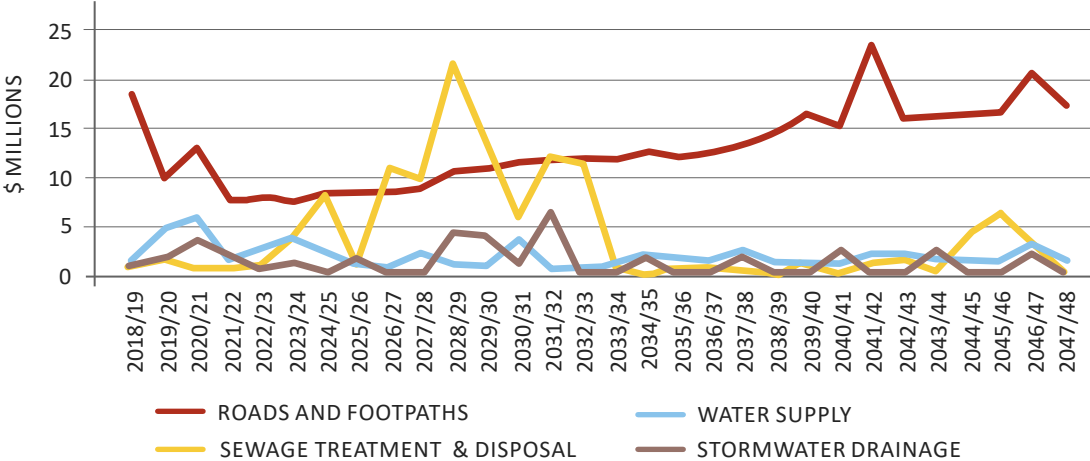
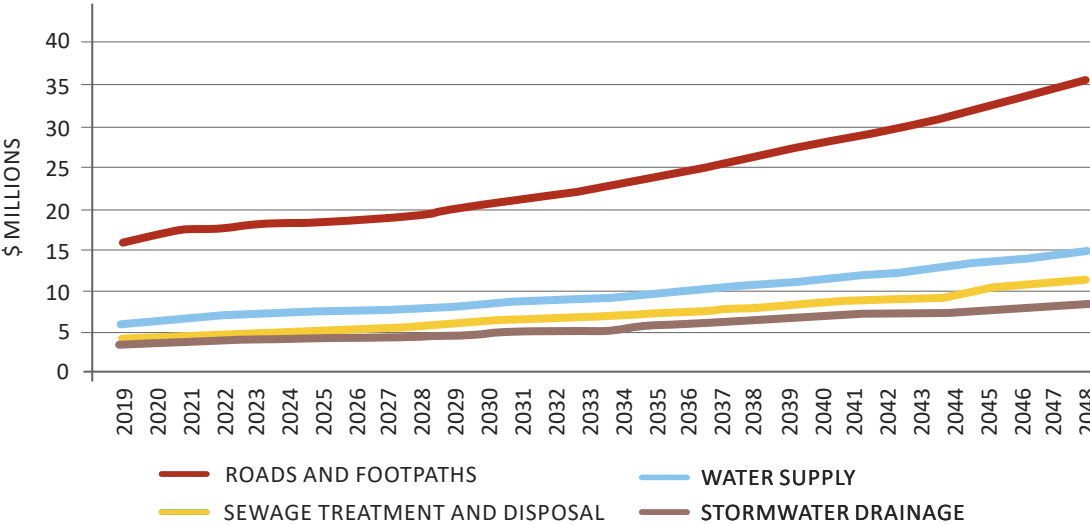


FIGURE 3: WHAKATĀNE DISTRICT INFRASTRUCTURE OPERATIONAL EXPENDITURE PROJECTIONS BY ACTIVITY 2018-2048





THREE WATERS ASSET BASE

Asset Life Cycle Assumptions

The Council Three Waters assets are detailed in the table below. This information is current as of the 2017 valuation.

WASTEWATER ASSETS		WATER ASSETS		STORMWATER ASSETS	
Asset	Quantities	Asset Type	Quantities	Asset Type	Quantities
Service Line (each)	9,215	Reservoirs (each)	42	Pipes (m)	114,468
Gravity Main (km)	188.6	Pipes (m)	543,847	Open Channel (m)	28,250
Rising Main (m)	9,453	Service Line (m)	13,229	Storage/Retention Pond (each)	10
Outfall (m)	5,204	Pump Station (each)	17	Pump Station (each)	20
Pump Stations	48	Resource Consent (each)	11	Resource Consent (each)	2
Treatment Plant	6	Treatment Plant (each)	9	Manhole (each)	1,700
Manholes	2,880				
Resource Consent	17				
TOTAL ASSET VALUATIONS AS AT 30 JUNE 2017					
ORC = Optimised Replacement Cost, ODRC = Optimised Depreciation Replacement Cost, AD = Annual Depreciation					
Wastewater assets:		Water assets:		Stormwater assets:	
ORC: \$98,462,777		ORC: \$118,946,518		ORC: \$85,922,131	
ODRC: \$46,814,052		ODRC: \$63,558,927		ODRC: \$50,642,986	
AD: \$1,405,175		AD: \$1,745,165		AD: \$1,112,372	

Three Waters Data Confidence

Wastewater, Water and Stormwater data was given a combined rating of B – C which is a confidence level ($\pm 25\%$). The asset confidence rating is current as of the 2017 valuation. However, it is noted that in some instances the 2014 valuation data had to be utilised due to missing data.

The B – C rating clearly shows Council's data within the current database (Hansen) has anomalies and requires further attention. To address this Council is moving towards a new asset data management system for Three Waters.

Asset Life Cycle Assumptions

Asset information is as complete as possible at 30 June 2017. This is based on the GIS and historical Hansen asset data. Only assets managed by Three Waters have been included in this valuation. Assets such as cesspits and public soakholes form part of, and were valued under, the transportation asset group.

All projected expenditure is stated in 2017-18 dollar values, with no allowance made for inflation. Operation costs are largely based on historical expenditure.

Maintenance and operations allocation are based on maintaining current service levels.

No backlogs in maintenance or renewals are currently identified. However, it is expected that as Council transitions to new asset data management system backlogs will be identified. This assumption is based off the amount of reactive renewals that are being completed on an ad hoc basis.

The asset condition data is currently under review. The 2015 condition rating is summarised below:

- **Wastewater:** 60% good, 35% fair, 5% poor
- **Water:** 60% good, 35% fair, 5% poor
- **Stormwater:** 80% good, 20% poor

Levels of Service (LoS) Assumptions

LoS are key business drivers and influence all asset management decisions.

Council's Wastewater, Water and Stormwater activities contribute to the following community outcomes:

- Reliable and Affordable Infrastructure
- Community Needs
- Valuing Our Environment

The table below details the key individual LoS provision statements for the Three Waters.

WASTEWATER LoS	WATER LoS	STORMWATER LoS
<ul style="list-style-type: none"> • To provide high quality, efficient and reliable wastewater systems that are affordable needs of the urban and commercial areas. • Minimise any possible health hazards from the collection or management of wastewater • Facilities provided are safe with no danger of accident or injury to users • Protection of the environment by mitigating the quantity of contaminants discharged into receiving waters 	<ul style="list-style-type: none"> • Provide a quality continuous, safe, uninterrupted, cost effective and adequate urban water supply system accessible throughout the District's urban and commercial areas that complies with the Drinking Water Standards • Customers are provided with adequate safe drinking water with reasonable pressure and flow • Managing the effects of development upon the existing network and provide sustainable solutions for future generations and educating communities about water consecration and water contamination issues for both public and private supplies 	<ul style="list-style-type: none"> • Provide a quality continuous, safe, uninterrupted, cost effective and adequate urban stormwater system accessible throughout the District's urban and commercial areas • Protection of public health and property by the collection, transportation, appropriate treatment and disposal of stormwater run-off • Protection of the environment by mitigating the quantity of contaminants discharged into receiving waters

For further detail on any of the areas covered in the Three Waters Asset Base section see the individual Wastewater, Water and Stormwater Asset Management Plans on our website.

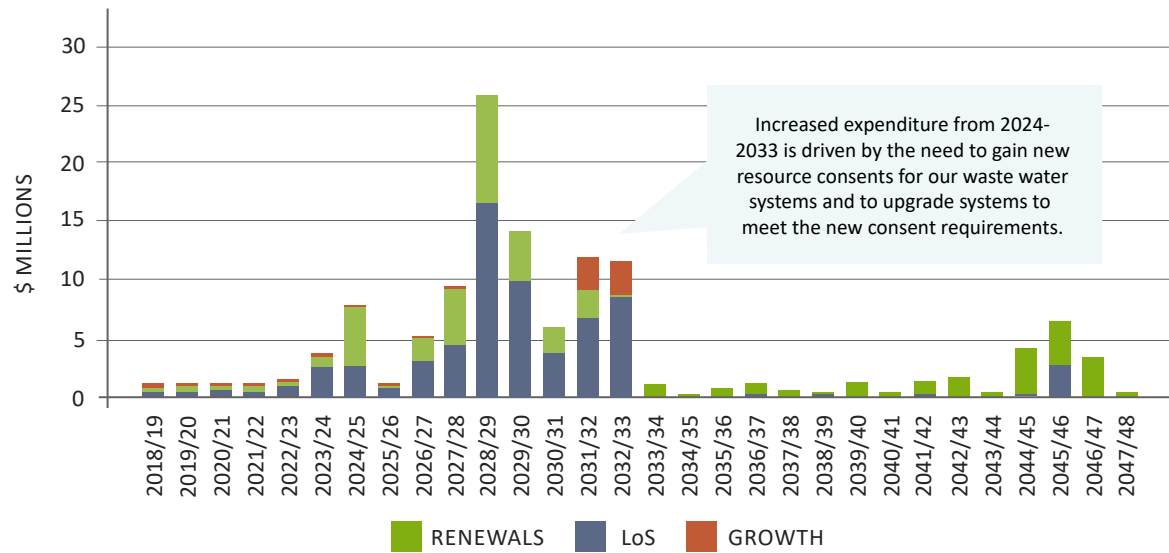




MAJOR WASTEWATER CAPITAL WORKS PROGRAMME SUMMARY

Figure 4 below illustrates the projected capital expenditure associated with the management of Whakatāne District wastewater infrastructure assets until 2048.

FIGURE 4: WHAKATĀNE DISTRICT PROJECTED CAPITAL WASTEWATER EXPENDITURE 2018-2048



MAJOR WASTEWATER INFRASTRUCTURE PROJECTS THAT ARE EXPECTED TO BE UNDERTAKEN IN THE 2018-2048 PERIOD ARE SHOWN IN THE TABLE BELOW:

PROPOSAL (MOST LIKELY SCENARIO)	COST (\$ MILLIONS)	TIMING	KEY ASSUMPTIONS	ALTERNATIVE OPTION
Shaw/Huna Road expansion	0.3	2019-20	That this project will be funded from Development Contributions	Do not undertake works, risk impeding growth and development
Replacement of McAlister Pump Station rising main	4.0	2024/25	Condition assessment indicates that the pipe will start failing by this time	Replacement carried out in later or earlier years due to a different rate of deterioration
McAlister Pump Station emergency storage	1.6	2024	At least 8 hours storage capacity is required in emergency situations	Do nothing – accept risk of low capacity
Upgrading of Whakatāne wastewater treatment system	23.3	2019-33	New resource consent may require upgrades	Do nothing – upgrades not required for new consent
Replacement of the existing reticulation with a new low pressure grinding pump system in Edgecumbe	24.8	2027-47	The existing reticulation system will have deteriorated by this time, causing significant reduction of LoS and very high operations and maintenance costs	Replacement carried out in later or earlier years due to a different rate of deterioration and/or community's ability to pay and demand for improvement.
Obtaining replacement resource consents for wastewater treatment plants	4.0	2022-26	Existing Resource Consents Expire 2026	Do nothing - Council in breach of consent
Upgrading of Tāneatua wastewater treatment system	9.7	2027-30	Regional Council will enforce new discharge quality standards, requiring upgrades	Do nothing - Council in breach of consent
Upgrading of Edgecumbe wastewater treatment system	4.0	2027-30	Regional Council will enforce new effluent quality standards, requiring upgrades	Do nothing - Council in breach of consent
Upgrading of Murupara wastewater treatment system	10.0	2024-29	Regional Council will enforce new effluent quality standards, requiring upgrades	Do nothing - Council in breach of consent



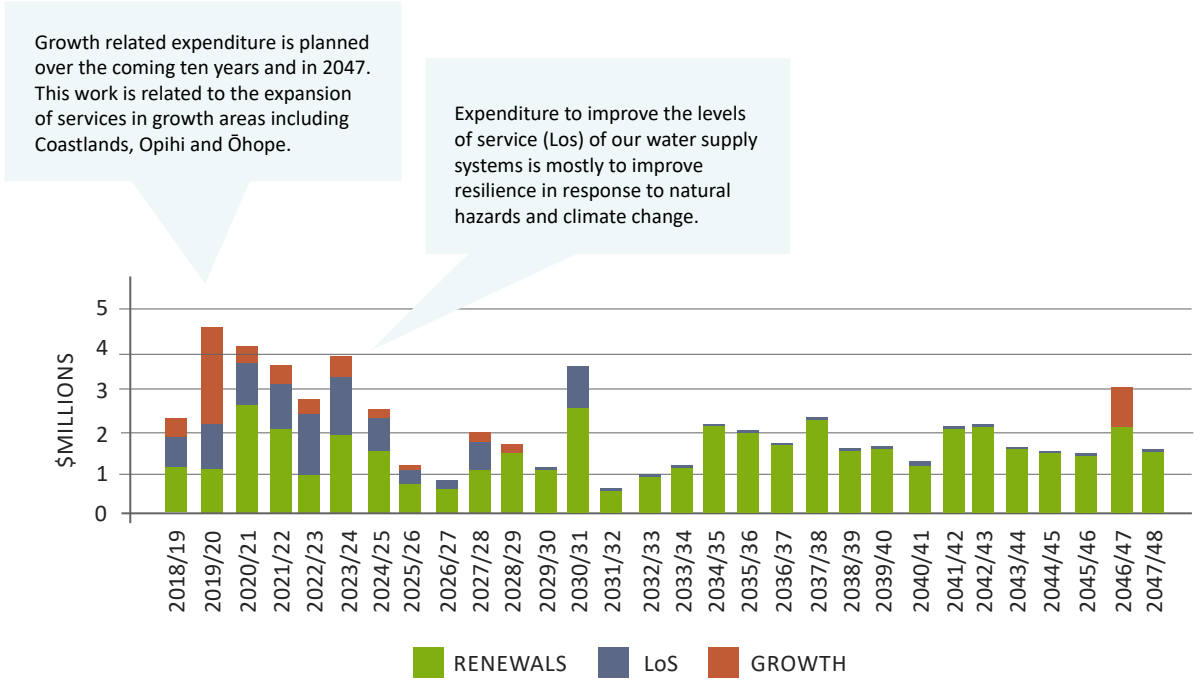
IMPLICATIONS OF UNCERTAINTY

The key uncertainty for our wastewater treatment and disposal infrastructure is around resource consent-driven changes. It is anticipated that the level of treatment required will dramatically differ from our current levels of treatment and the level of investment required to gain future resource consents will alter significantly. This may require significantly modifying the existing treatment process and incorporating new technologies for treatment and disposal of wastewater.

MAJOR WATER CAPITAL WORKS PROGRAMME SUMMARY

Figure 5 below illustrates the projected capital expenditure associated with the management of Whakatāne District water infrastructure assets through to 2048.

FIGURE 5: WHAKATĀNE DISTRICT PROJECTED CAPITAL WATER EXPENDITURE 2018-48



MAJOR WATER SUPPLY INFRASTRUCTURE PROJECTS EXPECTED TO BE UNDERTAKEN IN THE 2018-2048 PERIOD ARE SHOWN IN THE TABLE BELOW:

PROPOSAL (MOST LIKELY SCENARIO)	COST (\$ MILLIONS)	TIMING	KEY ASSUMPTIONS	ALTERNATIVE OPTION
Install treatment at Murupara	0.3	2020/21	That the community agree to having water treatment or central government require it as a result of the Havelock North drinking water inquiry.	Do nothing – accept current water quality
Seismic and storage capacity improvements for Water Supply Systems	12.1	2019-26	Meet seismic requirements and increase storage for emergency situations	Do nothing – accept risk of failure during earthquake events and low capacity
Sludge treatment in Whakatāne	0.9	2023-24	New resource consent may require sludge treatment	Do nothing – If upgrades not required for new consent
Investigate and construct water filtration gallery upstream of Whakatāne WTP	2.3	2019/20	Water supply resilience and increase security of supply	Do nothing – issues with saline water during adverse dry (drought) conditions
Obtain replacement water take consents	1.5	2018/26	Water take consents expiring	Do nothing - Council in breach of Resource Management Act
Water meter installation programme	0.75	2019-47	Assist with obtaining new water take consents, improved demand management and knowledge of systems	Do nothing – Council not in line with best practice
Coastlands ring main	0.5	2023-24	Medium growth in Whakatāne and Ōhope. Funded from Development Contributions	Complete the project at a different time, depending on actual population change
Upgrading Harbour Rd main Ōhope	0.75	2024/25	Assuming medium growth in Ōhope	Complete the project at a different time, depending on actual population change
Reservoir replacement in Ōhope	1.6	2027/28	Economic life of the reservoirs may expire by this time	Replacement carried out in later or earlier years due to a different rate of deterioration.

IMPLICATIONS OF UNCERTAINTY

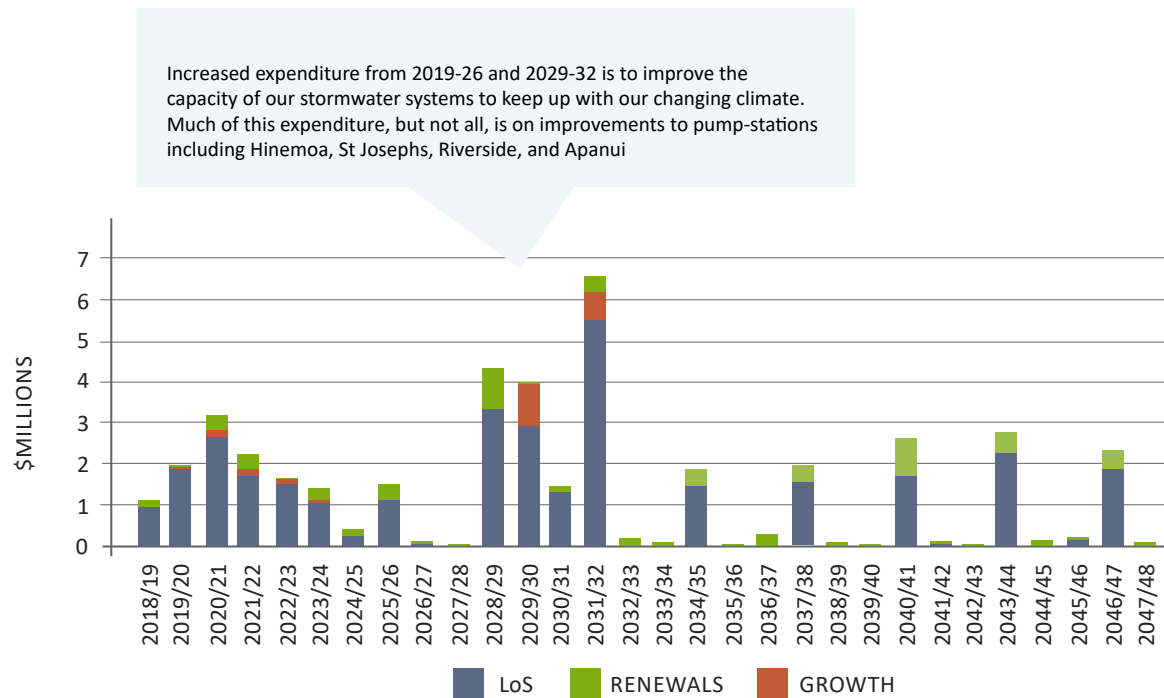
Projects are based on assumptions around water supply resilience, population growth and asset deterioration. If the population growth and/or asset deterioration progress at rates different to assumptions, then the timeframe and scale of works required may vary. It is not expected that any change would be significant and therefore would not have a significant cost implication. However, the Council will continue to monitor asset condition and population change on a regular basis.



MAJOR STORMWATER CAPITAL WORKS PROGRAMME SUMMARY

Figure 6 below illustrates the projected capital expenditure associated with the management of Whakatāne District stormwater infrastructure assets through to 2048.

FIGURE 6: WHAKATĀNE DISTRICT PROJECTED CAPITAL STORMWATER EXPENDITURE 2018-48



MAJOR STORMWATER INFRASTRUCTURE PROJECTS EXPECTED TO BE UNDERTAKEN IN THE 2018-2048 PERIOD ARE SHOWN IN THE TABLE BELOW.

PROPOSAL (MOST LIKELY SCENARIO)	COST (\$ MILLIONS)	TIMING	KEY ASSUMPTIONS	ALTERNATIVE OPTION
New pump stations in Apanui Catchment	4.8	2032	Community demand for protection against a 1-in-50 Annual Exceedance Probability Event	Carry out upgrade within a different timeframe or scale
Upgrading of St Joseph pump station	1.1	2019-21	Community demand for protection against a 1-in-50 Annual Exceedance Probability Event	Carry out upgrade within a different timeframe or scale
New pump station in Hinemoa Catchment	3.7	2020-21	Community demand for protection against a 1-in-50 Annual Exceedance Probability Event	Carry out upgrade within a different timeframe or scale
Upgrading of Riverside Drive pump station	2.0	2029/30	Community demand for protection against a 1-in-50 Annual Exceedance Probability Event	Carry out upgrade within a different timeframe or scale
Henderson Street improvements	0.8	2019-20	Community demand for protection against a 1-in-50 Annual Exceedance Probability Event	Carry out upgrade within a different timeframe or scale
Pipe upgrades to increase the conveyance capacity in Whakatāne and Ōhope	17.0	2020-2047	Community demand for protection against a 1-in-50 Annual Exceedance Probability Event	Carry out upgrade within a different timeframe or scale
Undertake Comprehensive Stormwater Consents	1.0	2018-23	Consents required by Regional Council	Do nothing - Council in breach of consent
Undertake Stormwater modelling for each system	1.5	2019-46	Used for better understanding of system and for resource consents Probability Event	Not fully understanding systems

IMPLICATIONS OF UNCERTAINTY

The stormwater projects proposed are the result of a clear demand from the community for an increased level of stormwater protection. While the Council considers that it will never be economically feasible to provide complete protection from extreme weather events, the Council has developed a programme of works to enhance the level of protection provided, within the limits proposed through the Council's Financial Strategy.

If the community requests a different level of protection from that proposed, or if the timeframes proposed for the upgrades are not deemed acceptable, the Council may need to alter the improvement programme. This could have a significant financial impact on the Council's programme of works, depending on the scale of the changes involved. Until the specified works are progressed, the current level of stormwater risk will remain.

MAJOR ROADS AND FOOTPATHS ASSET BASE

Asset Life Cycle Assumptions

The Council Roads and Footpath assets are detailed in the table below.

Asset	Quantities
Local road network	900 km <ul style="list-style-type: none"> • Approximately 700 km sealed • Approximately 200 km unsealed
Footpaths	196 km
Off road cycle path	10 km
Streetlights	3,454
Signs	8,240
Bridges	253
Drainage assets	310 km

Major Road and Footpaths asset valuation as of 1 July 2016:

- Optimised Replacement Cost: \$372, 503, 938
- Optimised Depreciated Replacement Cost: \$234,111,496
- Annual Depreciation: 46,420,855

The overall asset age is relatively young. Many longer life assets have not yet reached the age of renewal. This statement does not include the 26 bridges that are reaching the theoretical end of their useful life which require significant renewal expenditure.

The majority of asset performance is rated as average or above average. Areas performing below average relate to accessibility and unsealed road average three year costs.

Life cycle assumptions are drawn from stringent inspection regimes and management processes. The life cycle of roading and footpath assets are categorised into five principal areas:

- Sustaining the existing assets
- Replacing the existing assets
- Growing the asset base through enhancing service delivery or service demand
- Vested assets from developers
- Disposing of assets when they reach the end of their useful life or fail to deliver the level of service

Roads and Footpaths data confidence

Whakatāne District Council relies on high quality asset data managed through the RAMM Database. Asset data is regularly kept up to date through day to day operations, as well as yearly validation programs carried out on one third of the asset database. The Roding Efficiency Group (REG) has been producing RCA Data Quality Reports for the councils since 2014/15. This information has been used to drive data improvement and has resulted in an improving trend over time.

Given the effectiveness and robustness of the RAMM data management system, there are no major maintenance or renewal backlogs for Major Roding and Footpath assets.

Level of Service (LoS) Assumptions

LoS are key business drivers and influence all asset management decisions. The overarching performance measure goal is to provide safe and reliable local transport networks to enable efficient and affordable transportation of people and goods.

Council's Roads and Footpaths LoS are based on the One Network Road Classification prescribed LoS, and encompasses the areas summarised below:

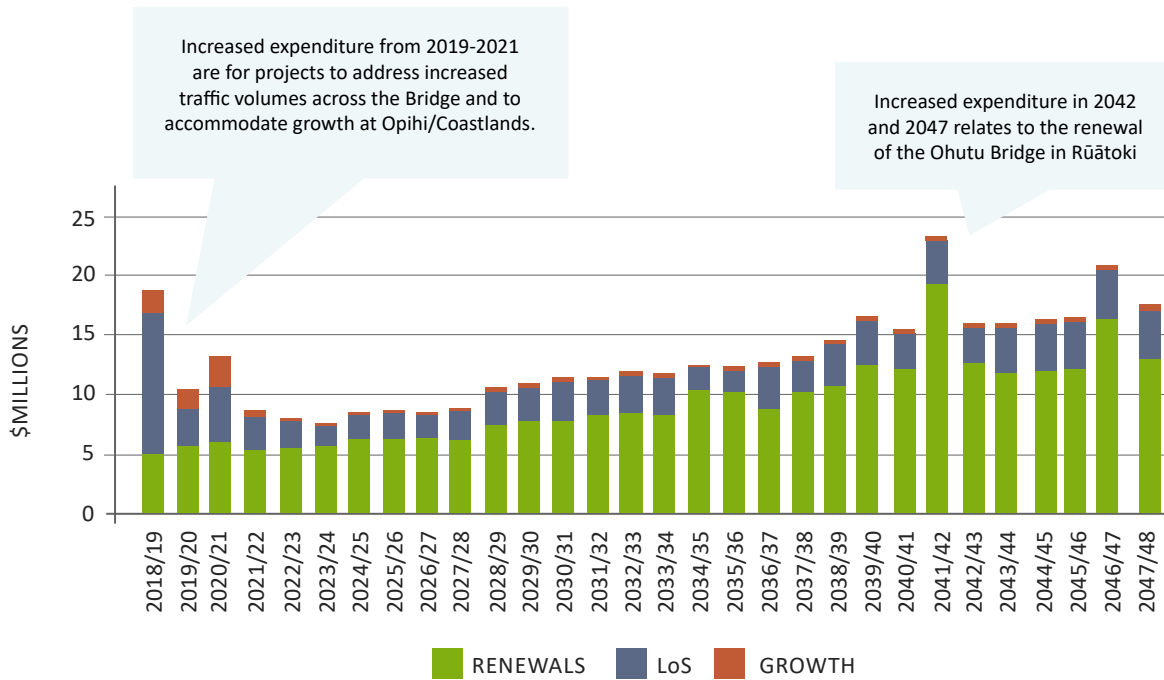
- Safety
- Amenity
- Accessibility
- Travel Time Reliability (TTR)
- Cost Efficiency

For further details on any of the areas covered in the Major Roads and Footpaths Asset Base section see the individual Transport Asset Management Plan on our website.

MAJOR ROADS AND FOOTPATHS CAPITAL WORKS PROGRAMME SUMMARY

Figure 7 illustrates the projected capital expenditure associated with the management of Whakatāne District Roads and Footpaths infrastructure assets through to 2048.

FIGURE 7: WHAKATĀNE DISTRICT PROJECTED CAPITAL ROADS AND FOOTPATHS EXPENDITURE 2018-2048



MAJOR NEW ROADING AND FOOTPATH INFRASTRUCTURE PROJECTS EXPECTED TO BE UNDERTAKEN IN THE 2018-2048 PERIOD ARE SHOWN IN THE TABLE BELOW.

PROPOSAL (MOST LIKELY SCENARIO)	COST (\$ MILLIONS)	TIMING	KEY ASSUMPTIONS	ALTERNATIVE OPTION
Sealed Road Resurfacing	87	2018 -2048	No significant changes to traffic mix and volume. Average seal life of 15 years achieved for years 1 to 17. Average seal life reduces to 12 years from year 17 to 30 due to accumulation of seal layers.	Extend average seal life. This will reduce annual resurfacing cost but result in increased reactive maintenance costs, reduced level of service and increased risk of pavement failure. Reduce average seal life. This will increase annual resurfacing costs but result in marginally decreased reactive maintenance costs and marginally decreased risk of pavement failure. Network performance / condition monitoring and benchmarking against other networks indicates current settings are close to optimal
Sealed Pavement Rehabilitation	69	2018 -2048	No significant changes to traffic mix and volume. Rehabilitation is the least whole of life cost option. Rehabilitation requirement increases from 0.5% of the network per annum in year 1 to 1.2% of the network per annum in year 30 as the pavement age profile matures.	Rehabs do not proceed unless they are the least whole of life cost option. Each evaluation includes at least three options including: <ul style="list-style-type: none"> On-going maintenance Maintenance + reseal Pavement Rehabilitation Evaluations are undertaken in accordance with NZTA procedures.
Unsealed Road Metalling	26	2018 - 2048	No significant changes to traffic mix and volume. No seal extensions. Average metalling cycle of 5 years	Reduce re-metalling rate. This will result in sharply increased reactive maintenance (grading) costs, and a significant increase in risk that the road will not be fit for purpose for significant lengths of time.
Low Cost Low Risk Improvements (all improvement works <\$1M)	75	2018 - 2048	Programme targets delivering on NZTA investment outcomes, primarily: <ul style="list-style-type: none"> Reduced deaths and serious injuries Secure and resilient network Efficient freight supply chains 	All activities in this category are assessed through the Council Minor Improvements Policy. This policy includes a process for assessing the best value option from a range of alternatives for each site, and prioritising each site for inclusion in the programme.
Drainage Renewals	23	2018 - 2048	Existing renewal rates remain appropriate.	Options include: <ul style="list-style-type: none"> Replace like for like. Replace with improved facility. Don't replace. The range of feasible options is site specific and is assessed on a whole of life cost and affordability basis. Non-replacement of drainage structures generally significantly increases risk of extensive damage or deterioration to the road and other structures negatively impacting reactive maintenance costs, resilience, accessibility, safety and amenity of the roading asset.

PROPOSAL (MOST LIKELY SCENARIO)	COST (\$ MILLIONS)	TIMING	KEY ASSUMPTIONS	ALTERNATIVE OPTION
<p><i>Bridge Replacements (>\$1M)</i></p> <p><i>Note: bridge replacements <\$1M are included in LCLR costs</i></p>	7.5	2042 - 2047	Bridge replacement dates are based on established average achieved lives and engineering assessment/judgement.	<p>The range of feasible options is site specific and is assessed on a whole of life cost and affordability basis in accordance with NZTA procedures. Assessed options include:</p> <ul style="list-style-type: none"> • Replace bridge with bridge. • Replace bridge with low cost ford. • Repair existing bridge and postweight limit
<p>Seal Extension</p> <p><i>Note: for partnership projects only, not general seal extensions</i></p>	Up to 28.5	2018 - 2048	<p>Agreement is reached with Te Urewera for seal extension or equivalent surface improvements using other mediums for 15km of Ruatahuna Rd (\$4.6M)</p> <p>Business case and Council supports an outcome for sealing the southern route of Pokairoa and Ngamotu Rds (\$8.2M)</p> <p>Council supports the resumption of the seal extension programmes for local roads (\$12.5M)</p>	Do nothing
<p><i>Storm damage reinstatement works</i></p>	8.95	2018/19	Detailed investigations are in keeping with the initial project scope and estimates.	Do nothing – this is not consider appropriate given the reduced level of service and risk to road users

IMPLICATIONS OF UNCERTAINTY

Much of the transportation programme planned over the next 30 years is heavily reliant on NZTA funding investment. If the level of investment changes significantly, this could have a significant impact on the programme Council delivers. This could affect the level of service provided.



FINANCIAL STRATEGY 2018-28

Te Rautaki Pūtea

Our Financial Strategy supports the delivery of Council activities and services in a manner that addresses rates affordability and ensures that the Council remains in a long-term stable financial position.

Introduction

This Financial Strategy is central to the development of the Council's Long Term Plan. It sets out the Council's approach to managing our finances for the next decade, including the key financial parameters guiding the development of our LTP, including limits on rates increases and debt. It also illustrates the overall financial implications of the Council's operations over the ten years covered by the LTP 2018-28.

This Financial Strategy provides a review and update of the Financial Strategy developed as part of the 2015-25 LTP. The preparation of a Financial Strategy is a requirement under section 101(a) of the Local Government Act 2002.

Background

The Whakatāne District Council's operating costs are currently just over \$59 million a year. Around two-thirds of this spending is paid for through rates income, with the average household currently contributing around \$55 per week.

This funding enables us to deliver a wide range of activities and services that people use and rely on every day. In total, we deliver 30 different activities, which are supported by internal activities such as Human Resources, Customer Services and Finance. We are also a shareholder in four Council Controlled Organisations, which allow us to receive or deliver services in partnership with other shareholders. The Council is one of the larger employers in the Eastern Bay of Plenty, employing approximately 214 full-time equivalent staff.

The Whakatāne District Council has a healthy balance sheet and is in a stable financial position. We manage debt at relatively low levels compared to other local government or commercial organisations and our levels of rates are not dissimilar to other similar sized territorial local authorities. Our portfolio of activities and services includes the management of over \$672 million worth of community assets, compared to total liabilities of \$71 million.

This Financial Strategy aims to ensure that the Council remains in a stable financial position. It also helps to ensure open, sustainable and accountable financial management.



Principles

Our Financial Strategy has been developed utilising the overarching principles which guide the development of the LTP. Those principles endeavour to deliver an LTP that is “Responsible”, “Sustainable”, “Affordable” and “Enabling”. In the context of the Financial Strategy, the LTP seeks to achieve the resourcing of Council services and activities in a way that is both responsive to the issue of rates affordability and ensures that the Council remains in a strong, long-term financial position.

Objectives

This Financial Strategy promises to deliver more of the same, in terms of our current ‘conservative’, ‘disciplined’ and ‘no surprises’ approach to financial management. Long-term financial sustainability and the affordability of rates will continue to be at the forefront of our 2018-28 LTP and Financial Strategy. This includes the continuation of conservative limits for rates increases and debt in line with the limits set through the previous LTP. Increased discipline around day-to-day financial management will continue to be applied.

We have thought hard about how restrictive our budgeting should be, given that we need to ensure that our decisions about affordability do not unfairly burden ratepayers in the future, and that our services and assets are sustained for future generations. We also need to provide sufficient scope within budgets to allow progress to be made towards improved outcomes for the community and ensure that our District retains its viability and vibrancy. These outcomes support the priorities of our LTP which are:

- Resilient People and Places
- Vibrant Communities
- Thriving Economy
- Responsible Money Management.

In consideration of the overall priorities of our LTP, the objectives of this Financial Strategy are to achieve balance between the following outcomes:

- i. Ensuring resource is available to sustainably manage assets and services, and
- ii. Retaining capacity to add value to our services and facilities.

Whilst

- iii. Maintaining rates at an affordable level,
- iv. Maintaining our overall debt at around or just above current levels, and
- v. Manage our finances responsibly and minimising financial risk.



OBJECTIVE I:

Ensuring resource is available to sustainably manage assets and services

Sustainably managing our assets and services is a core priority of this Financial Strategy. Most importantly, we need to ensure that our infrastructure assets are managed so that we can continue to deliver good quality, affordable services now and into the future.

- Ensuring that we pay our fair share of asset maintenance and renewal now – not overpaying to subsidise future ratepayers but also not underpaying, which would see future ratepayers unfairly burdened by large costs.
- The costs for obtaining resource consents and some capital works for the Murupara wastewater system upgrade have been brought forward. This was to ‘smooth out’ the impact of the associated costs across a number of years. The remainder of the resource consents for wastewater upgrades are budgeted later in the LTP, with the associated ‘cost hump’ expected from 2025. The remainder of the capital costs are not yet budgeted for in the LTP.
- Providing additional funding to ensure the continued financial viability of the Whakatāne Airport.
- Taking a 30+ year view towards asset renewals and depreciation funding, to ensure that reserves are available to maintain our assets in the future.

OBJECTIVE II:

Retaining capacity to add value to our services and facilities

While we are planning to continue most of our services at the current levels, we think it is important to make progress towards improved outcomes which will ensure that our District retains its vitality and vibrancy. For this reason, the Financial Strategy provides increased funding for some carefully selected service improvements to support growth and economic development.

- Ensuring our limits for rates and debt, and the budgets we set within those limits, allow increased funding for specified projects and service improvements.
- Securing funding partners for added-value projects that we might otherwise not be able to progress.
- Ensuring that the ongoing operational costs of any new services and facilities are fully considered.
- Maximising the benefits from the Harbour Fund while managing this resource in a sustainable way.

OBJECTIVE III:

Maintaining rates at an affordable level

There are limits to the level of contribution ratepayers are able or willing to make towards the services and activities the Council delivers. In developing this Financial Strategy, we have been mindful of the level at which rates are set, and of the impact of rates on different sectors of the community.

- Setting conservative limits for rates and rates increases and setting budgets well within those limits.
- Maintaining a strong focus on affordability through our rating philosophy and system.
- Delivering most services at the current level, unless we can make improvements with minimal cost to ratepayers.
- Looking for opportunities to deliver services in a more productive or innovative way to either improve services for the same cost, or deliver the same service at a lower cost.
- Reviewing the level of service we provide for some services, where savings could be made with minimal disruption to the community.
- Funding depreciation over a longer period to provide more certainty and stability to ratepayers by levelling out costs over a longer period of time.

OBJECTIVE IV:

Maintaining overall debt at around or just above current levels

Debt is an effective tool to help spread the cost of projects over time, but a large amount of debt can become crippling. Our current level of debt is conservative for an organisation of our size and we would like to keep it this way.

- Setting limits for the overall level of debt and for debt servicing costs that support the retention of debt at sustainable and affordable levels.
- Sourcing external contributions (such as subsidies and grants) towards the costs of capital projects wherever we can and not taking on some projects unless a certain portion of funding is sourced externally.
- Deferring some projects to help us stay within limits for debt and debt repayment.
- Committing income from any asset sales to the retirement of debt, or to offset the requirement for new debt.

OBJECTIVE V:

Managing our finances responsibly and minimising financial risk

Any organisation, but particularly one that is responsible for public funds, needs to ensure that finances are managed responsibly and prudently and that risk is minimised wherever practicable.

- Ensuring that we set realistic and achievable budgets, including the assumptions around levels of available external funding, such as subsidies and grants.
- Maintaining discipline in day-to-day financial management to help stay within budgets.
- Ensuring that the impacts of inflation and other cost increases are adequately considered and provided for in budgets.
- Ensuring that we reserve enough funding each year to pay for asset renewals when they arise.
- Continuing to set aside reserve funds to manage the costs of unforeseeable events such as storms.

Operating a Balanced Budget

The Council intends to operate a balanced budget over the course of this LTP. This means there is an operating surplus budgeted for all years, with an approximate overall operating surplus of \$41.6 million.

The Council intends to continue its approach to funding depreciation based on an assessment of the renewals programme over a 30 year period, rather than funding renewals as they are required. This approach provides more certainty to ratepayers, by evening out renewal costs over a longer period of time while retaining the necessary financial capacity to maintain assets as required. This also aligns with the Council objective of intergenerational equity; not to unfairly burden ratepayers in the future. We will also continue our approach of not fully funding depreciation on some assets so that ratepayers aren't being rated for assets that Council does not intend to replace.

Expenditure

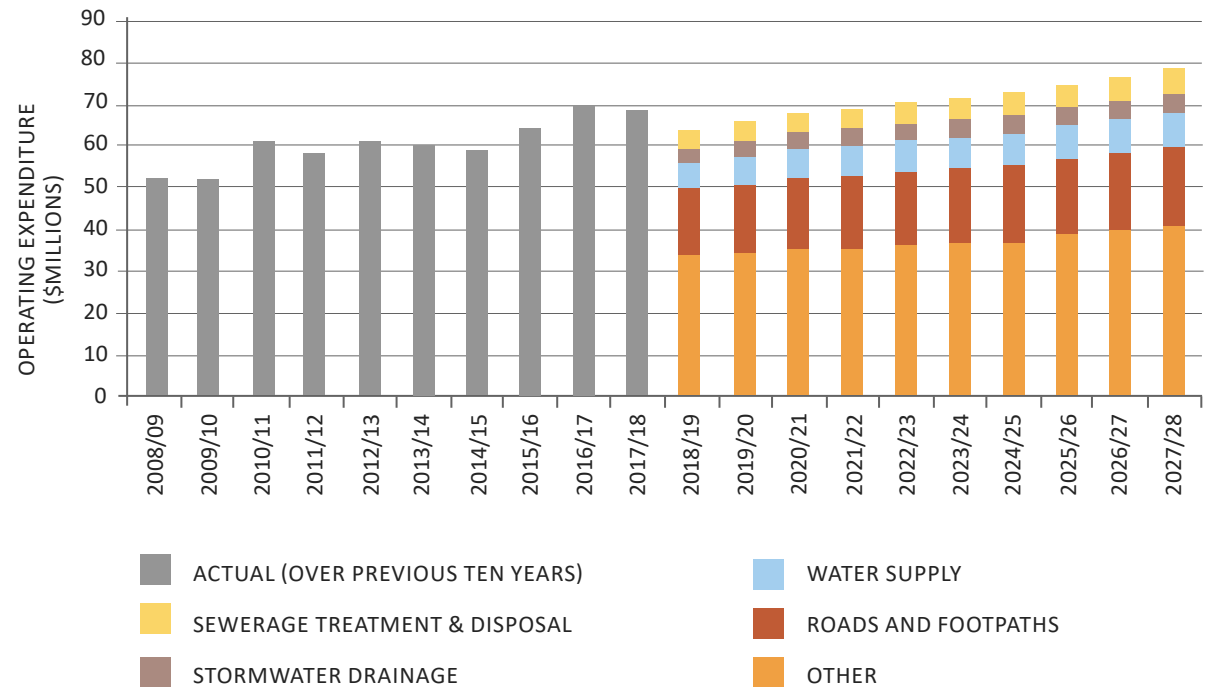
1. OPERATING EXPENDITURE OVER TEN YEARS

Operating expenditure pays for Council’s day-to-day cost of delivering services, maintaining existing assets, or other expenditure which does not buy or build a new asset (the latter being ‘Capital Expenditure’ which is covered on the next page).

The following graph shows our total operating expenditure over the last ten years and what we are planning for the next ten years. As shown in the graph, a large proportion of our operating expenditure is related to the four core network infrastructure activities including Roads and Footpaths, Water Supply, Stormwater Drainage and Sewage Treatment and Disposal. Together, these account for 48.3% of our operating expenditure over the life of the LTP.

The graph shows that the Council’s total operating expenditure is set to increase progressively from \$64.55 million in 2018/19 to \$78.44 million by 2027/28. While inflation is a major driver of this increase, there are a number of other factors which also influence our operating expenditure. The major drivers and features of expenditure are discussed in section five of this Strategy.

FIGURE 1: ACTUAL AND FORECAST OPERATING EXPENDITURE 2008-28

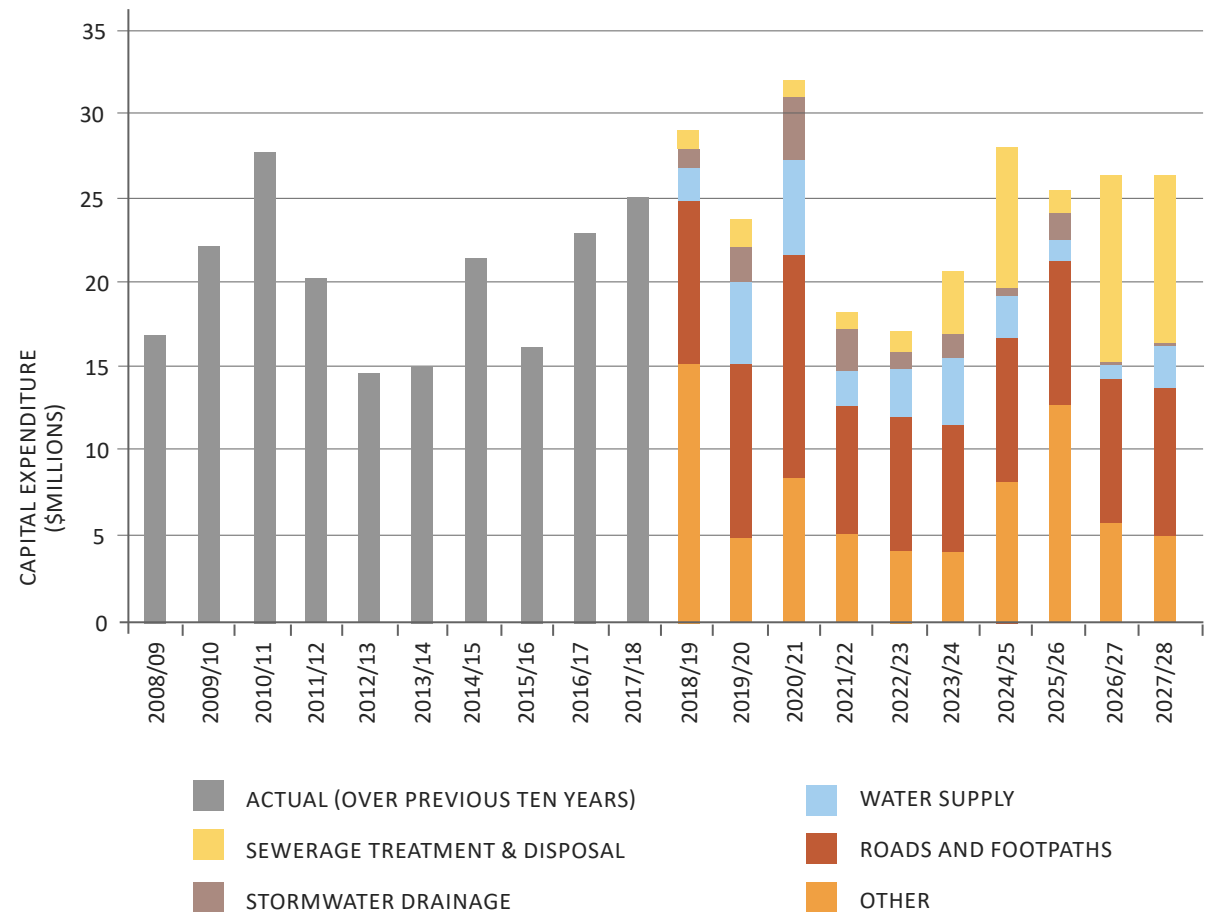


2. CAPITAL EXPENDITURE OVER TEN YEARS

Capital Expenditure pays for buying or building new assets, renewing an existing asset or improving an existing asset to deliver a better service. The following graph shows our capital expenditure over the last ten years and the planned spending for the next ten years. Council’s capital expenditure can vary substantially from year to year, depending on when works are undertaken.

As shown in the graph, much of our capital expenditure is related to core network infrastructure (Roads and Footpaths, Water Supply, Stormwater Drainage and Sewage Treatment and Disposal). Over the life of the LTP, these account for 75.42% of our capital expenditure.

FIGURE 2: ACTUAL AND FORECAST CAPITAL EXPENDITURE 2008-28



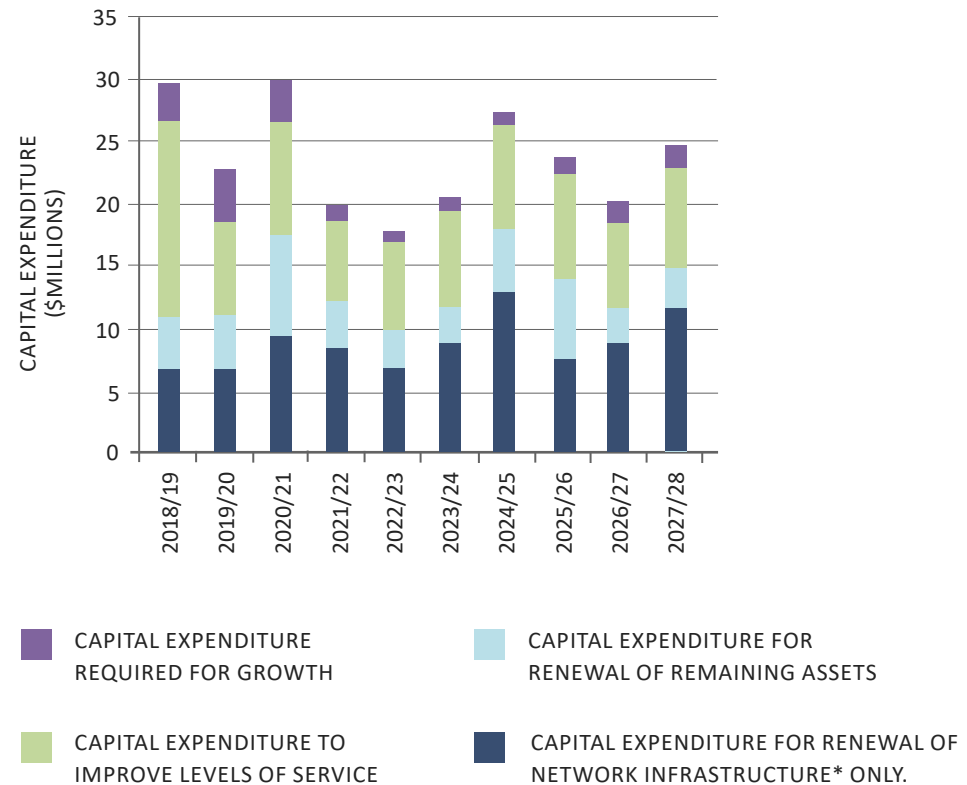
3. PROPORTION OF CAPITAL EXPENDITURE FOR RENEWALS

The following graph illustrates our forecast capital expenditure over the coming ten years with the costs categorised as renewals, improvements to levels of service, or growth. The graph shows that the majority of our capital expenditure is for renewals – the replacement of assets that have reached the end of their lifespans. In particular, the renewal of network infrastructure, including Roads and Footpaths, Stormwater Drainage, Water Supply, and Sewage Treatment and Disposal, accounts for 37.7% of our planned capital expenditure over the course of the LTP. Other renewals (of non-network infrastructure such as halls, public toilets, playgrounds etc.) account for a further 18.4% of our capital expenditure.

Projects required to improve the services we deliver account for 35.6% of capital expenditure over the coming ten years. Examples of key projects include costs associated with gaining resource consent for sewerage disposal and water supply, continued improvements to stormwater systems; improving and expanding our harbour assets; and redeveloping the Whakatāne and District War Memorial Hall.

Only minor expenditure is planned for projects needed to expand or extend services as a result of population growth (for example, a water supply system expansion for a new subdivision). This accounts for 8.0% of capital expenditure over the life of the LTP.

FIGURE 3: FORECAST CAPITAL EXPENDITURE FOR ASSET RENEWALS 2018-28



*Note: Network infrastructure includes the following activities: Roads and Footpaths, Stormwater Drainage, Water Supply, Sewerage Treatment and Disposal.

4. FUNDING CAPITAL EXPENDITURE OVER TIME

Spending on capital projects is usually funded through loans or depreciation reserves. These funding methods allow project costs to be spread over time. Loan repayments and depreciation reserves are both funded through rates.

Loans are used to fund new assets. Repaying loans over time means that current and future ratepayers contribute to the cost of the asset over its lifetime. External funding such as subsidies and grants are also often a major funding source of new assets.

Information about our debt levels and limits can be found later in this Strategy.

Depreciation reserves are funds that we set aside from year to year to meet the costs of renewing an asset as it nears the end of its lifespan, ensuring that we can continue to deliver the service it provides. As with loans, this means that both current and future ratepayers are making a contribution to the asset over its lifetime.

Under this LTP, we have calculated our need for depreciation funds on infrastructural assets over 30 years. Setting aside funds for infrastructure renewal over a longer period of time equalises the costs making them more affordable and predictable for ratepayers. It also aligns with the 30-year timeframe of our Infrastructure Strategy.

5. MAJOR DRIVERS AND FEATURES OF EXPENDITURE

Putting this Financial Strategy into action has implications for what Council can and cannot deliver. We believe we have an appropriate balance between the level and quality of services and the cost impact for ratepayers. A summary of items that drive, or have a significant impact on our costs, is set out below.

5.1. Delivering most services at the current level

For most of our services and facilities, we are not looking to make significant changes to the levels of service that we provide, unless this can be achieved at little or no cost to ratepayers. That being said, for some activities we are proposing some carefully selected service improvements. Holding most services at the current levels will help us to stay within the parameters set out in this Financial Strategy, including the limits on rates increases and debt.

5.2. Maintaining reliable infrastructure

A large portion of our capital expenditure is focused on asset renewals that will support the continued delivery of services at the current level. Renewals projects are those which replace existing assets when they are nearing the end of their lifespan, but do not increase or improve the service provided. The renewal of core network infrastructure, including Transport Networks, Stormwater Drainage, Water Supply and Sewage Treatment and Disposal, is expected to cost around \$89.3 million over the course of the LTP. Other renewals (of non-network infrastructure such as halls, wharves, playgrounds etc.) account for a further \$43.52 million.

Our 30 year Infrastructure Strategy and Asset Management Plans (both available on our website), set out what is required to manage and maintain our assets over the coming ten years of our LTP and beyond.

5.3. Providing for specific growth areas

Our District population is forecast to increase slightly over the next ten years. The need to expand or improve services to cater for an expanding population, or significant changes in land use, is therefore not expected to be a major driver of costs in the 2018-28 LTP. However, there are expected to be areas of growth in Whakatāne and Ōhope and the LTP proposes to include provision for infrastructure needs in those areas.

5.4. Improving and enhancing selected services

The Financial Strategy provides increased funding for some specific and carefully selected service improvements. In particular, we intend to increase our focus on economic development and growth in our District. We are also looking to progress projects to improve and expand our harbour assets and to redevelop the Whakatāne and District War Memorial Hall into a modern multisport venue.



5.5. Continuing to advance committed projects

The Council has already made commitments to a selection of service improvements that are ongoing. These will continue to be advanced and require a commitment of funding over the course of the coming LTP.

5.6. Saving costs through reduced projects and services

In the interests of rates affordability, a number of projects and service improvements have been revised and are not intended to be included in our LTP 2018-28. The Council currently does not fund road seal extensions or power undergrounding and it is proposed that this approach should be continued unless there are clear economic benefits. There may be times when property owners who live on an unsealed road wish to fund the cost of a seal extension. Where this is the case, the Council will work with property owners to find an appropriate solution. This could include a targeted rate on property owners on the road planned for reseal.

5.7. Servicing debt

The Council's current debt level is conservative for an organisation of our size and as such, servicing of debt is not a major driver of costs in our LTP. This Financial Strategy sets limits that support our intention to hold debt and debt repayments at conservative levels. Information about our current debt levels and limits can be found later in this strategy.

5.8. Meeting the costs of storm damage and other unexpected events

Natural hazard events can result in substantial costs for the initial response effort, clean-up, and capital work required to rebuild damaged assets. Planning for the financial impact of such events is difficult, because we don't know when they will happen or what impact they may have. Depending on the scale of an event(s), this could require the reprioritisation of projects and budgets and unbudgeted spending.

The Council will initially attempt to meet any costs from within existing budgets and where available, from insurances and external subsidies. As part of our budgets, we hold two reserve funds to help meet the cost of responding to natural hazard damage, the Roothing Storm Damage Reserve and the Disaster Recovery Reserve.

The Roothing Storm Damage Reserve covers the relatively common costs of storm damage to roading. The payment to this reserve has been reinstated at \$275,000* per annum. To smooth the impact of introducing this payment, the first year has been funding from the surplus balance in the Roothing Rate Reserve. The Disaster Recovery Reserve is for events that are not covered by the Roothing Storm Damage Reserve or other funding such as insurance. The payment to this reserve has been reinstated at \$100,000* per annum and will be introduced in the LTP from year two (2019/20) for affordability reasons.

There is a reduction in the amount transferred to the Weathertight homes reserve account of \$50,000. A transfer of \$200,000 was included in the 2018 Annual Plan; however, this LTP has budgeted to transfer a reduced amount of \$150,000* for the first 4 years of the LTP, 2018-19 to 2021/22.

*Uninflated

5.9. Inflation

Just as the cost of running a household increases every year with inflation, the cost of providing Council services also continues to increase. This is because costs like energy, labour and construction typically increase. The rate at which this occurs is measured as the Local Government Cost Index or LGCI. This varies from the rate at which household costs inflate which is known as the Consumer Price Index or CPI. Ultimately this means that even to maintain Council services at the current level, the cost of the service will increase. The expected rates of LGCI over the coming ten years can be found later in this Strategy.

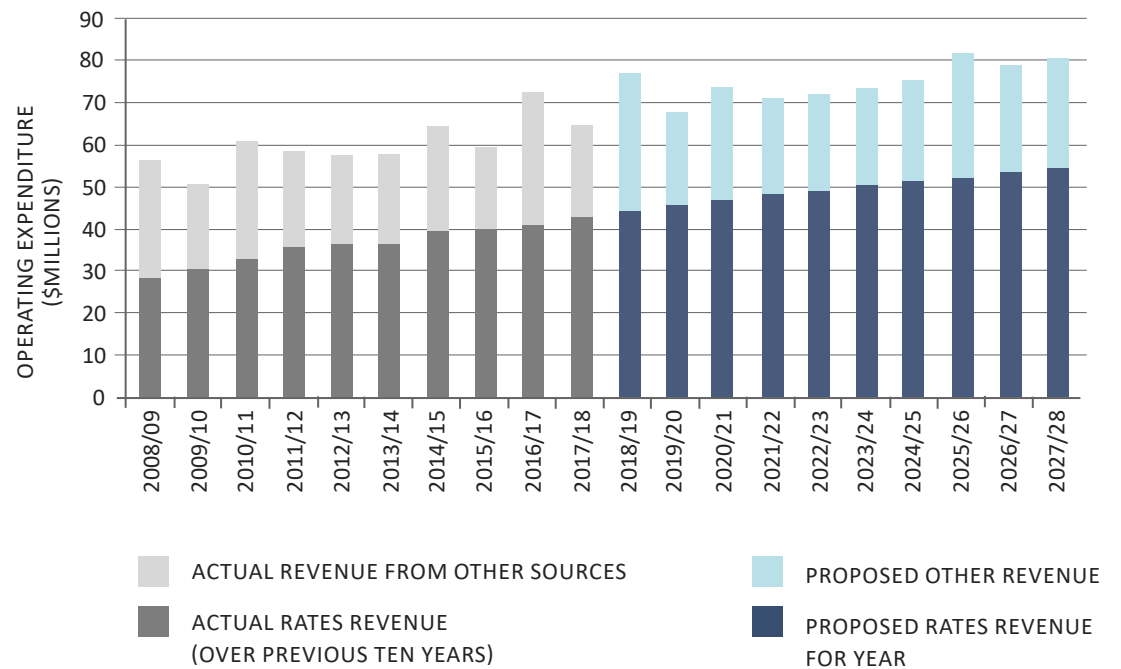
Income

6. SOURCES OF REVENUE

Rates provide most of the income required to pay for the services and facilities delivered by the Council. This typically accounts for 65-70% of our income each year, with the balance coming from other sources. We endeavour to secure funding from sources other than rates to help make our services and facilities more affordable.

Apart from general and targeted rates, examples of major funding sources include user fees and charges, subsidies, grants and development contributions. The following graph shows what our revenue needs have been over the last ten years and what proportion of revenue is budgeted to come from rates versus other funding sources during the next ten years.

FIGURE 4: ACTUAL AND FORECAST SOURCES OF OPERATING REVENUE 2008-28



7. MAJOR DRIVERS AND FEATURES OF REVENUE

7.1. Affordability of rates

Rates affordability is a fundamental driver in the development of the LTP. The Council acknowledges the socio-economic vulnerability of parts of the District and that within other sectors wealth can be tied up in property rather than disposable income. While rates contribute towards the delivery of many fundamental community services and facilities that people rely on and use every day, we understand that rates must be as affordable as possible.

Through the development of the LTP, rates affordability has been considered in two key ways. The first is through the budgets that we have set for each of our activities because the more we spend, the higher rates will be. We are proposing conservative limits for rates increases and borrowing and have set our activity budgets accordingly. These limits are set out later in this Strategy. While this approach helps rates affordability, it also means less money is available for investing in community services and facilities.

Secondly, Council has also considered affordability through the distribution of the rates to different sectors of the community. This involves careful consideration of how the Council's costs are to be divided given that ratepayers do not all pay the same. The distribution of the rates requirement is determined through our Revenue and Financing Policy and rating system both of which have been reviewed as part of our process of developing the LTP. Following these reviews, we have made some minor changes to our rating system as summarised below. Our Revenue and Financing Policy is available later in this chapter or on the Council website.

- Additional funding of \$150,000 has been included in the Tourism and Marketing budget. This has been funded \$50,000 funded from the Harbour Fund and the remaining \$100,000 funded by the targeted district growth rate applying the existing methodology.
- The funding philosophy for the Resource Management Policy activity has been amended to reflect the public benefit of this activity.
- The funding philosophy for the Libraries and Ports & Harbour activities have been amended to indicate a greater public benefit of this activities.

7.2. Availability of external funding

Accessing external funding allows us to deliver projects and services that we might not be able to afford otherwise. The budgets we have set through the LTP rely on significant levels of external funding, in particular from partnerships with the New Zealand Transport Agency (NZTA) and the Ministry of Health, but also from many other sources. The amount of external funding in our LTP budgets has been set at realistic levels, based on the best information currently available. However, achieving that budgeted funding is ultimately dependent on the policies and priorities of our funding providers, which may be subject to change. If anticipated levels of external funding are not realised, this may affect the delivery of some Council projects and services. We also have 2 large projects which we have not included funding for in this LTP, but which we are hoping to deliver on within the next 10 years; an Integrated Wastewater System and Awatarariki Debris Flow Risk Management. These projects are heavily reliant on external funding or investment from other agencies and will only progress if that funding is provided.

7.3. Development contributions

Development contributions are fees charged to developers at the time of obtaining a development-related resource consent, building consent or authorisation for service connection. The principle underlying development contributions is that the developer should meet the costs attributable to the growth they are creating. Our Development Contributions Policy was reviewed alongside the development of this Financial Strategy to ensure consistency. The Development Contributions Policy is available from Council offices and on the Council's website.

7.4. Harbour Fund

The Council owns a number of harbour properties, which were originally vested in the Council in 1976 when it took over the functions of the Whakatāne Harbour Board. The majority of these are commercially zoned land holdings around the Whakatāne Central Business District. Many of these properties are leased and provide a commercial return to the Council. The income from leases and from any sale of harbour endowment assets is held as the Harbour Endowment Fund (Harbour Fund).

The Harbour Fund is of great benefit to the District because it allows the Council to undertake some projects at little or no cost to ratepayers. The rules around the Harbour Fund, set through legislation, mean that any income derived from leases or the sale of assets, must be invested back into the maintenance or improvement of the harbour or harbour properties. The Harbour Fund may be used for non-ports and harbour activities only to the amount of operating surplus available in the Ports and Harbour activity in any given year, or, with express approval from the Minister of Local Government. The Council's LTP 2018-28 continues to use the Harbour Fund for internal borrowing.

At the time of writing this Long Term Plan, the Council has initiated the development of a policy framework to review and provide guidance to the future management of the Harbour Fund. The Policy Framework will guide more strategic management and application of the Harbour Fund portfolio and resources.

7.5. Investments

Under legislation, our Financial Strategy is required to disclose any objectives for holding and managing investments and equity securities and any targets for those. Council's investment holdings and equity securities are minimal and these are not expected to make any significant return over the course of the 2018-28 LTP. The Council has an Investment Policy in place setting out its approach to managing any Investments. The Investment Policy is available for reference from Council offices and on the Council's website.

7.6. Financial instruments disclosure

Council holds financial investments, such as term deposits, as part of managing its cash flow to finance expenditure on operations. These investments are not significant. For example, Council holds on to these funds to:

- Invest surplus cash and working capital funds
- Invest proceeds from the sale of assets
- Invest funds allocated for approved future expenditure to implement strategic initiatives or to support inter-generational allocations.
- Invest amounts allocated to accumulated surplus, Council created and restricted reserves such as renewal reserves, operational reserves, development contributions and the harbour fund.

It is expected that Council's primary objective in holding these investments is to protect its investment, so only creditworthy counter-parties are acceptable. Whilst Council would endeavour to maximize its return on investments, these investments usually need to remain fairly liquid and therefore the returns reflect this position.

8. LIMITS ON RATES

8.1. Limits on rates increases

The Council will continue the current limits on rates increases over the course of the 2018-28 LTP. This will limit rates increases to inflation (based on the Local Government Cost Index or LGCI) plus two percent.

It should be noted that the limit applies to the average increase across the District, with actual rates increases varying from property to property. Some individual property increases are likely to exceed this limit. Figure 5(a) and (b) sets out the average rates increases against the limit for rates increases (where applicable). As shown the introduction of limits has helped to contain and provide much more predictability to rates increases. The table also indicates that the forecast rates increases over the next ten years are often well below the set limits.

We expect there to be a small increase of 0.5% in the number of rating units over the ten-year life of our LTP. However, a conservative approach is being applied to our budget assumptions that involves rates requirements being spread across the existing number of rateable properties.

FIGURE 5(A): HISTORICAL AND FORECAST LIMITS ON RATES 2008-28 (INCLUDING INFLATION)

		TOTAL RATES INCREASE OVER PREVIOUS YEAR	LIMIT ON TOTAL RATES INCREASE (LGCI + 2%)*
ACTUAL	2008/09	8.92%	-
	2009/10	7.32%	-
	2010/11	8.42%	-
	2011/12	7.95%	-
	2012/13	5.69%	5.79%
	2013/14	2.49%	5.46%
	2014/15	2.95%	5.17%
	2015/16	3.21%	4.24%
	2016/17	3.84%	4.45%
FORECAST	2017/18	3.55%	3.8%
	2018/19	3.83%	4.0%
	2019/20	2.88%	4.2%
	2020/21	3.40%	4.2%
	2021/22	1.97%	4.2%
	2022/23	2.18%	4.3%
	2023/24	2.61%	4.3%
	2024/25	1.99%	4.4%
	2025/26	1.63%	4.5%
	2026/27	1.96%	4.6%
2027/28	1.78%	4.7%	

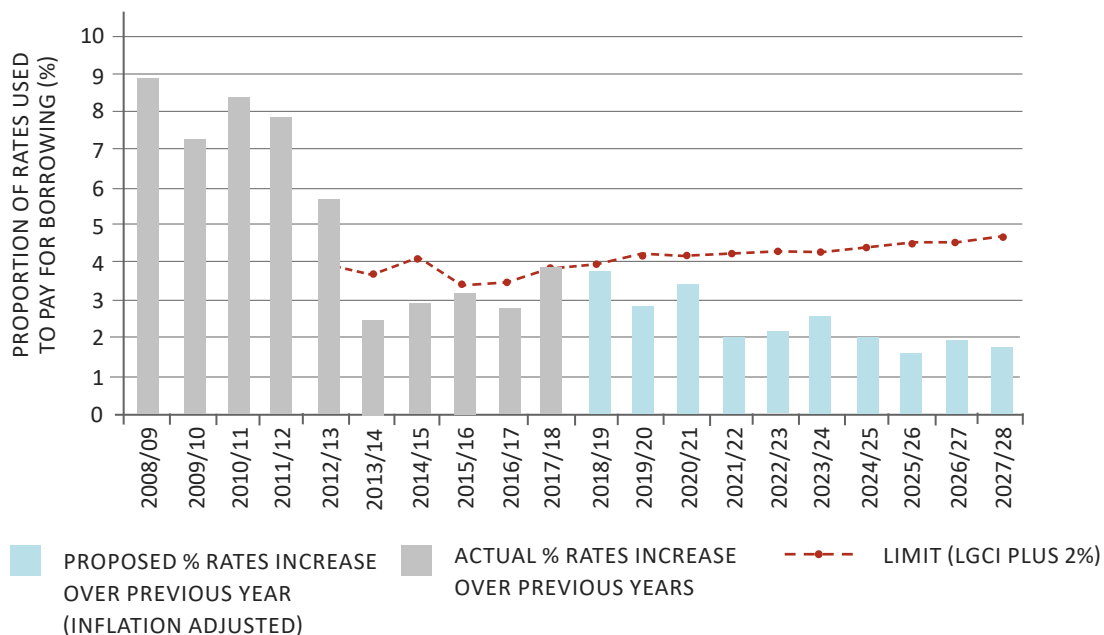
What is the LGCI?

The LGCI or Local Government Cost Index is a measure of inflation, as it relates to costs specifically affecting the Local Government sector.

LGCI inflation figures are produced for the local government sector by Business and Economic Research Limited (BERL) a leading provider of economic research, analysis, and advice for business and public sector clients in New Zealand.

The forecast limits for rates increases (at LGCI plus 2%) are based on the LGCI forecast at the time this Financial Strategy was written. As annual updates are made to LGCI, the limits will be adjusted accordingly.

FIGURE 5(B): HISTORICAL AND FORECAST LIMITS ON RATES 2008-28 (INCLUDING INFLATION)



8.2. Limit on rates as a proportion of total operating revenue

The Council will limit rates to a maximum of 80% of total operating revenue. This means we will need to continue to secure at least 20% of our revenue requirement from sources other than rates. Figure 6 sets out forecast levels of operating revenue against the 80% limit. This indicates that over the ten years of the 2018-28 we expect to remain well within the set limit.

FIGURE 6: LIMITS ON RATES AS A PROPORTION OF TOTAL OPERATING REVENUE 2018-28 (INCLUDING INFLATION)

	OPERATING REVENUE (\$MILLIONS)	RATES REVENUE* (\$MILLIONS)	RATIO: (LIMIT = 80%)
2018/19	78.10	44.29	57%
2019/20	70.49	45.56	65%
2020/21	74.60	47.11	63%
2021/22	71.55	48.04	67%
2022/23	72.50	49.09	68%
2023/24	73.99	50.37	68%
2024/25	78.96	51.38	65%
2025/26	82.12	52.21	64%
2026/27	78.94	53.24	67%
2027/28	80.43	54.18	67%

*Excludes penalties

Typically we gain around 65-70% of our revenue from rates with the remaining approximately 30-35% coming from other sources such as the New Zealand Transport Agency for roading costs and the Ministry of Health for projects to improve quality of drinking water. Over the course of this LTP we will continue to secure funding from sources other than rates wherever we can.

9. BORROWING AND DEBT

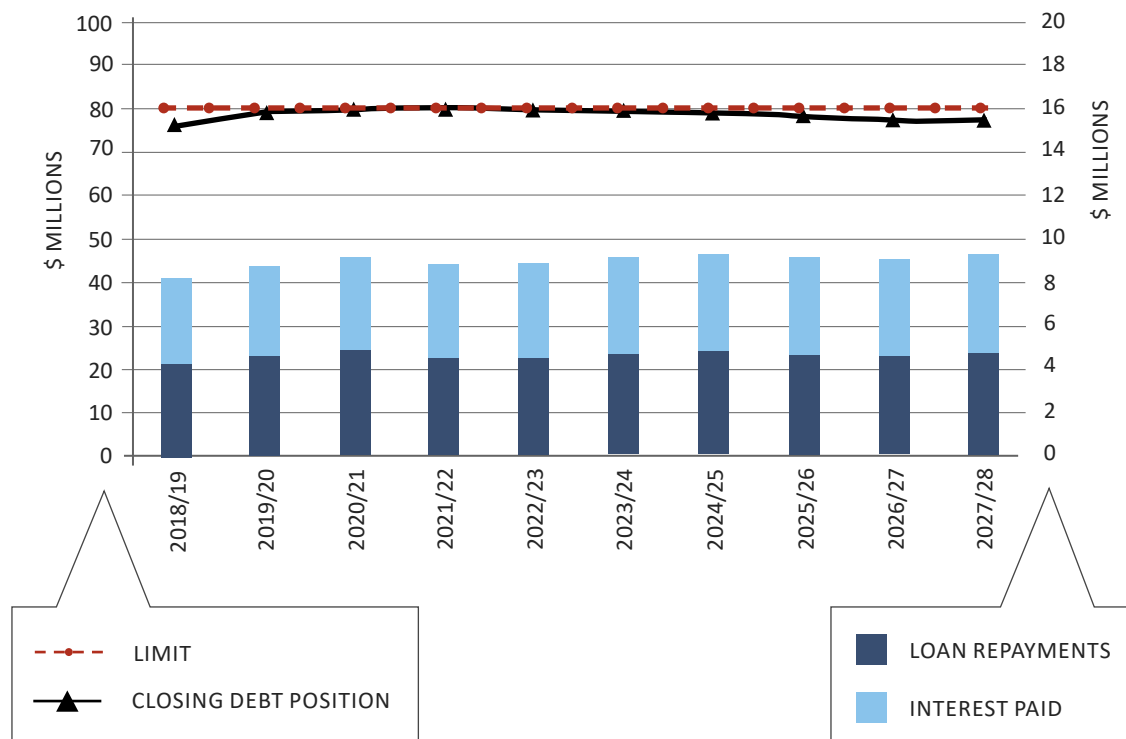
We use loan funding to spread asset costs over current and future ratepayers. Borrowing to pay for assets with a long life, for example 25-50 years (rather than just increasing rates to cover the full cost of an asset), means that those who benefit from the service provided, now and in the future, will contribute fairly towards its cost. This also helps to even out the impact on rates, avoiding steep cost increases and providing greater certainty for ratepayers.

Total borrowing as at 30 June 2017 was \$68.98 million (around \$4,416 per rating unit), of which \$47.5 million was external borrowing through the banks. This is consistent with or favourable to the debt levels of many similar sized local government authorities around New Zealand. On top of this external debt, like most other councils, we also borrow from our own reserves, which are being held for other specific purposes, but are not yet required.

9.1. Limits for debt

Council will be required to increase its debt level for the 2018-28 LTP in order to acquire funds for essential infrastructure while not breaching our debt level. Careful consideration has been given to prioritising and scheduling only necessary capital projects. To support the objective of maintaining debt at a conservative level, Council proposes increasing our debt limit to \$80 million. This is an increase of \$5 million from the 2015-25 LTP debt limit level.

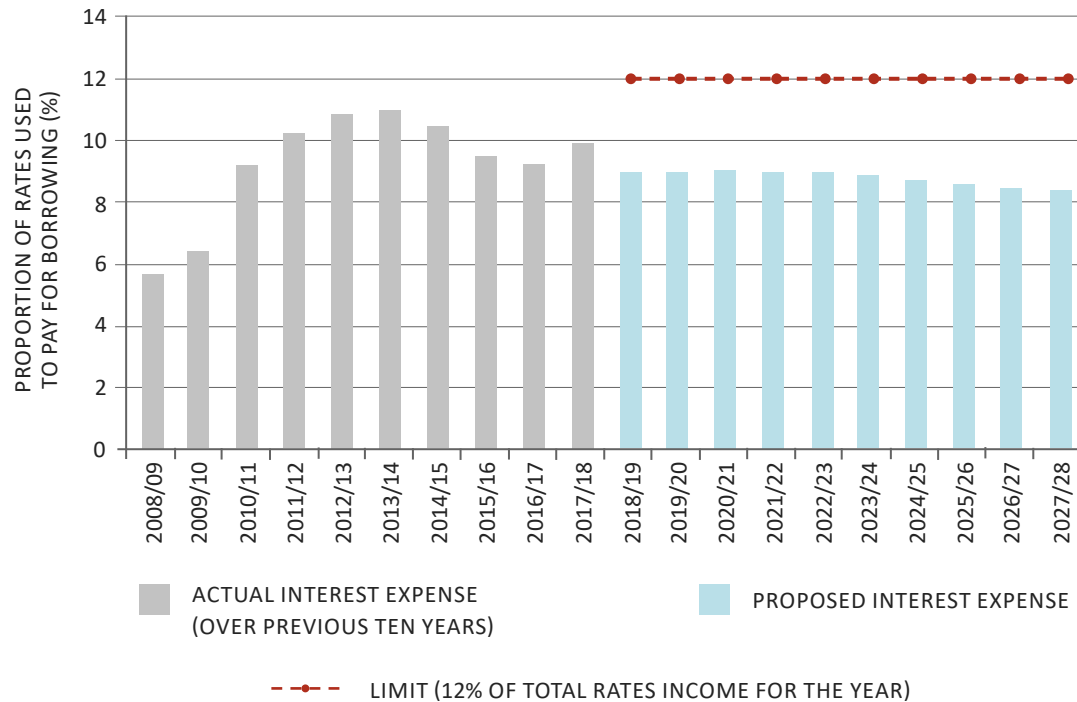
FIGURE 7: DEBT PROFILE AND DEBT SERVICING COSTS 2018-28



9.2. Limits for interest costs met from rates

To provide further certainty to ratepayers, we have set limits on the amount of rates revenue used to meet debt-servicing costs. This is because it is debt repayments, rather than our overall level of borrowing, that affects ratepayers from year to year. The following graph shows the proportion of rates required to repay interest over the past ten years and the forecast level over the life of the 2018-28 LTP.

FIGURE 8: LIMIT ON INTEREST EXPENSE AS A PROPORTION OF RATES REVENUE 2008-28



9.3. Borrowing from the Local Government Funding Agency

The Whakatāne District Council has been a shareholder in the Local Government Funding Agency (LGFA) since 2012. The LGFA is a partnership of participating local government authorities which has enabled borrowing at more secure and favourable rates than those provided by banks. Over the course of the 2018-28 LTP, we will reassess the favourability of the borrowing options available, as loans mature.

FORECAST INTEREST EXPENSE

9.4. Policy on securities for borrowing

To borrow money (either from banks or the LGFA), the Council has to offer lenders some security (just as homeowners do with their mortgages). Like most councils, we secure our debt against our rates income, rather than against physical assets like land or buildings. This means that lenders can make us increase rates to repay debt under certain circumstances. Using this form of security helps to keep the interest rates on our debt low. The Council’s full policy on security for borrowing is known as the Liability Management Policy. This is available on the Council’s website.



REVENUE AND FINANCING POLICY

Te Kaupapa here o te Pūtea

1.0 PURPOSE

The aim of the policy is to promote consistent, prudent, effective and sustainable financial management of the Council and to ensure activities are funded from the most appropriate source. The Revenue and Financing Policy sets out the Council's funding philosophy and describes how each of the Council's activities will be funded including the rationale for the use of each funding method. The Local Government Act 2002 (the Act) requires all councils to adopt a Revenue and Financing Policy as part of its Long Term Plan. Specifically, this Policy is required to comply with sections 102 and 103 of the Act.

2.0 FUNDING PHILOSOPHY

The following funding philosophy has been adopted by the Council to underpin the revenue and rating system for the 2018-28 Long Term Plan.

The Council has adopted the following philosophy for the apportionment of funding:

- a. Where services and the beneficiaries of those services can be clearly defined, those beneficiaries should contribute towards the cost of providing those services in proportion to their level of use through direct user charges provided it is administratively efficient to do so; and
- b. Where specific benefits accrue to a particular part or parts of the District, the cost of those benefits should be met through rates charged to that part or parts of the District, through the application of differentials and/or targeted rates; and
- c. Where benefits provided can be identified as a public good and accrue to the district as a whole, the Council will apply the generally accepted principles of taxation and the cost of those benefits will be met by Capital Value general rates across the district.

Remission and Postponement policies will be provided as the safety net to assist in cases where ratepayers have a reduced ability to pay.

3.0 POLICY CONSIDERATIONS

Section 101(3)(a) of the Act requires local authorities to consider certain matters when determining the sources that will be used to meet funding needs. These considerations seek to ensure that financial affairs are managed prudently and in a manner that promotes the current and future interests of the community. This section of the Policy demonstrates how the Council has considered these matters.

3.1 Community outcomes

Community Outcomes represent the Council's contribution to community wellbeing in the District. They represent the goals that the Council is aiming towards and underpin the rationale for the activities and services the Council delivers. The Activity Funding Tables within section eight of this Policy outline the Community Outcomes to which each activity contributes.

3.2 Distribution of benefits

This consideration analyses the distribution of benefits an activity has between the community as a whole, any identifiable part of the community, and individuals. The activity funding tables within section seven of this Policy identify which proportion of each activity is considered being of public versus private benefit.

As the Council's funding philosophy is centred around a beneficiary pays approach, the funding sources selected by the Council for each activity will typically, although not always, reflect the levels of public versus private benefit. The choice of funding source will also be influenced by the other policy considerations listed in this section.

The available funding sources are listed in section seven of this Policy. This includes an identification of whether these sources apply to either public or private good, or both. The Council also applies differentials to some rating categories. This provides both reduced and increased rates charges to recognise the level of access to services and facilities for some areas of the District.

3.3 User pays and exacerbator pays

This consideration analyses the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity. Examples are public halls, water supply, solid waste, parking enforcement, dog control, and littering etc. The principle suggests that Council should recover some costs directly from those causing demand for the service.

A number of Council's activities exhibit user pays and exacerbator pays characteristics. Through the use of fees and charges (including fines), the Council will seek to recover expenditure where this situation exists. However, it is acknowledged that it can be difficult, inefficient or sometimes inappropriate, and in these circumstances activities will be funded through general rates.

3.4 Period over which benefits accrue

This consideration analyses the period in or over which the benefits of Council's activities are expected to accrue. This then indicates the period over which the operating and capital expenditure should be funded.

For all activities, operating costs are directly related to providing benefits in the year of expenditure. As such, they are appropriately funded on an annual basis from annual revenue.

Intergenerational equity applies more readily to capital expenditure where assets have useful lives ranging from a few years through to many decades. One method used to spread these costs over time is loan funding. This ensures that current ratepayers do not pay for benefits received by future ratepayers. Each year's ratepayers service the debt associated with this asset. This results in infrastructural costs being spread more evenly across the life of the asset and the different ratepayers who benefit from it.

3.5 Costs and benefits (of separate funding)

This consideration analyses the costs and benefits of funding the activity distinctly from other activities.

There are administration costs associated with separate funding and these need to be weighed against any benefits of targeting specific beneficiaries/ users of a service, including transparency and accountability. Transparency and accountability are most evident when an activity has one defined funding source. This allows ratepayers, or payers of user charges, as the case may be, to see exactly how much money is being raised and spent on the activity, and to assess more readily whether or not the cost to them of the activity represents good value.

However, funding every activity this way would be extremely complex. For some activities, the quantity of rates funding to be collected amounts to only a few cents per ratepayer. The administrative cost and lack of significance lead Council to fund a number of activities by way of a general rate. To aid in transparency and accountability, Council separates the total general rate into reasonable activity breakdowns, when presenting the ratepayer with their rates assessment notices. This then allows the ratepayer to make some form of meaningful assessment down to activity level.

4.0 FUNDING SOURCES

4.1 Funding of operating expenditure

Operating expenditure pays for Council's day to day expenditure of service delivery, maintaining existing assets, or other expenditure that does not buy or build a new asset. Council funds operating expenditure from the following sources:

- a. General rates, including uniform annual general charges
- b. Targeted rates, including fixed targeted rates
- c. Fees and charges
- d. Interest and dividends from investments
- e. Grants and subsidies
- f. Other operating revenue (e.g. operating reserves).

The Council has determined the proportion of operating expenditure to be funded from each of the sources listed above, and the method for apportioning rates and other charges. The activity funding tables outlined in section eight of this Policy explains how those decisions have been made and provides information on how operating expenditure is funded for each activity.

The Council may choose to not fully fund operating expenditure in any particular year, if the deficit can be funded from operating surpluses in the immediately preceding or subsequent years. An operating deficit will only be budgeted when beneficial to avoid significant fluctuations in rates, fees or charges.

The Council may choose to fund from the above sources more than necessary to meet the operating expenditure in any particular year. The Council will only budget for an operating surplus to fund an operating deficit in the immediately preceding or following years, or to repay debt.

The Council will have regard to forecast future debt levels when ascertaining whether it is prudent to budget for an operating surplus for debt repayment. The LGA requires Council to produce a Funding Impact Statement that provides details on the funding mechanisms to be used for each year covered, and for this Statement to be included in the Long Term Plan and Annual Plan, as appropriate. The Funding Impact Statement shows how the Council intends to implement the Revenue and Financing Policy each year. It also shows the amount of funding to be collected from each available source, including how various rates are to be applied.

4.2 Funding of operating expenditure

Capital Expenditure pays for buying or building new assets including replacing an existing asset or improving an existing one to deliver a better service.

The Council usually funds capital expenditure from borrowing and spreads repayment over several years. Borrowing is managed within the framework specified in Council's Liability Management Policy. Borrowing for capital expenditure enables the Council to ensure there is intergenerational equity in terms of who funds capital expenditure – the repayments are spread over the reasonably expected average life of the asset where practicable. This means today's ratepayers are not asked to fund tomorrow's assets.

Other funds include:

- a. Grants and Subsidies - from agencies such as the NZ Transport Agency and Ministry of Health
- b. Council reserves - including annual revenue collected to cover depreciation
- c. Development contributions
- d. Proceeds from the sale of assets
- e. Lump sum contributions

The Prospective Financial Statements included in the Long Term Plan contain a statement of prospective net debt position. This statement provides a summary of forecast borrowing levels, identifying the impact of capital expenditure and the various other capital funding sources listed above.

4.3 Definition of funding sources

This section provides some simple definitions of the different sources that are available to fund Council's activities. Activities may be funded from one or more sources.

General Rates:

General rates are used to raise revenue for activities that are of public good or where recovery from users (private good) is not efficient or possible. They include two portions. Part is set based on capital value (value of land plus improvements), and part is by a fixed amount per rating unit known as the Uniform Annual General Charge (UAGC). A stepped differential is applied for properties with a capital value over \$15m. For properties that are in this category, the portion of the property valued under \$15m will attract the full capital value general rates charges. For the portion of the property with capital value over \$15m, only a half capital value general rates charge will apply. This differential does not apply to the UAGC portion.

Targeted rates:

Targeted rates are used to raise revenue for activities where an area of benefit can be recognised, for example a rate may be charged to the commercial sector, or to a specific ward. They are set based on the capital value or as a fixed amount per rating unit (Fixed Targeted Rate). This can be used for both private good and public good.

Lump sum contributions:

For the recovery of specific capital expenditure, otherwise loan funded (optional for ratepayer). These must have a high component of private good as they are paid by ratepayers for capital. Our policy is to not accept lump sum contributions for targeted rates.

Fees and charges:

Fees, charges and the recovery of fines are used to raise revenue for services or activities that have a high component of either private good and where the users of the service or the exacerbators are identifiable.

Interest and dividends from investments:

The Council has very little external investment holdings and these do not make any return of note. Any income that is received from an investment are generally used to fund activities of public good.

Borrowing:

Loans, both short term and long term. Our policy is that borrowing is a funding tool and does not need a split between public and private good as it is only deferring the eventual charge.

Proceeds from asset sales:

Our policy for the proceeds from the sale of assets is that the proceeds from assets sales will be applied to reduce debt either within the activity from which the sale arose or by Council allocating the proceeds to retire debt in a specific activity.

Development contributions:

To levy these there must be a specific policy, however the revenue and financing policy must signal why these are going to be levied. This must have a high component of private good.

Grants and subsidies:

Our policy is that income received from an external funding entity be applied against the project for which the subsidy was acquired. These generally would be of a public good however this can depend on the purpose or source of the grant or subsidy.

Council created reserves:

Council created reserves are used to fund a number of activities, usually in instances where the activity meets the purpose for which the reserve was created. In some instances, where it is considered appropriate by the Council and where appropriate approval is granted, reserves are used to fund items outside of their original purpose.

Any other source:

Other funding sources may be available from time to time to fund Council activities.

5.0 ACTIVITY FUNDING TABLES

ACTIVITY	POLICY CONSIDERATIONS						RATIONALE FOR FUNDING ALLOCATION	FUNDING SOURCES	
	COMMUNITY OUTCOMES	DISTRIBUTION OF BENEFITS	USER PAYS	EXACER-BATOR PAYS	BENEFITS OVER TIME	BENEFITS OF SEPARATE FUNDING		OPERATIONAL L = <30% M = 30 - 70% H = 71 - 99% F = 100%	CAPITAL
LEADERSHIP									
Governance	Effective Leadership	Public: 100% Private: 0%	Nil	Nil	Nil	Nil	<p>This activity provides the opportunity for people to participate in the democratic process, and for the elected members to lead the Council on behalf of the community.</p> <p>The public good component of this activity reflects that the governance activity, (which provides for local body elections every three years and supports elected members to be effective, responsible and accountable decision-makers) is contributing to the open, transparent and accountable democratic process of local government.</p> <p>Operational costs are funded predominantly through general rates reflecting the public good component of this activity. Targeted rates are used to fund each of the four Community Boards of the District.</p>	H: General rates L: Targeted rates	Nil
Community Support	Community Needs	Public: 100% Private: 0%	Nil	Nil	Nil	Nil	<p>This activity provides support to organisations and groups that are contributing to the current and future needs of the District.</p> <p>The public good component of this activity recognises the contribution made by organisations and groups within the community and offers a helping hand in appreciation of this voluntary contribution in the way of grants or subsidised rentals. The public good component also reflects the civil ceremonies and recognition awards, as well as developing sister city relationships which contribute to the social and cultural well-being of the community.</p> <p>Operational costs are funded through the general rate reflecting the public good component of this activity.</p>	F: General rates	Nil
Strategy and Policy	Effective Leadership	Public: 100% Private: 0%	Nil	Nil	Nil	Nil	<p>This activity provides strategy and policy advice to enable effective decision making and long-term planning.</p> <p>The public good component of this activity recognises that the services delivered by this activity are of public good. The advice supports elected members in their policy and direction decisions for the benefit of the community and the majority of the plans and policies developed in this activity are requirements of legislation.</p> <p>Operational costs are funded through the general rate reflecting the public good component of this activity.</p>	F: General rates	Nil

ACTIVITY	POLICY CONSIDERATIONS						RATIONALE FOR FUNDING ALLOCATION	FUNDING SOURCES	
	COMMUNITY OUTCOMES	DISTRIBUTION OF BENEFITS	USER PAYS	EXACER-BATOR PAYS	BENEFITS OVER TIME	BENEFITS OF SEPARATE FUNDING		OPERATIONAL L = <30% M = 30 - 70% H = 71 - 99% F = 100%	CAPITAL
ROADS AND FOOTPATHS									
Transport Network	Reliable and Affordable Infrastructure Community Needs Sustainable Economic Development	Public: 50% Private: 50%	M	L	M	M	<p>This activity provides and maintains transport networks (such as roads, footpaths, parking facilities and bridges), public transport infrastructure (such as bus shelters) and traffic control mechanisms (such as signage, lighting and road markings). This activity provides for the safe and efficient movement of goods, services and people throughout the District.</p> <p>Specific users of the network are able to benefit from the safe, efficient, effective and affordable transport network. This represents the private component of this activity. The activity also supports the economic and social wellbeing outcomes for the District as a whole which is reflected in the public good component of this activity.</p> <p>Operational costs are funded through a targeted rate (including a Fixed Targeted Rate) across the District. This activity is also funded through subsidies from the New Zealand Transport Agency.</p>	M: Targeted rates M: Grants and subsidies	Targeted rates Grants and subsidies Development contributions Operating and capital reserves Borrowings
Parking Enforcement	Community Needs Quality Services Sustainable Economic Development	Public: 0% Private: 100%	M	H	L	L	<p>The activity provides parking enforcement services primarily in the Whakatāne town centre and Kopeopeo shopping area. The parking wardens also check vehicles for registrations and warrants of fitness.</p> <p>The public good component of this activity reflects that this service is provided at the request of the community and businesses of the CBD, so parking spaces in our busiest areas have an appropriate level of turnover and are available for shoppers and businesses. This activity helps to ensure parking is done in a way that is safe and does not cause a hazard or obstruction for other road users. The activity also assists with making sure that vehicles are generally safe to be on the road.</p> <p>While the Council recognises the public good component of this activity, the exacerbator component is so high that operational costs are recovered entirely by way of fees and charges (also includes fines). This activity is entirely self-funding.</p> <p>Any revenue surpluses are required by legislation to be applied to transportation projects in the (geographic) area where that revenue was collected.</p>	F: Fees and charges	Nil

ACTIVITY	POLICY CONSIDERATIONS						RATIONALE FOR FUNDING ALLOCATION	FUNDING SOURCES	
	COMMUNITY OUTCOMES	DISTRIBUTION OF BENEFITS	USER PAYS	EXACER-BATOR PAYS	BENEFITS OVER TIME	BENEFITS OF SEPARATE FUNDING		OPERATIONAL L = <30% M = 30 - 70% H = 71 - 99% F = 100%	CAPITAL
WATER SUPPLY									
Water Supply	Reliable and Affordable Infrastructure Community Needs	Public: 0% Private: 100%	H	L	H	L	<p>The activity provides a potable water supply service to consumers who are able to connect to schemes within the District. The Council recognises the benefit to the health and wellbeing of the community from providing safe and reliable water schemes and of providing adequate water pressure across urban areas for firefighting.</p> <p>The private good component of this activity recognises the benefits to the individual households and businesses from the provision of safe and reliable water schemes. Users can be easily identified and it is administratively efficient to apply targeted rates. Fees and charges are used to recover costs of water use where meters exist. Where there are no meters in place the targeted rate will include a charge equal to the national average level of water use. Operational costs are funded through targeted rates (targeted to properties where connection to a scheme is possible) and through fees and charges. People who are not able to connect to a water scheme do not contribute to this activity as they supply their own water, therefore the use of general rates to fund this activity is not considered to be fair and reasonable.</p> <p>Most water supply schemes across the District are equalised for funding purposes, rather than each scheme paying for its own costs. This means that everyone receiving a similar service pays the same regardless of the costs related to each individual scheme. In general, this benefits smaller schemes which have a higher per ratepayer cost. The water schemes for Murupara, Ruatāhuna and Plains have not been amalgamated with the others, each for different reasons.</p>	H: Targeted rates L: Fees and charges	Targeted rates Grants and subsidies Development contributions Operating and capital reserves Borrowings

ACTIVITY	POLICY CONSIDERATIONS						RATIONALE FOR FUNDING ALLOCATION	FUNDING SOURCES	
	COMMUNITY OUTCOMES	DISTRIBUTION OF BENEFITS	USER PAYS	EXACER-BATOR PAYS	BENEFITS OVER TIME	BENEFITS OF SEPARATE FUNDING		OPERATIONAL L = <30% M = 30 - 70% H = 71 - 99% F = 100%	CAPITAL
SEWERAGE TREATMENT AND DISPOSAL									
Sewerage Treatment and Disposal	Reliable and Affordable Infrastructure Valuing our Environment Community Needs	Public: 0% Private: 100%	H	L	H	L	<p>The activity provides a sewage disposal service to consumers who are able to connect to a scheme within the District. This activity also includes trade waste. This function manages waste discharged into Council's sewerage system from industrial and commercial premises. The Council recognises the broad benefit to the health and wellbeing of the community and environment from appropriate management of sewage and waste water.</p> <p>The private good component reflects the private benefit received by individual households and businesses from the provision of a safe and reliable sewage disposal schemes. A user pays philosophy applies given that the users of this activity can be easily identified and it is administratively efficient to apply targeted rates.</p> <p>Operational costs are funded through targeted rates (targeted to properties where connection to a scheme is possible) and through fees and charges (for the trade waste component). These two funding mechanisms have been applied in acknowledgement that this activity is of private good and reflects a user pays approach.</p> <p>People who are not connected to a sewerage scheme do not contribute to the funding of the sewerage schemes as they have their own septic tanks or community schemes, therefore the use of general rates to fund this component of the activity is not considered to be fair and reasonable.</p> <p>The costs of sewerage schemes have been equalised for funding purposes, rather than each scheme paying for its own costs. This means that everyone receiving a similar service of having access to a scheme, pays the same regardless of the costs related to each individual scheme. In general, this benefits smaller schemes which have a higher per ratepayer cost. Similar to the amalgamation of water schemes.</p>	H: Targeted rates L: Fees and charges	Targeted rates Grants and subsidies Development contributions Operating and capital reserves Borrowings

ACTIVITY	POLICY CONSIDERATIONS						RATIONALE FOR FUNDING ALLOCATION	FUNDING SOURCES	
	COMMUNITY OUTCOMES	DISTRIBUTION OF BENEFITS	USER PAYS	EXACER-BATOR PAYS	BENEFITS OVER TIME	BENEFITS OF SEPARATE FUNDING		OPERATIONAL L = <30% M = 30 - 70% H = 71 - 99% F = 100%	CAPITAL
STORMWATER DRAINAGE									
Stormwater Drainage	Community Needs Reliable and Affordable Infrastructure Valuing our Environment	Public: 0% Private: 100%	L	L	H	L	<p>The Council provides infrastructure to minimise the impact of stormwater on public and private property within our urban areas. This recognises benefits for public health and safety, for the protection of property, and in terms of minimising potential financial cost associated with flooding.</p> <p>The private good component reflects the private benefit received by specific urban areas, individual households and businesses from the provision of protection from inundation. Operational costs of this activity are funded through targeted rates (targeted according to each area benefiting from a stormwater scheme). This acknowledges the private benefit to households receiving that service and reflects a user pays approach. A component of the stormwater activity is disaster mitigation works and the repayment of debt related to these works.</p> <p>Funding for Matatā disaster mitigation is an exception as the costs place a huge and unaffordable burden onto that community. As a result, a portion of costs are funded across the District. The Council recognises this is inconsistent with the funding for the rest of this activity but considers it necessary to ease the rating burden on the Matatā community.</p>	H: Targeted rates L: General Rates (for Matatā disaster mitigation only)	Targeted rates General Rates Development contributions Operating and capital reserves Borrowings

ACTIVITY	POLICY CONSIDERATIONS						RATIONALE FOR FUNDING ALLOCATION	FUNDING SOURCES	
	COMMUNITY OUTCOMES	DISTRIBUTION OF BENEFITS	USER PAYS	EXACER-BATOR PAYS	BENEFITS OVER TIME	BENEFITS OF SEPARATE FUNDING		OPERATIONAL L = <30% M = 30 - 70% H = 71 - 99% F = 100%	CAPITAL
SOLID WASTE									
Solid Waste	Valuing our Environment Community Needs Quality Service	Public: 10% Private: 90%	H	M	M	L	<p>The purpose of this activity is to provide for the collection, diversion, reprocessing and disposal of waste. The activity seeks to reduce the quantity of waste going to landfill for disposal through reprocessing or recycling, resulting in environmental benefits and cost savings to the ratepayers.</p> <p>The public good component of this activity recognises that the provision of facilities for the community to dispose of waste in a convenient and secure way helps to protect public health and reduces the harmful effects of waste getting into the environment. The facilities are designed to minimise fly-tipping and reduce issues of odour or contamination caused by incorrectly disposed waste.</p> <p>Operational costs are funded through a mix of targeted rates, general rates and fees and charges. Mainly the operational costs are paid for through targeted rates (targeted to communities where the wheelie bin, recycling bin and green waste wheelie bin collection services are available). This acknowledges the private good to households who have access to these services. The fees and charges component also acknowledges the private good to users of the transfer stations where those fees and charges are leveraged.</p> <p>General rates are used to fund this activity, to recognise the public benefit of managing waste appropriately and safely and that it contributes to the environmental well-being of the District. The Council also acknowledges that a stronger user pays approach would be prohibitive.</p>	H: Targeted rates L: General rates L: Fees and charges	Targeted rates Operating and capital reserves Borrowings

ACTIVITY	POLICY CONSIDERATIONS						RATIONALE FOR FUNDING ALLOCATION	FUNDING SOURCES	
	COMMUNITY OUTCOMES	DISTRIBUTION OF BENEFITS	USER PAYS	EXACER-BATOR PAYS	BENEFITS OVER TIME	BENEFITS OF SEPARATE FUNDING		OPERATIONAL L = <30% M = 30 - 70% H = 71 - 99% F = 100%	CAPITAL
ENVIRONMENTAL SUSTAINABILITY									
Resource Management-Consents	Quality Services Valuing our Environment Sustainable Economic Development	Public: 50% Private: 50%	H	L	L	L	<p>This activity manages subdivision and development of the District through the consent process.</p> <p>The public good component of this activity recognises that the enabling and controlling of growth in the District is of wider benefit to the community. It also recognises the service to customers who have not necessarily made a consent application.</p> <p>The private good component represents the benefit to those applying for subdivision and land-use consents.</p> <p>Operational costs are funded through general rates and through fees and charges reflecting the public and private good components of the activity.</p>	M: General rates L: Fees and charge	Nil
Resource Management-Policy	Valuing our Environment Community Needs Sustainable Economic Development Effective Leadership	Public: 90% Private: 10%	L	L	L	L	<p>This activity provides a framework for the sustainable management of growth and development in the District. Through this activity we prepare plans and policies that implement the Resource Management Act 1991 (RMA), specifically the District Plan. The District Plan controls the way we use, subdivide and develop land in the District, it identifies where activities can take place, what land can be developed and what special features of our District should be protected. This activity is of public benefit as it weighs up the costs (both financial and environmental) and benefits (to the long term well-being of the community) of the decisions that are made under the RMA.</p> <p>Operational costs of this activity are funded entirely through general rates. This acknowledges that the activity is predominantly of public benefit.</p>	F: General rates	Nil

ACTIVITY	POLICY CONSIDERATIONS						RATIONALE FOR FUNDING ALLOCATION	FUNDING SOURCES	
	COMMUNITY OUTCOMES	DISTRIBUTION OF BENEFITS	USER PAYS	EXACER-BATOR PAYS	BENEFITS OVER TIME	BENEFITS OF SEPARATE FUNDING		OPERATIONAL L = <30% M = 30 - 70% H = 71 - 99% F = 100%	CAPITAL
COMMUNITY SAFETY									
Licensing (Alcohol & Gambling)	Community Needs	Public: 5% Private: 95%	H	M	Nil	L	<p>The activity allows the operation of licensed premises but provides some control over the sale of alcohol.</p> <p>Operational costs of this activity are funded through the general rates and through fees and charges.</p> <p>Default fees and charges for alcohol are set through the Sale and Supply of Alcohol Act 2012. These fees will continue to apply unless the Council changes these through a bylaw.</p>	M: General rates M: Fees and charges	Nil
Environmental Health & Regulation Monitoring	Community Needs Quality Services Valuing our Environment	Public: 70% Private: 30%	M	M	Nil	L	<p>This activity responds to nuisance complaints (such as noise, refuse, odour) and provides licensing for registered premises that provide restricted goods and services (such as food, hair dressers, camp grounds etc). It also administers and enforces bylaws, legislation and policies relating to health and safety in public places.</p> <p>The services provided by this activity contribute to public health while there is also recognition that exacerbators should contribute to the costs resulting from their actions. In some cases, there are difficulties in identifying the exacerbators for monitoring actions such as fly tipping and abandoning vehicles. Therefore there is a limited ability to recover costs from fees and charges in the regulation and monitoring. The private benefit acknowledges that businesses receive licensing services which they require to operate lawfully.</p> <p>Operational costs are funded primarily by general rates to reflect the public benefit component of this activity. Fees and charges also fund this activity to reflect the private good component of this activity.</p>	M: General rates L: Fees and charges	Nil

ACTIVITY	POLICY CONSIDERATIONS						RATIONALE FOR FUNDING ALLOCATION	FUNDING SOURCES	
	COMMUNITY OUTCOMES	DISTRIBUTION OF BENEFITS	USER PAYS	EXACER-BATOR PAYS	BENEFITS OVER TIME	BENEFITS OF SEPARATE FUNDING		OPERATIONAL L = <30% M = 30 - 70% H = 71 - 99% F = 100%	CAPITAL
Building	Community Needs Quality Services Sustainable Economic Development	Public: 30% Private: 70%	H	M	Nil	L	<p>This activity manages the legal requirements for the construction and alteration of buildings under the Building Act 2004 and ultimately seeks to protect health and safety.</p> <p>The public good component of this activity is delivered through projects such as identifying earthquake prone buildings, dealing with leaky homes liability and interacting with customers who have not necessarily made a consent application. It also reflects that this activity protects the community from unsafe buildings and promotes healthy, safe and sustainable building design and construction. The funding rationale recognises that it is important for the economic wellbeing of the District not to deter development and growth through high consent costs. The general rates component acknowledges the public good component of this activity.</p> <p>The private good component of this activity reflects the private benefit to those applying for building consents. Operational costs are predominantly funded through fees and charges reflecting the private good component of those applying for consents.</p>	L: General rates H: Fees and charges	Nil
Animal Control	Community Needs Quality Services	Public: 30% Private: 70%	H	H	L	M	<p>This activity protects human safety and health through the registration and enforcement of legislation, bylaws and policies of dogs, stock and other animals.</p> <p>Operational costs are funded through general rates and fees and charges. The general rates component acknowledges the public good of this activity in contributing to the safety of the community. The fees and charges portion recognises both the private benefit of services to dog owners and the high exacerbator element.</p>	L: General rates H: Fees and charges	General rates Fees and charges Operating and capital reserves

ACTIVITY	POLICY CONSIDERATIONS						RATIONALE FOR FUNDING ALLOCATION	FUNDING SOURCES	
	COMMUNITY OUTCOMES	DISTRIBUTION OF BENEFITS	USER PAYS	EXACER-BATOR PAYS	BENEFITS OVER TIME	BENEFITS OF SEPARATE FUNDING		OPERATIONAL L = <30% M = 30 - 70% H = 71 - 99% F = 100%	CAPITAL
Emergency Management	Community Needs Effective Leadership	Public: 100% Private: 0%	Nil	Nil	L	L	<p>The purpose of this activity is to have in place measures that prepare the community for disasters and to be able to respond and recover from them.</p> <p>There is a strong community desire for the Council to take a lead in an emergency situation and there are also statutory obligations for the Council to be involved in Civil Defence, Rural Fire and Hazardous Substances planning and response.</p> <p>This activity is considered to be of public good.</p> <p>Operational costs are predominantly funded through the general rate reflecting the public good component of this activity. Grants and subsidies are also able to be sourced to support this activity.</p>	H: General rates L: Grants and subsidies	General rates and Subsidies
RECREATION AND COMMUNITY SERVICES									
Parks, Reserves, Recreation & Sports-fields	Community Needs Sustainable Economic Development Reliable and Affordable Infrastructure	Public: 95% Private: 5%	L	M	H/L	M	<p>This activity provides a range of leisure, recreational, educational and sporting opportunities for the public.</p> <p>The activity is considered to be have a high public good component and reflects the strong desire from the community to have quality recreational space available in the most appropriate and convenient locations. This activity helps to build communities that interact with each other, are healthy, happy and well connected.</p> <p>The private benefit component reflects the use of reserves and recreational facilities by clubs and individuals.</p> <p>Operational costs are substantially funded through general rates reflecting the high public good component.</p> <p>Fees and charges are used to recover some costs from users where possible. A stronger user pays approach is not possible by the nature of the services and facilities being provided and would not be appropriate as this would deter people from using them.</p>	H: General rates L: Grants and subsidies	General rates Fees and charges Development contributions Operating and capital reserves Borrowings Subsidies

ACTIVITY	POLICY CONSIDERATIONS						RATIONALE FOR FUNDING ALLOCATION	FUNDING SOURCES	
	COMMUNITY OUTCOMES	DISTRIBUTION OF BENEFITS	USER PAYS	EXACER-BATOR PAYS	BENEFITS OVER TIME	BENEFITS OF SEPARATE FUNDING		OPERATIONAL L = <30% M = 30 - 70% H = 71 - 99% F = 100%	CAPITAL
Aquatic Centres	Community Needs Quality Services Reliable and Affordable Infrastructure	Public: 80% Private: 20%	M	L	H	L	<p>This activity provides a range of aquatic centre facilities and services for leisure, recreational, educational and sporting opportunities for the public.</p> <p>The activity is considered to have a high public good component and reflects the strong desire from the community to have quality facilities to enable opportunities to exercise and have fun in a social environment. Having facilities available in our District for people to learn to swim in a safe environment is considered to have a high public benefit to the community. Swimming facilities have a positive impact on the community's health and well-being and are used for occupational therapy treatment and rehabilitation. The private benefit recognises the benefits to the users of the aquatic centres.</p> <p>Operational costs are predominantly funded through general rates acknowledging the high level of public good. Fees and charges are used to recover some costs from service users and reflect the private benefit component of this activity. While a stronger user pays approach could be implemented it is considered that this would deter people from using the aquatic centres.</p>	H: General rates L: Fees and charges	Targeted rates Fees and charges Operating and capital reserves Borrowings
Halls	Community Needs Reliable and Affordable Infrastructure	Public: 80% Private: 20%	H	Nil	M	L	<p>This activity provides public hall facilities for community use.</p> <p>The public good component identifies the contribution of halls to social cohesion of the communities they serve. The private benefit component reflects the benefits to those individuals and organisations hiring the halls.</p> <p>Operational costs are predominantly funded through general rates, reflecting the public good component of this activity. Operational costs are also funded through fees and charges which recognises the private benefit component of this activity.</p> <p>While users of the service can easily be identified and a strong user pays approach could be implemented, it is considered that this would deter people from using the halls.</p>	L: General rates H: Fees and charges	General rates Fees and charges Operating and capital reserves Development Contributions

ACTIVITY	POLICY CONSIDERATIONS						RATIONALE FOR FUNDING ALLOCATION	FUNDING SOURCES	
	COMMUNITY OUTCOMES	DISTRIBUTION OF BENEFITS	USER PAYS	EXACER-BATOR PAYS	BENEFITS OVER TIME	BENEFITS OF SEPARATE FUNDING		OPERATIONAL L = <30% M = 30 - 70% H = 71 - 99% F = 100%	CAPITAL
Cemeteries and Crematorium	Community Needs Quality Services Reliable and Affordable Infrastructure	Public: 40% Private: 60%	L	H	H	M	<p>This activity provides for an appropriate method and location for burials and cremations.</p> <p>The public good component of this activity acknowledges that the appropriate burials and cremation processes contribute to the health and safety of the public. There is a strong community demand to provide attractive, restful facilities which cater for the differing needs of the community. The social and cultural well-being of the community is enhanced by this activity. This activity also maintains closed cemeteries.</p> <p>The private benefit component of this activity reflects the benefits to those families of the deceased who chose to use the facilities.</p> <p>Operational costs are funded through fees and charges reflecting the high private benefit of this activity. General rates funding recognises the public good component of this activity.</p>	M: General rates M: Fees and charges	General rates Fees and charges Development contributions Operating and capital reserves Borrowings
Public Conveniences	Community Needs Reliable and Affordable Infrastructure	Public: 100% Private: 0%	L	H	H	M	<p>This activity provides appropriately located public conveniences for public use.</p> <p>The public good component of this activity recognises the benefit of public conveniences for the whole of the community and the strong community demand.</p> <p>Operational costs are entirely funded through general rates acknowledging the public good component of this activity.</p>	H: General rates L: Restricted Reserves	General rates Development contributions Operating and capital reserves Borrowings

ACTIVITY	POLICY CONSIDERATIONS						RATIONALE FOR FUNDING ALLOCATION	FUNDING SOURCES	
	COMMUNITY OUTCOMES	DISTRIBUTION OF BENEFITS	USER PAYS	EXACER-BATOR PAYS	BENEFITS OVER TIME	BENEFITS OF SEPARATE FUNDING		OPERATIONAL L = <30% M = 30 - 70% H = 71 - 99% F = 100%	CAPITAL
Libraries	Community Needs Quality Services	Public: 80% Private: 20%	L	L	M	L	<p>This activity provides access to printed and digital information for education and recreation and to encourage literacy through programmes delivered by this activity.</p> <p>The public good component of this activity reflects the strong public demand for a community hub which provides resources and opportunities to access information in printed form or on-line. This activity provides access to relevant information whether it is for leisure, research or education. This activity increases the socio-economic conditions of our district by running and supporting programmes that work to raise literacy rates and increase levels of qualifications.</p> <p>The private good component of this activity recognises that individuals and organisations receive private benefit from the activities and services provided.</p> <p>Operational costs of this activity are funded mainly through the general rate to reflect the public good component of this activity. Fees and charges are also used but not to a level in keeping with the private good component of the activity.</p> <p>While users of the service can easily be identified and a strong user pays approach could be implemented it is considered that this would result in a level of fees and charges that would deter users from using the libraries.</p>	<p>H: General rates</p> <p>L: Fees and charges</p> <p>L: Subsidies</p>	<p>General rates</p> <p>Operating and capital reserves</p> <p>Borrowings</p> <p>Grants and Subsidies</p>

ACTIVITY	POLICY CONSIDERATIONS						RATIONALE FOR FUNDING ALLOCATION	FUNDING SOURCES	
	COMMUNITY OUTCOMES	DISTRIBUTION OF BENEFITS	USER PAYS	EXACER-BATOR PAYS	BENEFITS OVER TIME	BENEFITS OF SEPARATE FUNDING		OPERATIONAL L = <30% M = 30 - 70% H = 71 - 99% F = 100%	CAPITAL
Museum	Community Needs Quality Services Reliable and Affordable Infrastructure	Public: 80% Private: 20%	L	Nil	M	L	<p>This activity manages the preservation, display and provision of education around the artefacts and other historical assets on behalf of the community. The public good component of this activity reflects the cultural, educational, leisure and community values of the District. Te Kōputu a te whanga a Toi offers exhibition space for a number of local, national and international exhibitions. The museum preserves our cultural heritage intergenerationally and provides research and archives facilities. The preservation, presentation, protection and education of the community, about its origins, also provides a significant sense of pride in the place we have chosen to live. This activity also encourages and develops cultural tourism.</p> <p>The private good component of this activity reflects the private benefit to those using the services. Operational costs are predominantly funded through general rates in recognition of the public good component of this activity.</p> <p>Fees and charges are also used, however these are generally not able to achieve a level of return reflecting the private good component of this activity.</p>	H: General rates L: Fees and charges L: Subsidies	General rates Operating and capital reserves Borrowings Grants and Subsidies
Ports and Harbour	Reliable and Affordable Infrastructure Community Needs Sustainable Economic Development	Public: 80% Private: 20%	L	L	H	L	<p>This activity manages the port, launch facilities and associated assets. This includes the main commercial wharf, Ōtuawhaki (Green Wharf) and the Game Wharf in Whakatāne as well as Ōhope Wharf, Thornton and Ōhiwa ramps and various groynes and navigational equipment. This activity also includes some facilities around the ports and harbours including car parks, jetties, a weigh station, hardstand, wharves and navigation markers. The operation of this activity also includes services such as disking the river mouth, undertaking soundings and providing assistance to boat owners in times of high floodwater.</p> <p>The public benefit component of this activity recognises that these facilities enhance the economy of the District through enhanced recreational and business opportunities. Operational costs are funded by the harbour fund reserves, sourced from harbour property leases.</p> <p>This funding situation recognises the unique situation of the harbour assets vested in the Council where any income received from those assets can only be reapplied to their maintenance and development. This has an impact of offsetting any funding requirement that might otherwise be sourced from general rates.</p> <p>Fees and charges are also used, however these are generally not able to achieve a level of return reflecting the private good component of this activity. The Council will continue to assess options to recover costs from private users, where this would be administratively efficient.</p>	F: Harbour Fund Reserves	Investment Income Fees and charges Operating Reserves Harbour Fund Reserves

ACTIVITY	POLICY CONSIDERATIONS						RATIONALE FOR FUNDING ALLOCATION	FUNDING SOURCES	
	COMMUNITY OUTCOMES	DISTRIBUTION OF BENEFITS	USER PAYS	EXACER-BATOR PAYS	BENEFITS OVER TIME	BENEFITS OF SEPARATE FUNDING		OPERATIONAL L = <30% M = 30 - 70% H = 71 - 99% F = 100%	CAPITAL
Community Development	Community Needs Effective Leadership	Public: 60% Private: 40%	L	M	L	L	<p>This activity promotes a safe community through a variety of methods including education, interagency collaboration and externally funded programmes. This activity includes road safety, youth development and community safety.</p> <p>The public good component of this activity reflects the contribution of road safety programmes and community safety initiatives, undertaken to support the wellbeing and safety of the community. This activity has a wider public benefit of reducing the social costs associated with road accidents through its road safety function.</p> <p>Operational costs of the community safety component of this activity are funded through general rates. Operational costs of the road safety component of this activity are funded through targeted rates. This recognises the public good component of this activity.</p> <p>The private good component acknowledges the benefit to individuals who participate in the externally funded programmes that the Council delivers. These are funded through grants and subsidies.</p>	L: General rates H: Grants and subsidies	Grants and Subsidies Harbour Fund Operating and Capital Reserves
Whakatāne Holiday Park	Community Needs Sustainable Economic Development	Public: 0% Private: 100%	H	L	M	H	<p>This activity is undertaken to support economic development and tourism growth plans for the District.</p> <p>With a high private benefit component (reflecting the benefit to those using the facilities at the Holiday Park), and the ability to easily identify users, the activity is funded through user fees and charges.</p> <p>The Holiday Park activity is separately funded in acknowledgement that there is a commercial component to this activity.</p>	H: Fees and charges	Borrowings Fees and Charges

ACTIVITY	POLICY CONSIDERATIONS						RATIONALE FOR FUNDING ALLOCATION	FUNDING SOURCES	
	COMMUNITY OUTCOMES	DISTRIBUTION OF BENEFITS	USER PAYS	EXACER-BATOR PAYS	BENEFITS OVER TIME	BENEFITS OF SEPARATE FUNDING		OPERATIONAL L = <30% M = 30 - 70% H = 71 - 99% F = 100%	CAPITAL
DISTRICT GROWTH									
Economic Development	Effective Leadership Sustainable Economic Development	Public: 70% Private: 30%	L	Nil	H	M	<p>This activity promotes, supports and facilitates projects that have economic benefits to the District.</p> <p>The Council has strengthened its focus on economic development and the high public good component recognises the contribution of this activity to the economic wellbeing of our community.</p> <p>Operational costs are funded primarily through the general rate reflecting the high public good component of this activity. Fees and charges, targeted rates and subsidies are used to reflect the private good component of this activity.</p>	<p>M: General rates</p> <p>L: Fees and charges</p> <p>L: Subsidies</p> <p>M: Targeted rates</p>	
Strategic Property	Sustainable Economic Development	Public: 0% Private: 100%	H	Nil	H	M	<p>This activity manages commercial assets vested in the Council and includes a number of different properties attributed to the harbour fund. The majority of these are for commercial land and are held in perpetual ground lease.</p> <p>The assets of the Harbour Board were gifted to the Council for the benefit of the community as harbour endowment land and the Council has an obligation to maintain, operate and develop the port and harbour facilities for the good of the community. The harbour endowment land earns income through leases, which is used to pay for the on-going operation, maintenance and improvements of the ports and harbour facilities.</p> <p>The private good component recognises the benefit to those leasing the Council's commercial assets for private use.</p> <p>Operational costs are funded through a mix of general rates, fees and charges, subsidies and in the case of harbour fund property, through the harbour fund reserve.</p> <p>The high private good component recognises the benefit to those leasing the Council's commercial assets for private use. Where the Council is unable to achieve a higher level of private benefit funding sources for its non-harbour assets, it uses general rates to fund the shortfall.</p>	<p>L: General rates</p> <p>H: Fees and charges</p> <p>L: Subsidies</p>	<p>General rates</p> <p>Fees and charges</p> <p>Operating and capital reserves</p>

ACTIVITY	POLICY CONSIDERATIONS						RATIONALE FOR FUNDING ALLOCATION	FUNDING SOURCES	
	COMMUNITY OUTCOMES	DISTRIBUTION OF BENEFITS	USER PAYS	EXACER-BATOR PAYS	BENEFITS OVER TIME	BENEFITS OF SEPARATE FUNDING		OPERATIONAL L = <30% M = 30 - 70% H = 71 - 99% F = 100%	CAPITAL
Events & Tourism	Community Needs Quality Services Sustainable Economic Development	Public: 20% Private: 80%	M	Nil	Nil	M	<p>This activity provides information about services and facilities available to the local community and visitors to the District. It also provides marketing and events promotion and includes the Visitor Centre.</p> <p>The public good component of this activity recognises the contribution to the recreational and prosperity outcomes for the District.</p> <p>The private good component of this activity recognises the benefits of marketing and information distribution to the commercial sector.</p> <p>The use of general rates to fund the operational costs of this activity recognises the public good component. The use of fees and charges and targeted rates recognises the private good components of this activity.</p>	L: General rates H: Targeted rates L: Fees and charges	Nil
CORPORATE AND DISTRICT ACTIVITIES									
Corporate Activities	n/a	n/a	n/a	n/a	n/a	n/a	<p>This group comprises of seven individual 'internal' activities (sometimes referred to as overhead activities) that collectively support the efficient and effective delivery of all Council 'external activities'. The activities include Customer Services; Public Affairs; Human Resources; Finance; Corporate Information; Corporate Property; and District Income and Expenditure. The costs of these activities are funded by way of allocation across Council's other (external) activities.</p>	Costs are funded by allocations across Council external activities.	Borrowings Operational and Capital Reserves

ACTIVITY	POLICY CONSIDERATIONS						RATIONALE FOR FUNDING ALLOCATION	FUNDING SOURCES	
	COMMUNITY OUTCOMES	DISTRIBUTION OF BENEFITS	USER PAYS	EXACER-BATOR PAYS	BENEFITS OVER TIME	BENEFITS OF SEPARATE FUNDING		OPERATIONAL L = <30% M = 30 - 70% H = 71 - 99% F = 100%	CAPITAL
COUNCIL CONTROLLED ORGANISATIONS									
Whakatāne Airport	Reliable and Affordable Infrastructure Community Needs Sustainable Economic Development	Public: 20% Private: 80%	H	M	H	H	This Council Controlled Organisation supports the safe and secure movement of aircraft passengers and freight. The public good component of this activity recognises the public benefit to the District as a whole from operating a sub-regional airport. The private good component of this activity recognises the private benefit to those residents, businesses and visitors using the Whakatāne Airport. Operational costs are predominantly funded through fees reflecting the high private good component of the activity.	H: Fees and charges L: Joint venture funding	Operating and Capital Reserves Joint Venture Funding Borrowings
Toi EDA	Effective Leadership Sustainable Economic Development	Public: 70% Private: 30%	L	Nil	H	M	The activities undertaken by Toi-EDA contribute to the sustainable growth and development of the local economy. Toi-EDA is a partnership between the three territorial authorities (Kawerau, Ōpōtiki and Whakatāne) and the Bay of Plenty Regional Council, working together with local iwi. The Whakatāne District Council contribution to the costs of Toi-EDA recognise the components of public benefit (to the District) and private benefit (to the commercial/industrial sector). In accordance, the funding source is a mix of general and targeted rates.	H: General rates L: Targeted rates	Nil
BoPLASS	n/a	n/a	n/a	n/a	n/a	n/a	This Council Controlled Organisation delivers shared back office services and communications to deliver savings and/or more effective outcomes to participating councils. As such, BoPLASS supports the outcomes of the activities to which those deliverables relate.	H: General rates L: Fees and charges	Funding of any relevant capital costs will be considered individually as they arise.
LGFA	n/a	n/a	n/a	n/a	n/a	n/a	The Local Government Funding Agency (LGFA) exists to enable participating local authorities to borrow funds at lower interest rates than might otherwise be available through individual borrowing activities.	n/a	n/a



FINANCIAL CONTRIBUTIONS FOR ROADS AND PUBLIC RESERVES

*Pūtea mō ngā Huarahi me ngā
Whenua tāpui Tūmatanui*

Introduction

The Council's Financial Contributions Policy is set out in Chapter 14 of the Whakatāne District Plan. Financial contributions provide a mechanism for the Council to recover costs (or other in kind contributions) from developers to help manage the direct impacts and adverse effects of their developments.

As with development contributions, financial contributions provide a mechanism to recover a fair portion of development related costs from developers, rather than these costs being passed on to ratepayers. Financial contributions work hand in hand with development contributions ensuring that the level of contribution is fair, transparent, and not taken twice for the same purpose.

For the purpose of Chapter 14 (Financial Contributions) of the Whakatāne District Plan, the Long Term Plan must include defined information to allow monetary contributions to be charged for subdivision, development and use of land, towards the upgrading of roads and the acquisition of reserves and/or development of reserves.

Financial contributions for roads

The purpose of a financial contribution for roading is to reflect that a subdivision, development or other use of land can lead to increased traffic volumes or change the mix of traffic using the road to the extent that the road serving that subdivision, development or use is required to be upgraded, either in terms of width or formation standard to safely carry the additional traffic that will occur.

Rule 14.2.2.3(a) requires the “cost (\$/km) of improving the affected section of road to the level required as determined by the predicted traffic volume and road hierarchy” arising from a proposed subdivision, development or use to be defined in the Long-term Plan.

This will be assessed based on the following criteria:

- The current traffic volumes and the estimated increase in traffic volumes, or the mix of traffic arising from the proposed subdivision, development or use of land. In this case, a significant change in the volume or mix of traffic that means the existing carriageway width and/or formation is inadequate will lead to a financial contribution being charged to reflect the need to increase the width and formation standard of the road to manage the effects of increased vehicles from the subdivision or development or use.
- Along with increasing the width and/or formation of the road, other improvements may be needed such as provision for or improvement of drainage, acquiring additional land, upgrading of bridges or installation of retaining walls, street lights or other infrastructure required to manage the effects of the change in vehicle numbers or mix of vehicles from the subdivision or development or use.

- The need to provide other infrastructure for other modes of transport, such as footpath or cycle facilities to manage the effects of increased population arising from the subdivision or development or use. This will generally be relevant in urban situations.
- The Whakatāne Engineering Code of Practice, relevant NZ Standards and the Whakatāne District Plan.

While each development will be assessed on the effects arising from the proposed development, the calculation of a financial contribution will be based on the following steps:

- From Table 1, select the pavement width required to serve the increased traffic volume or mix of traffic;
- Add the cost of improving the formation to either asphalt cement (AC) or chip seal, if a sealed surface is required;
- Add the cost of improving or providing drainage, footpaths, cycle ways and street lighting, if required;
- If additional land needs to be acquired, and/or other infrastructure needs to be upgraded or provided (such as bridges or retaining walls) the value of this work will be added to the financial contribution but will be assessed separately at the time. Any work undertaken by the applicant to reduce these costs as part of a subdivision, development or other use of land will be factored in when determining the financial contribution charged.

Rc – Average \$/km for Road Improvements					
Carriageway width (m)	6	7	8	9	10
Pavement	\$120,000	\$164,000	\$208,000	\$252,000	\$296,000
AC Surfacing	\$240,000	\$280,000	\$320,000	\$360,000	\$400,000
Chip Seal	\$72,000	\$84,000	\$96,000	\$108,000	\$120,000
Drainage	None	One side	Both sides		
	-	\$75,000	\$150,000		
Footpaths	None	One side	Both sides		
	-	\$98,000	\$196,000		
Cycle Facilities	None	Cycle Lane Urban - chip seal surface	Cycle Lane Urban - AC surface	Cycle Lane Rural - Chipseal surface	Off Road/Shared Use Path
	-	\$224,000	\$336,000	\$280,000	POA
Streetlights	None	V3 - Arterials	V4 – Primary Collectors	P - Pedestrian	Rural – Intersection Flaglight
	-	\$75,000	\$50,000	\$41,667	\$10,000
Land Purchase	POA				
Bridge Upgrades	POA				
Retaining Walls	POA				
Escalations	Prices in this matrix are current as at Jan 2018. Department of Statistics Construction Cost Indices will be applied quarterly from Jan 2019.				

INSTRUCTIONS:	EXAMPLE:	
Select pavement cost depending on width of pavement required	8m Carriageway	\$208,000
Add either chip seal or AC for the pavement width (<i>or none is remaining unsealed</i>)	With AC surfacing	\$320,000
Add drainage required	Drainage on both sides of the road	\$150,000
Add footpaths required	Footpath on one side of the road	\$ 98,000
Add cycle facilities required	No cycle lane	\$ -
Add Streetlights required	Pedestrian Lighting	\$ 41,667
If land purchase, bridge upgrades or retaining walls are required, \$/km calculation will be done for the specific site	No land purchase/walls/bridges	\$ -
	Rc (\$/km	\$817,667

NOTES

Pavement – Based on 150mm M4 Overlay (\$20/m²) and 200mm subbase undercut beyond the 6m width (\$24/m²)

AC Surfacing – Includes linemarking RPMs (\$40/m²)

Chip seal – Includes second coat after 1 year and linemarking RPMs (1st coat \$6.50/m² and 2nd coat \$5.50/m²)

Drainage – K&C (\$70/m) and based on 1 standard cesspit and lead (\$500/install) every 100m

Footpaths – based on 1.4m standard footpath (\$70/m²)

Cycle facilities – Based on urban cycle lane width of 2m and rural of 2.5m

Financial contributions for reserves

The purpose of seeking a financial contribution for reserves purposes is to allow the Council to acquire land to provide reserves for coastal protection and recreational use and neighbourhood playgrounds.

The District Plan allows the Council to seek land to be vested for reserves within a subdivision or development of land. Where land is not vested or additional financial contribution is justified based on the scale of the subdivision or development, then a financial contribution may be charged to allow the Council to acquire additional land to meet the reserve needs of the District, township or neighbourhood.

Rule 14.2.7.1 of the Whakatāne District Plan allows the Council to seek a one-off payment for every new lot or dwelling unit created. It is a fixed sum payment (plus GST) unless a contribution in land or works is to be made. A financial contribution in the form of money will go towards the programmed purchasing, upgrading and development of the District's public reserves.

The rule also requires the level of the financial contribution per lot (or dwelling unit) to be identified in the Long-term Plan for each service area.

The service areas have been identified based on areas where substantial residential growth is occurring and planned. Property Solutions (BOP) Ltd has provided generic valuation information based on these defined areas. These areas are where growth is anticipated to the degree that either additional reserve land or improvements to existing reserve land will be required.

Factors such as coastal frontage, sites with views and other sites have been distinguished to calculate an average value of section sales in the last 2 years. The average value for a 650m² lot (assumed average lot size) by area is as follows:

Piripai/Opihi	\$245,000
Huna/Shaw Road (Residential)	\$190,000
Ōhope	\$280,000
Whakatāne	\$230,000

While there is variation in value between areas and between parts of these areas, the Council will rely on the average value of land within each area upon which to base a financial contribution per lot (or dwelling). Based on the projected number of lots to be developed over the next ten years, and their respective location, the Council will charge a financial contribution that will not exceed 1% of the average valuation per lot in the defined locations. The value per lot for a financial contribution has therefore been set as follows:

Piripai/Opihi	\$2,450 per lot
Huna/Shaw Road (Residential)	\$1,900 per lot
Ōhope	\$2,800 per lot
Whakatāne	\$2,300 per lot

The financial contribution will be assessed for each subdivision or development in these locations, and charged as a condition of consent if appropriate. The need to acquire land for public reserves in the general location of the subdivision or development will be assessed for each subdivision or development.



SUMMARY OF:

SIGNIFICANCE AND ENGAGEMENT POLICY

Te Kaupapa here o te Pāhekoheko

These pages provide a summary only of our Significance and Engagement Policy. The full Policy is available on the Council website whakatane.govt.nz

The Whakatāne District Council is committed to making informed and sustainable decisions in the best interests of our communities and the District. We consider the community's views and preferences in all decisions we make. This is a statutory requirement, but more importantly we are keen to ensure our decisions reflect the aspirations of tangata whenua, residents, ratepayers, community groups and businesses (the public).

The primary purpose of the Significance and Engagement Policy is to provide clarity (to the Council and the Public) about how and when communities can expect to be engaged in the Council decision-making process.

The general underlying principle of this policy is that the higher the degree of significance attached to issues, proposals, decisions, or other matters before the Council, the greater the level of community engagement that will be sought to inform the decision-making process.



Degree of significance	←—————→		
	LOW	MODERATE	HIGH
Level of public involvement in the decision-making process	In the interests of efficient decision-making, the Council will not seek public participation but will seek to keep the public informed.	The Council may seek public participation into the decision-making process. Engagement may be less formal or of a smaller scale according to need.	The Council will seek public participation into the decision-making process unless there is a very compelling reason not to.

*Ki a koe tētahi kīwai, ki a au tētahi kīwai
For you one handle of the basket, for me the other*



WHEN THE COUNCIL **WILL** SEEK PUBLIC PARTICIPATION IN THE DECISION-MAKING PROCESS

For many proposals and decisions - but not all - the Council provides direct opportunities for the public to participate in the decision-making process. We engage because we recognise how significant (important) those proposals and decisions are to our communities and to the District, or sometimes because legislation specifically requires us to.

The Council will seek public participation in the decision-making process:

- when specifically required by legislation, and
- for any other matters in relation to their degree of significance.

WHEN THE COUNCIL **MAY NOT** SEEK PUBLIC PARTICIPATION IN THE DECISION-MAKING PROCESS

It is not always necessary, appropriate or possible to engage the public on a proposal or decision. The most common reason is that a matter is not significant enough to require public engagement and to do so would add costs and time delays to the decision process. There are also a number of other reasons such as the need for confidentiality or commercial sensitivity or the need for an immediate response for health and safety reasons. More reasons are set out in section 6.1 of the full Policy.

Where these circumstances apply, the Mayor and Councillors will usually be responsible for making the decision as they have been elected by you to provide governance over Council matters. In these instances the Council will take steps to keep the public appropriately informed on the matter.

HOW THE LEVEL OF SIGNIFICANCE IS DETERMINED

Significance is measured along a scale, meaning something can be of low significance, or high significance, or somewhere in between. A set of 'criteria' help us to make the assessment of how significant a matter is and therefore the degree to which we should engage the public into the decision process. The criteria are set out in section 7.5 of our full Policy and include the following:

- The level of community interest, opposition or controversy.
- The level of adverse impact on wellbeing of our communities or District.
- The costs to the community or sectors within the community, in terms of rates.
- The financial impact on Council.
- Consistency with Council's current strategic direction and policies.
- The impact on Māori culture, traditions and ancestral taonga.
- The impact on committed levels of service.
- The impact on strategic assets.



MANY WAYS TO ENGAGE WITH COUNCIL

There are many ways for individuals, communities and stakeholders to engage, influence and provide feedback to Council on different matters. Some examples of these ways are set out below:

- Submissions to Council as and when opportunities are made available
- General enquiries in writing, email, by phone, or visit our offices
- Requests for service (such as for specific maintenance requests) online or by contacting our offices
- Contact with elected Council members and the Mayor
- Contact with your elected Community Board members
- Participation through specific stakeholder groups and user groups
- Keep in touch through social media or our website whakatane.govt.nz.



HOW WE WILL ENGAGE

Where engagement is required under this Policy, the Council will develop an Engagement Plan. Engagement plans will be developed under the guidance of our Engagement Toolkit – Te Kete Raukura, and in accordance with the following engagement principles.

Note that these are abridged from the principles set out in section 9.1 of our full Significance and Engagement Policy. Many of the principles have been adapted from the Local Government Act 2002 (Sections 78 and 82), while others have been added to reflect the Council's commitment to community engagement.

OUR ENGAGEMENT PRINCIPLES

- **Customisation** – Council will tailor engagement to meet the particular needs of each project, stakeholders and the situation.
- **Familiarity** – some aspects of engagement will remain consistent, so that people know how and where to participate. Any engagement process that seeks general public engagement will be made available through Council's website on the "have your say" pages, and through Council service centres in Whakatāne and Murupara.
- **Information** – Council will provide information about the purpose and scope of engagement including why Council is engaging, what issues are and are not up for decision-making, what the timeframes are, how the decisions will be made and who will be making them.

- **Access** – Council will provide reasonable access to engagement processes in a manner and format that is appropriate to people's needs.
- **Timeliness** – Council will ensure that the public can influence the decision process at appropriate stages and to ensure sufficient time to allow genuine engagement.
- **Partnerships** – Council will work in partnership with appropriate representatives and special interest groups. Some examples include Advisory Boards, Iwi representatives, user groups, focus groups, Community Boards, and community groups to name a few.
- **Encouragement to Present Views** – Council will encourage all those affected by, or who have an interest in, an issue or project to present their views.
- **Openness** – Council will receive views with openness and will give those views due consideration when making a recommendation or decision.
- **Engaging with Māori** – Council will maintain processes to provide opportunities for iwi/Māori to contribute to Council's decision-making processes.
- **Responding to Diversity** – Council will endeavour to seek the views of a wide cross-section of the community.
- **Feedback** – Council will provide information regarding the outcome of the decision-making process and the reasons for the decisions.
- **Coordination** – Council will integrate and combine engagement and decision-making processes across departments where appropriate.

A photograph of a park with a woman standing by a heritage information board. The woman is wearing a light-colored jacket and dark boots. The board is orange and has the word 'HERITAGE' on it. There are benches and trees in the background.

SUPPORTING AND ENCOURAGING MĀORI TO CONTRIBUTE TO COUNCIL DECISION MAKING

*Tautoko me te akiaki i Ngāi Māori hei
āwhina i ngā whakataunga*

Iwi play a hugely significant role in the District in terms of leading economic, environmental, social and cultural opportunities for the community. This considered, the scope for Māori involvement in decision making is wide and varied.

Council recognises the mana, rights, and interests of Māori, taking into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.

Council's Significance and Engagement Policy (the Policy) sets out the engagement principles and practices that guide when and how council will engage with the community as part of any decision-making process. The Policy provides additional requirements for when engaging Māori in the decision-making process. Best practice values early consideration and involvement.

RECOGNISING OUR TE TIRITI O WAITANGI TREATY OF WAITANGI OBLIGATIONS

The Council recognises Te Tiriti o Waitangi as the founding document between Māori and the Crown.

For Council, the legislative recognition of Te Tiriti o Waitangi is provided for in the Local Government Act 2002. There are specific provisions in Parts 2 and 6 of the Act, which provide principles and requirements for Council to facilitate participation by Māori in local authority decision-making processes.

The Act states that Council must :

- Establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority
- Consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority
- Provide relevant information to Māori for these purposes.

The provisions of the Act apply to all Māori in the Whakatāne District. It acknowledges that Māori other than tangata whenua may reside in the area.

The Resource Management Act 1991 (RMA) is another key piece of legislation applicable to local government. Section 8 of the RMA requires all persons exercising functions and powers under it, in relation to managing the use, development, and protection of natural and physical resources, shall take into account the principles of Te Tiriti o Waitangi.

IMPROVING HOW COUNCIL ENGAGES WITH MĀORI

Council is currently working to improve the way engagement with Māori is undertaken. It is important that Māori feel that throughout any engagement process with council, whether formal or informal, that their voice was heard and their contribution was valued.

Meaningful and respectful relationships are what ensures open and robust engagement. Council is continuously seeking to improve and further develop meaningful and open relationships with representatives of all iwi in the District, at all levels.

Council appreciates that different iwi will have different preferences and requirements when it comes to engaging with, and being part of any decision making process. Council wants to ensure that these particular preferences or requirements are catered for as far as possible. This may mean liaising with iwi, hapū, or other groups with particular interests or expertise.

Council has developed an Engagement Toolkit that includes a significant section on Māori engagement. The purpose of this document is to upskill staff; promoting a more in depth understanding of tikanga, Māori worldview, and appropriate behaviour.

Council continues to work with Iwi to determine the best way forward.



What are we doing now?

FORUMS

Iwi Chairs Forum

Comprised of Chairpersons and Executive Officers of Iwi in the Whakatāne District, and the Mayor and Chief Executive of the Whakatāne District Council, the Iwi Chairs Forum meets regularly 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 community
- To better understand our differences, and recognise and respect each other's positions.

Rangitāiki River Forum

The purpose of the Forum is the protection and enhancement of the environmental, cultural, and spiritual health and wellbeing of the Rangitāiki River and its resources for the benefit of present and future generations.

By encouraging working together as one, the Forum gathers and distributes information, works to influence central government agencies, and takes action to protect and enhance the river.

The Forum is a partnership made up of representatives from Ngāti Whare, Ngāti Manawa, Ngāti Awa, Hineuru, Ngāti Tūwharetoa (Bay of Plenty), as well as elected members from Bay of Plenty Regional Council, Taupō District Council and Whakatāne District Council.

Ōhiwa Harbour Implementation Forum

Ōhiwa Harbour is a traditional māhinga mātaitai (food gathering place) and is therefore a very significant taonga. The Ōhiwa Harbour Strategy covers the Ōhiwa Harbour and the land catchment area that feeds into it, and seeks to maintain and enhance its health and natural qualities.

In partnership, this forum implements the Ōhiwa Harbour Strategy. Made up of representatives from Ūpokorehe, Whakatōhea, Ngāti Awa, Tūhoe, Bay of Plenty Regional Council, Ōpōtiki District Council and Whakatāne District Council, the forum works to maintain effective relationships, planning and kaitiakitanga of the harbour.

Whakatāne Ki Mua – community collaboration

Council has been partnering with the community on the Whakatāne Ki Mua community vision project. This started with a mass engagement phase, with the objective of hearing from a cross sector of our community about their priorities for our District, what they love about our community and any changes or ideas.

Over 18,000 ideas were received from almost 3000 people; the most comprehensive cross-sector of views ever achieved for our District. Feedback came from across our District, with the demographic representation of age, location and ethnicity being very similar to our actual population. Māori representation was significant, totalling 33% of all respondents.

We are now partnering with the community to explore how we can work together to make these ideas a reality. This includes the formation of a Cross Sector Forum, made up of Local Government, Central Government and Iwi partners, looking at how we can collaborate to address some of the larger issues identified through the Whakatāne Ki Mua project.



EXAMPLES OF SPECIFIC PROJECTS CURRENTLY UNDERWAY

Lifting the visibility of Te Reo

Council will work with Te Whare Wānanga o Awanuiarangi to increase the use and visibility of Te Reo Māori in Whakatāne township.

Te Whare Wānanga o Awanuiarangi will lead the project, developing innovative activities that support Whakatāne as a bilingual town, garnering support stakeholders such as hapū, iwi and marae.

Te Whare Wānanga o Awanuiarangi will provide resources where possible, and work with the Council to explore resource and funding opportunities. Council will provide support project funding applications to external agencies, consider options for promoting the use and visibility of Te Reo.

Natures Road/Te Urewera Road

Tūhoe Te Uru Taumatua, Te Urewera Board and the Wairoa and Whakatāne District Councils with support from NZTA have been working collaboratively to explore the future form and function of Te Urewera Road. The former State Highway 38 is recognised as one of the country's most scenic routes, and provides the only road access to Lake Waikaremoana and remote communities in Te Urewera.

Slips, fallen trees and flooding, frequently affect the 64 kilometers of steep and winding gravel. These conditions and physical distance to urban centres mean the communities in Te Urewera are often isolated without an alternative access route.

A business case is being collaboratively developed to provide support for an NZTA funding application to look at options for improving the route. The future form and function of Te Urewera road is being explored as an enabler to social, cultural, economic and environmental objectives for Tūhoe tangata whenua, manuhiri (visitors) and Te Urewera herself. This includes looking at the form and function of the road from an environmental sustainability and Tūhoe world view perspective. The outcomes from this process will guide the final form of any improvements to the route.

Partnership with Ngāti Manawa

Council endorsed a partnership agreement with Ngāti Manawa which saw the Iwi take over the day-to-day animal control and other regulatory activities in Murupara and surrounding area. The partnership with Ngāti Manawa has been very successful, and feedback indicates that the Murupara community is happy with the local delivery of service and its outcomes. Further partnership discussions have been held, including regarding park development and future options for the Murupara area.

Whakatāne Harbour and Commercial Wharf Development

Te Rūnanga o Ngāti Awa, Ngāti Awa Group Holdings Limited and Council have agreed to a collaborative approach to redeveloping the Whakatāne commercial wharf and its facilities. All three organisations will be represented on a governance group that will oversee the redevelopment proposal, and, potentially any projects that flow from it. The combined approach recognises the parties' significant interests in the Whakatāne waterfront area and the need to consider cultural, historic and commercial imperatives in any development plans.

The proposed development will recognise the cultural significance of historical sites, events and practices of the Ngāti Awa people with the Whakatāne River and the Statutory Acknowledgement in Schedule 10 of the Ngāti Awa settlement legislation.

Collaboration with Ngāi Taiwhakaea

Representatives of Ngāi Taiwhakaea hapū are working positively with Council on a range of matters regarding the Ngāi Taiwhakaea area. Council will provide support to Ngāi Taiwhakaea as research is undertaken to establish the history of the land. It is intended that this process will achieve a better understanding of issues of importance to the hapū. Discussions are also underway regarding maintenance works that could be undertaken to improve the amenity and appropriate use of the roadway.



FORECASTING ASSUMPTIONS AND DATA

Matapae rohe

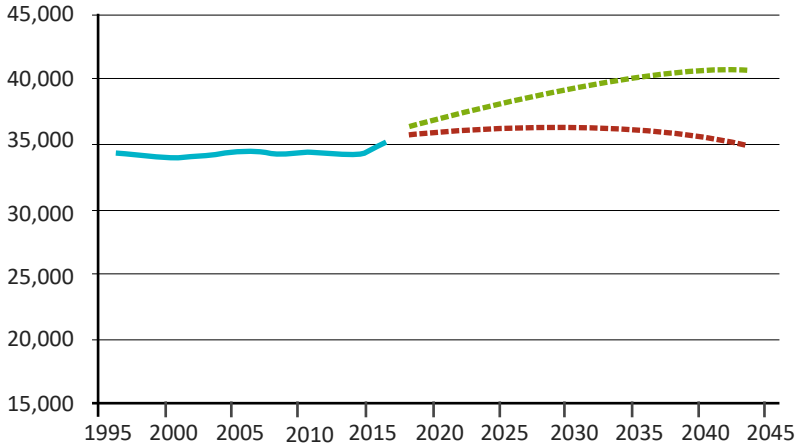
Introduction

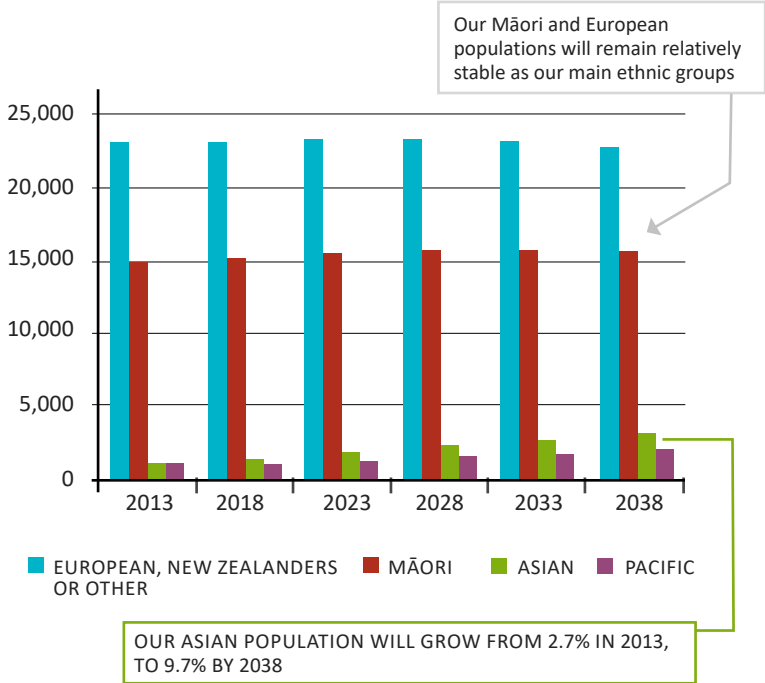
Our communities, District and council organisation continue to face change. Changes to our climate, demography, economy, technology, policy environment and other aspects will impact our community and influence strategic and financial planning as a local government entity.

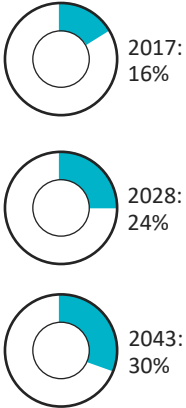
Monitoring these trends and influences, and making forecasting assumptions is a necessary part of planning for the future. How we prepare for change, and the decisions we make through the Council's strategy and planning processes today, will have implications for our communities for years to come.

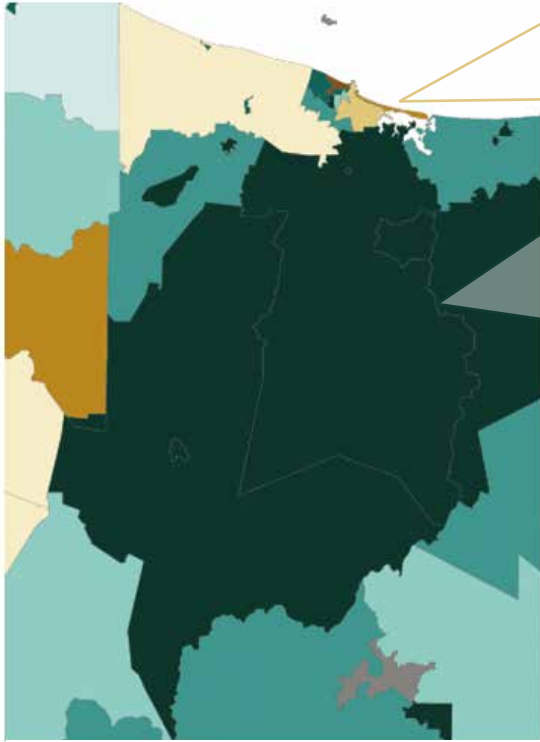
This document explores some of the key influences and trends that are expected to impact our planning over the period of our Long Term Plan 2018-28 (LTP). It sets out the significant forecasting assumptions and risks as required under Schedule 10 of the Local Government Act 2002.

ASSUMPTION	DETAIL/TREND	RISK ASSESSMENT	RISK MITIGATING FACTORS
<p>1. Strategic Direction and community demand for levels of services</p> <p>The assumption for the LTP is that Council has a clear strategic direction for the future of the District and for Council services and that resources are applied to progress that direction.</p>	<p>The Council's budgets and work programme are based on the strategic direction as set out in the introductory chapters to this LTP. The priorities respond to a number of opportunities and challenges facing the future of our District. The Strategic direction is informed by the community through information from the Council's annual residents surveys, engagement on the Whakatāne Ki Mua community vision, ongoing engagement with key stakeholders, whānau and community focus groups and from direct consultation on the LTP key issues.</p> <p>Our research shows that our communities consider they have a very good quality of life (much higher than the national average) based largely on the recreation and leisure opportunities offered by our District and because of whānau and community connections. The research indicates that economic development, youth development and recreation opportunities; and specific social issues are priorities for our communities.</p>	<p>Uncertainty: Med Impact: Low</p> <p>Substantial changes in the strategic direction and level of service as a result of changing community and political priorities, or other contextual drivers, could result in increased cost and/or opportunity costs.</p>	<p>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 and if needed reassessed through an Annual Plan process.</p>
<p>2. Whakatāne District Governance</p> <p>The Council is expecting to see the introduction of Māori seats through the 2019 LG election. Other governance assumptions are for the status quo.</p>	<p>While some other regions have seen amalgamations of local government administration over recent years. However, there has not been significant demand for reform within the Bay of Plenty. Over the coming ten years, the administration for the Whakatāne District is not expected to be significantly reformed. There is expected to be change to the Council structure with the introduction of Māori seats. There may continue to be some minor boundary changes to allow for industry growth in Kawerau.</p>	<p>Uncertainty: Med Impact: Med</p> <p>Major changes to administration, political structure and boundaries of local government could be costly and significantly disruptive to the delivery of services during a transition phase.</p>	<p>Any changes to the structure of local government will be developed with a long lead in time and within consultation with Council and affected communities. This would allow our communities and the Council to influence the process ensuring an appropriate/beneficial outcome.</p>
<p>3. Structure of Whakatāne District Council services</p> <p>The LTP is based on the assumption of activities being delivered under the current structure. Of note this includes water related services</p>	<p>The 'better local government' reform process continues to explore opportunities for improved local government effectiveness and efficiency. There may be further focus on shared services as a result of the 2017 LGA amendments and continued 17A activity reviews. In particular, a central government review of 'three waters' is due to be completed by 2018 and could lead to changes in the current funding and management structures. Until the review provides recommendations, Council will continue to provide water related services under the status quo structure.</p>	<p>Uncertainty: Med Impact: Med</p> <p>Major changes to the structure of service delivery could be costly and significantly disruptive to the delivery of services during a transition phase.</p>	<p>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 our communities and the Council to influence the process and outcome and to plan for the financial implications accordingly</p>

ASSUMPTION	DETAIL/TREND	RISK ASSESSMENT	RISK MITIGATING FACTORS																																																
<p>4. Population projections</p> <p>The assumption for the LTP is based on population growth following the Statistics NZ 'medium' scenario – plus local adjustments for expected development at Piripai; Shaw/Huna Rd; (and possibly the Keepa Rd corner block – currently subject to a plan change application).</p>	<p>The Whakatāne District population is currently 34,600. The Statistics New Zealand 'medium' scenario forecasts that our population will peak in 2028 at 36,400 people and then start to decline from the mid-2030's. A number of factors may yet have a substantial impact on this assumption including significant expected industry growth for the Eastern Bay of Plenty over the coming five year period; any changes to New Zealand immigration policy; continued pressure on housing affordability in major centres; and the real impact of 'baby boom era' retiree relocation.</p> <p>Council is currently updating growth assumptions through work on a 'Development Strategy' which will anticipate and sustainably plan for growth in our District. While this work is yet to be finalised, the expectations for real growth are more closely aligned to the Statistics New Zealand 'high' scenario.</p> <p>WHAKATĀNE DISTRICT POPULATION GROWTH EXPECTATIONS:</p>  <table border="1" data-bbox="517 730 1312 1177"> <caption>Whakatāne District Population Growth Expectations</caption> <thead> <tr> <th>Year</th> <th>Historical (Actual) Population</th> <th>Forecast High Scenario (Peak 2028)</th> <th>Forecast Medium Scenario (Peak 2028)</th> </tr> </thead> <tbody> <tr> <td>1995</td> <td>34,000</td> <td>-</td> <td>-</td> </tr> <tr> <td>2000</td> <td>34,000</td> <td>-</td> <td>-</td> </tr> <tr> <td>2005</td> <td>34,000</td> <td>-</td> <td>-</td> </tr> <tr> <td>2010</td> <td>34,000</td> <td>-</td> <td>-</td> </tr> <tr> <td>2015</td> <td>34,000</td> <td>-</td> <td>-</td> </tr> <tr> <td>2020</td> <td>-</td> <td>36,400</td> <td>36,400</td> </tr> <tr> <td>2025</td> <td>-</td> <td>36,400</td> <td>36,400</td> </tr> <tr> <td>2030</td> <td>-</td> <td>36,400</td> <td>36,400</td> </tr> <tr> <td>2035</td> <td>-</td> <td>36,400</td> <td>36,400</td> </tr> <tr> <td>2040</td> <td>-</td> <td>36,400</td> <td>36,400</td> </tr> <tr> <td>2045</td> <td>-</td> <td>36,400</td> <td>36,400</td> </tr> </tbody> </table> <p> — HISTORICAL (ACTUAL) POPULATION - - - - FORECAST GROWTH UNDER THE STATS NZ HIGH SCENARIO MAY BE A MORE REALISTIC EXPECTATION. - - - - FORECAST GROWTH PEAKS IN 2028 UNDER THE STATS NZ MEDIUM SCENARIO. </p>	Year	Historical (Actual) Population	Forecast High Scenario (Peak 2028)	Forecast Medium Scenario (Peak 2028)	1995	34,000	-	-	2000	34,000	-	-	2005	34,000	-	-	2010	34,000	-	-	2015	34,000	-	-	2020	-	36,400	36,400	2025	-	36,400	36,400	2030	-	36,400	36,400	2035	-	36,400	36,400	2040	-	36,400	36,400	2045	-	36,400	36,400	<p>Uncertainty: Med Impact: High</p> <p>Major changes to population and land use projections will have implications for the level and scope of infrastructure related projects and services. It may also present new challenges such as pressure on housing or conversely a reduced rating base to fund Council expenditure.</p>	<p>The development of a 'Development Strategy' in 2017-18 will update Council's growth assumptions and is likely to indicate an alternative scenario than that set out by Statistics NZ.</p> <p>Implementation of the Development Strategy – 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.</p>
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<p>5. Ethnic Diversity</p> <p>The assumption for the LTP is for changes to ethnic diversity based on the Statistics NZ forecasts</p>	<p>European and Māori are the largest ethnic groups represented in our District at 66.3% and 43.5% respectively (in 2013). It is predicted that these will continue to be our largest ethnic groups into the foreseeable future. While currently small in number our Asian population is increasing at the fastest rate. Changes to ethnic diversity are likely to occur slowly. As local level data is released from the latest New Zealand census 2018, this will provide updated trend information.</p> <p>Whakatāne District ethnic diversity projection:</p>  <table border="1"> <caption>Whakatāne District ethnic diversity projection (Estimated Data)</caption> <thead> <tr> <th>Year</th> <th>European, New Zealanders</th> <th>Māori</th> <th>Asian</th> <th>Pacific or Other</th> </tr> </thead> <tbody> <tr> <td>2013</td> <td>23,000</td> <td>15,000</td> <td>1,000</td> <td>1,000</td> </tr> <tr> <td>2018</td> <td>23,000</td> <td>15,000</td> <td>1,500</td> <td>1,000</td> </tr> <tr> <td>2023</td> <td>23,000</td> <td>15,000</td> <td>2,000</td> <td>1,000</td> </tr> <tr> <td>2028</td> <td>23,000</td> <td>15,000</td> <td>2,500</td> <td>1,000</td> </tr> <tr> <td>2033</td> <td>23,000</td> <td>15,000</td> <td>3,000</td> <td>1,000</td> </tr> <tr> <td>2038</td> <td>23,000</td> <td>15,000</td> <td>3,500</td> <td>1,000</td> </tr> </tbody> </table>	Year	European, New Zealanders	Māori	Asian	Pacific or Other	2013	23,000	15,000	1,000	1,000	2018	23,000	15,000	1,500	1,000	2023	23,000	15,000	2,000	1,000	2028	23,000	15,000	2,500	1,000	2033	23,000	15,000	3,000	1,000	2038	23,000	15,000	3,500	1,000	<p>Uncertainty: Low Impact: Low</p> <p>Changes to ethnic diversity may have implications for the Council in terms of changes in demand for Council services and Council communication and engagement practices.</p>	<p>Changes to ethnic diversity are likely to track slowly which will make it easier for Council to respond accordingly. The implications and necessary Council responses are likely to be experienced in other district and regions first.</p>
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ASSUMPTION	DETAIL/TREND	RISK ASSESSMENT	RISK MITIGATING FACTORS
<p>6. Population ageing</p> <p>The assumption for the LTP is that the average age of our population will continue to increase over time.</p>	<p>Like many other parts of the country, the District's ageing population is increasing. Currently 16% of the District's population is over 65. This is expected to increase to 30%, just under a third of the District's population, by 2043. The current median age of District residents is approximately 39, slightly higher than the New Zealand median of 38. Māori are significantly younger, with a median age of just 26.</p> <p>Some examples of implications for an aging population include a changing demand for our services, affordability due to limited incomes, labour availability, and changes in demand for housing.</p> <p style="text-align: center;">Whakatāne District population aged 65+:</p> <div style="text-align: center;">  <p>2017: 16%</p> <p>2028: 24%</p> <p>2043: 30%</p> </div>	<p>Uncertainty: Low Impact: Med</p> <p>The risk is that population may age more rapidly than expected and that this will intensify the implications for Council.</p>	<p>Figures are based on census data and are reviewed regularly. Of note the 2018 census will provide a more accurate and current dataset. Council can adjust the work programme and budgets annually through the Annual Plan process if required.</p>
<p>7. Rating base projections</p> <p>The Council's rating base assumptions remains conservative (at no growth) and will be adjusted annually allowing for actual growth in the number of rateable properties.</p>	<p>Our District is made up of 15,659 rateable properties (as at June 2018). The Council's rating requirement (the amount we need to collect from rates) is divided among the available "rateable properties" in the District. Certain types of properties, like schools, churches, and recreation reserves, are not rateable.</p> <p>The number of properties from which we receive rates is historically stable but may increase in the coming years driven by current strong national population growth and by expected local economic growth as drivers. A conservative 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.</p>	<p>Uncertainty: Low Impact: Med</p> <p>The risk is that the growth of rateable properties will be lower than expected.</p>	<p>Figures are based on census data and are reviewed regularly. Rating base projections will be adjusted annually through the Annual Plan process allowing for any actual change.</p>

ASSUMPTION	DETAIL/TREND	RISK ASSESSMENT	RISK MITIGATING FACTORS
<p>8. Wealth distribution</p> <p>The assumption for the LTP is that our District will continue to have high levels of relative deprivation over the coming ten years.</p>	<p>There is acknowledgement that our District will continue to have high levels of wealth disparity and relative deprivation (compared to New Zealand average). As such, levels of rates affordability will vary accordingly throughout our district. Alongside this consideration an aging population will also have implications for rates affordability due to fixed incomes. Deprivation levels are also a considered a proxy indicator of other social outcomes, including of note levels of health.</p> <p>Whakatāne District relative deprivation:</p>  <p>Some areas, particularly coastal lifestyle areas are characterised by higher levels of affluence.</p> <p>Many areas of our District including small rural townships have high levels of (relative) deprivation.</p> <p>DEPRIVATION INDEX SCALE</p> <p>1 (Least) 2 3 4 5 6 7 8 9 10 (Most)</p>	<p>Uncertainty: Med Impact: Med</p> <p>The risk is that the incidence of rates defaults could increase as rates affordability becomes more of a challenge alongside other rising costs.</p>	<p>Affordability is a central theme and consideration throughout the development of the LTP. This is considered primarily through the Financial Strategy, Revenue and Financing Policy; Rates Review; and Rates Remission Policy for Financial Hardship. Council will continue to monitor the appropriateness of the rating burden on the community and annually adjust overall expenditure accordingly. Council also notes the need to ensure that the community understands the value proposition of rates.</p>

ASSUMPTION	DETAIL/TREND	RISK ASSESSMENT	RISK MITIGATING FACTORS																						
<p>9. Income from rates</p> <p>The assumption for the LTP is that the level of rates ‘affordability’ and ‘willingness-to-pay’ (as set out in the financial strategy) is appropriate and sustainable.</p>	<p>Over the ten years ending 2012, the District saw some substantial average rates increases, the largest being 13.9% in 2005 and 12.2% in 2007. In the five years since 2013, rates increases have been far more conservative at an average of 3.07% annually. The average annual rates increases for the coming ten years are set out in the following table. More information can be found in the Financial Strategy contained in this LTP</p> <table border="1" data-bbox="1043 325 1296 863"> <thead> <tr> <th colspan="2">Average annual rates increases 2018-28:</th> </tr> </thead> <tbody> <tr> <td>2018/19</td> <td>3.83%</td> </tr> <tr> <td>2019/20</td> <td>2.88%</td> </tr> <tr> <td>2020/21</td> <td>3.40%</td> </tr> <tr> <td>2021/22</td> <td>1.97%</td> </tr> <tr> <td>2022/23</td> <td>2.18%</td> </tr> <tr> <td>2023/24</td> <td>2.61%</td> </tr> <tr> <td>2024/25</td> <td>1.99%</td> </tr> <tr> <td>2025/26</td> <td>1.63%</td> </tr> <tr> <td>2026/27</td> <td>1.96%</td> </tr> <tr> <td>2027/28</td> <td>1.78%</td> </tr> </tbody> </table>	Average annual rates increases 2018-28:		2018/19	3.83%	2019/20	2.88%	2020/21	3.40%	2021/22	1.97%	2022/23	2.18%	2023/24	2.61%	2024/25	1.99%	2025/26	1.63%	2026/27	1.96%	2027/28	1.78%	<p>Uncertainty: Med Impact: Med</p> <p>The risk is that the incidence of rates defaults could increase as rates affordability becomes more of challenge alongside other rising costs.</p>	<p>Affordability is a central theme and consideration throughout the development of the LTP. This is considered primarily through the Financial Strategy, Revenue and Financing Policy; Rates Review; and Rates Remission Policy for Financial Hardship. Council will continue to monitor the appropriateness of the rating burden on the community and annually adjusts overall expenditure accordingly. Council also notes the need to ensure that the community understands the value proposition of rates.</p>
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<p>10. Income from Central Government subsidies</p> <p>The assumption for the LTP is that the Council will continue to receive subsidies from NZTA as per the agreed funding regime.</p>	<p>Transportation is consistently the most expensive Council activity. Any changes to the regime of subsidy funding will have an impact on the level of service that is able to be delivered. The Council receives substantial subsidies from the NZ Transport Agency (FAR) for the operation and upkeep of the local road network in the District. This is currently provided at 57% and is due to increase to 64% starting from year one (2018/19) of the LTP.</p> <p>In the past, Council has also received significant grants from MoH for water related projects that have made it possible to improve the service particularly for rural communities. This LTP has conservatively budgeted for no income from MoH for water related projects but applications will be made where appropriate.</p>	<p>Uncertainty: Low Impact: High</p> <p>The risk is that the level of subsidy funding available for services and projects is less than expected/ budgeted.</p>	<p>Central government subsidy regimes are generally changed only through consultation with the local government sector and with a period of transition. As such we will have substantial lead in time where subsidy changes are being made and would be able to review and adjust work programmes where necessary.</p>																						

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<p>11. Income from development contributions</p> <p>Income received from development contributions is sufficient to fund growth related infrastructure, as per the Development Contributions Policy.</p>	<p>The Whakatāne District Council uses development contributions to recover from developers, a fair, equitable, portion of costs of capital expenditure needed to service growth. The Council's Development Contributions Policy is currently being reviewed to reflect new growth related projects in the LTP. Development contribution fees are proposed to increase as a result.</p> <table border="1" data-bbox="1025 336 1314 900"> <thead> <tr> <th colspan="2">Income from development contributions 2018-28:</th> </tr> </thead> <tbody> <tr> <td>2018/19</td> <td>\$1.06 M</td> </tr> <tr> <td>2019/20</td> <td>\$131,000</td> </tr> <tr> <td>2020/21</td> <td>\$134,000</td> </tr> <tr> <td>2021/22</td> <td>\$137,000</td> </tr> <tr> <td>2022/23</td> <td>\$140,000</td> </tr> <tr> <td>2023/24</td> <td>\$144,000</td> </tr> <tr> <td>2024/25</td> <td>\$147,000</td> </tr> <tr> <td>2025/26</td> <td>\$386,000</td> </tr> <tr> <td>2026/27</td> <td>\$155,000</td> </tr> <tr> <td>2027/28</td> <td>\$159,000</td> </tr> </tbody> </table>	Income from development contributions 2018-28:		2018/19	\$1.06 M	2019/20	\$131,000	2020/21	\$134,000	2021/22	\$137,000	2022/23	\$140,000	2023/24	\$144,000	2024/25	\$147,000	2025/26	\$386,000	2026/27	\$155,000	2027/28	\$159,000	<p>Uncertainty: Med Impact: Low</p> <p>The risk is that development contributions do not cover the cost of growth related infrastructure because there is less growth than expected or changes to the zoning of land in the Proposed District Plan are not progressed through decisions.</p>	<p>The Council's Development Contributions Policy is reviewed alongside the development of the LTP and conservatively based on latest available growth forecasts.</p>
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<p>12. Projects contingent upon external funding</p> <p>External funding will be secured for projects, where indicated.</p>	<p>The Council has a number of projects planned that are contingent upon a significant level of external funding alongside rates (sponsors, grants and fund raising from central government, regional government and community sources).</p> <p>Some examples include:</p> <ul style="list-style-type: none"> • Whakatāne District War Memorial Complex (seeking 67% subsidy) • Feasibility study into Whakatāne Aquatic Centre outdoor pool roof (seeking 100% subsidy) • CCTV phase 2 (seeking 70% subsidy) • Lighting from Info Centre to Boat Ramp (seeking 50% subsidy) • Matatā and Integrated Wastewater Project* • Awatarariki Debris Flow Risk Management Programme* <p>*These two projects will require substantial funding support from regional and central government in order to be progressed. While the projects remain a priority, until financial support has been confirmed, these have not been included into the budget due to high cost.</p>	<p>Uncertainty: Med Impact: Med</p> <p>The risk is that the level of external funding available for services and projects is less than expected/ budgeted.</p>	<p>The Council will continue to seek subsidies for projects where available. However, where funding becomes unavailable or is less than expected, the viability of the project will be reassessed before progressing.</p>																						

ASSUMPTION	DETAIL/TREND	RISK ASSESSMENT	RISK MITIGATING FACTORS
<p>13. Income from Investments</p>	<p>This LTP has minimal expectations for income from investments and related assumptions are conservative. Council will be reviewing its approach to investments in the near future including investigating opportunity for better investment of Harbour Fund and associated assets. This assumption may need to be updated when the review is complete.</p>	<p>Uncertainty: Low Impact: Low</p> <p>The risk is that the expected level of income from investments is not realised and therefore not able to be applied as intended.</p>	<p>Risk of current investment activities is low.</p>
<p>14. Borrowing, renewability and Interest rates</p> <p>The assumption for the LTP is that Council will be able to negotiate favourable borrowing terms, and interest rates for borrowing will be in keeping with forecast expectations.</p>	<p>Council currently has a relatively conservative debt levels and limitations (cap), as set out within the Council's Financial Strategy. The current debt cap of \$75 million will be increased to \$80 million from year one of the LTP. This is in large part to fund a major programme of work needed to support water related services over the coming ten years. This will have implications for borrowing terms, expected interest rates and level of exposure to rate fluctuations.</p>	<p>Uncertainty: Med Impact: Med</p> <p>The risk is that we will not be able to access loan funding, or interest rates are higher than forecast. The Council will have a greater level of exposure to this risk with increases in Council's debt levels and cap likely to be required for water related services.</p>	<p>The Council has a Financial Strategy and Liability Management Policy which sets parameters for Council debt and contains strategies to protect ratepayers against significant fluctuations.</p>
<p>15. Legislative demands on Council</p> <p>The assumption for the LTP is that legislative demands on Council are expected to increase over the coming ten-year period.</p>	<p>Freshwater management reforms are already here and expected to have a significant impact on Council service delivery and resourcing over the term of the LTP. Further priorities that may influence Council into the future could for example include direction in relation to national and international scale issues such as housing affordability, wealth disparity, aging and climate change. Central government policies have changed with the election of the new (Labour) government in 2017.</p>	<p>Uncertainty: Med Impact: High</p> <p>The risk is that there will be major unexpected changes to the legislation that will cause significant changes to how we operate, what we do, and who pays for things. Changes could have a significant financial impact on the way we operate.</p>	<p>We have and will continue to set our work programme to take into account the expected outcome of legislative changes where possible. Legislative change is often progressed with a long lead in time, allowing Council to respond accordingly.</p>
<p>16. Project cost estimates</p> <p>The assumption for the LTP is that the cost for projects will be in keeping with the project estimates including allowance for contingency.</p>	<p>Costs listed for some projects are initial estimates based on information available at the time. To allow for variations between our expected cost of a project, and the actual cost of a project, we allow for a contingency in our budgets. This may range between 10% for fully scoped projects up to 30% for projects in concept or preliminary design.</p>	<p>Uncertainty: Med Impact: Med</p> <p>The risk is that project costs could be higher than initial estimates due to changes in market cost or project scope.</p>	<p>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.</p>

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<p>17. Cost estimates for upgrade of three-water infrastructure</p> <p>Assumptions have been made in the LTP and Infrastructure Strategy for the cost of acquiring new resource consents and to upgrade infrastructure to meet new standards under those consents.</p>	<p>Within the next 10 years, most of the resource consents authorising Council's water take and treated wastewater discharge consents expire. Council will also be obtaining Comprehensive Stormwater Consents for our District's urban stormwater networks. It is expected infrastructure will need to be upgraded to comply with the new resource consents. The assumption is that costs will be met by Council with minimal expectations for grants and subsidies.</p> <p>For the coming ten years the LTP budget includes \$6.35 million to replace water related consents and \$13.65 million to begin the work of upgrading waste water treatment systems. It should be noted that most of the work to upgrade treatment plants as required by new resource consents will fall beyond the window of this LTP, but have been included in our 30 year Infrastructure Strategy.</p>	<p>Uncertainty: Med Impact: Med</p> <p>The risk is that resource consent and infrastructure project costs could be higher than initial estimates.</p>	<p>Cost estimates will be adjusted as the project evolves and further information becomes available.</p> <p>While a conservative approach has been taken with regards to revenue for these projects, the opportunity for grants and subsidies may help offset the total cost of these projects.</p>																						
<p>18. Inflation forecasts</p> <p>The assumption for the LTP is that local government cost inflation will be in keeping with BERL forecasts.</p>	<p>The BERL local government cost index reflects the selection and relative importance of the goods and services which represent broadly the expenditure pattern of Local Authorities in New Zealand. This basket thus includes more directly relevant items including capital expenditure on pipelines, and earthmoving and site works, and operating expenditure such as local government sector salary and wage rates. Forecasts have been provided across specific activity groups; for capital expenditure versus operating expenditure and broadly overall (as set out below) in the form of the LGCI.</p> <table border="1" data-bbox="1025 679 1314 1225"> <thead> <tr> <th colspan="2">Annual inflation forecast 2018-28 (total LGCI):</th> </tr> </thead> <tbody> <tr> <td>2018/19</td> <td>2.0%</td> </tr> <tr> <td>2019/20</td> <td>2.2%</td> </tr> <tr> <td>2020/21</td> <td>2.2%</td> </tr> <tr> <td>2021/22</td> <td>2.2%</td> </tr> <tr> <td>2022/23</td> <td>2.3%</td> </tr> <tr> <td>2023/24</td> <td>2.3%</td> </tr> <tr> <td>2024/25</td> <td>2.4%</td> </tr> <tr> <td>2025/26</td> <td>2.5%</td> </tr> <tr> <td>2026/27</td> <td>2.6%</td> </tr> <tr> <td>2027/28</td> <td>2.7%</td> </tr> </tbody> </table>	Annual inflation forecast 2018-28 (total LGCI):		2018/19	2.0%	2019/20	2.2%	2020/21	2.2%	2021/22	2.2%	2022/23	2.3%	2023/24	2.3%	2024/25	2.4%	2025/26	2.5%	2026/27	2.6%	2027/28	2.7%	<p>Uncertainty: Low Impact: Med</p> <p>The risk is that inflation is higher than forecast. This could impact the cost and affordability of Council services.</p>	<p>BERL price change estimates are an industry recognised measure. As these are updated annually, Council will review its financial strategy accordingly noting in particular the impact of any upward movement on affordability.</p>
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<p>19. Insurance</p> <p>Council's insurance premiums will increase by 6-10% per annum over the ten years of the LTP.</p>	<p>Insurance premiums change over time and in particular in relation to natural events resulting in major insurance pay-outs. Following the 2017 floods in Edgecumbe, Council's insurance premiums are set to increase, the initial increase is known and the assumption for subsequent annual increase is budgeted 6-10%.</p>	<p>Uncertainty: Med Impact: Low</p> <p>The risk is that insurance premium increases are greater than 10% per annum.</p>	<p>The Council will review insurance on an annual basis and adjust premium repayments as required through the Annual Plan process.</p>																						

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<p>20. Lifecycle of significant assets</p> <p>The useful life of assets will be in keeping with expectations as shown in the Statement of Accounting Policies.</p>	<p>Accurate condition assessments and knowledge of the lifespan of our assets are necessary to inform Council's asset maintenance and renewal programme. Accurate information on assets allows for timely and efficient maintenance and renewal that minimises service disruption and maximises lifespan.</p>	<p>Uncertainty: Med Impact: Med</p> <p>The risk is that the useful life of assets is substantially shorter or longer than our assumptions. This could result in service disruption and/or have financial implications due to changes to the capital works programme, or an inefficient renewal programme.</p>	<p>A newly implemented asset management system will allow for improvements to inspection and maintenance of systems. Condition assessments continue to be undertaken by the Council with condition information updated based on actual rather than theoretical expectations.</p>
<p>21. Funds for future replacement of significant assets</p> <p>Funding sources for the future replacement of significant assets will be available with a priority on core network infrastructure.</p>	<p>The sources of funds for the replacement of assets are outlined in the Revenue and Financing Policy and documented through the Activity Forecasts (internal) and Infrastructure Strategy. Generally, the replacement of assets is funded through a mix of depreciation reserves built up for that purpose and borrowing where the replacement offers an increased level of service.</p>	<p>Uncertainty: Low Impact: High</p> <p>The risk is that the funding sources are not available.</p>	<p>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 such as borrowing.</p>
<p>22. Asset sales</p> <p>The LTP will set an assumption for income from asset sales but not assume to apply that income to any costs.</p>	<p>The Council is currently in the process of divesting a significant block of land at Bunyan Road, Opihi to allow for development. Other sales of non-strategic assets are expected to return relatively minor income over the course of the LTP. The income from the sale of land at Opihi will be transferred to reserve and has not at this stage been budgeted to fund LTP work programme or offset debt.</p>	<p>Uncertainty: Low Impact: Low</p> <p>The risk is that asset sales do not progress as planned, or result in a lower return than anticipated.</p>	<p>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.</p>

ASSUMPTION	DETAIL/TREND	RISK ASSESSMENT	RISK MITIGATING FACTORS																						
<p>23. Asset (re)valuation</p> <p>The future value of assets is accurately estimated.</p>	<p>Assets are revalued three yearly in accordance with a revolving asset revaluation schedule. Land, buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are re-valued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value at least every three years. All other asset classes are carried at depreciated historical cost. The forecast total value of assets is set out in the following table.</p> <table border="1" data-bbox="1021 333 1319 863"> <thead> <tr> <th colspan="2">Forecast total value of assets 2018-28:</th> </tr> </thead> <tbody> <tr> <td>2018/19</td> <td>\$713.40 M</td> </tr> <tr> <td>2019/20</td> <td>\$721.84 M</td> </tr> <tr> <td>2020/21</td> <td>\$745.14 M</td> </tr> <tr> <td>2021/22</td> <td>\$768.53 M</td> </tr> <tr> <td>2022/23</td> <td>\$768.53 M</td> </tr> <tr> <td>2023/24</td> <td>\$784.64 M</td> </tr> <tr> <td>2024/25</td> <td>\$820.15 M</td> </tr> <tr> <td>2025/26</td> <td>\$831.05 M</td> </tr> <tr> <td>2026/27</td> <td>\$846.15 M</td> </tr> <tr> <td>2027/28</td> <td>\$882.80 M</td> </tr> </tbody> </table>	Forecast total value of assets 2018-28:		2018/19	\$713.40 M	2019/20	\$721.84 M	2020/21	\$745.14 M	2021/22	\$768.53 M	2022/23	\$768.53 M	2023/24	\$784.64 M	2024/25	\$820.15 M	2025/26	\$831.05 M	2026/27	\$846.15 M	2027/28	\$882.80 M	<p>Uncertainty: Med Impact: Med</p> <p>The risk is that there is a significant shift in value between scheduled valuation cycles. In particular the risk is that the loss has not been recognised and assets are overvalued.</p>	<p>Impairment reviews will be undertaken in the intervening years between revaluations to reduce this risk.</p>
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<p>24. Resource consent conditions</p> <p>When applying for resource consents, the conditions of consent and costs will be in keeping with our expectations.</p>	<p>Central government currently has a strong focus on freshwater water management and this is likely to increase into the future given the national and global value of this resource. In particular, water allocation, storm water and waste water discharges, and service standards will have much more stringent conditions in the future. This will demand some significant upgrading of local infrastructure and services in the future. With many of our wastewater, water and stormwater consents due for renewal by 2026 some major infrastructure costs are expected just outside the term of this LTP. The Council's infrastructure strategy provides greater detail.</p>	<p>Uncertainty: Med Impact: High</p> <p>Renewed consents could include tougher environmental conditions than expected, or could fail to be granted resulting in increased costs and risks to service continuity.</p>	<p>Council is assuming more stringent consent conditions will be required through the renewal/gaining of consents over the term of this LTP and has a specific stream of work addressing this challenge. LTP work programmes and budgets are developed in accordance with this expectation.</p>																						

ASSUMPTION	DETAIL/TREND	RISK ASSESSMENT	RISK MITIGATING FACTORS																				
<p>25. Climate Change</p> <p>The assumption for the LTP is that climate change will occur at a rate in keeping with forecasts under NIWA mid-range (RCP4) estimates.</p>	<p>Climate change is already impacting how our communities live and function and these impacts are expected to increase in magnitude and extent over time. Climate change assumptions are factored into Council strategies and plans including notably the District Plan and Infrastructure Strategy and can be seen for example, through projects such as the continued improvement of Council stormwater systems, Council's escarpment risk management work and the work to retreat development from high risk areas in Matatā. The Council is also a signatory to the 'Local Government Leaders Climate Change Declaration'.</p> <p style="text-align: center;">Whakatāne District – our climate change future:</p> <table border="1" data-bbox="824 608 1290 1035"> <thead> <tr> <th></th> <th>Now</th> <th>2040</th> <th>2090</th> </tr> </thead> <tbody> <tr> <td>Annual days above 25°C >></td> <td>22 days a year</td> <td>47 days a year</td> <td>80 days a year</td> </tr> <tr> <td>150mm rainfall within a 24 hour period >></td> <td>Is a 1-in-50 year event</td> <td>Is a 1-in-29 year event</td> <td>Is a 1-in-16 year event</td> </tr> <tr> <td>Approximate annual frost occurrence >></td> <td>5 days a year</td> <td>Once a year</td> <td>Once every ten years</td> </tr> <tr> <td>Sea level rise expectation >></td> <td>Current level</td> <td>+0.27m</td> <td>+0.9m</td> </tr> </tbody> </table>		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	<p>Uncertainty: Med Impact: High</p> <p>Climate change is high on the political agenda, locally and nationally but there is concern that assumptions could be on the conservative side and that impacts may occur sooner or be more intense than predicted. This could result in increased costs due to an accelerated climate change response programme.</p>	<p>At the time of writing this report, Council is in the process of developing a climate change action plan which will provide further guidance on climate change including mitigation and adaptation.</p>
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<p>26. Natural Hazards</p> <p>The LTP is prepared on the basis that minor storm and flood events are expected to continue to happen on a frequent (often annual) basis whereas significant high impact events cannot be accurately predicted.</p>	<p>Our District is at risk of a range of natural hazards such as earthquakes, flooding, tsunami, debris flows, slips, tornado, fire and volcanic activity. Storms and tropical cyclone events occur on a frequent basis often bringing high intensity rainfall but are generally manageable within existing work programmes and budgets. However, the return period for significant high impact events is very long and events are difficult to predict. A number of projects, plans and initiatives seek to reduce the risk associated with natural hazards. In the first instance these seek to reduce exposure to risk while the secondary focus is on community preparedness for response.</p>	<p>Uncertainty: Med Impact: High</p> <p>The risk is that our District and Council could face significant costs to respond to hazard events and/ or that our District is unable to recover sufficiently or quickly enough in order to prevent long-term adverse effects on population or local economy.</p>	<p>Council has a Policy to build up contingency funds to pay for storm damage to roading and general disaster response and recovery. Our underground assets are also covered through the Council's insurance. Alongside the Council, Central Government also has a role in disaster recovery and restoration works after natural disasters have happened.</p>																				

ASSUMPTION	DETAIL/TREND	RISK ASSESSMENT	RISK MITIGATING FACTORS
<p>27. Skill shortages</p> <p>The Council will be able to attract and retain suitably qualified and able staff.</p>	<p>Many technical and knowledge based professions are forecasting future skills shortages. In part this is in recognition of an aging population particularly in instances where this is alongside flat or declining populations. Further, there is a need to retain suitably qualified staff to ensure efficient continuity of activities and minimise loss of institutional capacity and knowledge.</p>	<p>Uncertainty: Low Impact: Med</p> <p>The risk is that the Council will not be able to recruit and retain the right staff. If the risk occurs then increased reliance may be placed on contractors with an impact on costs or there may be a risk to continuity of service and loss of institutional knowledge.</p>	<p>Human Resources have implemented recruitment processes that focus on the lifestyle offering of the Whakatāne District and that provide a market based remuneration. A process to develop staff and grow leadership is also in place to meet organisational needs.</p>
<p>28. Contractor availability</p> <p>We will be able to find skilled contractors to undertake the work we require, to the agreed standards, deadlines and cost.</p>	<p>There are a number of emerging and forecast challenges with availability of contractors. These are associated with the current building boom and focus on major centres, as well as possible skill shortages within the contracting sectors themselves. These challenges may present to the Council in terms of availability, cost and quality of work. A certain amount of this risk is reduced with some services being brought in-house rather than contracted out.</p>	<p>Uncertainty: Low Impact: Med</p> <p>The risk is that there will be a shortage of contractors, or that contractors will not deliver to the agreed standards and specification within the agreed time. If the risk occurs, it could result in an increase in the price, timeframes, and/or quality.</p>	<p>We have a procurement manual which ensures we have robust contracts. Our contracts outline what we expect to receive from our contractors. If the work is not completed to the agreed standards and specifications, then we have legal rights.</p>

ASSUMPTION	DETAIL/TREND	RISK ASSESSMENT	RISK MITIGATING FACTORS
<p>29. Technology and connectivity</p> <p>Technology is changing rapidly in terms of both availability and uptake. Making accurate predictions and forecasts for this factor is difficult.</p>	<p>Advances in science and technology continue to transform the way our society works. This provides some exciting new opportunities and solutions but also comes with risks. Governments at various levels will be challenged by demand to harness the benefits of technology while providing prudent oversight.</p> <p>Some trends for technology include:</p> <ul style="list-style-type: none"> • High-speed internet access is increasing demand for online Council services. • Robotics and automation will change the way we work and provide new futures for manufacturing. • Advancement in the 'internet of things' provides opportunities for smarter and more responsive services. • Opportunities will continue to emerge for different models of service delivery and connectedness. • Cybercrime will increase as will the related focus and resource requirements for security. • Dramatic changes to vehicle technology are around the corner and could dramatically change our models of transport and vehicle ownership. • Advances in technology may provide alternative solutions to large scale network infrastructure challenges (such as waste water systems). • Energy technology is becoming more advanced, effective and cheaper. Public demand for clean energy is increasing. • 3D printing (or additive manufacturing) will dramatically change the way we design, produce and distribute products. 	<p>Uncertainty: High Impact: Med</p> <p>Technology generally presents opportunities rather than risk. However, there is some risk associated with long term planning and infrastructure commitments made by Council which could be inconsistent with any emerging technologies that provide more preferable solutions. The greatest risk is therefore for the 'opportunity loss' of new technologies that are not taken up or adopted late.</p>	<p>Local government is generally risk averse where investment into new technologies is concerned. Generally these need to be established and proven for Council to make the investment. Major strategies and projects will explore technology based solutions as part of the contextual and options analysis. Of note this will include the upgrades that will be required to waste water treatment systems over the coming ten years and beyond.</p>



Our Work in Detail
Ngā taipitopito mahi





INTRODUCTION TO OUR WORK IN DETAIL

Council manages a wide range of services and facilities on behalf of the community. In total, we manage 29 activities which are supported by 7 internal activities (Corporate and District Activities). These activities are divided into 11 Groups. We are also a shareholding partner in 4 further activities known as Council Controlled Organisations (CCOs).

This chapter of the Long Term Plan provides detailed information on each of our activities such as why we undertake the activity, what we are going to deliver in the coming ten years, what it will cost and any key performance measures.

This chapter also includes “Funding Impact Statements” for the Council overall and for each Group of Activities. These statements indicate the cost for each of the coming ten years and how those costs will be funded.

A note on performance measures: Our LTP contains a selection of key performance measures, some of which are specifically required by legislation. These selected measures are intended to provide a general indication to the public of whether our services are on track. Our day-to-day delivery of services relies on a significantly wider and more detailed performance framework than those included in this Long Term Plan.

OUR ACTIVITY STRUCTURE

Groups of Activities

Our activities are organised into 11 groups. Each Group includes a Funding Impact Statement indicating what the work of that Group will cost for each of the coming ten years and how it will be paid for.

Activities

We deliver 29 activities supported by 7 internal (Corporate and District) activities.

Each specific activity section sets out information covering: what we do, why we do it, what services and projects are planned for the coming ten years, what the activity will cost, and how we will monitor performance.

LEADERSHIP

- Governance
- Community Support
- Strategy and Policy

ROADS AND FOOTPATHS

- Transport Networks
- Parking Enforcement

WATER SUPPLY

- Water Supply

SEWAGE TREATMENT AND DISPOSAL

- Sewage Treatment and Disposal

STORMWATER DRAINAGE

- Stormwater Drainage

SOLID WASTE

- Solid Waste

ENVIRONMENTAL SUSTAINABILITY

- Resource Management – Policy
- Resource Management – Consents

COMMUNITY SAFETY

- Licensing (Alcohol and Gambling)
- Environmental Health and Regulation Monitoring
- Building
- Animal Control
- Emergency Management

DISTRICT GROWTH

- Business and Economic Development
- Events and Tourism
- Strategic Property

RECREATION AND COMMUNITY SERVICES

- Libraries
- Museum and Arts
- Halls
- Parks, Reserves, Recreation and Sportsfields
- Cemeteries and Crematorium
- Public Conveniences
- Whakatāne Holiday Park
- Aquatic Centres
- Ports and Harbours
- Community Development

CORPORATE AND DISTRICT ACTIVITIES (INTERNAL)

Our services, facilities and projects are supported by 7 Corporate and District activities. These are sometimes referred to as internal activities. In this chapter of the LTP you will find similar information as that provided for our other “Activities” and “Groups of Activities”.

- Customer Services
- Public Affairs
- People and Capability
- Finance
- Corporate Information
- Corporate Property
- District Income and Expenditure

COUNCIL CONTROLLED ORGANISATIONS

We are a shareholder in 4 CCOs. Each CCO section includes a range of information describing the CCO, what services it provides, who the CCO partners are, how it is funded and how performance will be monitored.

- Whakatāne Airport
- Toi Economic Development Agency
- Bay of Plenty Local Authority Shared Service Ltd
- Local Government Funding Agency Ltd

WHOLE OF COUNCIL FUNDING IMPACT STATEMENT 2018-28

ANNUAL PLAN 2017/18 \$000		LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
	SOURCES OF OPERATING FUNDING										
21,038	General rates, uniform annual general charges, rates penalties	22,313	22,627	23,145	23,148	23,322	23,728	24,123	24,176	24,784	25,096
22,235	Targeted rates	22,592	23,567	24,610	25,551	26,439	27,328	27,952	28,751	29,184	29,834
3,770	Subsidies and grants for operating purposes	4,087	4,180	4,277	4,206	4,207	4,305	4,407	4,514	4,624	4,741
7,496	Fees and charges	7,617	7,691	7,878	8,070	8,280	8,487	8,688	8,862	9,087	9,276
47	Interest and dividends from investments	50	46	47	48	49	50	51	52	53	54
2,859	Local authorities fuel tax, fines, infringement fees, and other receipts	1,786	1,881	1,868	1,908	2,001	1,990	2,035	2,141	2,131	2,180
57,444	Total operating funding (A)	58,445	59,991	61,825	62,930	64,297	65,888	67,255	68,497	69,864	71,181
	APPLICATIONS OF OPERATING FUNDING										
41,790	Payments to staff and suppliers	41,847	42,253	43,278	44,105	45,225	46,357	47,174	48,389	49,659	50,680
2,695	Finance costs	2,561	2,495	2,656	2,714	2,530	2,373	2,389	2,355	2,295	2,313
1,050	Other operating funding applications	850	908	926	944	964	984	1,005	1,026	1,048	1,071
45,535	Total applications of operating funding (B)	45,257	45,656	46,860	47,763	48,719	49,715	50,568	51,770	53,002	54,064
11,909	Surplus (deficit) of operating funding (A-B)	13,188	14,335	14,966	15,167	15,578	16,174	16,688	16,726	16,861	17,117
	SOURCES OF CAPITAL FUNDING										
6,323	Subsidies and grants for capital expenditure	15,814	7,561	9,763	5,466	5,005	4,823	8,325	9,923	5,525	5,706
94	Development and financial contributions	1,064	131	134	137	140	144	147	386	155	159
(7,986)	Increase (decrease) in debt	2,534	2,363	994	20	306	689	166	96	(506)	1,431
7,000	Gross proceeds from sale of assets	565	2,000	-	2,200	2,500	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
5,430	Total sources of capital funding (C)	19,977	12,055	10,890	7,823	7,951	5,655	8,638	10,405	5,173	7,295
	APPLICATIONS OF CAPITAL FUNDING										
	Capital expenditure										
955	- to meet additional demand	3,051	4,208	3,448	1,202	863	1,101	1,028	1,270	1,630	1,791
8,654	- to improve level of service	15,494	7,407	9,145	6,325	7,016	7,690	8,298	8,562	6,592	7,891
14,889	- to replace existing assets	11,126	11,127	17,404	12,432	10,051	11,841	18,022	13,938	11,919	14,972
(7,158)	Increase (decrease) in reserves	3,495	3,648	(4,140)	3,031	5,599	1,197	(2,022)	3,361	1,894	(241)
	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
17,340	Total applications of capital funding (D)	33,166	26,390	25,856	22,990	23,529	21,829	25,326	27,132	22,035	24,412
(11,909)	Surplus (deficit) of capital funding (C-D)	(13,188)	(14,335)	(14,966)	(15,167)	(15,578)	(16,174)	(16,688)	(16,726)	(16,861)	(17,117)
-	Funding Balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-

EXPLANATION OF CATEGORIES IN THE FUNDING IMPACT STATEMENTS

OPERATIONAL	
Sources of Operating Funding (Revenue)	
General rates, uniform annual general charges, rates penalties	Income from general rates charged on the capital value of all properties within the District, fixed charges across the whole district (UAGC), and penalties for late payment of rates.
Targeted rates	Rates where the benefit or use of a service can be assigned to specific households or communities, such as stormwater or district growth. Includes targeted rates for water supply.
Subsidies and grants for operating purposes	Money received from other organisations that contribute to the operational cost of the service.
Fees and charges	Includes admission charges for Council facilities and regulatory fees e.g. permits, dog registration.
Internal charges and overheads recovered	Money received from other departments of the Council such as overheads and direct costs.
Interest and dividends from investments	Money earned from our savings and investments through interest and dividend payments.
Local authorities fuel tax, fines, infringement fees, and other receipts	Miscellaneous income from other sources generally not of a significant nature e.g. local authority petrol tax.
Total Operating Funding	Total income from the day to day operation of this activity.
Applications of Operating Funding (Expenditure)	
Payments to staff and suppliers	The day to day cost of running this activity e.g. salaries and wages, materials and services.
Finance costs	Interest payments we make on funds borrowed (loans).
Internal charges and overheads applied	Money paid to other departments of the Council such as overheads and direct costs.
Other operating funding applications	Miscellaneous expenses including bad debt expense, rates remissions and loss on disposal of assets.
Total Applications of Operating Funding	Total operating expenditure for this activity
Surplus (Deficit) of Operating Funding	Total revenue less total expenditure.
CAPITAL	
Sources of Capital Funding	
Subsidies and grants for capital expenditure	Money received from other organisations that contribute to the capital cost of the service.
Development and Financial Contributions	Money paid by developers towards providing assets or extending existing assets to cater for increased demand due to growth, e.g. extending sewerage systems.
Increase (decrease) in debt	Borrowing money to pay for new assets, parts of assets or to fund temporary deficits, less loan repayments.
Gross proceeds from the sale of assets	Revenue to be raised from the sale of assets belonging to this activity.
Lump sum contributions	Payments made by an eligible ratepayer for the purposes of contributing to a capital project. However, we do not accept lump sum contributions for targeted rates.
Other dedicated capital funding	These largely relate to earthquake recoveries and are generally only relevant to Christchurch and the Canterbury region.
Total Sources of Capital Funding	Total capital funding for this activity.
Applications of Capital Funding	
Capital expenditure	Capital expenditure creating a completely new asset or extending or renewing an existing asset to provide the same or greater service than it currently provides e.g. extending a sewer pipe to increase capacity. The expenditure is split to fund level of service improvements versus population growth and/or renewal works. While a lot of our capital projects contribute to more than one of these drivers, legislation requires us to allocate each project to just one driver in the Funding Impact Statements.
Increase (decrease) in reserves	Transferring money into and from a reserve account held for a special purpose. Includes: transferring development contribution revenue to development contribution reserves; using funds from depreciation reserves, and using funds from operational reserves to provide or to assist with maintaining existing assets or services.
Increase (decrease) of investments	Net movement of investments.
Total Applications of Capital Funding	Total capital expenditure for this activity.
Surplus (Deficit) of Capital Funding	Sources of capital funding less applications of capital funding.
Funding Balance	Net operating funding less net capital funding.

LEADERSHIP

Te Poumanukura

GOVERNANCE COMMUNITY SUPPORT STRATEGY AND POLICY

10 Councillors and the Mayor
REPRESENTING OUR DISTRICT

27 Elected Community Board members
REPRESENTING OUR FOUR WARDS

4 Community Boards

What these activities will cost and how we are going to pay for them

Funding Impact Statement for 2018-2028 - Leadership
Whakatāne District Council

ANNUAL PLAN 2017/18 \$000		LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
SOURCES OF OPERATING FUNDING											
2,899	General rates, uniform annual general charges, rates penalties	2,964	2,956	3,006	3,112	3,130	3,174	3,287	3,317	3,493	3,603
334	Targeted Rates	334	339	344	350	358	364	371	379	386	393
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and Charges	-	-	-	-	-	-	-	-	-	-
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
4	Local authorities fuel tax, fines, infringement fees, and other receipts	2	53	2	2	56	2	2	60	2	2
3,236	Total operating funding (A)	3,299	3,347	3,352	3,464	3,544	3,541	3,660	3,756	3,881	3,999
APPLICATIONS OF OPERATING FUNDING											
2,087	Payments to staff and suppliers	2,141	2,171	2,150	2,234	2,287	2,259	2,356	2,425	2,531	2,626
4	Finance costs	3	3	3	3	3	2	2	2	2	1
990	Internal charges & overheads applied	1,092	1,108	1,129	1,145	1,166	1,189	1,208	1,232	1,258	1,285
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
3,082	Total applications of operating funding (B)	3,236	3,282	3,282	3,382	3,455	3,450	3,566	3,659	3,791	3,913
155	Surplus (deficit) of operating funding (A-B)	63	65	70	82	89	91	94	97	90	86
SOURCES OF CAPITAL FUNDING											
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
(6)	Increase (decrease) in debt	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
(6)	Total sources of capital funding (C)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
-	- to improve level of service	-	-	-	-	-	-	-	-	-	-
-	- to replace existing assets	-	-	-	-	-	-	-	-	-	-
149	Increase (decrease) in reserves	58	59	65	77	84	85	88	92	85	80
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
149	Total applications of capital funding (D)	58	59	65	77	84	85	88	92	85	80
(155)	Surplus (deficit) of capital funding (C-D)	(63)	(65)	(70)	(82)	(89)	(91)	(94)	(97)	(90)	(86)
-	Funding Balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-

GOVERNANCE

Mana Whakahaere



Community Outcomes

Objective

Elected members are effective, responsible and accountable decision makers.

What we do

The elected members are chosen by you every three years to provide governance over the activities, services, and projects of Council. They must represent their communities and make decisions in an open, transparent and accountable manner. This activity supports the decision-making processes of elected members and makes sure decisions are made in accordance with guiding legislation.

Further information and key documents:

- Whakatāne District Local Governance Statement
- Elected member profiles and contact details are available on our website.

Measuring progress

The following measure, alongside financial performance and progress on projects, is reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
Satisfaction with the performance of the Mayor and Councillors	79%	75-79%	75-79%	75-79%	75-79%

Cost for 2018-28

Operating cost: \$13.4 million

Capital cost: \$0

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Support the decision-making process and records management for Council and Committees of Council.	2018-28
Support the decision-making process and records management for Community Boards.	2018-28
Manage local body elections every three years for Council and Community Boards.	2019, 2022, 2025 and 2028
Manage any by-elections and referendums as required.	As required
Provide Mayoral mentoring and leadership programmes.	2018-28

COMMUNITY SUPPORT

Tautoko o te hapori



Community Outcomes

Objective

To recognise, support and celebrate local volunteers for their contribution to the wellbeing of the District.

What we do

The Council recognises and appreciates the significant voluntary contribution that local groups, organisations and individuals make to the well-being of our communities and District. This activity provides support for the work of volunteers and helps to recognise and celebrate their efforts. It also manages civic ceremonies and partner-city relationships. This activity works in partnership with a number of other entities including Trustpower, Creative New Zealand, Sport New Zealand, and others.

Further information and key documents:

- Community Funding Policy
- Annual Grants application forms

Cost for 2018-28

Operating cost: \$2.45 million

Capital cost: \$0

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Provide civic ceremonies and commemorations (such as ANZAC, citizenship, and over 80's morning tea)	2018-28 Annually
Plan and deliver annual events to celebrate Council volunteers and young achievers.	2018-28 Annually
Provide community grants and subsidised facility rental to community organisations and volunteer groups.	2018-28 Annually and 3 yearly
Provide an Environment and Heritage Fund to encourage and support the protection of privately owned heritage features.	2018-28 Annually
Provide annual discretionary funds to Community Boards to support events and community projects within their ward boundaries.	2018-28 Annually
Support friendship/sister city relationships with Kamagaya and Shibukawa in Japan, and developing relationships with Fujiang and Fuzhou in China.	2018-28 As required

STRATEGY AND POLICY

Rautaki me ngā kaupapa here



Community Outcomes

Objective

To deliver strategies, policies, plans and bylaws that provide a sustainable, effective and appropriate direction for our communities and District.

What we do

This activity delivers evidence-based strategic advice to support Council's direction setting and decision-making processes. This activity develops Council strategies, policies, bylaws and reviews these where required. The activity coordinates the development of long-term plans, annual plans, and annual reports as guided by the Local Government Act 2002. It also provides research and strategic support to other functions across Council. This enables the Council to make effective policy decisions and set a sustainable direction for the future of our communities and District.

Further information and key documents:

- Long Term Plans and Annual Plans
- Annual Reports
- Strategies, Policies and Bylaws

Cost for 2018-28

Operating cost: \$7.32 million

Capital cost: \$0

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Develop Climate Change Action Plan	2018/19
Manage corporate planning processes including Long Term Plan (every 3 years) and Annual Plan (every intervening year)	2018-28 Annually
Manage Annual Report and quarterly performance reporting processes	2018-28 Annually
Review existing strategies and policies (usually to a 3 and 5 year review cycle), including the Gambling Policy, Community Funding Policy, and Local Alcohol Policy	2018-28 As required
Develop new policies and strategies as required	2018-28 As required
Review bylaws (usually to a 5 and 10-year review cycle) and develop new bylaws as required.	2018-28 As required
Support quarterly meetings of Iwi Chairs Forum	2018-28 Quarterly
Undertake research and provide advice to staff and elected members as required	2018-28 As required
Develop submissions to other Council and Central Government processes to advocate for the interests of our District and communities	2018-28 As required
Develop Pre-election Reports (3 yearly)	2019, 2022, 2025 and 2028



ROADS AND FOOTPATHS

Ngā huarahi me ngā ara



TRANSPORT NETWORKS
PARKING ENFORCEMENT

908km OF LOCAL ROADS

10km OF OFF-ROAD CYCLE PATHS

196km OF FOOTPATHS

3,454 STREETLIGHTS

8,240 ROAD SIGNS

What these activities will cost and how we are going to pay for them

AP 2018/19 ANNUAL PLAN		LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
SOURCES OF OPERATING FUNDING											
(25)	General rates, uniform annual general charges, rates penalties	(25)	(25)	(26)	(26)	(27)	(27)	(28)	(29)	(29)	(30)
6,833	Targeted rates	5,837	6,412	6,550	6,819	7,043	7,323	7,352	7,547	7,680	7,834
3,220	Subsidies and grants for operating purposes	3,685	3,770	3,858	3,684	3,770	3,859	3,952	4,048	4,148	4,255
81	Fees and charges	28	28	29	30	30	31	32	33	33	34
-	Internal charges and overheads recovered	1,482	1,516	1,552	1,587	1,624	1,663	1,703	1,744	1,787	1,833
846	Local authorities fuel tax, fines, infringement fees, and other receipts	603	617	631	646	661	677	693	710	727	746
10,955	Total operating funding (A)	11,610	12,318	12,594	12,739	13,102	13,525	13,703	14,053	14,347	14,672
APPLICATIONS OF OPERATING FUNDING											
6,247	Payments to staff and suppliers	6,112	6,104	6,212	6,489	6,636	6,901	6,947	7,111	7,280	7,460
565	Finance costs	454	452	471	495	523	531	541	556	574	585
1,205	Internal charges & overheads applied	2,381	2,428	2,486	2,525	2,581	2,646	2,692	2,756	2,827	2,856
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
8,017	Total applications of operating funding (B)	8,947	8,984	9,168	9,508	9,740	10,078	10,180	10,422	10,681	10,901
2,938	Surplus (deficit) of operating funding (A-B)	2,664	3,333	3,426	3,231	3,362	3,447	3,523	3,630	3,666	3,771
SOURCES OF CAPITAL FUNDING											
4,413	Subsidies and grants for capital expenditure	15,513	7,423	9,752	5,429	4,995	4,790	5,328	5,438	5,380	5,558
-	Development and financial contributions	13	13	14	14	14	15	15	15	16	16
(191)	Increase (decrease) in debt	(203)	(204)	618	519	244	79	329	307	250	257
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
4,222	Total sources of capital funding (C)	15,323	7,233	10,384	5,962	5,253	4,884	5,673	5,760	5,646	5,831
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
39	- to meet additional demand	1,960	1,451	2,679	523	239	195	199	204	209	215
1,691	- to improve level of service	11,743	3,216	4,543	2,650	2,147	1,727	2,016	2,223	1,995	2,337
5,670	- to replace existing assets	5,098	5,711	5,987	5,444	5,588	5,703	6,289	6,216	6,390	6,288
(240)	Increase (decrease) in reserves	(814)	187	600	576	640	706	692	747	718	764
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
7,160	Total applications of capital funding (D)	17,986	10,566	13,810	9,193	8,615	8,331	9,196	9,390	9,312	9,603
(2,938)	Surplus (deficit) of capital funding (C-D)	(2,664)	(3,333)	(3,426)	(3,231)	(3,362)	(3,447)	(3,523)	(3,630)	(3,666)	(3,771)
-	Funding Balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-

TRANSPORT NETWORKS

Ngā Ara Waka



Community Outcomes

Objective

To provide transport networks that enable the connection and movement of people, goods and services in a safe, efficient and affordable way.

What we do

The transport network is a significant and essential physical resource in the District contributing to the social and economic well-being of residents, visitors and businesses. The roading network is essential to the continued growth and economic success of the Whakatāne District and must be managed safely, efficiently and effectively, now and in the future.

Through this activity we provide transport networks (such as roads, footpaths, cycle ways, parking facilities and bridges), public transport infrastructure (such as bus shelters) and traffic control mechanisms (such as signage, lighting and road markings) and work to implement our Walking and Cycling Strategy. This activity is guided by the Local Government Act 1974 and the Land Transport Management Act 2003.

Further information and key documents:

- Infrastructure Strategy 2018-48
- Transportation Activity Management Plan 2018-28
- Walking and Cycling Strategy

Cost over 2018-28

Operating cost: \$166.7 million

Capital cost: \$101.2 million

The New Zealand Transport Agency (NZTA) provide significant funding towards this activity. This covers 64% of expenditure on our local roading networks.

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Maintenance and renewal of our 908 km road network	Annually
Maintenance of transport assets such as footpaths, signs, lights, road markings, parking facilities and bridges.	Annually
Review and implement the urban walking and cycling strategy	2018-20
Improvements to Bunyan Road East*	2019/20
Road alignment and intersection improvements - Thornton Road, Gorge/Ōhope Road and Wainui Road*	2021-28
Keepa Road and School Links Cyclepath development*	2022-28
Resilience and safety improvements to the Te Urewera Route*	2019-2022
Bridge renewals at Mimiha Stream and Ruatāhuna Road*	2020/21
Walkway lights installation – Whakatāne i-SITE to Boat Ramp*	2018/19

**For more detailed information about these capital projects including a breakdown of costs, please refer to the full Capital Projects List in the 'Our Costs in Detail' chapter of this Long Term Plan.*

What negative impact this activity might have

While we work to deliver positive outcomes for our communities, some of our activities may have negative impacts. The table to the right shows the possible negative effects of this activity and how we will try to minimise the effects.

SIGNIFICANT NEGATIVE EFFECT	SUSTAINABLE SOLUTION
The maintenance of the roading network may cause a number of nuisances including dust, noise and smells.	Comply with the Resource Management Act, and Local Bylaws during maintenance activities, track and record complaints.
Carrying out road maintenance activities can cause short term delays to traffic	Appropriate temporary traffic management to minimise delays, this could be working outside of peak hour traffic, short detours, or manual traffic control.
The provision of a roading network may encourage increased traffic volumes and increase the levels of emissions.	The provision of a sustainable roading network is essential to the District. The Council also invests in walking and cycling infrastructure.

Measuring progress

The following measures, alongside financial performance and progress on projects, is reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
Satisfaction with roads in the District, excluding state highways	85%	89-93%	89-93%	89-93%	89-93%
Average quality of ride on a sealed local road network - smooth travel exposure* ^M	92%	89-93%	89-93%	89-93%	89-93%
Percentage of sealed local road network that is resurfaced ^M	6.7%	6-8%	6-8%	6-8%	6-8%
Percentage of qualifying footpaths within the District that fall within the level of service or service standard for the condition of footpaths set out in the Activity Management Plan ^M	100%	100%	100%	100%	100%
Percentage of emergency customer service requests relating to roads and footpaths responded to within 2 hours ^M	89.5%	87-92%	87-92%	87-92%	87-92%
Percentage of all other customer service requests relating to roads and footpaths responded to within 7 days ^M	97.6%	95-100%	95-100%	95-100%	95-100%

* Smooth Travel Exposure indicates the ride quality experienced by motorists. It shows the percentage of vehicle kilometres travelled on smooth, sealed roads.

^M Mandatory performance measure required by Department of Internal Affairs.

PARKING ENFORCEMENT

Whakauruhi tūwaka



Community Outcomes

Objective

To ensure parking spaces in our busiest areas have an appropriate level of turnover and are available for shoppers and businesses.

What we do

We provide parking enforcement services, primarily in the Whakatāne town centre and in Kopeopeo. We undertake this activity at the request of the community and businesses of the CBD, so parking spaces in our busiest areas have an appropriate level of turnover and are available for shoppers and businesses. This activity also helps to ensure vehicles are safe by ensuring they have valid vehicle registration and warrants of fitness. This service is guided by the Council's Traffic and Speed Limits Bylaw, the Land Transport Act 1998, and the New Zealand Traffic Regulations.

Measuring progress

The following measure, alongside financial performance and progress on projects, is reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
Percentage of the time at least two patrols per day are carried out in Whakatāne	90%	90%	90%	90%	90%

Cost over 2018-28

Operating cost: \$1.42 million
Capital cost: \$0

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Patrols for parking, warrant of fitness, and vehicle registration compliance	Week days



WATER SUPPLY

Ngā puna wai



WATER SUPPLY

10 WATER SUPPLY SCHEMES

12,549 WATER CONNECTIONS IN WHAKATĀNE DISTRICT

5.8 MILLION CUBIC METRES OF WATER SUPPLIED PER YEAR

544 KM OF PIPELINES

What these activities will cost and how we are going to pay for them

Funding Impact Statement for 2018-2028 - Water Supply
Whakatāne District Council

ANNUAL PLAN 2017/18 \$000		LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
SOURCES OF OPERATING FUNDING											
-	General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-
5,230	Targeted rates	6,117	5,885	6,035	6,226	6,478	6,720	6,906	7,044	7,142	7,248
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
252	Fees and charges	55	57	58	59	61	62	64	65	67	69
151	Internal charges and overheads recovered	49	55	56	57	58	59	61	62	63	64
11	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
5,644	Total operating funding (A)	6,221	5,996	6,149	6,342	6,597	6,842	7,030	7,171	7,272	7,381
APPLICATIONS OF OPERATING FUNDING											
1,636	Payments to staff and suppliers	1,710	1,717	1,767	1,795	1,878	1,892	1,961	1,981	2,040	2,119
501	Finance costs	460	552	654	702	753	788	817	816	799	774
1,725	Internal charges & overheads applied	1,885	1,925	1,985	2,005	2,052	2,119	2,143	2,196	2,268	2,295
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
3,861	Total applications of operating funding (B)	4,056	4,193	4,406	4,503	4,683	4,800	4,921	4,993	5,107	5,189
1,783	Surplus (deficit) of operating funding (A-B)	2,166	1,803	1,743	1,839	1,914	2,042	2,110	2,179	2,164	2,193
SOURCES OF CAPITAL FUNDING											
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
17	Development and financial contributions	280	43	44	45	46	47	48	285	50	52
(228)	Increase (decrease) in debt	934	3,096	900	772	774	769	437	(574)	(738)	(511)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
(211)	Total sources of capital funding (C)	1,214	3,138	943	817	819	816	485	(290)	(687)	(459)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
152	- to meet additional demand	421	2,390	410	376	353	531	174	89	-	256
403	- to improve level of service	801	1,108	1,061	1,112	1,482	1,422	844	368	198	667
1,361	- to replace existing assets	1,150	1,136	2,722	2,156	1,025	1,973	1,557	746	642	1,111
(343)	Increase (decrease) in reserves	1,007	308	(1,507)	(987)	(127)	(1,069)	20	686	637	(300)
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
1,573	Total applications of capital funding (D)	3,379	4,942	2,687	2,656	2,733	2,858	2,595	1,889	1,477	1,734
(1,784)	Surplus (deficit) of capital funding (C-D)	(2,166)	(1,803)	(1,743)	(1,839)	(1,914)	(2,042)	(2,110)	(2,179)	(2,164)	(2,193)
-	Funding Balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-

WATER SUPPLY

Ngā puna wai



Community Outcomes

Objective

To provide safe, reliable and sustainable water supplies to meet community demand and urban firefighting requirements.

What we do

We operate ten different water supply schemes servicing Edgecumbe, Matatā, Murupara, Ōhope, Rangitāiki Plains, Rūātoki, Tāneatua, Te Mahoe, Waimana and Whakatāne. These provide water to over 12,500 households and businesses throughout the District. Our water supply schemes require a large amount of infrastructure including water treatment plants, reservoirs, pump stations, pipe networks, water meters, back flow prevention units, hydrants and more. The water supply systems are designed to treat raw water to make sure it is safe to drink, and to continuously supply this water to users at a suitable pressure and quantity through a piping network. Council's water supply systems also need to provide enough water pressure for firefighting services in urban areas. Council undertakes these water supply activities because of public demand, statutory obligations and duty of care. We work under a Ministry of Health framework to ensure our supplies are meeting the Drinking Water Standards for New Zealand.

Further information and key documents:

- New Zealand Drinking Water Standards 2008
- Infrastructure Strategy 2018-48
- Water Supply Asset Management Plan 2018-28
- Combined Waters Bylaw 2017

In focus - water by meter

Whakatāne, Ōhope, Plains, Rūātoki, and some other commercial properties have metered water connections while others are unmetered. Having meters in place helps to identify where leaks are in the pipe network. It also helps to manage consumption because properties are paying for what they use - average consumption for metered areas is 250 litres, per person, per day, compared to 300 litres in non-metered areas.

Cost over 2018-28

Operating cost: \$60.2 million
Capital cost: \$28.3 million

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Operation of ten water supply schemes.	Continuous
Maintenance and renewal of water supply plant, pipes, networks and other associated infrastructure*	Daily
Water quality sampling and monitoring	Daily
Continued installation of water meters for unmetered properties*	2020
Upgrades to the Whakatāne Water Treatment Plant*	2019-24
Upgrade of water reservoirs*	2020-26
Upgrades to Murupara water supply reticulation*	2019-24
Ōhope Harbour water pipe upgrade and timber reservoir replacement*	2025-2028

**For more detailed information about these capital projects including a breakdown of costs, please refer to the full Capital Projects List in the 'Our Costs in Detail' chapter of this Long Term Plan.*

What negative impact this activity might have

While we work to deliver positive outcomes for our communities, some of our activities may have negative impacts. The table below shows the possible negative effects of this activity and how we will try to minimise the effects.

SIGNIFICANT NEGATIVE EFFECT	SUSTAINABLE SOLUTION
Over extraction of water.	Comply with Resource Consent conditions on maximum draw. Monitoring of water take and water availability. Use of water restrictions if required.
Potential delivery of contaminated water through our schemes.	Emergency response plans, operational procedures and monitoring of the raw water supplies. Public Health Risk Management Plans.
Insufficient water supplies during times of drought or emergency.	Demand management, through water conservation education, water restrictions and other methods, is used to reduce water demands during drought or emergency. 24 hours' worth of water storage is available for all schemes, except Plains and Edgecumbe. Investigation is underway to improve the security of the water supply source for Whakatāne and Plains area. This study will be considered though the development of the Council's 2018-2028 LTP.

Measuring progress

The following measures, alongside financial performance and progress on projects, are reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
The extent to which Council's drinking water supplies comply with Part 4 of the Drinking Water Standards (bacteria compliance criteria) ^M	All schemes compliant	All schemes compliant	All schemes compliant	All schemes compliant	All schemes compliant
The extent to which Council's drinking water supplies comply with Part 5 of the Drinking Water Standards (protozoal compliance criteria) ^M	Not all schemes compliant	All schemes compliant	All schemes compliant	All schemes compliant	All schemes compliant
Number of complaints, per 1,000 connections, received by the Council about drinking water clarity ^M	1.6	Less than 20	Less than 20	Less than 20	Less than 18
Number of complaints, per 1,000 connections, received by the Council about drinking water taste ^M	0.88	Less than 20	Less than 20	Less than 20	Less than 18
Number of complaints, per 1,000 connections, received by the Council about drinking water odour ^M	0.48	Less than 20	Less than 20	Less than 20	Less than 18
Average consumption of drinking water per day per resident in the District for metered areas ^M	240 litres	280 litres or less	280 litres or less	280 litres or less	280 litres or less
Average consumption of drinking water per day per resident in the District for unmetered areas ^M	300.7 litres	450 litres or less	450 litres or less	450 litres or less	450 litres or less
Percentage of real water loss from our networked reticulation for metered schemes ^M	25%	20% or less	20% or less	20% or less	20% or less
Percentage of real water loss from our networked reticulation system for unmetered schemes ^M	49.4%	50% or less	50% or less	50% or less	50% or less
Satisfaction with the water supply	87%	86-90%	86-90%	86-90%	86-90%
Median response time to attend urgent call-outs ^M	12 minutes	1 hour	1 hour	1 hour	1 hour
Median response time to resolve urgent call-outs ^M	3 hours	10 hours	10 hours	10 hours	10 hours
Median response time to attend non-urgent call-outs ^M	18 minutes	4 days	4 days	4 days	4 days
Median response time to resolve non-urgent call-outs ^M	24 hours	5 days	5 days	5 days	5 days
Number of complaints received, per 1,000 connections, by the Council about drinking water pressure or flow ^M	3.19 complaints	Less than 45	Less than 45	Less than 45	Less than 45
Number of complaints received, per 1,000 connections, by the Council about continuity of supply ^M	9.5 complaints	Less than 40	Less than 40	Less than 40	Less than 40
Number of complaints received, per 1,000 connections, about the Council's response to any of these issues ^M	2.63 complaints	Less than 2	Less than 2	Less than 2	Less than 2

^M Mandatory performance measure required by Department of Internal Affairs.



SEWAGE TREATMENT AND DISPOSAL

Te tukuhanga o ngā parapara



SEWAGE TREATMENT AND DISPOSAL

6 SEWAGE TREATMENT SCHEMES

4 WASTEWATER DISCHARGE
CONSENTS EXPIRING BY 2026

9,211 SEWER CONNECTIONS

188.5 KM OF PIPELINES

2,880 MANHOLES

What these activities will cost and how we are going to pay for them

Funding Impact Statement for 2018-2028 - Sewage Treatment and Disposal Whakatāne District Council

ANNUAL PLAN 2017/18 \$000		LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
SOURCES OF OPERATING FUNDING											
187	General rates, uniform annual general charges, rates penalties	126	438	441	443	445	445	446	447	448	448
3,366	Targeted rates	3,764	4,038	4,468	4,609	4,755	4,889	5,116	5,289	5,409	5,662
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
124	Fees and charges	137	140	145	147	150	156	157	161	167	169
160	Internal charges and overheads recovered	54	55	56	57	58	59	60	62	63	64
153	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
3,989	Total operating funding (A)	4,081	4,672	5,110	5,255	5,408	5,550	5,780	5,959	6,087	6,343
APPLICATIONS OF OPERATING FUNDING											
1,136	Payments to staff and suppliers	865	906	987	1,009	1,055	1,074	1,115	1,103	1,139	1,166
354	Finance costs	366	442	447	445	444	467	533	559	574	673
1,350	Internal charges & overheads applied	1,434	1,459	1,506	1,520	1,555	1,608	1,624	1,664	1,721	1,738
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
2,841	Total applications of operating funding (B)	2,664	2,806	2,939	2,974	3,054	3,148	3,271	3,326	3,433	3,577
1,148	Surplus (deficit) of operating funding (A-B)	1,417	1,866	2,171	2,281	2,354	2,401	2,509	2,633	2,654	2,766
SOURCES OF CAPITAL FUNDING											
120	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
51	Development and financial contributions	747	50	51	52	53	55	56	58	59	61
306	Increase (decrease) in debt	3,115	(149)	(106)	(374)	(142)	1,251	1,854	(653)	1,146	3,899
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
477	Total sources of capital funding (C)	3,862	(99)	(55)	(322)	(89)	1,306	1,910	(595)	1,205	3,960
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
316	- to meet additional demand	319	34	40	24	34	209	1	1	1	1
515	- to improve level of service	363	457	526	421	1,002	2,582	2,724	715	3,142	4,559
589	- to replace existing assets	444	479	464	581	286	938	5,010	258	1,807	4,213
206	Increase (decrease) in reserves	4,152	797	1,085	933	944	(22)	(3,316)	1,064	(1,091)	(2,048)
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
1,625	Total applications of capital funding (D)	5,279	1,767	2,116	1,959	2,265	3,707	4,419	2,038	3,859	6,725
(1,148)	Surplus (deficit) of capital funding (C-D)	(1,417)	(1,866)	(2,171)	(2,281)	(2,354)	(2,401)	(2,509)	(2,633)	(2,654)	(2,766)
-	Funding Balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-

SEWAGE TREATMENT AND DISPOSAL

Te rānekeneke
me te rukea o
te parakaingaki



Community Outcomes

Objective

To provide efficient, reliable, safe and sustainable sewage systems that protect the health of our community and the natural environment.

What we do

We operate and manage six wastewater schemes servicing the urban areas of Edgecumbe, Murupara, Ōhope, Tāneatua, Te Mahoe and Whakatāne (75% of the population in the District). Council provides a variety of infrastructure to manage sewerage within our identified urban and residential areas. Our sewer system includes sewer service lines, manholes, underground pipes, pump stations and sewer treatment plants. Whakatāne District Council collects the sewage from household and business connections, treats it to an acceptable level and safely disposes of it.

This activity also includes the Council's 'Tradewaste' functions, which include the monitoring and treatment of liquid discharged from businesses into the wastewater system. We undertake sewage treatment and drainage activities because of statutory obligations, duty of care and public demand. The alternative to a Council provided sewerage system is the use of septic tanks. These independent systems are approved and monitored by the Bay of Plenty Regional Council (BOPRC).

The six Council managed wastewater schemes all have resource consents that allow the Council to discharge the treated sewage (to rivers and the ocean). Over the next eight years (by 2026), four of the current discharge resource consents will expire. This means we

will need to apply for new consents (from BOPRC) and it is very likely that our sewage treatment processes will need to be improved to comply with new consent conditions.

Further information and key documents:

- Infrastructure Strategy 2018-48
- Wastewater Asset Management Plan 2018-28
- Combined Waters Bylaw 2017

In focus - integrated solution for Edgecumbe, Matatā, Tāneatua, and Whakatāne

An integrated wastewater proposal has been developed for an integrated Edgecumbe, Matatā, Tāneatua and Whakatāne. This would provide a reticulated wastewater service to Matatā (replacing septic tanks) and connect Matatā via the Edgecumbe treatment plant to Whakatāne. Additionally, Tāneatua's wastewater could connect to the treatment ponds in Whakatāne. At Whakatāne, improved treatment processes are proposed prior to discharge to sea through the existing consented ocean outfall. This centralised solution eliminates discharges to our rivers, is cost effective, and optimises existing consented infrastructure. The integrated wastewater system is reliant on significant external funding which is the subject of ongoing discussions with BOPRC and Central Government. The integrated wastewater project is not budgeted in this LTP until such time as funding is confirmed.

Cost for 2018-28

Operating cost: \$40.7 million

Capital cost: \$31.6 million

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Operation of six wastewater schemes	Continuous
Maintenance and renewal of water supply plant, pipes networks and other associated infrastructure*	Daily
Work to confirm funding support for an integrated wastewater system	Ongoing
Extend wastewater systems to service residential development at Shaw/Huna Road*	2019/20
Upgrades of Whakatāne Wastewater Treatment Ponds*	2019-28
Renewal of sewerage reticulation in Edgecumbe*	2027/28
Upgrade and renewals of Whakatāne wastewater pump stations*	2024-27
Upgrades of Murupara and Tāneatua wastewater systems*	2020-28
Apply for new resource consents for wastewater discharges*	2020-27

**For more detailed information about these capital projects including a breakdown of costs, please refer to the full Capital Projects List in the 'Our Costs in Detail' chapter of this Long Term Plan.*

What negative impact this activity might have

While we work to deliver positive outcomes for our communities, some of our activities may have negative impacts. The table below shows the possible negative effects of this activity and how we will try to minimise the effects.

SIGNIFICANT NEGATIVE EFFECT	SUSTAINABLE SOLUTION
Overflows of untreated sewage from the sewerage network due to blockages, pump station or other plant malfunction, inflow/infiltration of stormwater into the sewerage network and/or insufficient capacity.	Compliance with resource consent and Council's Engineering Code of Practice and Guidelines. Maintaining our maintenance programme and environmental controls. Providing emergency storage tanks at pump stations for sewage overflow.
Discharge of sewage through the ocean outfalls at Whakatāne and Ōhope may cause environmental and health issues.	Compliance with resource consent. Alternative options will be considered prior to Resource Consent expiration in 2026.

Measuring progress

The following measures, alongside financial performance and progress on projects, are reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
Satisfaction with the sewage system	86%	83-87%	83-87%	83-87%	83-87%
Number of complaints received per 1,000 connections about sewage odour ^M	1.71	Less than 20	Less than 20	Less than 15	Less than 13
Number of complaints received per 1,000 connections about sewage system faults ^M	11.16	Less than 15	Less than 15	Less than 15	Less than 13
Number of complaints received per 1,000 connections about system blockages ^M	8.14	Less than 20	Less than 20	Less than 15	Less than 13
Number of complaints received per 1,000 connections about the Council's response to issues with our sewerage system ^M	0.67	Less than 2	Less than 2	Less than 2	Less than 2
Median response time to attend a sewerage overflow resulting from a blockage or other fault in the Council's sewerage system ^M	1.2 minutes	3 hours	3 hours	3 hours	3 hours
Median response time to resolve a sewerage overflow resulting from a blockage or other fault in the Council's sewerage system ^M	3 hours	10 hours	10 hours	10 hours	10 hours
Number of dry weather sewage overflows from the Council's sewerage system per 1,000 connections ^M	1.81 overflows	15 overflows	15 overflows	15 overflows	13 overflows
Number of abatement notices received by the Council in relation to the resource consents for discharge from our sewerage systems ^M	Zero	Zero	Zero	Zero	Zero
Number of infringement notices received by the Council in relation to the resource consents for discharge from our sewerage systems ^M	Zero	Zero	Zero	Zero	Zero
Number of enforcement orders received by the Council in relation to the resource consents for discharge from our sewerage systems ^M	Zero	Zero	Zero	Zero	Zero
Number of convictions received by the Council in relation to the resource consents for discharge from our sewerage systems ^M	Zero	Zero	Zero	Zero	Zero

^M Mandatory performance measure required by Department of Internal Affairs.



STORMWATER DRAINAGE

Te anakeri o te wai āwhiowhio



STORMWATER DRAINAGE

- 28** KM OF OPEN CHANNELS AND STREAMS
- 114** KM OF PIPELINES
- 1,700** MANHOLES
- 20** PUMPSTATIONS
- 60** FLOODGATES

What these activities will cost and how we are going to pay for them

Funding Impact Statement for 2018-2028 - Stormwater Drainage
Whakatāne District Council

ANNUAL PLAN 2017/18 \$000		LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
SOURCES OF OPERATING FUNDING											
363	General rates, uniform annual general charges, rates penalties	352	354	356	358	361	361	359	360	361	362
3,328	Targeted rates	3,184	3,390	3,597	3,820	3,995	4,143	4,238	4,432	4,480	4,518
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and charges	-	-	-	-	-	-	-	-	-	-
1,540	Internal charges and overheads recovered	1,930	1,957	2,030	2,057	2,111	2,190	2,217	2,394	2,480	2,513
100	Local authorities fuel tax, fines, infringement fees, and other receipts	100	103	105	108	110	113	116	119	122	125
5,330	Total operating funding (A)	5,566	5,804	6,089	6,343	6,577	6,807	6,930	7,304	7,443	7,517
APPLICATIONS OF OPERATING FUNDING											
2,330	Payments to staff and suppliers	2,669	2,718	2,811	2,859	2,935	3,037	3,088	3,287	3,398	3,455
1,087	Finance costs	956	994	1,070	1,135	1,185	1,185	1,154	1,126	1,103	1,044
946	Internal charges & overheads applied	919	935	961	971	994	1,023	1,036	1,180	1,216	1,232
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
4,363	Total applications of operating funding (B)	4,544	4,646	4,841	4,966	5,114	5,245	5,278	5,593	5,717	5,730
967	Surplus (deficit) of operating funding (A-B)	1,022	1,158	1,248	1,377	1,463	1,561	1,652	1,712	1,727	1,787
SOURCES OF CAPITAL FUNDING											
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
26	Development and financial contributions	24	25	25	26	26	27	28	29	29	30
(382)	Increase (decrease) in debt	26	988	1,381	687	360	(557)	(1,138)	(341)	(1,393)	(1,452)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
(357)	Total sources of capital funding (C)	50	1,012	1,406	713	387	(530)	(1,110)	(312)	(1,364)	(1,422)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
448	- to meet additional demand	5	51	145	141	98	11	17	-	-	-
357	- to improve level of service	956	1,899	2,692	1,725	1,534	1,092	255	1,098	37	10
180	- to replace existing assets	153	40	358	363	57	316	128	423	35	26
(375)	Increase (decrease) in reserves	(40)	180	(541)	(139)	161	(388)	142	(121)	290	328
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
610	Total applications of capital funding (D)	1,073	2,170	2,654	2,090	1,850	1,031	542	1,399	362	365
(967)	Surplus (deficit) of capital funding (C-D)	(1,022)	(1,158)	(1,248)	(1,377)	(1,463)	(1,561)	(1,652)	(1,712)	(1,727)	(1,787)
-	Funding Balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-

STORMWATER DRAINAGE

Te anakeri o te wai āwhiohio



Community Outcomes

Objective

To provide efficient, reliable, safe and sustainable stormwater systems that minimise the effects of flooding to property and human life.

What we do

Stormwater is the water that runs off surfaces such as roads, driveways, footpaths and rooftops after rain events. We operate and manage eight stormwater systems servicing the urban areas of Edgecumbe, Matatā, Murupara, Ōhope, Tāneatua, Te Mahoe, Te Teko and Whakatāne. These systems are designed to take stormwater away from built up urban areas and disperse it to waterways (streams, rivers and the ocean) to minimise the effects of flooding on property and the risk to human life. Our stormwater systems include underground pipes, open drains, overland flow paths, pump stations and stormwater ponds. Alongside our urban stormwater drainage systems, the Bay of Plenty Regional Council (BOPRC) is responsible for managing rivers and rural drainage schemes to ensure our communities are protected from flooding.

Further information and key documents:

- Infrastructure Strategy 2018-48
- Stormwater Asset Management Plan 2018-28
- Combined Waters Bylaw 2017

Cost for 2018-28

Operating cost: \$36.9 million

Capital cost: \$13.7 million

In focus - Comprehensive Stormwater Consent

Our stormwater systems are required to operate under resource consents issued by BOPRC. The consents aim to manage the possible adverse impacts that can result from stormwater systems - like effects on water quality and habitats of receiving waters, erosion, and impact on downstream flooding for example. We are working closely with BOPRC towards a new 'Comprehensive Stormwater Consent' for the Whakatāne urban catchment by 2019 and then will proceed with the remaining catchments by 2024. As part of this process, each catchment will have an associated Catchment Management Plan, which will identify issues within the stormwater network and the best way of addressing these.

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Operation and management of 8 stormwater systems	Continuous
Maintenance and renewal of stormwater infrastructure (including manholes, floodgates, and reticulation network)	Daily
Monitor heavy weather events and prepare systems to maximise effectiveness where needed	As required
Upgrades and renewals of stormwater pipes*	2020-26
Stormwater resource consent and associated capital upgrades*	2019-25
Risk assessment, implementation and stormwater modelling*	2019-24
Upgrade St. Joseph Drain Pump Station*	2020/21
Upgrade for Whakatāne Hinemoa Pump Station and pipes*	2021-23

*For more detailed information about these capital projects including a breakdown of costs, please refer to the full Capital Projects List in the 'Our Costs in Detail' chapter of this Long Term Plan.

What negative impact this activity might have

While we work to deliver positive outcomes for our communities, some of our activities may have negative impacts. The table to the right shows the possible negative effects of this activity and how we will try to minimise the effects.

SIGNIFICANT NEGATIVE EFFECT	SUSTAINABLE SOLUTION
Discharge of polluted stormwater impacting on public health.	Application being developed for a comprehensive Resource Consent based on the catchment management plan for Whakatāne. This plan addresses the pollution issues associated with stormwater.
Inadequacy of existing stormwater assets to cope with large rainfall events causing flooding, which could result in social and economic hardship.	Compliance with Council's Engineering Code of Practice. Council utilises overland flow paths to increase the level of protection to houses and commercial buildings. Works are proposed to improve our level of protection in large rainfall events.

Measuring our progress

The following measures, alongside financial performance and progress on projects, are reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
Number of flooding events* in the District ^M	Zero events	Less than 4	Less than 4	Less than 4	Less than 4
For each flooding event, the number of habitable floors affected (per 1,000 properties connected to the Council's stormwater system) ^M	Zero floors affected	Less than 10	Less than 10	Less than 10	Less than 10
Median response time to attend a flooding event ^M	42 minutes	3 hours	3 hours	3 hours	3 hours
Number of complaints received about the performance of the stormwater system per 1,000 connections ^M	8.31	Less than 10	Less than 10	Less than 10	Less than 10
Number of abatement notices received by the Council in relation to the resource consents for discharge from our stormwater system ^M	Zero	Zero	Zero	Zero	Zero
Number of infringement notices received by the Council in relation to the resource consents for discharge from our stormwater system ^M	Zero	Zero	Zero	Zero	Zero
Number of enforcement notices received by the Council in relation to the resource consents for discharge from our stormwater system ^M	Zero	Zero	Zero	Zero	Zero
Number of successful prosecutions received by the Council in relation to the resource consents for discharge from our stormwater system ^M	Zero	Zero	Zero	Zero	Zero

* A 'flooding event' is defined by the Department of Internal Affairs as 'an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor'.

^M Mandatory performance measure required by Department of Internal Affairs.

SOLID WASTE

Ngā Parapara



SOLID WASTE

20,300

*TONNES OF SOLID WASTE
GENERATED EACH YEAR*

10,500

TONNES SENT TO LANDFILL

5,500

TONNES TURNED INTO COMPOST

1,800

*TONNES OF GLASS
REMANUFACTURED*

What these activities will cost and how we are going to pay for them

Funding Impact Statement for 2018-2028 - Solid Waste
Whakatāne District Council

ANNUAL PLAN 2017/18 \$000		LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2025/25 \$000	LTP 2024/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
SOURCES OF OPERATING FUNDING											
1,800	General rates, uniform annual general charges, rates penalties	1,849	1,924	1,997	2,047	2,102	2,128	2,181	2,219	2,231	2,269
2,481	Targeted rates	2,595	2,732	2,830	2,925	2,992	3,056	3,119	3,193	3,202	3,278
110	Subsidies and grants for operating purposes	110	112	114	117	119	122	124	127	130	132
720	Fees and charges	710	724	738	753	769	785	802	819	836	854
-	- Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
-	- Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
5,111	Total operating funding (A)	5,264	5,492	5,679	5,842	5,983	6,091	6,226	6,358	6,399	6,533
APPLICATIONS OF OPERATING FUNDING											
4,253	Payments to staff and suppliers	4,427	4,575	4,700	4,785	4,920	5,038	5,178	5,301	5,452	5,580
169	Finance costs	131	123	115	106	97	86	76	66	56	51
482	Internal charges & overheads applied	502	513	528	532	543	560	565	577	595	599
-	- Other operating funding applications	-	-	-	-	-	-	-	-	-	-
4,905	Total applications of operating funding (B)	5,060	5,211	5,343	5,424	5,560	5,684	5,819	5,944	6,103	6,230
206	Surplus (deficit) of operating funding (A-B)	204	282	337	419	422	407	408	415	296	303
SOURCES OF CAPITAL FUNDING											
-	- Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	- Development and financial contributions	-	-	-	-	-	-	-	-	-	-
(248)	Increase (decrease) in debt	(244)	(246)	(248)	(250)	(249)	(230)	(227)	(230)	(109)	(112)
-	- Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	- Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	- Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
(248)	Total sources of capital funding (C)	(244)	(246)	(248)	(250)	(249)	(230)	(227)	(230)	(109)	(112)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
-	- to meet additional demand	5	5	5	5	5	6	6	6	6	6
10	- to improve level of service	5	5	5	5	5	6	6	6	6	6
25	- to replace existing assets	30	30	29	17	27	29	34	18	23	24
(77)	Increase (decrease) in reserves	(80)	(5)	50	141	135	137	135	155	153	155
-	- Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
(42)	Total applications of capital funding (D)	(40)	36	89	169	173	177	181	185	188	191
(206)	Surplus (deficit) of capital funding (C-D)	(204)	(282)	(337)	(419)	(422)	(407)	(408)	(415)	(296)	(303)
-	Funding Balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-

SOLID WASTE

Ngā Parapara



Community Outcomes

Objective

To minimise environmental harm from solid waste while sustainably managing waste services, finances and assets.

What we do

Our solid waste activities include refuse collection and disposal, recycling, greenwaste composting, hazardous waste management, management of six closed landfill sites, and support for waste minimisation and educational activities. In one year we typically manage over 20,000 tonnes of waste. This comes from weekly and fortnightly kerbside collections and deliveries direct to our transfer stations. The kerbside collection services consist of 80 litre bins for refuse, 240 litre bins for mixed recycling, and 60 or 45 litre crates for glass. Some households also have 240 litre bins for greenwaste collection. Around half of the waste generated in the District is currently able to be recycled or repurposed including greenwaste, glass, plastics, concrete and some timber. The Council has not operated a landfill site since 2009, so all the remaining (residual) waste is transported to Tirohia Landfill in the Waikato Region.

Further information and key documents:

- Waste Management and Minimisation Plan 2015
- Solid Waste Asset Management Plan 2018-28

In focus - Waste Management and Minimisation Plan 2015

Our Waste Management and Minimisation Plan (WMMP) covers the six years 2015-21, and describes the waste management and minimisation outcomes we are trying to achieve. The WMMP sets out a vision, goals, and an action plan for waste management that operates under a hierarchy whereby preventing, reusing, reducing, recycling or recovering waste is preferable to disposal. The goals of the WMMP are to:

- Provide quality, affordable services while meeting our responsibilities to reduce harm and improve efficiency.
- Reduce the amount of waste we send to landfill or other disposal while also achieving sustainable financial management.
- Reduce the risk of environmental damage resulting from our waste management methods.

Cost over the next ten years

Operating cost: \$51.3 million

Capital cost: \$370,870

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Deliver kerbside collections for refuse, recycling and greenwaste	Weekly and fortnightly
Operate waste transfer stations	Daily
Support waste minimisation activities and education programmes	Annually
Monitor closed landfills for compliance with resource consents	2018-28
Implement new contracts for greenwaste facility operations	2018/19
Review contract for disposal of waste at Tirohia Landfill	2020/21
Collaborate with other councils and regional waste groups on shared waste initiatives	2018-28
Review Waste Management and Minimisation Plan	2020/21
Review contracts for kerbside collection, operation of transfer stations and transportation of residual waste to Tirohia	2024/25
Improvements to Murupara and Whakatāne Transfer Stations*	2018-28

*For more detailed information about these capital projects including a breakdown of costs, please refer to the full Capital Projects List in the 'Our Costs in Detail' chapter of this Long Term Plan.

What negative impact this activity might have

While we work to deliver positive outcomes for our communities, some of our activities may have negative impacts. The table below shows the possible negative effects of this activity and how we will try to minimise the effects.

SIGNIFICANT NEGATIVE EFFECT	SUSTAINABLE SOLUTION
Transporting waste outside of the District has increased negative impact through the cost of fuel, the emissions from the trucks and the impact on the Council's roading system	Reducing the amount of waste being transported out of the District through increased recycling and reprocessing as described in the Waste Management and Minimisation Plan
Environmental impacts caused by the discharge of contaminants to land and water from closed landfills	Compliance with resource consent and aftercare management. Regular monitoring
Economically, the cost of desired infrastructure improvements may exceed the community's ability to pay.	Consult with the community on all costs and options for Levels of Service through the LTP process
Increase in the amount of refuse to be disposed as population increases over time	The Council acts as the advocate for waste reduction through the adoption of the Waste Management and Minimisation Plan (WWMP). The Council also supports education initiatives and provides education material for its customers
Cultural impacts caused by the discharge of contaminants to land and water and odour to the air at refuse transfer stations	Compliance with resource consents and aftercare management.
Potential impacts on customer satisfaction due to service failure /delays /responsiveness	Monitor and report on Levels of Service and in service provider contracts. Seek to resolve customer complaints as soon as possible
Health and Safety Risks associated with failure of contracted services or inability to collect, process or transport waste	Ensure quick reaction to service failure and identification of alternative service providers and/or processing/storage sites

Measuring our progress

The following measures, alongside financial performance and progress on projects, are reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
Amount of Council controlled solid waste sent to landfill	16,777 tonnes*	10,700	10,600	10,500	10,400
User satisfaction with refuse disposal (transfer station facilities)	92%	90-94%	90-94%	90-94%	90-94%
User satisfaction with the kerbside waste collection service	93%	90-94%	90-94%	90-94%	90-94%

*Waste resulting from extreme weather events resulted in targets being exceeded in both the 2016/17 and 2017/18 financial years.

ENVIRONMENTAL SUSTAINABILITY

Toitū o te Taiao



RESOURCE MANAGEMENT - POLICY - CONSENTS

What these activities will cost and how we are going to pay for them

ANNUAL PLAN 2017/18 \$000		LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
SOURCES OF OPERATING FUNDING											
1,712	General rates, uniform annual general charges, rates penalties	2,019	1,892	1,984	1,960	1,993	2,029	2,003	1,668	1,709	1,718
-	- Targeted rates	-	-	-	-	-	-	-	-	-	-
-	- Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
300	Fees and charges	300	306	312	318	325	332	339	346	353	361
-	- Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
71	Local authorities fuel tax, fines, infringement fees, and other receipts	70	71	73	74	76	77	79	81	82	84
2,083	Total operating funding (A)	2,389	2,270	2,369	2,352	2,393	2,438	2,421	2,095	2,145	2,163
APPLICATIONS OF OPERATING FUNDING											
1,094	Payments to staff and suppliers	1,041	1,035	1,106	1,073	1,088	1,103	1,141	1,134	1,162	1,178
134	Finance costs	100	89	77	64	49	33	16	-	-	-
760	Internal charges & overheads applied	769	784	807	809	827	855	858	880	911	917
-	- Other operating funding applications	-	-	-	-	-	-	-	-	-	-
1,987	Total applications of operating funding (B)	1,910	1,907	1,990	1,946	1,964	1,991	2,015	2,014	2,073	2,096
95	Surplus (deficit) of operating funding (A-B)	479	362	379	406	429	447	406	81	73	67
SOURCES OF CAPITAL FUNDING											
-	- Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	- Development and financial contributions	-	-	-	-	-	-	-	-	-	-
(281)	Increase (decrease) in debt	(302)	(314)	(327)	(341)	(357)	(373)	(328)	-	-	-
-	- Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	- Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	- Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
(281)	Total sources of capital funding (C)	(302)	(314)	(327)	(341)	(357)	(373)	(328)	-	-	-
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
-	- to improve level of service	-	-	-	-	-	-	-	-	-	-
-	- to replace existing assets	-	-	-	-	-	-	-	-	-	-
(186)	Increase (decrease) in reserves	177	48	52	65	73	74	78	81	73	67
-	- Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
(186)	Total applications of capital funding (D)	177	48	52	65	73	74	78	81	73	67
(95)	Surplus (deficit) of capital funding (C-D)	(479)	(362)	(379)	(406)	(429)	(447)	(406)	(81)	(73)	(67)
-	Funding Balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-

RESOURCE MANAGEMENT – POLICY

Whakahaere Rawa – Kaupapa here



Community Outcomes

Objective

To ensure the development and use of land in our District balances the need for growth while protecting our special places and community values.

What we do

We prepare plans and policies that implement the Resource Management Act 1991 (RMA), including Development Strategies and the District Plan. A legal requirement under the RMA, the District Plan controls the way we use, subdivide and develop land in our District. It identifies where activities can take place, how land can be developed and what special features of our District should be protected. This requires careful consideration and balancing of the need to protect our heritage, taonga, and quality of living environments with enabling development and growth.

In focus - Development Strategy

The Development Strategy is a project to coordinate Council actions towards an agreed development direction for the Whakatāne District. It expands upon a review of the current Whakatāne Integrated Urban Development Strategy; meets new requirements for Council under the Resource Management Act; provides an economic development direction specific to the Whakatāne District; and provides direction and a coordinated approach for development. The Development Strategy is expected to be completed in the 2018/19 financial year.

Cost for 2018-28

Operating cost: \$6.0 million
Capital cost: \$0

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Complete the Whakatāne Development Strategy	2018/19
Progress plan change processes to reduce life safety risk from the Awatarariki Stream Fan Head	2018/19
Update the District Plan as required	2018-28

Further information and key documents

- Resource Management Act 1991
- Operative District Plan 2017

Measuring our progress

The following measures, alongside financial performance and progress on projects, are reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
Status of the District Development Strategy and District Plan	New measure	The District Development Strategy establishes the predicted growth over the next ten years.	Develop changes to the District Plan to provide for projected residential and commercial growth.	Develop changes to the District Plan to provide for projected residential and commercial growth.	Develop changes to the District Plan to provide for projected residential and commercial growth.
Progress made to develop the District Plan to respond to Natural Hazards	New measure	Risk assessment of rainfall induced flooding is completed. Changes to the District Plan to manage identified landslide risks are developed	Changes to the District Plan to manage hazards relating to Coastal and Marine processes are developed	Changes to the District Plan to manage risks from natural hazards are developed	Changes to the District Plan to manage risks from natural hazards are developed

RESOURCE MANAGEMENT – CONSENTS

Whakahaere Rawa – Whakaaetanga



Community Outcomes

Objective

To enable use, development and subdivision of land in line with our District Plan and other environmental policies.

What we do

This activity provides advice and processing of resource consent applications. When assessing applications or providing advice, we look at how any proposed use, development and subdivision will affect the community as a whole. We work with developers to facilitate new initiatives and developments in our District and ensure the advice we give and consents we issue benefit the wider community, while facilitating good development decisions. We also monitor compliance with the District Plan standards, and conditions of consents, to ensure any negative effects on the environment are avoided, remedied or mitigated. This sometimes means there are appeals to the Environment Court on our decisions and managing that process is an important part of this activity.

Further information and key documents:

- Resource Management Act 1991
- Operative District Plan 2017

Cost for 2018-28

Operating cost: \$5.4 million
Capital cost: \$0

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Provide initial advice to inform use and development of land	2018-28
Receive, assess and determine consent applications	2018-28
Process Land Information Memoranda	2018-28
Monitor compliance with the District Plan standards and Consent Conditions	2018-28
Assess Building Consents against the District Plan requirements	2018-28

Measuring our progress

The following measures, alongside financial performance and progress on projects, are reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
User satisfaction with Council's resource consent process	78.7/100	76-80/100	76-80/100	76-80/100	77-81/100
Average time to process non-notified land use resource consents	13.69 days	15 working days or less	15 working days or less	15 working days or less	15 working days or less
Average time to process non-notified subdivision resource consents	14.06 days	20 working days or less	20 working days or less	20 working days or less	20 working days or less
Average time to process fast-tracked non-notified land use resource consents	New measure	10 working days or less	10 working days or less	10 working days or less	10 working days or less

COMMUNITY SAFETY

Te whakamaru o tū



LICENSING (ALCOHOL AND GAMBLING)
ENVIRONMENTAL HEALTH AND
REGULATION MONITORING
BUILDING
ANIMAL CONTROL
EMERGENCY MANAGEMENT

What these activities will cost and how we are going to pay for them

Funding Impact Statement for 2018-2028 - Community Safety Whakatāne District Council

ANNUAL PLAN 2017/18 \$000		LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
SOURCES OF OPERATING FUNDING											
3,095	General rates, uniform annual general charges, rates penalties	2,523	2,463	2,473	2,548	2,438	2,504	2,504	2,610	2,601	2,650
-	- Targeted rates	-	-	-	-	-	-	-	-	-	-
70	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
1,298	Fees and charges	1,394	1,399	1,454	1,479	1,485	1,546	1,573	1,581	1,646	1,677
-	- Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
877	Local authorities fuel tax, fines, infringement fees, and other receipts	533	544	554	566	577	589	602	615	628	641
5,340	Total operating funding (A)	4,450	4,405	4,481	4,592	4,500	4,639	4,679	4,806	4,875	4,967
APPLICATIONS OF OPERATING FUNDING											
3,438	Payments to staff and suppliers	2,511	2,558	2,576	2,650	2,671	2,750	2,771	2,854	2,877	2,964
	Finance costs	120	-	-	-	-	-	-	-	-	-
1,474	Internal charges & overheads applied	1,546	1,569	1,616	1,619	1,650	1,705	1,713	1,750	1,812	1,826
-	- Other operating funding applications	-	-	-	-	-	-	-	-	-	-
4,913	Total applications of operating funding (B)	4,176	4,126	4,191	4,270	4,321	4,454	4,484	4,604	4,689	4,790
428	Surplus (deficit) of operating funding (A-B)	273	279	289	322	180	185	195	203	186	178
SOURCES OF CAPITAL FUNDING											
-	- Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	- Development and financial contributions	-	-	-	-	-	-	-	-	-	-
(2)	Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-
-	- Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	- Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	- Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
(2)	Total sources of capital funding (C)	-	-	-	-	-	-	-	-	-	-
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
80	- to improve level of service	-	-	-	-	-	-	-	-	-	-
-	- to replace existing assets	-	-	-	-	-	-	-	-	-	-
346	Increase (decrease) in reserves	273	279	289	322	180	185	195	203	186	178
-	- Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
426	Total applications of capital funding (D)	273	279	289	322	180	185	195	203	186	178
(428)	Surplus (deficit) of capital funding (C-D)	(273)	(279)	(289)	(322)	(180)	(185)	(195)	(203)	(186)	(178)
-	Funding Balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-

LICENSING (ALCOHOL AND GAMBLING)

Raihana (Waipiro
me te Peti)



Community Outcomes

Objective

To protect and enhance the wellbeing of the community by managing exposure to alcohol and gambling facilities and ensuring license conditions are maintained.

What we do

This activity is about licensing premises and people to control and manage the consumption of alcohol, and the location and number of Class IV gambling (pokie) venues in our District. This activity also promotes responsible drinking habits and helps to create safe environments. We assist and provide administrative support for the District Licensing Committee. This involves processing and issuing licenses relating to the sale of alcohol, for example, on and off licenses, temporary authorities, clubs and special licenses, and manager certificates. We work closely with other organisations such as the New Zealand Police and the Ministry of Health in delivering this function, to perform controlled purchase operations to monitor adherence to license conditions and measure achievement in reducing harm.

Measuring our progress

The following measure, alongside financial performance and progress on projects, is reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
Percentage of licensed premises inspected as required by the Sale and Supply of Alcohol Act 2012	100%	100%	100%	100%	100%

Further information and key documents:

- Gambling Class 4 Venue and Board Venue Policy 2016
- Sale and Supply of Alcohol Act 2012
- Eastern Bay of Plenty Local Alcohol Policy 2016

Cost for 2018-28

Operating cost: \$1.7 million

Capital cost: \$0

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Issue licenses under the Sale and Supply of Alcohol Act 2012	2018-28
Monitor compliance and investigate breaches of license conditions	2018-28

ENVIRONMENTAL HEALTH AND REGULATION MONITORING

Aroturuki ture



Community Outcomes

Objective

To keep the community safe and healthy by ensuring environmental and public health standards are maintained.

What we do

This activity monitors and enforces environmental and public health standards to keep our community safe and healthy. We ensure that public health standards are maintained so you are confident that your food is safe when you go out to eat. We also respond to complaints regarding noise emissions. We undertake this activity in accordance with our legislative responsibilities under the Local Government Act 2002 and the Litter Act 1979. We also provide these services in response to public demand to deal with issues of nuisance, public health and safety and offensive behaviour.

This activity delivers three key functions:

- i. Licensing of registered premises, including food premises, camping grounds, funeral directors and hairdressers
- ii. Monitoring of the state of the environment, including public and private water supplies, environmental noise and contaminated land
- iii. Responding to nuisance complaints, such as excessive and unreasonable noise, offensive refuse and odour from neighbouring properties.

Further information and key documents:

- Food Act 2014
- Health Act 1956
- Resource Management Act 1991
- Building Act 2004
- Local Government Act 2002
- Litter Act 1979
- Associated regulations
- Council Bylaws

Cost for 2018-28

Operating cost: \$3.6 million

Capital cost: \$0

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Enforcement of Council bylaws	As required
Licensing and monitoring of registered premises	2018-28
Responding to nuisance complaints e.g. excessive and unreasonable noise, offensive refuse and odour from neighbouring properties.	As required
Issuing of fines where appropriate e.g. littering	As required

Measuring our progress

The following measures, alongside financial performance and progress on projects, are reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
Percentage of complaints relating to abandoned cars, litter, and general bylaw offences responded to within two working days	90%	90-95%	90-95%	90-95%	90-95%
Percentage of after-hours excessive noise complaints responded to promptly*	95%	90-95%	90-95%	90-95%	90-95%
Percentage of Environmental health complaints (excluding noise) responded to within two working days	75%	90-95%	90-95%	90-95%	90-95%
Percentage of food premises inspected as legislatively required	100%	100%	100%	100%	100%

* 'Promptly' is defined as responding to excessive noise complaints within the following timeframes:

AREA	DEFINITION AREA	TIME
Area 1	Ōhope, Whakatāne, Tāneatua, Coastlands, Awakeri, Thornton Road to Golf Links Road	< 60 minutes
Area 2	Edgumbe, Matatā, Otamarakau, Otakiri, Onepū, Te Teko, Te Mahoe and Wainui to the Ōpōtiki intersection	< 100 minutes
Area 3	Murupara, Galatea & Environs	< 120 minutes

BUILDING

Hangatanga



Community Outcomes

Objective

To protect the community from unsafe buildings and ensure buildings are designed and constructed in a manner that promotes sustainable development.

What we do

The Building activity is responsible for receiving, processing and issuing building consents. This involves processing applications, conducting inspections throughout building projects, enforcing building standards, and responding to building-related complaints.

There is strong community demand to ensure we manage building consents in a manner that contributes to the health and well-being of the community. We work hard to ensure that all people, including developers, understand the requirements, costs and timeframes involved in a building process. Providing advice and guidance through the process is an important part of this activity and helps to generate successful outcomes for all. We encourage people to come in and talk to us before or during works to ensure things are done correctly the first time.

An Earthquake Prone Building Project is planned over the period of this LTP, to implement the Council's Earthquake-Prone Buildings Policy and changes to the earthquake-prone building provisions of the Building Act 2004.

Measuring our progress

The following measures, alongside financial performance and progress on projects, are reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
User satisfaction with the process Council used for your building consent	81.2/100	80-84/100	80-84/100	80-84/100	80-84/100
Average time for processing building consents	12.98 working days	15 working days or less*	15 working days or less*	15 working days or less*	15 working days or less*

*Under the Building Act 2004, the Council has up to 20 working days to process a building consent.

Cost for 2018-28

Operating cost: \$14.6 million

Capital cost: \$0

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Receive, process and issue building Consents	2018-28
Building inspections	2018-28
Enforcement of Building Consent conditions	2018-28
Respond to building related complaints	2018-28
Provide advice on development rules	2018-28
Earthquake Prone Building Project	2018-28

Further information and key documents:

- Building Act 2004
- Earthquake-Prone Building Policy
- Associated building regulations and national standards

ANIMAL CONTROL

Take Kararehe



Community Outcomes

Objective

To ensure that animals are looked after in a humane manner and are not menacing, dangerous, or a nuisance to the public.

What we do

This activity covers dog and stock control, safeguarding the public from wandering, threatening and aggressive animals. This includes educating the public on responsible animal ownership and providing services for dog registration. We receive and respond to complaints from the public and issue fines for breaches of legislation when necessary. Animal Control activities in Murupara and the surrounding area are delivered in partnership with Ngāti Manawa.

This activity operates the Whakatāne pound, which provides roaming or abandoned animals with shelter and food and also offers a microchipping service. This involves re-housing stray animals where possible and appropriate. We have a statutory responsibility to undertake this activity, through the Dog Control Act 1996 and the Stock Impounding Act 1955.

Further information and key documents:

- Dog Control Act 1996
- Stock Impounding Act 1955
- Control of Dogs Bylaw

Cost for 2018-28

Operating cost: \$4.4

Capital cost: \$0

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Respond to requests for service relating to dog and stock-related issues	2018-28
Whakatāne pound extension	2018/19
Continued promotion of free de-sexing programme for menacing dog breeds	2018-28
Monitoring compliance with de-sexing of menacing dog breeds as required by the Dogs Bylaw	2018-28
Issue dog registrations and register menacing or dangerous dogs as required under the Dog Control Act 1996	2018-28
Operate the Whakatāne pound	2018-28
Undertake public education initiatives for responsible dog ownership and dog safety	2018-28
Rehome suitable dogs through the 'Whakatāne Adopt a Dog' programme	2018-28
Provide 'doggy do' bags at popular dog-walking locations in the District	2018-28

Measuring our progress

The following measures, alongside financial performance and progress on projects, are reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
Percentage of aggressive/threatening dogs and roaming stock complaints responded to within one hour	99%	95-100%	95-100%	95-100%	95-100%
Percentage of all other animal control complaints responded to within two working days	99%	95-100%	95-100%	95-100%	95-100%

EMERGENCY MANAGEMENT

Mahi Whakamarumarū



Community Outcomes

Objective

To ensure we are prepared for the response to, and the recovery from, a major natural hazard event or other emergency.

What we do

The purpose of this activity is to ensure that the community has a high degree of resilience to hazards such as flooding, earthquakes, debris flow and landslides, tsunami, volcanic eruptions, pandemics, and other emergencies. This is achieved through:

- Understanding what hazards exist in our district and their potential effects on people and property
- Knowing how to respond immediately before, during and after an event
- Reducing the risk to people and property through sound planning decisions
- Planning to recover as quickly as possible after an event.

Part of our role involves ensuring we have the resources and information required to help the community understand hazards and recover from a disaster. We build relationships between agencies (such as the New Zealand Police and Fire and Emergency New Zealand), Iwi and others so we are well coordinated during an event. This enables a quick and appropriate response to a situation threatening our community.

Emergency Management Bay of Plenty, a regional entity with two dedicated staff based in the Eastern Bay of Plenty, delivers many civil defence functions. We implement the Bay of Plenty Emergency Management Group Plan locally, with a strong emphasis on building community resilience and preparedness for an emergency. Planning and training is undertaken locally and regionally to mitigate the effects of natural hazards and emergency situations and ensure the safety of our community.

There is strong community desire for us to take the lead in an emergency situation. There are also obligations for Council to be involved in Civil Defence and Hazardous Substances planning and response under the Civil Defence and Emergency Management Act 2002 and the Hazardous Substances and New Organisms Act 1996.

Further information and key documents:

- Civil Defence and Emergency Management Act 2002
- Hazardous Substances and New Organisms Act 1996

Cost for 2018-28

Operating cost: \$3.1 million

Capital cost: \$0

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Respond to major natural hazard events or emergencies	As required
Provide staff training to ensure appropriate response to major natural hazard events or emergencies	2018-28
Ensure risks are continually monitored and identified	2018-28
Undertake activities to reduce risk to people and property throughout the District	2018-28

Measuring our progress

The following measures, alongside financial performance and progress on projects, are reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
Percentage of roles for 24 hour operation of the Emergency Operation Centre/Emergency Communications Centre identified and staffed	93%	85%	85%	85%	85%
Percentage of staff trained to the appropriate level agreed by the Civil Defence Emergency Management Group	95%	85%	85%	85%	85%
Number of initiatives delivered to promote community resilience and safety	11 initiatives	8 initiatives per annum	8 initiatives per annum	8 initiatives per annum	8 initiatives per annum

DISTRICT GROWTH

Whakatipuranga o te rohe



BUSINESS AND
ECONOMIC DEVELOPMENT
EVENTS AND TOURISM
STRATEGIC PROPERTY

What these activities will cost and how we are going to pay for them

Funding Impact Statement for 2018-2028 - District Growth
Whakatāne District Council

ANNUAL PLAN 2017/18 \$000		LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
SOURCES OF OPERATING FUNDING											
864	General rates, uniform annual general charges, rates penalties	1,066	1,128	1,180	1,175	1,165	1,208	1,317	1,256	1,337	1,292
664	Targeted rates	723	734	748	763	778	793	809	825	841	856
20	Subsidies and grants for operating purposes	20	20	21	21	22	22	23	23	24	24
2,443	Fees and charges	2,476	2,474	2,522	2,573	2,626	2,682	2,738	2,796	2,857	2,917
182	Internal charges and overheads recovered	140	143	145	148	150	153	156	158	161	164
28	Local authorities fuel tax, fines, infringement fees, and other receipts	28	29	30	30	31	32	32	33	34	34
4,200	Total operating funding (A)	4,455	4,528	4,646	4,710	4,772	4,890	5,074	5,091	5,253	5,288
APPLICATIONS OF OPERATING FUNDING											
1,655	Payments to staff and suppliers	1,626	1,660	1,726	1,726	1,792	1,812	1,845	1,885	1,915	1,955
7	Finance costs	6	5	5	5	5	4	4	3	3	3
822	Internal charges & overheads applied	795	807	829	834	849	873	880	897	925	933
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
2,484	Total applications of operating funding (B)	2,426	2,472	2,560	2,565	2,646	2,689	2,729	2,786	2,842	2,891
1,716	Surplus (deficit) of operating funding (A-B)	2,028	2,056	2,086	2,145	2,126	2,201	2,345	2,306	2,411	2,397
SOURCES OF CAPITAL FUNDING											
21	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
(8)	Increase (decrease) in debt	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(8)	(9)
7,000	Gross proceeds from sale of assets	565	2,000	-	2,200	2,500	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
7,013	Total sources of capital funding (C)	557	1,992	(8)	2,192	2,492	(8)	(8)	(8)	(8)	(9)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
-	- to meet additional demand	11	3	84	25	68	34	69	18	33	21
50	- to improve level of service	100	102	-	-	-	-	-	-	-	-
56	- to replace existing assets	18	62	73	61	25	39	131	44	98	37
8,624	Increase (decrease) in reserves	2,457	3,882	1,921	4,251	4,525	2,120	2,137	2,235	2,271	2,331
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
8,729	Total applications of capital funding (D)	2,586	4,048	2,078	4,337	4,618	2,193	2,337	2,297	2,403	2,389
(1,716)	Surplus (deficit) of capital funding (C-D)	(2,028)	(2,056)	(2,086)	(2,145)	(2,126)	(2,201)	(2,345)	(2,306)	(2,411)	(2,397)
-	Funding Balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-

BUSINESS AND ECONOMIC DEVELOPMENT

Whakawhanaketanga
Pakihi me te Ōhanga



Community Outcomes

Objective

To promote and encourage sustainable economic development and prosperity in the District.

What we do

This activity undertakes projects to improve the economic wellbeing of the Whakatāne District by encouraging investment; promoting vitality within the Whakatāne CBD; marketing, tourism and district promotion; and supporting local business and industry. We also work to foster regional development through cooperation with Iwi, neighbouring councils and other bodies. This activity acts as Council's interface with the Commercial Advisory Board, a body which provides advice on how best the Council can facilitate economic growth and development in the District.

Sustainable Economic Development is one of the Council's Community Outcomes, and is a driver for many projects planned over the next ten years. This includes, for example, working with Te Rūnanga o Ngāti Awa and Ngāti Awa Group Holdings towards redeveloping the Commercial Wharf, progressing residential growth opportunities, and supporting iwi-led development projects.

Measuring our progress

The following measures, alongside financial performance and progress on projects, is reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
Satisfaction with efforts to attract and expand business	49%	54-58%	55-59%	56-60%	57-61%

Cost for 2018-28

Operating cost: \$2.8 million

Capital cost: \$0

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Work towards the areas of growth set out in the Toi-Moana Regional Growth Strategy	2018-28
Develop applications to the provincial growth fund	2018-21
Support industry and iwi investments that have a wider economic development outcome for the District	2018-28
Assist new business owners to navigate their way through Council's regulatory processes	2018-28
Work with neighbouring Eastern Bay of Plenty Councils and ToiEDA to support economic development projects that benefit the wider Eastern Bay of Plenty	2018-28

Further information and key documents:

- Bay of Connections Toi-Moana Regional Growth Strategy
- Toi-EDA website: toi-eda.co.nz

EVENTS AND TOURISM

Pāpono me te Tapoi



Community Outcomes

Objective

To make our District a vibrant place to live, visit and work by attracting large scale events and attracting tourists to the area.

What we do

This activity promotes our District nationally and internationally as a great place to visit, live, and work. We work alongside Tourism Bay of Plenty, Tourism New Zealand, and local tourism operators to showcase the diverse experiences that our District offers. We run the i-SITE on the corner of Quay Street and Kakahoroa Drive in Whakatāne which provides advice, booking services, and information on activities and sights throughout the District. This activity also attracts and supports local events throughout the District, attracting visitors to the area and contributing to the vibrancy of our community.

Further information and key documents:

- whakatane.com, the District's tourism and events website

In focus - Tourism Growth

Tourism is currently New Zealand's largest export earner, contributing 20.7% of New Zealand's foreign exchange earnings. The positive impacts of tourism on New Zealand's economy and communities reach far and wide, and forecasts for the tourism sector are positive. On a smaller scale, the Whakatāne District has experienced a recent upswing in popularity as a tourism destination with the number of guest nights in Whakatāne and Kawerau Districts rising to nearly 300,000 in 2017. Over the past 3 years, the total tourism spend in the Whakatāne District has grown at an average of 9% and has reached \$131 million annually. Most visitors to the District (nearly 80%) are domestic, but there are also growing numbers of international visitors, especially from Australia, the United States of America, the United Kingdom and Europe. Tourism and events will continue to be a key focus area for the Council over 2018-28. As a result of feedback received through consultation on this Long Term Plan, an extra \$150,000 of funding has been allocated to this activity.

Cost for 2018-28

Operating cost: \$11.5 million

Capital cost: \$0

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Attract and support large scale events	2018-28
Manage the Whakatāne i-SITE and provide booking services and information to visitors	2018-28
Continue leveraging White Island/ Whakaari, as an international tourism icon to deliver economic development benefits to the District	2018-28
Develop Whakatāne District as an appealing and attractive destination for visitors	2018-28
Support national and international marketing of the District as a tourist destination	2018-28

Measuring our progress

The following measures, alongside financial performance and progress on projects, are reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
Satisfaction with efforts to attract visitors or tourists to the area	71%	71-75%	72-76%	73-77%	74-78%
Satisfaction with efforts to enable and promote events	72%	74-78%	75-79%	76-80%	77-81%

STRATEGIC PROPERTY

Hautaonga



Community Outcomes

Objective

To manage commercial property assets for the good of the community while retaining an economic benefit.

What we do

This activity manages approximately 172 commercial properties and the large land holding at 77 Bunyan Road.

The majority of the commercial properties are located in the Whakatāne CBD and were gifted to the Council by the Harbour Board as Harbour Endowment Land in the 1920's and 30's. The Harbour Endowment Land earns rental income through ground leases, which is used to help pay for the on-going operation, maintenance and improvements of the ports and harbour facilities and surrounds. See the Ports and Harbour activity for detail about our plans for these assets over the next ten years.

In addition, Council also owns and manages a small number of commercial properties that it either holds or has acquired because they are in a strategic location and/or may have value to the Council and community in the future.

The Town Vision Plan outlines the Council's vision and plan for the future of the Whakatāne CBD and acts as our guiding document in this regard.

Further information and key documents

- Whakatāne Town Vision Plan

Cost over the next ten years

Operating cost: \$3.6 million

Capital cost: \$1.2 million

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Manage Council's Harbour Endowment Land and Ground Leases	2018-28
Manage Council's commercial property assets	2018-28
Manage strategic property assets until used for intended purpose	2018-28
Manage the sale of Council's land at 77 Bunyan Road in four stages	2018-24
Assist with implementing Council's Town Vision Plan	2018-28

RECREATION & COMMUNITY SERVICES

Te whare tapere me ngā ratonga hāpori



LIBRARIES
MUSEUM AND ARTS
HALLS
PARKS, RESERVES, RECREATION
AND SPORTSFIELDS
CEMETERIES AND CREMATORIUM
PUBLIC CONVENIENCES
WHAKATĀNE HOLIDAY PARK
AQUATIC CENTRES
PORTS AND HARBOUR
COMMUNITY DEVELOPMENT

What these activities will cost and how we are going to pay for them

ANNUAL PLAN 2017/18 \$000		LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
SOURCES OF OPERATING FUNDING											
9,941	General rates, uniform annual general charges, rates penalties	10,551	10,717	10,955	11,023	11,402	11,613	11,826	12,183	12,466	12,571
-	Targeted rates	-	-	-	-	-	-	-	-	-	-
350	Subsidies and grants for operating purposes	272	278	283	385	296	302	309	316	323	330
1,678	Fees and charges	2,058	2,086	2,125	2,164	2,269	2,311	2,362	2,418	2,463	2,510
2,025	Internal charges and overheads recovered	1,713	1,738	1,767	1,800	1,838	1,870	1,903	1,942	1,973	1,914
480	Local authorities fuel tax, fines, infringement fees, and other receipts	149	157	160	163	164	168	171	178	182	186
14,473	Total operating funding (A)	14,744	14,976	15,290	15,535	15,970	16,264	16,571	17,038	17,408	17,510
APPLICATIONS OF OPERATING FUNDING											
7,519	Payments to staff and suppliers	7,374	7,481	7,587	7,744	7,979	8,134	8,308	8,564	8,719	8,900
701	Finance costs	606	600	590	574	573	571	562	583	626	612
5,325	Internal charges & overheads applied	5,586	5,691	5,826	5,879	5,992	6,148	6,216	6,347	6,521	6,542
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
13,545	Total applications of operating funding (B)	13,566	13,772	14,004	14,196	14,543	14,853	15,086	15,493	15,866	16,054
928	Surplus (deficit) of operating funding (A-B)	1,178	1,204	1,287	1,339	1,426	1,411	1,486	1,545	1,542	1,457
SOURCES OF CAPITAL FUNDING											
-	Subsidies and grants for capital expenditure	270	138	10	11	11	33	2,997	4,485	145	148
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
(490)	Increase (decrease) in debt	(384)	(537)	(587)	(598)	(83)	(15)	(551)	1,504	114	(692)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
(490)	Total sources of capital funding (C)	(114)	(399)	(576)	(588)	(72)	18	2,446	5,989	259	(544)
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
-	- to meet additional demand	238	86	87	69	54	104	537	696	46	44
1,865	- to improve level of service	1,125	311	251	232	772	786	2,339	4,023	1,128	256
5,228	- to replace existing assets	2,717	2,329	6,584	2,662	1,728	1,566	3,709	4,812	1,405	1,529
(6,655)	Increase (decrease) in reserves	(3,015)	(1,921)	(6,212)	(2,211)	(1,200)	(1,027)	(2,654)	(1,997)	(778)	(916)
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
438	Total applications of capital funding (D)	1,064	805	710	752	1,354	1,429	3,932	7,534	1,801	913
(928)	Surplus (deficit) of capital funding (C-D)	(1,178)	(1,204)	(1,287)	(1,339)	(1,426)	(1,411)	(1,486)	(1,545)	(1,542)	(1,457)
-	Funding Balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-

LIBRARIES

Ngā Whare Pukapuka



Community Outcomes

Objective

To provide libraries that are easy to use, enable participation, support a great lifestyle, and offer a wide range of resources to build skills and grow capability.

What we do

This activity manages four libraries in the Whakatāne District, located in Whakatāne, Edgecumbe, Murupara, and Ōhope. The Whakatāne and Murupara libraries are Council-staffed, and volunteers also play a key role in supporting the libraries' activities across the District. The District libraries are community hubs, which provide access to a wide range of visual, audio, reading, writing, kinaesthetic and digital information. The libraries aim to enable participation by the whole community by being welcoming and inclusive, involving local people, by providing a range of public programmes. These public programmes include school holiday programmes, Matariki events, and author talks.

A key focus area of this activity is to provide quality services that are accessible across the District. Meeting rooms are available at Te Kōputu a te whanga a Toi (the Whakatāne Library and Exhibition Centre), which are frequently used by community groups for meetings and local events. All of the libraries have areas where children can play educational games, and computers with free WiFi are available, along with printing facilities. For members of the community who are unable to visit the library for reasons of illness or frailty, library volunteers will select items from the collection to deliver and collect on a fortnightly basis. Digital access to library resources is available 24/7.

Cost for 2018-28

Operating cost: \$13.7 million

Capital cost: \$1.1 million

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Provide access to quality collections of information through books, eBooks and databases, art, the internet and public programmes and activities.	2018-28
Assist visitors to find and use the information they need.	2018-28
Provide free wireless internet access and computers for use in Whakatāne, Murupara, and Edgecumbe.	2018-28
Investigate new options for delivering the library service in the community through increased outreach programmes and activities.	2018-28
Offer computer workshops in Whakatāne with opportunities for growth in other areas.	2018-28

Further information and key documents:

- Community Property Asset Management Plan
- Whakatāne Library on Facebook
- Whakatāne Library online: whakatane.govt.nz/library

Measuring our progress

The following measures, alongside financial performance and progress on projects, are reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
User satisfaction with public libraries	95%	90-94%	90-94%	90-94%	90-94%
Number of people visiting Te Kōputu a te Whanga-a-Toi Whakatāne Library and Exhibition Centre (foot traffic only)	213,920 people	210,000	210,000	210,000	210,000
Number of people engaging in public programmes delivered by Libraries across the District	New measure	3,000	3,500	4,000	4,000

MUSEUM AND ARTS

Whare Taonga
me te Toi



Community Outcomes

Objective

To ensure the District's arts, culture, and heritage treasures are safely stored and preserved, and to provide opportunities for access and engagement by the community and visitors.

What we do

This activity manages the preservation, presentation, and educational use of artefacts and other historical assets on behalf of the community and promotes the arts, cultural identity, and creative opportunities. The extensive museum collections include significant photographs and newsprint, genealogical materials, local government archives, and a number of items deemed to be of national importance. A key function of this activity is the delivery of public programmes for residents and visitors in the District. These ongoing programmes provide creative opportunities, arts events and experiences, and cultural engagement. The Museum and Arts activity speaks to kaitiakitanga – careful stewardship of place and environment – and ensures the ongoing conservation and celebration of the important things that define us.

The exhibition space and galleries at Te Kōputu a te Whanga a Toi - the Whakatāne Library and Exhibition Centre – are the public face of the Museum. They offer ongoing free exhibitions and cultural content. Because the Library and Exhibition Centre can only display a small portion of the museum collections, the majority of items are stored in Te Whare Taonga o te rohe Whakatāne. This is a separate Museum and Research facility which has been under redevelopment and is expected to be completed by August 2018.

Cost for 2018-28

Operating cost: \$8.8 million
Capital cost: \$0

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Open the redeveloped Museum and Research Centre	2018/19
Manage ongoing requests, research, and scholarship associated with the museum's collections.	2018-28
Provide free exhibitions, community outreach, creative development opportunities, and cultural content for residents and visitors	2018-28
Provide an exciting Kaiārahi/Visitor Host programme in the galleries to bring to life the museum's rich history and captivating exhibitions.	2018-28
Through the Collections and Research facility, provide opportunities for citizens to engage in the District's history and heritage.	2018-28

Further information and key documents:

- Museum and Arts Collection Policy
- Community Facilities Asset Management Plan
- Whakatāne Museum online: Whakatanemuseum.org.nz

Measuring our progress

The following measures, alongside financial performance and progress on projects, are reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
User satisfaction with the Museum*	No target set due to the Museum and Research Centre being closed for redevelopment	85-90%	85-90%	85-90%	85-90%
User satisfaction with the Exhibition Centre	88%	88-92%	88-92%	88-92%	88-92%

**These targets will be revised after the reopening of the Museum and Research Centre in 2018.*

HALLS

Ngā Hōro



Community Outcomes

Objective

To provide public halls that meet the needs of the community.

What we do

There are ten Council-owned urban and rural community halls in the Whakatāne District. The halls are located in Whakatāne, Murupara, Ōhope, Edgecumbe, Otakiri, Manawahe, Waimana-Nukuhou North, Te Teko, Tāneatua, and Galatea. The Council's Vision for Community Halls in the Whakatāne District is that communities' needs for facilities to engender community spirit and encourage recreational and learning activities are met through the availability of affordable halls or appropriate alternatives across the District.

Community halls are available to be hired for a reasonable fee, and are used for a range of sports, events, meetings, social and cultural occasions. They are facilities for the whole community to utilise and we aim to keep them affordable and available for all.

Measuring our progress

The following measure, alongside financial performance and progress on projects, is reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
User satisfaction with public halls	84%	82-86%	82-86%	82-86%	82-86%

Cost for 2018-28

Operating cost: \$10.1 million
Capital cost: \$13.9 million

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Redevelopment of the Whakatāne War Memorial Complex into a multi-sports event centre*	2019-26

*For more detailed information about this capital project including a breakdown of costs, please refer to the full Capital Projects List in the 'Our Costs in Detail' chapter of this Long Term Plan.

Further information and key documents:

- Community Halls Strategy
- Community Halls Policy
- Community Property Asset Management Plan

PARKS, RESERVES, RECREATION AND SPORTSFIELDS

Papa rēhia, Whenua
tāpui me ngā
Papa tākarō



Community Outcomes

Objective

To provide parks and facilities that beautify our townscape; promote healthy, active life-styles; provide access to our special places and protect the environment.

What we do

This activity manages open spaces and parks across the Whakatāne District and meets a wide range of community needs. This includes active and passive recreation, playgrounds, sportsfields and walking tracks. The activity beautifies and celebrates our townscape and special places and promotes pride in our town. By providing quality public places we promote the district and attract visitors. Some sites provide attractive venues for public or commercial events and include suitable facilities for this. Reserves alongside riverbanks, lakes or the coast provide for passive recreation, access to the water, and conservation values. We also maintain some reserves that provide for operational purposes access or drainage.

This activity works with other community groups and organisations to develop walking and cycling facilities in our District and the Eastern Bay of Plenty. Major projects currently underway include the Port Ōhope Wharf Redevelopment, Sullivan Lake de-silting and upgrade of Ngā Tapuwaē o Toi walkway.

Cost for 2018-28

Operating cost: \$38.8 million

Capital cost: \$6.8 million

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Maintain parks and gardens, including planting, mowing, and vegetation and tree management	2018-28
Undertake street sweeping and litter collection	2018-28
Empty rubbish bins located in parks and reserves	2018-28
Walking and cycling projects*	2018-28
Provide a partnership fund of \$50,000 a year to support local projects to develop recreational initiatives.	2018-28

**For more detailed information about these capital projects including a breakdown of costs, please refer to the full Capital Projects List in the 'Our Costs in Detail' chapter of this Long Term Plan.*

Further information and key documents

- Urban Tree Strategy
- Open Spaces Strategy
- District Reserve Management Plan
- Parks and Reserves Bylaw

Measuring our progress

The following measures, alongside financial performance and progress on projects, are reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
User satisfaction with parks and reserves in the Whakatāne District	92%	89-93%	89-93%	89-93%	89-93%
User satisfaction with playgrounds in the Whakatāne District	90%	88-92%	88-92%	88-92%	88-92%
User satisfaction with sportsfields in the Whakatāne District	90%	88-92%	88-92%	88-92%	88-92%

CEMETERIES AND CREMATORIUM

Urupā me ngā Whare Tahu Tūpāpaku



Community Outcomes

Objective

To ensure cemetery and crematorium services are available to the public and meet the needs of the District.

What we do

This activity provides and maintains cemetery and crematorium facilities for the community and maintains accurate records. We manage one crematorium and six cemeteries, located in Whakatāne (Hillcrest and Domain Road), Tāneatua, Waimana, Galatea and Matatā - which is managed by a trust on our behalf. The history and essence of our community is contained within our cemeteries. The community requires attractive and restful facilities to celebrate the lives of their loved ones, which cater for a range of differing needs and preferences.

Families and loved ones can arrange burials and cremations at the Council's cemeteries and crematorium through the services of a funeral director, or by completing the required process for an 'unassisted burial.' Providing and managing these facilities is carried out in accordance with the Burial and Cremations Act 1964.

Measuring our progress

The following measures, alongside financial performance and progress on projects, are reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
User satisfaction with cemeteries including maintenance of cemeteries	97%	94-98%	94-98%	94-98%	94-98%
User satisfaction with crematorium facility	92%	90-94%	90-94%	90-94%	90-94%

Cost for 2018-28

Operating cost: \$4.8 million

Capital cost: \$3.9 million

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Whakatāne Hillcrest Cemetery Expansion*	2019-27
Maintain online cemetery database	2018-28
Maintain the cemetery and crematorium facilities and environs	2018-28

**For more detailed information about these capital projects including a breakdown of costs, please refer to the full Capital Projects List in the 'Our Costs in Detail' chapter of this Long Term Plan.*

Further information and key documents:

- Recreation Asset Management Plan
- Cemeteries Bylaw

PUBLIC CONVENIENCES

Kaumanga/Wharepaku



Community Outcomes

Objective

To provide public conveniences throughout the District that are accessible, tidy, functional and sufficient to meet demand.

What we do

This activity provides and maintains 39 public conveniences (toilets) for the use of the general community. You can find these facilities at parks, reserves, and popular recreational locations. Often they also include other facilities such as showers, changing rooms or drinking fountains. The public conveniences are regularly cleaned and monitored. A further four internal toilets in sports complexes are available for the public to use at times of sports competitions.

Public conveniences meet the needs of our community when people are out and about, and are located for the convenience of people using other Council facilities such as boat ramps, playgrounds and reserves.

Further information and key documents:

- Community Property Asset Management Plan

Measuring our progress

The following measure, alongside financial performance and progress on projects, is reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
User satisfaction with public toilets in the Whakatāne District	66%	65-69%	65-69%	70-75%	70-75%

Cost for 2018-28

Operating cost: \$5.4 million
Capital cost: \$846,500

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Construction of new toilets at Te Teko, Murupara and Port Ōhope	2018-21
Regularly clean and monitor toilets	2018-28
Continue investment in improved toilet design and repositioning of toilet blocks*	2018-28

*For more detailed information about these capital projects including a breakdown of costs, please refer to the full Capital Projects List in the 'Our Costs in Detail' chapter of this Long Term Plan.

WHAKATĀNE HOLIDAY PARK

Taupuni Hararei
o Whakatāne



Community Outcomes

Objective

To promote tourism within the District through the operation of a quality accommodation option.

What we do

This activity manages the Holiday Park site, which is located on McGarvey Road in close proximity to the Whakatāne Rose Gardens and the Warren Cole walkway along the Whakatāne River. The Park has a range of accommodation options including tent sites, power sites, standard cabins, kitchen cabins and self-contained units. It also includes communal facilities such as a kitchen, laundry, ablutions, outdoor dining area and summer swimming pool.

The Council purchased the Whakatāne Holiday Park in May 2017 as a strategic asset to meet the demands of increased tourism in the Bay of Plenty region. The Park's location and facilities, combined with growing tourist numbers in the District, offers great potential to deliver benefits to the entire community, now, and into the future.

Measuring our progress

The following measure, alongside financial performance and progress on projects, is reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
Number of admissions to the Whakatāne Holiday Park	New Measure	3,000	3,600	4,300	5,100

Shortly after it was purchased, the Park played a significant role in providing temporary accommodation for members of our community whose homes were damaged in the Edgcumbe floods in April 2017.

Further information and key documents:

- Recreation Asset Management Plan

Cost for 2018-28

Operating cost: \$4.7 million Capital cost: \$1.1 million

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Daily management and operation of the Whakatāne Holiday Park facility	Ongoing
Whakatāne Holiday Park upgrades*	2018-28

**For more detailed information about these capital projects including a breakdown of costs, please refer to the full Capital Projects List in the 'Our Costs in Detail' chapter of this Long Term Plan.*

AQUATIC CENTRES

Ngā Whare Kauhoe



Community Outcomes

Objective

To create a community hub to support and promote health, recreational and educational outcomes through aquatic centre facilities in Whakatāne and Murupara.

What we do

We provide two aquatic centres in the District - the Whakatāne District Aquatic Centre and the Murupara swimming pools – also known as the A H Lynd Memorial Baths. The Whakatāne District Aquatic Centre consists of a 25m indoor pool and a 33m outdoor heated pool, as well as a learners’ pool, shallow beach paddling pool, hydro slide, two spa pools and unit for the local swim club. The facility also includes a fitness centre with gym equipment available. The Murupara swimming pools are an outdoor facility including a learners pool, a heated 30m swimming pool, change facilities, picnic tables and a permanent free barbecue. The outdoor pools at Whakatāne and Murupara are both closed over the winter, due to the operating costs of maintaining and heating the pool during the colder months.

Accessible aqua and Learn to Swim classes, and water safety programs to suit all abilities are delivered by this activity. Our partnership with Sport Bay of Plenty has created a steady platform to enhance the rehabilitation program within the facility, supported by our modern fitness centre. The aquatic centres also allow opportunities for use by schools and clubs, and we are exploring ways to make our facility more

disability friendly. Having facilities available for our community to learn to swim with confidence has huge benefits for water safety and drowning prevention, especially as we live in an area with many natural waterways.

Further information and key documents:

- Recreation Asset Management Plan

Cost for 2018-28

Operating cost: \$18.6 million Capital cost: \$2.9 million

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Deliver a range of learn to swim and exercise programmes	2018-28
Install a roof on the outdoor pool in Whakatāne*	2022
Upgrade to reception and office areas, Whakatāne Aquatic Centre*	2018/19
Renewal of gym equipment at fitness centre	2018-28
Development of outdoor picnic and BBQ facilities*	2019

*For more detailed information about these capital projects including a breakdown of costs, please refer to the full Capital Projects List in the 'Our Costs in Detail' chapter of this Long Term Plan.

Measuring our progress

The following measures, alongside financial performance and progress on projects, are reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
User satisfaction with swimming pools in the Whakatāne District	92%	86-90%	86-90%	87-91%	87-91%
Number of admissions at Aquatic Centres in the Whakatāne District	141,444 admissions (106,174 in 2015/16)	135,000	135,000	135,000	135,000

PORTS AND HARBOURS

Tumu Herenga Waka
me te Moana



Community Outcomes

Objective

The community is provided with a variety of Port and Harbour facilities that are easily accessible and affordable.

What we do

This activity provides the infrastructure and facilities around our District's ports and harbours, covering 45 sites. These include the Main Commercial Wharf, Ōtauwhaki (Green) Wharf and the Game Wharf in Whakatāne, as well as Ōhope Wharf, Whakatāne, Thornton and Ōhiwa boat ramps and various groynes (rock structures in the harbour entrance which help control the flow of water). Some of the facilities around these ports and harbours include car parks, jetties, a weigh station, hardstand, wharves, pontoons and navigation markers. The operation of this activity also includes services such as dredging the harbour entrance, navigation channel and berthage areas to ensure safe depths.

The Council is responsible for Harbour Endowment Land (refer to the Strategic Property activity for more information), which earns income through leases, or could be sold to create an investment fund. This income pays for the ongoing operation, maintenance and improvements of the ports and harbour facilities, meaning we are able to provide these assets to the community with minimal ratepayer funding. By providing these facilities across our District's harbour and coastline we are able to enhance

Measuring our progress

The following measure, alongside financial performance and progress on projects, is reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
Satisfaction with harbour facilities including the port	78%	77-81%	78-82%	79-83%	79-83%

the economy of our District, through improved recreational and business opportunities. We undertake this activity in close conjunction with the Bay of Plenty Regional Council, sharing responsibility for different aspects of the management of the District's coastal area.

Further information and key documents

- Ports Bylaw

Cost for 2018-28

Operating cost: \$14.3 million

Capital cost: \$10.2 million

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Port Ōhope wharf upgrades*	2019-28
Whakatāne Boat Trailer Park Upgrades*	2018/19
Whakatāne main wharf replacement*	2019-22
Dredging and diskings the harbour entrance, navigation channel and berthage areas to ensure optimised and safe depths.	As required 2018-28

*For more detailed information about these capital projects including a breakdown of costs, please refer to the full Capital Projects List in the 'Our Costs in Detail' chapter of this Long Term Plan.

COMMUNITY DEVELOPMENT

Whakawhanaketanga
Hapori



Community Outcomes

Objective

To improve social well-being in the District through a range of strategies, policies and projects.

What we do

This activity promotes a safe community through a variety of methods including education, inter-agency collaboration and externally funded programmes. This activity specifically delivers programmes targeting road safety, youth development and community safety.

Since 2017, the Council has collaborated with key partners and the community in the Whakatāne Ki Mua community vision project. This activity works to deliver collaboratively on the community's vision. We support and deliver projects that promote a District response to national social issues that threaten the safety and health of our communities and address specific social needs and priorities of our community. Much of the work in this activity is either completed in partnership with other agencies already working in this area or subject to external funding.

Measuring our progress

The following measures, alongside financial performance and progress on projects, are reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
Perception of safety in the District	93%	92-96%	92-96%	92-96%	92-96%
The change from the previous year in the number of fatalities and serious injury crashes on the local road network, expressed as a number ^M	19 crashes (11 more than the previous year)	Less crashes than the previous year	Less crashes than the previous year	Less crashes than the previous year	Less crashes than the previous year

^M Mandatory performance measure required by Department of Internal Affairs.

Cost for 2018-28

Operating cost: \$5.9 million Capital cost: \$235,000

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Continue to support the Whakatāne Ki Mua community vision project and associated activities alongside key partners	2018-28
Coordinate the Whakatāne District Youth Council	2018-28
Support and deliver road safety campaigns collaboratively within the Eastern Bay of Plenty.	2018-28
Phase 2 of a project to expand the District's CCTV network*	2019 & 25

*For more detailed information about this capital project including a breakdown of costs, please refer to the full Capital Projects List in the 'Our Costs in Detail' chapter of this Long term Plan.

Further information and key documents:

- Community Strategy
- Youth Strategy
- Whakatāne District Electronic Surveillance (Closed Circuit Television) Policy

CORPORATE AND DISTRICT ACTIVITIES

Ngā mahinga rangapū ā rohe



CUSTOMER SERVICES
PUBLIC AFFAIRS
PEOPLE AND CAPABILITY
FINANCE
CORPORATE INFORMATION
CORPORATE PROPERTY
DISTRICT INCOME AND EXPENDITURE

What these activities will cost and how we are going to pay for them

Funding Impact Statement for 2018-2028 - Corporate and District Activities
Whakatāne District Council

ANNUAL PLAN 2017/18 \$000		LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000	LTP 2025/26 \$000	LTP 2026/27 \$000	LTP 2027/28 \$000
SOURCES OF OPERATING FUNDING											
203	General rates, uniform annual general charges, rates penalties	803	692	691	419	222	200	131	47	68	112
-	Targeted rates	-	-	-	-	-	-	-	-	-	-
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
358	Fees and charges	360	367	374	382	390	398	406	415	424	433
11,715	Internal charges and overheads recovered	12,856	13,095	13,435	13,526	13,791	14,184	14,315	14,624	15,070	15,243
331	Local authorities fuel tax, fines, infringement fees, and other receipts	348	350	356	364	371	379	386	394	403	411
12,607	Total operating funding (A)	14,367	14,505	14,857	14,690	14,773	15,161	15,239	15,481	15,964	16,199
APPLICATIONS OF OPERATING FUNDING											
10,137	Payments to staff and suppliers	11,100	11,047	11,368	11,446	11,688	12,052	12,152	12,423	12,817	12,940
681	Finance costs	769	812	798	774	760	751	742	739	750	758
573	Internal charges & overheads applied	777	790	803	818	832	847	863	879	895	911
1,050	Other operating funding applications	850	908	926	944	964	984	1,005	1,026	1,048	1,071
12,441	Total applications of operating funding (B)	13,495	13,557	13,894	13,982	14,244	14,634	14,762	15,067	15,510	15,679
166	Surplus (deficit) of operating funding (A-B)	871	947	963	708	530	526	477	413	455	520
SOURCES OF CAPITAL FUNDING											
1,769	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
309	Increase (decrease) in debt	(418)	(287)	(615)	(397)	(217)	(211)	(185)	110	251	70
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
2,078	Total sources of capital funding (C)	(418)	(287)	(615)	(397)	(217)	(211)	(185)	110	251	70
APPLICATIONS OF CAPITAL FUNDING											
Capital expenditure											
-	- to meet additional demand	30	117	-	40	14	14	14	245	1,311	1,218
3,683	- to improve level of service	285	255	91	93	95	97	99	101	103	105
1,770	- to replace existing assets	1,463	1,264	1,155	1,128	1,293	1,253	1,156	1,406	1,513	1,710
(3,208)	Increase (decrease) in reserves	(1,324)	(976)	(898)	(950)	(1,088)	(1,048)	(977)	(1,228)	(2,220)	(2,443)
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
2,245	Total applications of capital funding (D)	453	660	348	311	313	316	293	523	706	591
(167)	Surplus (deficit) of capital funding (C-D)	(871)	(947)	(963)	(708)	(530)	(526)	(477)	(413)	(455)	(520)
(1)	Funding Balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-



What is this group of activities?

This section contains all of the activities that are involved in supporting the delivery of our projects, plans and external activities. These are often referred to as our ‘internal activities’. The following section contains detail on our internal activities that assist us in running the Council.

How this group is funded

The operational costs associated with this group are funded by charging overheads on other activities. During the development of this LTP we reviewed how overheads are allocated across our activities. No major changes were made in the portion of overheads allocated to the majority of our group of activities. Capital expenditure is generally funded by way of corporate loans or depreciation funding. The interest from these loans is also allocated as overheads while the principal repayment is collected through the general rate.

CUSTOMER SERVICES

Ratonga Tangata

Objective

To provide an efficient, effective and friendly service to the community.

What we do

This activity provides the friendly staff that greet you when you visit our service centres or when you call us. They are usually the first, and where possible the only point of contact. We realise our customer's needs are varied and are continually changing, which is why we are focused on growing our online services, so our customers can gain access to our services at a time that is convenient for them.

Costs for 2018-28

Operating cost: \$5.5 Million Capital cost: \$0

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Process over the counter payments	As required
Receive consent applications	As required
Provide information and advice about council services	As required
Process and manage requests for service	As required
Process and manage booking requests for council facilities	As required

Measuring our progress

The following measures, alongside financial performance and progress on projects, are reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
Percentage of telephone calls that are answered within 30 seconds	83%	85%	85%	85%	85%
User satisfaction with the overall service from Council's front desk	95%	94-98%	94-98%	94-98%	94-98%

PUBLIC AFFAIRS

Take Tūmatanui

Objective

To ensure the community has access to relevant, timely, accurate and meaningful information.

What we do

This activity supports and provides effective communication between the Council and the community and creates opportunities for the public to influence Council decision-making. We do this through a number of channels, including Ko Konei (the Council’s newsletter), media releases, the Council’s award-winning website (whakatane.govt.nz) and social media platforms (Facebook, Twitter and YouTube). We also develop systems and processes that help to improve community engagement across the Council’s many activities and services. We endeavour to operate in an open and transparent manner and this activity assists the organisation to achieve that objective.

Further information and key documents:

- Significance and Engagement Policy

Costs for 2018-28

Operating cost: \$5.3 Million Capital cost: \$0

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Produce the Ko Konei newsletter	Monthly
Design and produce advertising, promotional and educational publications	As required
Maintain the Council website	As required
Maintain Council social media platforms	As required
Design Council’s corporate planning documents	As required
Issue media releases and respond to media enquiries	As required

Measuring our progress

The following measures, alongside financial performance and progress on projects, are reported on publicly through our Annual Report. A greater number of (internally reported) measures are used to manage the activity day-to-day.

PERFORMANCE MEASURES	2016/17 PERFORMANCE	TARGETS			
		YEAR 1 (2018/19)	YEAR 2 (2019/20)	YEAR 3 (2020-21)	YEARS 4-10 (2022-28)
Satisfaction with Council's provision of information	70%	69-73%	69-73%	69-73%	69-73%
Percentage of website users that remain engaged*	77%	77%	77%	77%	78%

* Performance derived from the ‘bounce rate’, which indicates how many users are disengaging from the site because they are unable to quickly find the information they are seeking.

PEOPLE AND CAPABILITY

Pūmanawa Tangata

Objective

To attract, retain, motivate and reward high calibre employees to assist in the delivery of our goals and values.

What we do

This activity is an internal service that provides proactive advisory services and tools to support the managers and staff. Our People and Capability team takes on the responsibilities of recruitment, induction, health and safety, training, employment relations, organisational development, and remuneration. This activity requires compliance with legislative requirements, including under the Employment Relations Act 2000, and the Health and Safety at Work Act 2015.

Further information and key documents:

- Employment Relations Act 2000
- Health and Safety at Work Act 2015

Cost for 2018-28

Operating cost: \$12.6 million Capital cost: \$0

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Management of Vault Health and Safety software	Ongoing
Manage and report on workplace risks and events	As required
Implementing employment related policies	Ongoing
Recruitment and induction of staff	As required

FINANCE

Pūtea

Objective

To resource Council services and activities, ensuring Council remains in a stable financial position while being responsive to the issue of rates affordability.

What we do

The Finance activity is an internal service that provides financial, rating and treasury support to all activities within the Council. This activity is largely driven by legislation that requires us to deliver Annual Reports, Annual Plans and Long Term Plans. Finance is responsible for the provision and development of effective monitoring and reporting on our financial performance. Our other responsibilities include budgeting, managing the payroll, charging and collecting rates and answering rates queries.

Further information and key documents:

- Long Term Plans
- Annual Plans
- Annual Reports

Cost for 2018-28

Operating cost: \$34.6 million Capital cost: \$0

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Procurement and contract management	Ongoing
Fleet management	Ongoing
Charging and collecting rates	Quarterly
Managing the rates rebate scheme	Annually
Monitor and report on financial performance	Quarterly
Long term and annual budgeting	Annually

Leadership

Roads & Footpaths

Water Supply

Sewage Treatment & Disposal

Stormwater Drainage

Solid Waste

Environmental Sustainability

Community Safety

District Growth

Recreation & Community Services

Corporate & District Activities

Council Controlled Organisations

CORPORATE INFORMATION

Pārongo Rangapū

Objective

To deliver secure, quality information services to internal and external customers.

What we do

The Corporate Information activity is the guardian of the Council's data, information and knowledge assets. This information must be securely managed for current and future generations, as well as our legislative obligations to keep information. It consists of Information Communication Technology (ICT), Geographic Information Systems (GIS) and Information Management (IM) which work together to provide the right tools and information at the right time and place, enabling efficient, effective and prudent management.

Further information and key documents:

- Local Government Act 2002
- Local Government Official Information and Meetings Act 1987

Cost for 2018-28

Operating cost: \$40.8 Capital cost: 10.4 million

What we will deliver

This table highlights the key services and projects that this activity will deliver over the coming ten years.

DESCRIPTION	WHEN
Provide GIS services to support Council's activities	Ongoing
Provide GIS support as part of a Civil Defence response	As required
Maintain Council's records including electronic and hardcopy	Ongoing
Maintain the CCTV system	Ongoing
Maintain IT and IM efficiency and security	Ongoing

CORPORATE PROPERTY

Ngā whare o te
Kaunihera

Objective

To maintain operational activity of property assets for council services.

What we do

Corporate Property includes assets that provide essential services to the community and those that are supported by the local community. There are 22 properties, which include the Civic Centre, the Library and Exhibition Centre, the Whakatāne Airport terminal building, workshops, depots, libraries, and the dog pound.

Further information and key documents:

- Building Act 2004
- Associated regulations and building standards

Costs for 2018-28

Operating cost: \$22.7 million
Capital cost: \$7.0 million

DISTRICT INCOME AND EXPENDITURE

Te whiwhinga pūtea me te
whakapaunga utu o te rohe

What we do

District income is applied to reduce the general rate requirement in other Council activities. This revenue is sourced from commissions, petrol tax, interest and other revenue. While the activity has an operating cost it provides a net benefit to rate payers.

Costs for 2018-28

Operating cost: \$4.5 million
Capital cost: \$0 million



COUNCIL CONTROLLED ORGANISATIONS

Ngā roopu mahi o te Kaunihera o Whakatāne



A Council Controlled Organisation (CCO) is a company or organisation in which the Council, or a number of councils, hold 50% or more of the voting rights, or can appoint 50% or more of the trustees, directors or managers.

The Council engages in this form of partnership where it provides advantages for a more effective, efficient and financially viable means of delivering services.

The Whakatāne District Council is a shareholder in four Council Controlled Organisations:

1. Whakatāne Airport
2. Toi-Economic Development Agency (Toi-EDA)
3. Bay of Plenty Local Authority Shared Services Limited (BoPLASS)
4. The Local Government Funding Agency (LGFA)

This section summarises the services these organisations will aim to deliver over the life of the LTP 2018–2028 and how their performance will be monitored. More detailed information is available from the Statement of Intent for each CCO.

Each CCO is required to agree to a Statement of Intent with its stakeholders (including the Council) each year and to make this available to the public. The Statement of Intent sets out the CCO's nature and scope of activities, key performance targets and reporting requirements along with other matters. At the end of each financial year each CCO must report performance against the Statement of Intent.

WHAKATĀNE AIRPORT

About the Whakatāne Airport

The Whakatāne Airport provides facilities for scheduled passenger transport, and commercial and recreational flights. The Whakatāne Airport was formed as a CCO in 2006. It is a valued community asset, which contributes to residents' quality of life and is considered crucial to the economic well-being of the District and the wider Eastern Bay of Plenty (EBoP).

Air Chathams is the commercial flight service provider for the Whakatāne Airport. Air Chathams provides regular daily return services to and from Auckland using their Metroliner SA-227 18 seat aircraft. They also operate themed scenic flights in their historic DC3 on weekends over the peak summer period and special events.

Several businesses and airport users also operate from the Airport including Frontier Helicopters, White Island Flights (Eastbay Aviation), AeroHire, SuperAir, and the Whakatāne AeroClub. The airport is also a regular refueling point for helicopter tourism flights from Rotorua and Tauranga to White Island/Whakaari.

Whakatāne Airport has achieved CAA Part 139 Airport Certification under New Zealand Civil Aviation Rules. Aerodrome Operator Certificate number AD29611, pursuant to Civil Aviation Rule Part 139 and section 9 of the Civil Aviation Act 1990.

A recent Supreme Court ruling means Whakatāne Airport is required to extend its Runway End Safety Areas from the current 90m to 250m in order to enable planes of 30 seats or more to land at the Whakatāne Airport and to maintain our CAA Part 139 Airport Certification. On completion of this work Air Chathams will be able to introduce their SAAB 340 aircraft to the schedule, beginning with peak times and days. This will not only add additional capacity, it will greatly enhance the flying experience for customers.

CAA Regulations require upgraded Hold Point Lights to be installed by July 31, 2018. The existing Runway Edge Lighting were assessed to be in urgent need of replacing and these are being upgraded at the same time as the Hold Point Lights.

Why we are involved with this CCO

- To promote a safe, accessible, affordable and reliable air transport system for the benefit of the economic and social development of the Eastern Bay of Plenty Region
- To ensure that the airport facility is maintained appropriately, and enhanced where practicable and economical
- To ensure that the airport is administered efficiently and effectively to the benefit of scheduled flight operations

How does this CCO work?

The airport is a joint venture operation between the New Zealand Government (Ministry of Transport) and the Whakatāne District Council, with each party owning a 50% share. Day-to day operation and maintenance of the airport, including the delivery of projects, services and initiatives, is managed by the Council and a contract for service with JNP Aviation Limited.

What does this CCO do?

The primary activity of this organisation is to operate the airport efficiently and on sound business principles for the benefit of both commercial and non-commercial aviation users. It must also operate in accordance with the terms of its aerodrome certificate, which defines standards and conditions laid down by the Civil Aviation Authority of New Zealand.

Airport land and facilities are also leased out where these are either surplus to the airport's present operational requirements or to allow for activities that are compatible with the operation of the airport. This includes land for hangars, parts of the terminal building for commercial operators and areas of unused airport land for grazing.

Who pays?

The Council has an arrangement with the Ministry of Transport that each party is responsible for half of the costs of the Whakatāne Airport, subject to prior approval of capital expenditure over \$10,000 by the Ministry of Transport.

Measuring our progress

The specific performance targets for the Whakatāne Airport will be set annually through the Airport Statement of Intent and based on the framework outlined below. Any new performance measures will be disclosed in the Statement of Intent for the year in which they relate to. At the end of each financial year the Airport Annual Report will report on performance against the Statement of Intent which will include how it performed against those targets.

FINANCIAL PERFORMANCE MEASURES	NON-FINANCIAL PERFORMANCE MEASURES
Operate and maintain the airport's assets within the operational expenditure and capital expenditure budgets (excluding corporate overheads and depreciation). These budgets will be outlined in the Whakatāne Airport Statement of Intent each year.	The Airport is managed and operated in a safe and environmentally friendly manner
	The Airport is maintained to Civil Aviation Authority (CAA) requirements

TOI ECONOMIC DEVELOPMENT AGENCY (TOI- EDA)

About this CCO

Toi-EDA is the Economic Development Agency for the Eastern Bay of Plenty and is based in Whakatāne. It is a partnership between Kawerau, Ōpōtiki and Whakatāne District Councils, and the Bay of Plenty Regional Council, working together with local iwi. Toi-EDA undertakes activities to contribute to the sustainable growth and development of the local economy. Its vision is to grow the Eastern Bay of Plenty to enhance the wealth and quality of life for its people: Tini o Toi – kia tipu, kia puawai (To create, grow and blossom the myriads of Toi). Toi-EDA's purpose is to identify and facilitate economic development opportunities for the Eastern Bay of Plenty.

Toi-EDA is an exempted Council Controlled Organisation (CCO) under the Local Government Act 2002. This means Toi-EDA does not have to meet the specific reporting requirements related to CCOs. Exemption from these requirements allows Toi-EDA to focus more of its limited resources on economic development. As an exempt CCO, the reporting requirements of Toi-EDA are similar to those of other Council activities.

More information about Toi-EDA is available on its website: toi-eda.co.nz

Why we are involved with this CCO

- To recognise the strength of a coordinated approach to economic development in the Eastern Bay of Plenty
- To support major economic development opportunities that will provide a benefit to the communities of the Whakatāne District and Eastern Bay of Plenty

How does this CCO work?

A trust board provides governance oversight and advice to Toi-EDA. The board operates under a trust deed and is made up of experienced local business people from the Eastern Bay of Plenty, who play a vital role in leading and guiding the organisation.

At a higher level, Toi-EDA operates within a wider framework under the 'Bay of Connections' strategy. The 'Bay of Connections' strategy is the economic development strategy for the wider Bay of Plenty region including Tauranga, Western Bay of Plenty, Rotorua, the Eastern Bay of Plenty, and Taupo. The objective of this strategy is to deliver regional economic development for new and existing initiatives and industries by building on the region's collective strengths. A Governance Group made up of nine business leaders leads Bay of Connections, supported by the region's economic development agencies and the Bay of Plenty Regional Council. It also works in conjunction with local and national agencies, organisations and businesses.

What does this CCO do?

Toi-EDA has a strong focus on enhancing the Eastern Bay of Plenty's economic growth and wealth for its people. It also plays an important role in the Bay of Plenty regional partnership representing the Eastern Bay of Plenty. The focus is on projects relating to energy, forestry, aquaculture, transport and logistics, and horticulture. This includes projects, services and initiatives to increase employment, income and investment in the Eastern Bay of Plenty Region. These activities aim to attract businesses and people to the area and to support the growth and development of existing businesses. Specific objectives of Toi-EDA are covered within its economic development strategy.

Who pays?

Toi-EDA receive funding from the Kawerau, Ōpōtiki and Whakatāne District Councils based on a set amount per head of population and additional funding from the Bay of Plenty Regional Council. As a result, we provide the majority of funding for Toi-EDA. This allows for continued delivery of projects and initiatives annually and at a consistent level. Toi-EDA also receives funding from the Bay of Plenty Regional Council. Any additional funding requirements (over and above the annual operational funding requirement) needed for specific projects and initiatives is negotiated with stakeholders.

How will performance be measured?

Toi-EDA considers performance in two ways.

1. How the local economy is performing (which is not a direct reflection on the performance of Toi-EDA)
2. Is Toi-EDA delivering the services that it promised to deliver?

The performance of the local economy is not a direct reflection on Toi-EDA because a range of factors on a local, national and international scale, influence economic growth. Toi-EDA can influence a number of these factors directly, but others it cannot (such as the global financial crisis).

Financial performance measures and targets

- Manage Toi-EDA's operations within budgets agreed by stakeholders and within the terms of the Trust Deed.

Non-financial performance measures and targets

Toi-EDA also has a set of primary goals, which are:

- Attract people to work, live and play in the Eastern Bay of Plenty
- Encourage alignment of Māori economic development activity and Toi-EDA activity
- Support and develop industry
- Advocate for improved infrastructure and transportation
- Foster communication with the community and partners
- Secure and diversify the Toi-EDA funding base.

BAY OF PLENTY LOCAL AUTHORITY SHARED SERVICES (BOPLASS)

About BoPLASS

Bay of Plenty Local Authority Shared Services Limited (BoPLASS) was formed in 2007 to investigate, develop and deliver shared services, joint procurement and communications for the participating councils. The Whakatāne District Council holds a 9.7% share in BoPLASS Limited, alongside eight other councils that constitute the Bay of Plenty and Gisborne regions.

BoPLASS delivers benefits in terms of cost savings and service improvements to its constituent councils and ultimately to ratepayers and residents. BoPLASS has been recognised nationally and internationally as a successful model for the delivery of shared services.

Why we are involved with this CCO

- To reduce costs to ratepayers by accessing cost savings and service improvements offered through shared service agreements

How does this CCO work?

BoPLASS is governed by a board of nine directors appointed by its shareholders. Unless otherwise agreed by the Board, each appointee is the current (or acting) chief executive of the council shareholder. In addition, the Board may appoint up to three professional directors to supplement the directors'/ chief executives' expertise. A sub-committee of council delegates is responsible for regular monitoring and governance of BoPLASS projects. The services, projects and initiatives of BoPLASS are delivered through a small team of staff based in Tauranga, and through advisory groups made up of representatives of the different councils interested in a particular service. Each group is service specific; the participants initially decide the scope of the project and the desired outcomes and work collaboratively to achieve them.

What does this CCO do?

BoPLASS provides benefits to the Whakatāne District Council (and other participating councils) through improved levels of service, reduced costs, improved efficiency and/ or increased value through innovation. This will be achieved primarily through joint procurement and shared services.

Joint procurement includes procurement of services or products by two or more councils from an external provider, regardless of whether the service is paid for through BoPLASS or individually by participating councils. Examples that have led to cost savings for the Whakatāne District Council include procurement of office supplies, software and insurances.

Shared services includes the participation of two or more councils in the provision of a common service, which may be jointly or severally hosted. Examples that have led to improved levels of service include the provision of a fibre optic network and development of shared geographic information systems.

The expected benefits that can be achieved through shared services are:

- Improved levels and quality of service
- A coordinated and consistent approach to the provision of services
- Reductions in the cost of support and administrative services
- Opportunities to develop new initiatives
- Economies of scale resulting from a single entity representing many councils in procurement.

Who pays?

We pay a small membership levy to BoPLASS of \$1,000 per year, per advisory group involved in. Beyond this levy, membership with BoPLASS is essentially a user pays system based on involvement in the shared services developed under the BoPLASS umbrella. Much of these costs come down to the 'in kind' contribution the Council makes towards establishing or developing shared services.

Costs to the Council, and ultimately to ratepayers, of participating in this CCO are more than offset by the cost savings achieved through the resultant shared services and joint procurement initiatives.

How will performance be measured?

The specific performance targets for BoPLASS will be set annually through the BoPLASS Statement of Intent and will be based on the framework outlined below. At the end of each financial year the BoPLASS Annual Report will report on performance against the Statement of Intent including how it performed against those targets.

- Joint procurement initiatives provide financial savings and/or improved service levels to the Council
- Support is provided to assist the Council when engaging in shared service development and projects
- A collaboration portal for access to, and sharing of, project information between BoPLASS councils and the greater Local Government community is operational
- Best value is ensured through managing and/or renegotiating existing contracts
- Communication is undertaken at the appropriate level with at least one meeting with the Executive Leadership Team per year
- The company remains financially viable.

LOCAL GOVERNMENT FUNDING AGENCY LIMITED (LGFA)

About the LGFA

The Local Government Funding Agency Limited (LGFA) was established in 2011 by 18 local authority councils and the Crown. The basic function of the LGFA is to enable councils to borrow funds at lower interest margins than would otherwise be available.

We joined the LGFA in August 2012 as a principal shareholder. This is the highest level of council participation in the LGFA which provides access to full benefits (all local authorities can borrow from the LGFA, but different benefits apply depending on the level of participation).

Why we are involved with this CCO

- To provide Council with access to a broader range of borrowing options, so less ratepayer funds are spent on interest repayments.

How does this CCO work?

The LGFA is governed by a Board of Directors. The Board is responsible for the strategic direction and control of LGFA's activities. The Board guides and monitors the business and affairs of LGFA, in accordance with the:

- Companies Act 1993
- Local Government Act 2002
- Local Government Borrowing Act 2011
- Company's Constitution
- Shareholders' Agreement for LGFA
- Statement of Intent.

The Board will comprise between four and seven directors with a majority of independent directors and will meet no less than six times each year. Operationally, the LGFA is run by a small team based in Wellington.

What does this CCO do?

The LGFA raises debt funding either domestically and/or offshore and provides this debt funding to New Zealand local authorities at lower interest margins than those available through other lenders. The LGFA only lends to local authorities that enter into all the relevant arrangements with it (participating local authorities) and that comply with the LGFA's lending policies.

The LGFA operates with the primary objective of optimising the debt funding terms and conditions for participating local authorities. This includes:

- Providing estimated savings in annual interest costs for all Participating Local Authorities
- Making longer-term borrowings available to Participating Local Authorities
- Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practice
- Offering more flexible lending terms to Participating Local Authorities.

Who pays?

There are some costs to the Council and ultimately to the ratepayer, of participating in the LGFA. However the costs are substantially less than the savings that can be achieved through the improved interest margins.

To participate in the LGFA as a principal shareholding authority, the Whakatāne District Council is required to accept certain costs and risks. This has included making an initial capital investment of \$100,000; providing security against rates charges (which is similar to arrangements with banks); and committing a portion of our borrowing needs to the LGFA for an initial period.

How will performance be measured?

The specific performance targets for the LGFA are set annually through their Statement of Intent. At the end of each financial year the LGFA will report on performance against the Statement of Intent including against those performance targets.

The draft LGFA Statement of Intent for the 2018/19 year contains the following performance targets:

- **The average margin above LGFA's cost of funds charged to the highest rated Participating Local Authorities for the period to:**
 - 30 June 2019 will be no more than 0.10%
 - 30 June 2020 will be no more than 0.10%
 - 30 June 2021 will be no more than 0.10%
- **LGFA's annual insurance and operating expenses for the period to:**
 - 30 June 2019 will be less than \$5.58 million
 - 30 June 2020 will be less than \$5.71 million
 - 30 June 2021 will be less than \$5.83 million
- **Total lending to Participating Local Authorities at:**
 - 30 June 2019 will be at least \$8,020 million
 - 30 June 2020 will be at least \$8,261 million
 - 30 June 2021 will be at least \$8,297 million

LGFA will demonstrate the savings to council borrowers on a relative basis to other sources of financing. This will be measured by maintaining or improving the prevailing secondary market spread between LGFA bonds and those bonds of a similar maturity issued by registered banks, and Auckland Council and Dunedin Council, as a proxy for single name issuance of council financing.

Any new performance measures will be disclosed in the Statement of Intent for the year in which they relate to.



Our Costs in Detail
Ngā taipitopito utu



OUR COSTS IN DETAIL

Ngā taipitopito utu

This chapter of the LTP provides a breakdown of some of our costs in more detail and provides some further information about how these costs are calculated and distributed. This information is a culmination of all the information contained within this LTP.

Financial Prudence Benchmarks

These statements provide the Council's planned financial performance against various benchmarks in relation to revenue, expenses, assets, liabilities and general financial dealings.

Prospective Financial Statements

These statements provide an overview of the Council's forecasted financial position for the next 10 years. This information should be read alongside the financial information contained in the 'Our Work in Detail' Chapter. The Statements include:

- Statement of Prospective Comprehensive Income.
- Statement of Prospective Changes in Equity.
- Statement of Prospective Financial Position.
- Statement of Prospective Cash Flows.
- Statement of Reserve Balances.

Statement of Accounting Policies

This statement outlines the principles against which we have prepared our financial statements. These policies have been applied to all the 10 years of this plan, unless specifically stated.

Capital Projects List

This table outlines the key capital projects (or in some cases programmes of capital works) that we plan to undertake over the course of this LTP. It breaks down costs of capital works by year and indicates what the funding sources will be.

Rating Information

This section includes information about the distribution and payment of rates in our District. This includes:

- Information about the number of rateable properties in our District.
- Due dates for payment of rates and water invoices in 2018/19
- Funding Impact Statement (Rating) - showing how the rating system will look as dollar figures applied across the community
- Indicative Rating Examples for 2018/19 to model what rates will look like in 2018/19 for example properties

Auditor's Report

Our Long Term Plan has been audited by Audit New Zealand. The purpose of the Audit is to ensure that our LTP meets legislative requirements and provides a reasonable basis for long-term, integrated decision-making and coordination of the Council's resources and its accountability to the community.

FINANCIAL PRUDENCE BENCHMARKS

Ngā aratohu pūtea

LONG-TERM PLAN DISCLOSURE STATEMENT FOR PERIOD COMMENCING 1 JULY 2018

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

The Council is required to include this statement in its Long-Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates Affordability Benchmark

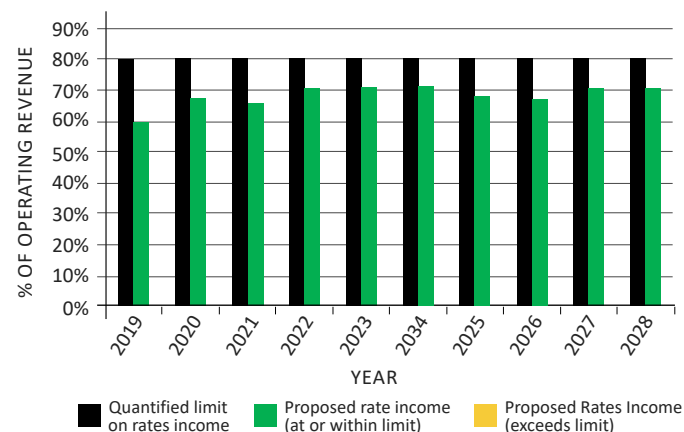
The Council meets the rates affordability benchmark if:

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

RATES INCOME AFFORDABILITY

The following graph compares the Council's planned rates with a quantified limit on rates contained in the financial strategy included in this Long-Term Plan.

Total rates revenue for each year of the ten-year plan will be limited to 80% of operating revenue.

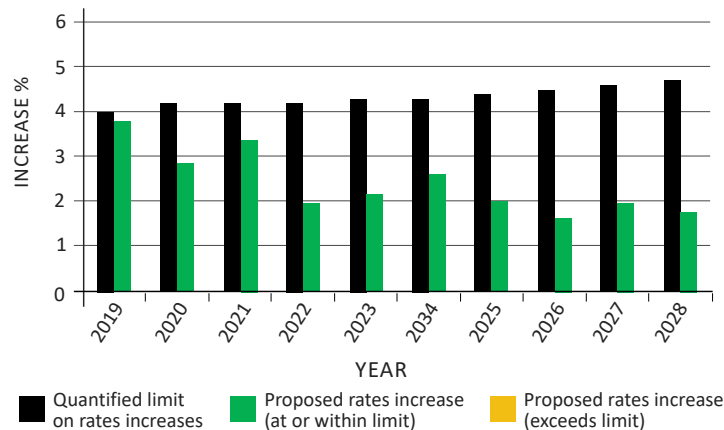


RATES INCREASES AFFORDABILITY

The following graph compares the Council's planned rates increases with a quantified limit on rates increases contained in the Financial Strategy included this Long-Term Plan.

Quantified Limit on Rates Increases

- The annual percentage increase in the Local Government Cost Index*
- Plus two percent.



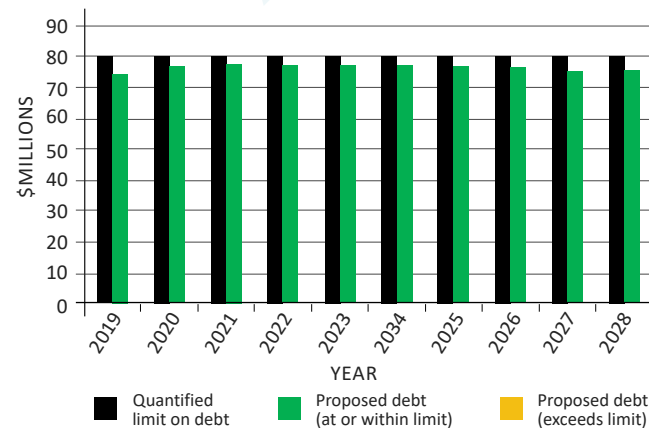
*Using the most recent Local Government Cost Index, published by BERL, available at the time the this ten-year plan was prepared.

Debt Affordability Benchmark

The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

Our Limits for Debt

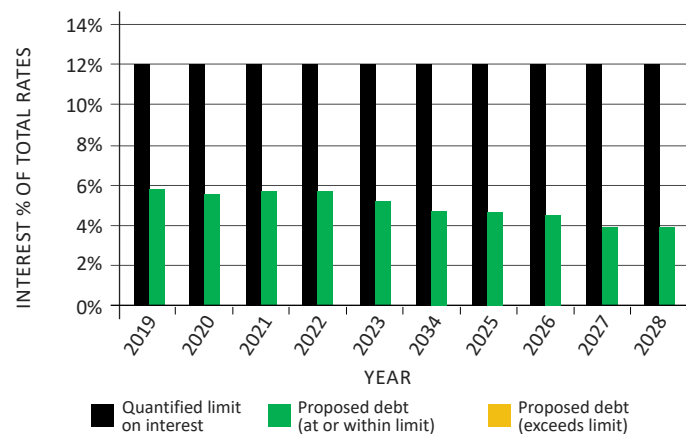
The following graph compares the council's planned total borrowing with the first quantified limit on borrowing stated in the financial strategy included in this long-term plan. The quantified limit is for total debt to be capped at \$80 million.



Debt Affordability Benchmark continued.

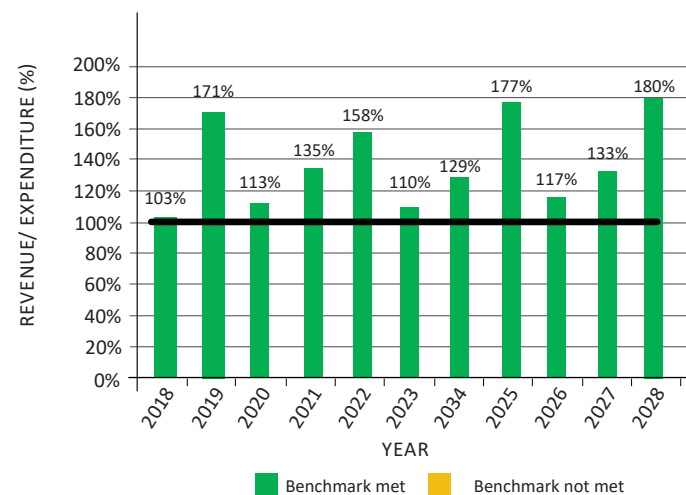
Our Limit on Interest as a Percentage of Total Rates Income

The following graph compares the council's planned interest as a percentage of total rates income with the second quantified limit on borrowing stated in the financial strategy included in this long-term plan. The quantified limit is 12% of total rates.



Balanced Budget Benchmark

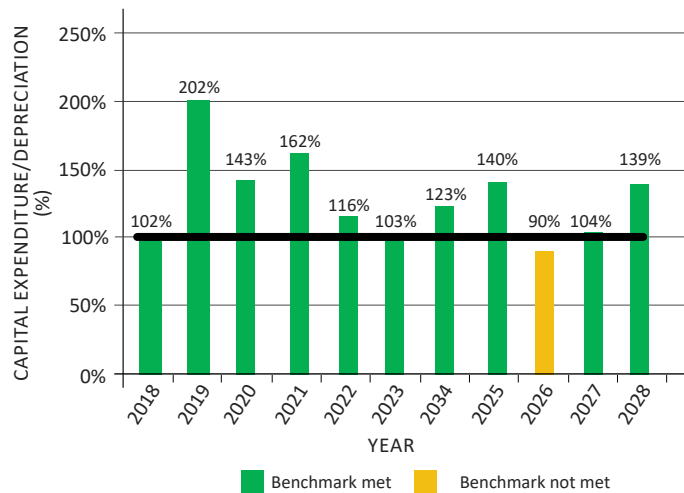
The following graph displays the Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property plant and equipment) as a proportion of operating expenses (excluding losses on derivative financial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





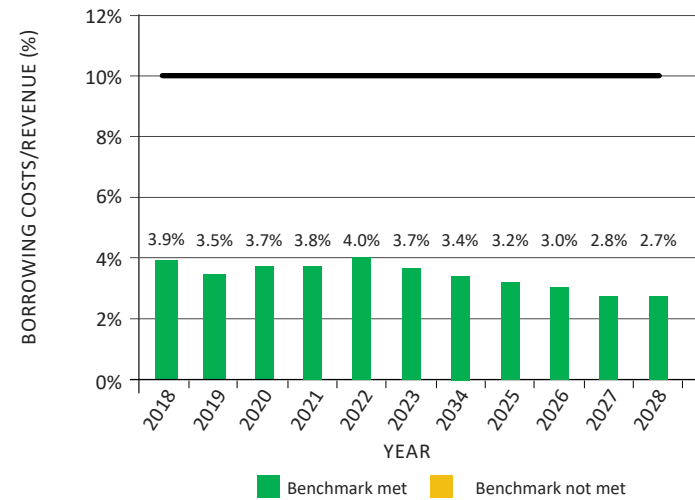
Essential Services Benchmark

The following graph displays the Council’s planned capital expenditure on network services as a proportion of expected depreciation on network services. The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than depreciation on network services.



Debt Servicing Benchmark

The following graph displays the Council’s planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property plant and equipment). Because Statistics New Zealand projects the Councils’ population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its planned revenue.





PROSPECTIVE FINANCIAL STATEMENTS

Ngā matapae tauāki pūtea

The following Prospective Financial Statements are provided to give you an indication of our predicted financial position during the period of this LTP. We develop an Annual Plan on an annual basis to update our proposals with the latest information.

CAUTIONARY NOTE

The information in the Prospective Financial Statements is uncertain and its preparation requires the exercise of judgement. Actual financial results are likely to vary from the information presented and the variations may be material. Events and circumstances may not occur as expected and may or may not have been predicted or the Council may subsequently take actions that differ from the proposed course of action on which the prospective financial statements are based.

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

This provides information on the surplus or deficit arising throughout the LTP impacting on the past and future comprehensive revenue and expense. This aids the reader to differentiate between components of financial performance according to frequency, potential for gain and loss predictability.

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

Also known as net worth, equity is measured as the difference between the total value of assets and total liabilities. This statement presents a comprehensive measure of revenue. Accumulated equity represents the communities' investment in publicly owned assets resulting from past surpluses.

PROSPECTIVE STATEMENT OF FINANCIAL POSITION

This presents information about the economic resources controlled by the Council. This information is useful in assessing the Council's ability to generate cash, provide services and for assessing future borrowing needs.

PROSPECTIVE STATEMENT OF CASH FLOWS

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments the Council invests in as part of its day-to-day cash management. It provides information about cash generation through Council activities, to repay debt or to reinvest to maintain operating capacity.



STATEMENT OF RESERVE BALANCES

This identifies the reserve funds that we operate and the expected value of these funds including how much is in each fund at the start of the LTP period, how much we expected to come in or out of each fund during the term of the LTP, and then what the balance of each fund is expected to be at the end of the LTP term.

Statement concerning balancing the budget

The Council has produced a balanced budget in each of the ten years of the LTP. In setting the budget we have had regard for the following matters:

- Maintaining levels of service
- Maintaining service capacity and integrity of assets
- Intergenerational equity
- Compliance with the Council's revenue and financing policies.

The main reasons for the surplus are:

- NZTA grants for roading are largely used to fund capital expenditure
- Other Central Government grants and subsidies are shown as income, whereas the capital items they fund are not included in the profit and loss statements.

Surpluses are reduced by:

- The policy to fund depreciation on infrastructural assets based on their 25 year renewal requirement.
- Reserves which may be used to fund one off expenditure.

The Council has set the expenditure and revenue at levels it considers appropriate to meet the funding needs of the District over the next ten years and to meet the social, cultural, environmental and economic well-being of the community.



Prospective Statement of Comprehensive Revenue and Expense

AP 2018 \$000		LTP 2019 \$000	LTP 2020 \$000	LTP 2021 \$000	LTP 2022 \$000	LTP 2023 \$000	LTP 2024 \$000	LTP 2025 \$000	LTP 2026 \$000	LTP 2027 \$000	LTP 2028 \$000
	REVENUE										
11,144	Revenue from activities	9,063	9,224	9,390	9,614	9,908	10,095	10,332	10,603	10,808	11,035
10,092	Subsidies and Grants	20,273	12,089	14,395	10,063	9,585	9,510	13,123	14,838	10,559	10,867
42,653	Rates Revenue Note 1 and 2	44,505	45,745	47,298	48,232	49,284	50,570	51,578	52,420	53,450	54,401
236	Vested Assets	-	-	-	-	-	-	-	-	-	-
500	Gains on revaluation of Investment property	-	-	-	-	-	-	-	-	-	-
94	Development and Financial Contributions	1,064	131	134	137	140	144	147	386	155	159
46	Finance Revenue*	50	46	47	48	49	50	51	52	53	54
64,765	Total Revenue	74,955	67,234	71,264	68,094	68,966	70,368	75,231	78,299	75,025	76,516
	EXPENDITURE										
27,376	Other Expenses	26,951	27,377	28,246	28,854	29,763	30,661	31,249	32,232	33,258	34,066
14,961	Personnel Costs	16,960	17,007	17,234	17,537	17,839	18,158	18,477	18,813	19,150	19,503
15,979	Depreciation and Amortisation Note 3	15,464	16,605	17,449	17,536	17,524	17,632	17,916	18,387	18,855	19,344
2,520	Finance Costs*	2,572	2,508	2,670	2,729	2,544	2,387	2,402	2,368	2,074	2,092
60,836	Total Expenditure	61,947	63,497	65,600	66,654	67,670	68,838	70,045	71,800	73,337	75,005
3,929	Net Surplus (Deficit)	13,008	3,737	5,664	1,439	1,296	1,530	5,185	6,499	1,688	1,512
	OTHER COMPREHENSIVE REVENUE & EXPENSE										
(1,000)	Gains on asset revaluation	17,716	2,862	11,945	22,461	3,589	13,236	26,257	3,589	15,496	31,319
2,929	Total comprehensive revenue and expense for the year	30,724	6,599	17,609	23,900	4,884	14,766	31,443	10,088	17,184	32,831

*Excludes Internal Borrowing Interest.

Notes to the Prospective Statement of Comprehensive Revenue and Expense

AP 2018 \$000		LTP 2019 \$000	LTP 2020 \$000	LTP 2021 \$000	LTP 2022 \$000	LTP 2023 \$000	LTP 2024 \$000	LTP 2025 \$000	LTP 2026 \$000	LTP 2027 \$000	LTP 2028 \$000
	NOTE 1: GENERAL RATES BY ACTIVITY										
2,899	Leadership	2,964	2,956	3,006	3,112	3,130	3,174	3,287	3,317	3,493	3,603
(25)	Roads & Footpaths	(25)	(25)	(26)	(26)	(27)	(27)	(28)	(29)	(29)	(30)
187	Sewage Treatment & Disposal	126	438	441	443	445	445	446	447	448	448
363	Stormwater Drainage	352	354	356	358	361	361	359	360	361	362
1,800	Solid Waste	1,849	1,924	1,997	2,047	2,102	2,128	2,181	2,219	2,231	2,269
1,712	Environmental Sustainability	2,019	1,892	1,984	1,960	1,993	2,029	2,003	1,668	1,709	1,718
3,095	Community Safety	2,523	2,463	2,473	2,548	2,438	2,504	2,504	2,610	2,601	2,650
864	District Growth	1,066	1,128	1,180	1,175	1,165	1,208	1,317	1,256	1,337	1,292
9,941	Recreation & Community Services	10,551	10,717	10,955	11,023	11,402	11,613	11,826	12,183	12,466	12,571
203	Corporate & District Activities	803	692	691	419	222	200	131	47	68	112
-	Council Controlled Activities	85	86	88	90	92	94	96	98	100	102
21,038	Total General Rates	22,313	22,627	23,145	23,148	23,322	23,728	24,123	24,176	24,784	25,096
620	Less Rates Remissions	400	449	458	467	477	487	497	507	518	529
20,418	General Rates Levied	21,913	22,178	22,688	22,681	22,845	23,241	23,626	23,669	24,266	24,567
	NOTE 2: TARGETED RATES BY ACTIVITY										
334	Leadership	334	339	344	350	358	364	371	379	386	393
6,833	Roads & Footpaths	5,837	6,412	6,550	6,819	7,043	7,323	7,352	7,547	7,680	7,834
5,230	Water Supply	6,117	5,885	6,035	6,226	6,478	6,720	6,906	7,044	7,142	7,248
3,366	Sewage Treatment & Disposal	3,764	4,038	4,468	4,609	4,755	4,889	5,116	5,289	5,409	5,662
3,328	Stormwater Drainage	3,184	3,390	3,597	3,820	3,995	4,143	4,238	4,432	4,480	4,518
2,481	Solid Waste	2,595	2,732	2,830	2,925	2,992	3,056	3,119	3,193	3,202	3,278
664	District Growth	723	734	748	763	778	793	809	825	841	856
-	Council Controlled Activities	36	37	38	39	39	40	41	42	43	44
22,235	Total Targeted Rates	22,592	23,567	24,610	25,551	26,439	27,328	27,952	28,751	29,184	29,834

AP 2018 \$000		LTP 2019 \$000	LTP 2020 \$000	LTP 2021 \$000	LTP 2022 \$000	LTP 2023 \$000	LTP 2024 \$000	LTP 2025 \$000	LTP 2026 \$000	LTP 2027 \$000	LTP 2028 \$000
7,021	Roads & Footpaths	7,081	7,746	8,173	8,268	8,299	8,307	8,344	8,397	8,461	8,545
1,881	Water Supply	1,916	2,073	2,240	2,219	2,234	2,287	2,304	2,298	2,287	2,312
1,536	Sewage Treatment & Disposal	1,483	1,558	1,593	1,573	1,560	1,600	1,735	1,726	1,861	1,980
1,090	Stormwater Drainage	1,135	1,215	1,317	1,338	1,331	1,336	1,322	1,332	1,316	1,300
10	Solid Waste	41	43	44	44	43	43	43	43	43	43
6	Community Safety	10	10	10	10	10	9	9	9	9	8
244	District Growth	69	73	78	78	78	78	81	81	83	83
2,650	Recreation & Community Services	2,732	2,907	3,130	3,127	3,073	3,058	3,131	3,267	3,271	3,263
1,651	Corporate & District Activities	990	963	846	857	873	890	921	1,204	1,496	1,779
44	Council Controlled Activities	9	17	18	23	23	24	26	29	30	31
15,979	Total Depreciation and Amortisation	15,464	16,605	17,449	17,536	17,524	17,632	17,916	18,387	18,855	19,344
15,625	Projected number of rating units within the district at the end of the proceeding year	15,659	15,659	15,659	15,659	15,659	15,659	15,659	15,659	15,659	15,659

Prospective Statement of Changes in Net Assets and Equity

AP 2018 \$000		LTP 2019 \$000	LTP 2020 \$000	LTP 2021 \$000	LTP 2022 \$000	LTP 2023 \$000	LTP 2024 \$000	LTP 2025 \$000	LTP 2026 \$000	LTP 2027 \$000	LTP 2028 \$000
443,197	Accumulated Funds at the start of the year	436,635	449,643	453,380	459,044	460,484	461,779	463,310	468,495	474,994	476,682
3,929	Total Comprehensive Revenue for the Period	13,008	3,737	5,664	1,439	1,296	1,530	5,185	6,499	1,688	1,512
447,126	Accumulated Funds at the end of the year	449,643	453,380	459,044	460,484	461,779	463,310	468,495	474,994	476,682	478,194
153,300	Asset Revaluation Reserves at the start of the year	176,604	194,320	197,182	209,127	231,588	235,176	248,412	274,670	278,258	293,754
(1,000)	Revaluation of Assets	17,716	2,862	11,945	22,461	3,589	13,236	26,257	3,589	15,496	31,319
152,300	Asset Revaluation Reserves at the end of the year	194,320	197,182	209,127	231,588	235,176	248,412	274,670	278,258	293,754	325,073
599,426	Net Assets and Equity at the end of the year	643,963	650,562	668,171	692,072	696,956	711,722	743,165	753,252	770,436	803,267

Prospective Statement of Financial Position

AP 2018 \$000		LTP 2019 \$000	LTP 2020 \$000	LTP 2021 \$000	LTP 2022 \$000	LTP 2023 \$000	LTP 2024 \$000	LTP 2025 \$000	LTP 2026 \$000	LTP 2027 \$000	LTP 2028 \$000
	PUBLIC EQUITY										
428,347	Retained Earnings	428,158	430,479	439,260	440,488	441,119	441,413	445,182	449,794	449,384	448,673
17,779	Restricted Equity	21,485	22,901	19,785	19,995	20,660	21,897	23,313	25,200	27,298	29,520
153,300	Asset Revaluation Reserves	194,320	197,182	209,127	231,588	235,176	248,412	274,670	278,258	293,754	325,073
599,426	Total Public Equity	643,963	650,562	668,171	692,072	696,956	711,722	743,165	753,252	770,436	803,267
	CURRENT ASSETS										
846	Cash and Cash Equivalents	2,508	4,682	2,447	3,429	1,701	1,210	(101)	1,191	(214)	(614)
837	Other Current Assets	231	243	255	267	281	295	310	325	341	358
3,574	Trade and other Receivables	10,505	9,439	10,003	9,560	9,683	9,880	10,561	10,992	10,534	10,744
2,653	Assets Held for Sale	8,696	6,696	6,696	4,496	1,996	1,996	1,996	1,996	1,996	1,996
7,910	Total Current Assets	21,940	21,059	19,401	17,752	13,660	13,381	12,766	14,504	12,658	12,484
	NON CURRENT ASSETS										
33,467	Investment Property	34,820	34,987	35,144	35,229	35,323	35,395	35,595	35,658	35,789	35,847
620,362	Property, Plant and Equipment	640,546	649,545	670,983	694,670	696,904	711,171	744,122	750,681	765,943	800,139
5,317	Work in Progress	15,391	15,544	15,781	15,812	15,778	15,804	15,971	16,046	16,040	16,112
784	Other Non-Current Assets	703	703	703	703	703	703	703	703	703	703
659,930	Total Non Current Assets	691,460	700,779	722,612	746,415	748,708	763,073	796,392	803,088	818,475	852,801
667,840	Total Assets	713,400	721,838	742,013	764,168	762,368	776,455	809,158	817,592	831,133	865,285
	CURRENT LIABILITIES										
13,896	Trade and Other Payables	8,807	9,615	9,121	9,303	9,545	9,789	9,970	10,234	10,506	10,739
1,800	Employee Benefit Liabilities	2,544	2,551	2,585	2,630	2,676	2,724	2,772	2,822	2,872	2,925
6,000	Borrowings	9,000	5,000	13,000	5,000	17,000	12,000	9,000	16,000	9,000	17,000
21,696	Total Current Liabilities	20,351	17,166	24,706	16,934	29,221	24,512	21,742	29,056	22,379	30,664
	NON CURRENT LIABILITIES										
406	Provisions	486	510	536	563	591	620	651	684	718	754
45,300	Borrowings	45,000	50,000	45,000	51,000	32,000	36,000	40,000	31,000	34,000	27,000
1,013	Other Non-Current Liabilities	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
46,719	Total Non-Current Liabilities	49,086	54,110	49,136	55,163	36,191	40,220	44,251	35,284	38,318	31,354
68,415	Total Liabilities	69,437	71,276	73,842	72,096	65,412	64,733	65,993	64,340	60,697	62,018
599,425	Net Assets	643,963	650,562	668,171	692,072	696,956	711,722	743,165	753,252	770,436	803,267

Notes to the Prospective Statement of Financial Position

AP 2018 \$000		LTP 2019 \$000	LTP 2020 \$000	LTP 2021 \$000	LTP 2022 \$000	LTP 2023 \$000	LTP 2024 \$000	LTP 2025 \$000	LTP 2026 \$000	LTP 2027 \$000	LTP 2028 \$000
NET INVESTMENT IN COUNCIL CONTROLLED ORGANISATIONS											
1,629	Whakatāne Airport	3,856	4,018	4,028	4,194	4,173	4,178	4,234	4,285	4,303	4,322
624	Local Government Funding Agency	644	644	644	644	644	644	644	644	644	644
2,253	Net Investment	4,500	4,662	4,672	4,838	4,817	4,822	4,878	4,929	4,947	4,966

Prospective Statement of Cash Flows

AP 2018 \$000		LTP 2019 \$000	LTP 2020 \$000	LTP 2021 \$000	LTP 2022 \$000	LTP 2023 \$000	LTP 2024 \$000	LTP 2025 \$000	LTP 2026 \$000	LTP 2027 \$000	LTP 2028 \$000
CASH FLOW FROM OPERATING ACTIVITIES											
<i>Cash will be provided from:</i>											
42,653	Rates and Service Charges	44,905	46,193	47,756	48,699	49,760	51,056	52,075	52,927	53,968	54,930
94	Development Contributions	1,064	131	134	137	140	144	147	386	155	159
3,268	Sundry Revenue	3,703	3,775	3,852	3,944	4,024	4,112	4,213	4,314	4,410	4,508
7,875	User Fees	5,815	5,865	5,964	6,105	6,343	6,454	6,600	6,791	6,913	7,056
10,092	Subsidies & Grants	19,901	11,741	14,039	9,672	9,212	9,128	12,732	14,438	10,149	10,447
46	Interest Revenue - External	50	46	47	48	49	50	51	52	53	54
8,531	Regional Council Rates	9,879	10,163	10,506	10,714	10,947	11,232	11,456	11,644	11,873	12,085
72,559	Total Operating Cash Provided	85,318	77,913	82,297	79,319	80,476	82,176	87,275	90,552	87,521	89,238
<i>Cash will be applied to:</i>											
42,337	Suppliers and Employees	42,696	43,160	44,203	45,049	46,189	47,341	48,179	49,415	50,707	51,751
2,520	Interest on Public Debt	2,572	2,508	2,670	2,729	2,544	2,387	2,402	2,368	2,074	2,092
8,531	Regional Council Rates	9,879	10,163	10,506	10,714	10,947	11,232	11,456	11,644	11,873	12,085
53,388	Total Operating Cash Applied	55,148	55,831	57,380	58,491	59,681	60,961	62,038	63,427	64,654	65,927
19,171	Net Cashflows from Operating Activities	30,170	22,082	24,918	20,827	20,795	21,215	25,237	27,125	22,867	23,311

AP 2018 \$000		LTP 2019 \$000	LTP 2020 \$000	LTP 2021 \$000	LTP 2022 \$000	LTP 2023 \$000	LTP 2024 \$000	LTP 2025 \$000	LTP 2026 \$000	LTP 2027 \$000	LTP 2028 \$000
CASH FLOW FROM INVESTING ACTIVITIES											
<i>Cash will be provided from:</i>											
7,100	Proceeds from sale of property, plant and equipment	565	2,000	-	2,200	2,500	-	-	-	-	-
7,100	Total Investing Cash Provided	565	2,000	-	2,200	2,500	-	-	-	-	-
<i>Cash will be spent on:</i>											
27,071	Purchase of property, plant and equipment	29,671	22,742	29,996	19,960	17,930	20,632	27,348	23,770	20,141	24,653
-	Purchase of investments	129	167	157	86	93	73	200	63	131	58
27,071	Total Investing Cash Applied	29,800	22,908	30,153	20,046	18,023	20,705	27,548	23,833	20,272	24,711
(19,971)	Net Cashflows from Investing Activities	(29,235)	(20,908)	(30,153)	(17,846)	(15,523)	(20,705)	(27,548)	(23,833)	(20,272)	(24,711)
CASH FLOW FROM FINANCING ACTIVITIES											
<i>Cash will be provided from:</i>											
-	Loans raised	8,000	6,000	16,000	3,000	10,000	11,000	10,000	14,000	5,000	18,000
-	Total Financing Cash Provided	8,000	6,000	16,000	3,000	10,000	11,000	10,000	14,000	5,000	18,000
<i>Cash will be spent on:</i>											
-	Repayment of public debt	9,000	5,000	13,000	5,000	17,000	12,000	9,000	16,000	9,000	17,000
-	Total Financing Cash Applied	9,000	5,000	13,000	5,000	17,000	12,000	9,000	16,000	9,000	17,000
-	Net Cashflows from financing activities	(1,000)	1,000	3,000	(2,000)	(7,000)	(1,000)	1,000	(2,000)	(4,000)	1,000
(800)	Net increase (decrease) in cash held	(65)	2,174	(2,235)	982	(1,728)	(490)	(1,311)	1,292	(1,405)	(400)
1,646	Plus opening cash balance	2,573	2,508	4,682	2,447	3,429	1,701	1,210	(101)	1,191	(214)
846	Closing Cash Position	2,508	4,682	2,447	3,429	1,701	1,210	(101)	1,191	(214)	(614)

STATEMENT OF RESERVE BALANCES

GENERAL OPERATING RESERVES	ACTIVITY	PURPOSE
General Rates and Revenues	General Council	For General Rate funded Surpluses or Deficits
Roading Rate	Roads and Footpaths	For Roading Rate funded Surpluses or Deficits
Refuse Collection rate	Waste	For Refuse Collection Rate funded Surpluses or Deficits
Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits (excluding Matatā and Murupara schemes)
Wastewater - Matatā 1	Sewage Treatment and Disposal	For Matatā Wastewater operational Surpluses or Deficits
Wastewater - Murupara	Sewage Treatment and Disposal	For Murupara Wastewater Rate funded Surpluses or Deficits
Water	Water	For Water Rate funded Surpluses or Deficits (exc Murupara, Plains and Ruatahuna schemes)
Water - Murupara	Water	For Murupara Water Rate funded Surpluses or Deficits
Water - Plains	Water	For Plains Water Rate funded Surpluses or Deficits
Water - Ruatahuna	Water	For Ruatahuna Water Rate funded Surpluses or Deficits
Dog Control	Animal Control	For Animal Control Operating Surpluses or Deficits
Parking Enforcement	Parking	For Parking Enforcement Operating Surpluses or Deficits
Pensioner Housing	Pensioner Housing	For Pensioner Housing Operating Surpluses or Deficits
Airport Whakatāne	Whakatāne Airport	For Whakatāne Airport Operating Surpluses or Deficits
Whakatāne Stormwater	Stormwater	For Whakatāne Stormwater Rate funded Surpluses or Deficits
Ōhope Stormwater	Stormwater	For Ōhope Stormwater Rate funded Surpluses or Deficits
Edgcumbe Stormwater	Stormwater	For Edgcumbe Stormwater Rate funded Surpluses or Deficits
Matatā Stormwater	Stormwater	For Matatā Stormwater Rate funded Surpluses or Deficits
Murupara Stormwater	Stormwater	For Murupara Stormwater Rate funded Surpluses or Deficits
Tāneatua Stormwater	Stormwater	For Tāneatua Stormwater Rate funded Surpluses or Deficits
Te Teko Stormwater	Stormwater	For Te Teko Stormwater Rate funded Surpluses or Deficits
Te Mahoe Stormwater	Stormwater	For Te Mahoe Stormwater Rate funded Surpluses or Deficits
Disaster Mitigation	Stormwater	For Disaster Mitigation/Stormwater Rate funded Surpluses or Deficits
Car parks Development	Parking	For the Development of Carparks in the District
Sand mining Royalties	General Council	Income received from sandmining company for access over Council reserve
Museum Collections	Exhibitions, Research, Storage & Archives	For the purchase of Assets for the Museum Collection
Galatea Reserve Development	General Council	For amenities within the Galatea and Murupara areas
Disabled Facilities	Pensioner Housing	For the improvement of Disabled Facilities throughout the District
Te Mahoe Water - special	Water	For the purchase of Capital Expenditure for the Te Mahoe Water scheme
Asset Divestment	General Council	Surplus funds from the Divestment of Council Assets
Leaky Homes Reserve	Building	To fund weather tight claims
Roading Storm Damage Reserve	Roads and Footpaths	To fund costs associated with storm damage to the Councils Roading network
General Disaster Reserve	General Council	To fund costs associated with a disaster within the District

RESTRICTED RESERVES	ACTIVITY	PURPOSE
Subdivision Contributions - Whakatāne	General Council	To fund capital expenditure in the Whakatāne Ward
Subdivision Contributions - Ōhope	General Council	To fund capital expenditure in the Ōhope Ward
Subdivision Contributions - Edgcumbe	General Council	To fund capital expenditure in the Edgcumbe Ward
Subdivision Contributions - Matatā	General Council	To fund capital expenditure in the Matatā Ward
Subdivision Contributions - Murupara	General Council	To fund capital expenditure in the Murupara Ward
Subdivision Contributions - Rural	General Council	To fund capital expenditure in the Rural Ward
Harbour Capital Fund	Ports & Harbour	For Ports & Harbour Operating Surpluses or Deficits
Harbour Land Sales	Ports & Harbour	Funds set aside from the sale of Harbour assets
Development Contributions - Stormwater	Stormwater	To fund growth related stormwater capital expenditure
Development Contributions - Water	Water	To fund growth related Water capital expenditure
Development Contributions - Wastewater	Sewage Treatment and Disposal	To fund growth related Wastewater capital expenditure
Development Contributions - Community Infrastructure	Arts & Culture, Recreation & Community Facilities	To fund growth related Community Infrastructure
Development Contributions - Parks, Gardens and Reserves	Parks, Reserves, Recreation & Sports Fields	To fund growth related Parks, Gardens and Reserves capital expenditure
Development Contributions - Solid Waste	Waste	To fund growth related Solid Waste capital expenditure
Development Contributions - Roothing	Roads and Footpaths	To fund growth related Roothing capital expenditure
Capital Contributions - Roothing	Roads and Footpaths	Financial contributions for Roothing capital projects
DEPRECIATION RESERVES	ACTIVITY	PURPOSE
Water	Water	To fund the renewal of Water assets
Wastewater	Sewage Treatment and Disposal	To fund the renewal of Wastewater assets
Stormwater	Stormwater	To fund the renewal of Stormwater assets
Refuse Disposal	Waste	To fund the renewal of Refuse Disposal assets
Libraries	Libraries	To fund the renewal of Library assets
Museum	Exhibitions, Research, Storage & Archives	To fund the renewal of Museum assets
Parks and Gardens & Sportsfields	Parks, Reserves, Recreation & Sports Fields	To fund the renewal of Parks and Gardens & Sportsfields assets
Cemeteries & Crematoria	Cemeteries & Crematorium	To fund the renewal of Cemeteries & Crematorium assets
Swimming Pools	Aquatic Centres	To fund the renewal of Aquatic Centre assets
Halls	Halls	To fund the renewal of Halls assets
Public Conveniences	Public Conveniences	To fund the renewal of Public Conveniences assets
Pensioner Housing	Pensioner Housing	To fund the renewal of Pensioner Housing assets
Strategic & Investment Property	Commercial Property	To fund the renewal of Commercial Property assets
Corporate Property	Corporate & District Activities	To fund the renewal of Corporate Property assets
Information Management	Corporate & District Activities	To fund the renewal of Information Management assets
Port	Ports & Harbour	To fund the renewal of Port & Harbour assets
Roothing	Roads and Footpaths	To fund the renewal of Roothing assets
Airport - Whakatāne	Whakatāne Airport	To fund the renewal of Whakatāne Airport assets

RESERVE ACCOUNT	2019 OPENING BALANCE	2019 TRANSFERS IN	2019 TRANSFERS OUT	2019 CLOSING BALANCE	2020 TRANSFERS IN	2020 TRANSFERS OUT	2020 CLOSING BALANCE	2021 TRANSFERS IN	2021 TRANSFERS OUT	2021 CLOSING BALANCE	2022 TRANSFERS IN	2022 TRANSFERS OUT	2022 CLOSING BALANCE	2023 TRANSFERS IN
Restricted Reserves														
Subdivision Contributions - Whakatāne	111	5	-	116	5	-	121	5	-	127	6	-	132	6
Subdivision Contributions - Ōhope	45	2	-	47	2	-	49	2	-	51	2	-	53	2
Subdivision Contributions - Edgecumbe	25	1	-	27	1	-	28	1	-	29	1	-	30	1
Subdivision Contributions - Matatā	22	1	-	23	1	-	23	1	-	25	1	-	26	1
Subdivision Contributions - Murupara	7	-	-	7	-	-	7	-	-	8	-	-	8	-
Subdivision Contributions - Rural	12	1	-	13	1	-	14	1	-	14	1	-	15	1
Harbour Capital Fund	8,886	2,527	(2,408)	9,005	2,540	(1,739)	9,806	2,510	(6,037)	6,278	2,498	(2,826)	5,950	2,519
Harbour Land Sales	11,962	512		12,474	543		13,016	581		13,597	619		14,215	664
Development Contributions - Whakatāne Water	(478)	280	(14)	(212)	43	(21)	(190)	44	(90)	(236)	45	(86)	(278)	46
Development Contributions - Ōhope Water	(449)	-	(19)	(468)	-	(20)	(489)	-	(22)	(510)	-	(23)	(534)	-
Development Contributions - Edgecumbe Water	8	-	-	8	-	-	8	-	-	9	-	-	9	-
Development Contributions - Matatā Water	71	3	-	74	3	-	77	3	-	81	4	-	85	4
Development Contributions - Plains Water	(65)	-	(3)	(68)	-	(3)	(70)	-	(3)	(74)	-	(3)	(77)	-
Development Contributions - Whakatāne Wastewater	(1,751)	747	(334)	(1,338)	50	(32)	(1,319)	51	(31)	(1,300)	52	(31)	(1,279)	53
Development Contributions - Ōhope Wastewater	204	9	-	212	9	(1)	220	10	-	230	10	-	240	11
Development Contributions - Edgecumbe Wastewater	(3)	-	-	(4)	-	-	(4)	-	-	(4)	-	-	(4)	-
Development Contributions - Matatā Wastewater	8	-	-	8	-	-	8	-	-	9	-	-	9	-
Development Contributions - Community Infrastructure	358	11	(265)	104	6	(10)	100	6	(3)	103	7	(3)	107	7
Development Contributions - Parks, Gardens and Reserves	599	26	(4)	621	27	(4)	644	29	(4)	669	31	(4)	695	33

2023 TRANSFERS OUT	2023 CLOSING BALANCE	2024 TRANSFERS IN	2024 TRANSFERS OUT	2024 CLOSING BALANCE	2025 TRANSFERS IN	2025 TRANSFERS OUT	2025 CLOSING BALANCE	2026 TRANSFERS IN	2026 TRANSFERS OUT	2026 CLOSING BALANCE	2027 TRANSFERS IN	2027 TRANSFERS OUT	2027 CLOSING BALANCE	2028 TRANSFERS IN	2028 TRANSFERS OUT	2028 CLOSING BALANCE
-	139	7	-	145	7	-	152	7	-	159	8	-	167	8	-	175
-	56	3	-	58	3	-	61	3	-	64	3	-	67	3	-	70
-	32	1	-	33	2	-	35	2	-	36	2	-	38	2	-	40
-	27	1	-	28	1	-	29	1	-	31	2	-	32	2	-	34
-	8	-	-	9	-	-	9	-	-	10	-	-	10	-	-	11
-	15	1	-	16	1	-	17	1	-	18	1	-	19	1	-	20
(2,274)	6,195	2,610	(1,769)	7,035	2,705	(1,899)	7,841	2,800	(1,740)	8,902	2,921	(1,805)	10,018	3,034	(1,854)	11,198
-	14,879	699		15,579	738		16,317	780	-	17,097	834		17,931	882		18,814
(305)	(537)	47	(360)	(850)	48	(75)	(877)	285	(53)	(645)	50	(30)	(625)	52	(29)	(603)
(25)	(559)	-	(26)	(585)	-	(28)	(613)	-	(29)	(642)	-	(31)	(673)	-	(33)	(706)
-	10	-	-	10	-	-	10	-	-	11	1	-	11	1	-	12
-	89	4	-	93	4	-	97	5		102	5	-	107	5	-	112
(4)	(81)	-	(4)	(84)	-	(4)	(88)	-	(4)	(93)	-	(5)	(97)	-	(5)	(102)
(31)	(1,256)	55	(148)	(1,350)	56	(35)	(1,328)	58	(34)	(1,305)	59	(34)	(1,279)	61	(33)	(1,251)
(1)	250	12	-	262	12	(2)	272	13	-	285	14	-	299	15	-	314
-	(4)	-	-	(4)	-	-	(5)	-	-	(5)	-	-	(5)	-	-	(5)
-	10	-	-	10	-	-	10	-	-	11	1	-	11	1	-	12
(3)	110	7	(3)	114	2	(227)	(110)	-	(324)	(435)	-	(21)	(456)	-	(22)	(478)
(4)	724	34	(4)	754	36	(4)	786	38	-	823	41	(1)	863	43	(1)	906

RESERVE ACCOUNT	2019 OPENING BALANCE	2019 TRANSFERS IN	2019 TRANSFERS OUT	2019 CLOSING BALANCE	2020 TRANSFERS IN	2020 TRANSFERS OUT	2020 CLOSING BALANCE	2021 TRANSFERS IN	2021 TRANSFERS OUT	2021 CLOSING BALANCE	2022 TRANSFERS IN	2022 TRANSFERS OUT	2022 CLOSING BALANCE	2023 TRANSFERS IN
Development Contributions - Solid Waste	276	12	-	288	13	-	301	13	-	314	14	-	329	15
Development Contributions - Roading	898	51	(573)	377	54	(49)	381	54	(161)	274	53	(90)	237	55
Development Contributions - Whakatāne Land Drainage	76	28	(3)	100	29	(35)	94	28	(107)	14	26	(96)	(56)	26
Development Contributions - Ōhope Land Drainage	123	5	-	129	6	-	134	6	-	140	6	-	146	7
Development Contributions - Matatā Land Drainage	-	-	-	-	-	-	-	-	-	1	-	-	1	-
Development Contributions - Whakatāne Carparks	(8)	-	-	(9)	-	-	(9)	-	-	(10)	-	-	(10)	-
Otarawairere Disaster Mitigation	(46)	-	(2)	(48)	-	(2)	(50)	-	(2)	(52)	-	(2)	(55)	-
Total Restricted Reserves	20,890	4,222	(3,627)	21,485	3,332	(1,917)	22,901	3,346	(6,462)	19,785	3,377	(3,166)	19,995	3,454

Depreciation Reserves														
Whakatāne Water	(431)	866	(583)	(148)	894	(449)	297	911	(2,383)	(1,175)	933	(1,800)	(2,041)	956
Ōhope Water	(573)	86	(39)	(526)	103	(95)	(518)	105	(102)	(515)	108	(84)	(491)	110
Edgecumbe Water	219	65	(6)	278	66	(159)	184	67	-	251	71	(10)	313	76
Matatā Water	285	19	(8)	296	19	(41)	273	19	(1)	292	18	(128)	182	15
Taneatua Water	413	46	(5)	453	48	(15)	486	51	(2)	535	55	(6)	583	58
Murupara Water	475	34	(56)	453	35	-	488	30	-	518	28	(190)	356	25
Ruatoki Water	191	3	(18)	176	3	(21)	158	2	(18)	141	2	(3)	140	2
Waimana Water	28	27	(2)	53	26	(312)	(234)	26	(12)	(220)	27	(24)	(217)	27
Plains Water	475	4	(128)	351	1	(28)	325	(4)	(209)	112	(10)	(24)	78	(14)
Te Mahoe Water	44	2	-	45	2	-	47	2	-	49	1	(41)	9	-
Whakatāne Wastewater	1,603	522	(293)	1,832	569	(178)	2,224	652	(377)	2,499	682	(251)	2,929	717
Ōhope Wastewater	(1,897)	173	(112)	(1,836)	177	(220)	(1,878)	182	(96)	(1,793)	186	(375)	(1,981)	190
Edgecumbe Wastewater	314	337	(46)	605	422	(24)	1,003	545	(74)	1,475	580	(38)	2,017	618
Taneatua Wastewater	409	50	(40)	420	91	(25)	486	134	(16)	605	161	(11)	755	169
Te Mahoe Wastewater	(42)	7	(12)	(47)	7	(12)	(52)	7	(2)	(47)	7	(2)	(42)	7
Murupara Wastewater	174	119	(18)	275	175	(216)	235	242	(105)	372	252	(215)	409	260

2023 TRANSFERS OUT	2023 CLOSING BALANCE	2024 TRANSFERS IN	2024 TRANSFERS OUT	2024 CLOSING BALANCE	2025 TRANSFERS IN	2025 TRANSFERS OUT	2025 CLOSING BALANCE	2026 TRANSFERS IN	2026 TRANSFERS OUT	2026 CLOSING BALANCE	2027 TRANSFERS IN	2027 TRANSFERS OUT	2027 CLOSING BALANCE	2028 TRANSFERS IN	2028 TRANSFERS OUT	2028 CLOSING BALANCE
-	344	16	-	360	17	-	377	18	-	395	19	-	414	20	-	435
(44)	248	58	(31)	275	61	(33)	303	65	(35)	334	70	(37)	366	74	(39)	401
(94)	(123)	27	(5)	(101)	28	(4)	(78)	29	(3)	(52)	29	(2)	(25)	30	-	5
-	153	7	-	160	8	-	168	8	-	176	9	-	185	9	-	194
-	1	-	-	1	-	-	1	-	-	1	-	-	1	-	-	1
-	(11)	-	-	(11)	-	(1)	(12)	-	(1)	(12)	-	(1)	(13)	-	(1)	(13)
(3)	(57)	-	(3)	(60)	-	(3)	(63)	-	(3)	(66)	-	(3)	(69)	-	(3)	(72)
(2,789)	20,660	3,591	(2,354)	21,897	3,731	(2,315)	23,313	4,113	(2,227)	25,200	4,068	(1,969)	27,298	4,243	(2,021)	29,520

(689)	(1,775)	979	(1,419)	(2,216)	1,003	(1,215)	(2,427)	1,028	(809)	(2,208)	1,054	(407)	(1,561)	1,082	(795)	(1,274)
(84)	(465)	113	(78)	(430)	116	(40)	(354)	119	(58)	(294)	122	(26)	(198)	125	(407)	(479)
(9)	379	77	(186)	270	77	(7)	340	82	(6)	416	82	(243)	255	82	(11)	326
(23)	175	15	(23)	167	14	(74)	107	12	(26)	94	11	(61)	44	8	(130)	(78)
(24)	617	56	(196)	477	55	(29)	503	57	(42)	518	59	(43)	534	59	(79)	514
(26)	355	21	(192)	184	17	(27)	175	17	(24)	168	17	(24)	161	16	(89)	88
(3)	138	1	-	140	1	(4)	137	1	(18)	120	-	(19)	101	(3)	(84)	14
(34)	(224)	28	(33)	(229)	29	(36)	(236)	30	(96)	(302)	30	(58)	(330)	31	(93)	(392)
(339)	(275)	(15)	(113)	(403)	(15)	(68)	(486)	(15)	(48)	(549)	(16)	(55)	(620)	(16)	(218)	(854)
(45)	(36)	-	(2)	(38)	-	(2)	(40)	-	(2)	(43)	-	(33)	(76)	-	(4)	(80)
(367)	3,279	735	(935)	3,079	651	(4,751)	(1,021)	619	(475)	(877)	635	(1,786)	(2,028)	651	(349)	(1,726)
(113)	(1,904)	195	(85)	(1,794)	200	(133)	(1,727)	205	(78)	(1,600)	210	(94)	(1,484)	216	(471)	(1,739)
(119)	2,517	656	(113)	3,059	695	(133)	3,621	736	(188)	4,170	776	(371)	4,575	759	(2,579)	2,755
(110)	814	176	(113)	877	182	(127)	932	186	(243)	874	186	(313)	748	189	(134)	803
(2)	(37)	8	(13)	(42)	8	(14)	(48)	8	(2)	(42)	8	(2)	(36)	8	(21)	(48)
(221)	448	260	(565)	143	262	(116)	289	279	-	568	284	(635)	217	273	(674)	(185)

RESERVE ACCOUNT	2019 OPENING BALANCE	2019 TRANSFERS IN	2019 TRANSFERS OUT	2019 CLOSING BALANCE	2020 TRANSFERS IN	2020 TRANSFERS OUT	2020 CLOSING BALANCE	2021 TRANSFERS IN	2021 TRANSFERS OUT	2021 CLOSING BALANCE	2022 TRANSFERS IN	2022 TRANSFERS OUT	2022 CLOSING BALANCE	2023 TRANSFERS IN
Whakatāne Land Drainage	(629)	177	(233)	(684)	182	(84)	(586)	187	(747)	(1,146)	191	(208)	(1,162)	196
Ōhope Land Drainage	(140)	38	(11)	(114)	39	(31)	(106)	40	(35)	(101)	41	(122)	(182)	42
Edgecumbe Land Drainage	(40)	9	(29)	(60)	10	(2)	(53)	10	(2)	(45)	10	(7)	(43)	10
Matatā Land Drainage	9	4	(5)	8	4	-	13	5	-	17	4	(82)	(60)	4
Taneatua Land Drainage	17	1	(5)	13	1	-	15	2	-	16	2	-	18	2
Te Mahoe Land Drainage	20	-	-	20	-	-	20	-	-	21	-	-	21	1
Murupara Land Drainage	96	4	-	101	4	-	105	8	(4)	109	1	(5)	104	1
Te Teko Land Drainage	6	-	-	6	1	-	7	1	-	7	1	-	8	1
Refuse Disposal	(157)	8	(38)	(186)	9	(39)	(216)	9	(39)	(247)	9	(28)	(266)	9
Libraries	94	116	(100)	110	119	(102)	127	122	(104)	145	125	(106)	164	129
Museum	144	6	-	150	7	-	157	7	-	164	7	-	171	8
Parks, Reserves, Recreation & Sports Fields	1,129	585	(531)	1,183	598	(524)	1,257	638	(586)	1,309	654	(555)	1,408	672
Cemeteries & Crematoria	71	53	(19)	105	55	(36)	124	57	(54)	127	58	(55)	129	60
Swimming Pools	64	194	(326)	(68)	198	(128)	1	201	(211)	(8)	205	(191)	5	170
Halls	376	133	(88)	422	129	(596)	(46)	164	(150)	(31)	167	(122)	14	173
Dog Control	1	-	-	1	-	-	1	-	-	1	-	-	1	-
Public Conveniences	217	57	(100)	174	56	(108)	122	54	(126)	51	53	(95)	8	53
Pensioner Housing	376	15	(60)	330	14	-	345	15	-	360	16	-	377	18
Strategic & Investment Property	2	-	-	2	-	-	3	-	-	3	-	-	3	-
Vehicle & Plant Reserve	451	397	(214)	634	410	(353)	692	419	(410)	701	427	(483)	644	433
Corporate Property	(601)	276	(298)	(623)	291	(234)	(566)	318	(247)	(494)	325	(97)	(266)	332
Information Management	1,539	527	(1,143)	923	506	(729)	700	524	(588)	636	723	(680)	679	838
Port	(2,316)	161	(1,186)	(3,341)	164	(702)	(3,879)	167	(1,199)	(4,911)	170	(605)	(5,346)	173
Roading - assisted / non- assisted / special and safety	538	1,970	(1,596)	911	2,090	(1,633)	1,368	2,159	(1,671)	1,856	2,348	(1,710)	2,494	2,461
Non Fin Assist Roothing	(263)	-	(86)	(349)	16	(91)	(424)	46	(96)	(474)	47	(100)	(528)	48
Airport - Whakatāne 50%	(249)	74	(118)	(293)	75	(137)	(355)	77	(14)	(291)	79	(11)	(224)	81
Operations BU	(25)	-	(31)	(56)	-	(35)	(90)	-	(31)	(121)	-	(25)	(146)	-
Whakatāne Holiday Park	-	60	(50)	10	62	(51)	21	63	(52)	33	65	(53)	45	67

2023	2023	2024	2024	2024	2025	2025	2025	2026	2026	2026	2027	2027	2027	2028	2028	2028
TRANSFERS OUT	CLOSING BALANCE	TRANSFERS IN	TRANSFERS OUT	CLOSING BALANCE	TRANSFERS IN	TRANSFERS OUT	CLOSING BALANCE	TRANSFERS IN	TRANSFERS OUT	CLOSING BALANCE	TRANSFERS IN	TRANSFERS OUT	CLOSING BALANCE	TRANSFERS IN	TRANSFERS OUT	CLOSING BALANCE
(89)	(1,056)	200	(681)	(1,536)	205	(145)	(1,477)	211	(546)	(1,812)	216	(114)	(1,710)	222	(79)	(1,567)
(51)	(192)	43	(37)	(186)	44	(14)	(155)	45	(20)	(130)	46	(36)	(120)	47	(6)	(79)
(2)	(34)	10	(40)	(63)	11	(80)	(132)	11	(6)	(128)	11	(11)	(127)	12	(24)	(140)
(3)	(59)	4	(7)	(62)	4	(15)	(72)	4	(3)	(71)	5	(3)	(70)	5	(21)	(87)
-	20	2	-	21	1	(29)	(6)	1	-	(6)	1	-	(5)	1	-	(4)
-	22	-	(5)	18	-	(6)	12	-	-	12	-	-	12	-	-	13
-	105	-	(28)	76	(1)	-	75	(1)	-	74	(1)	(5)	68	(2)	-	66
-	8	1	(5)	4	-	(6)	(1)	-	-	(1)	-	-	(1)	-	-	-
(40)	(296)	9	(43)	(330)	10	(50)	(371)	10	(36)	(397)	10	(43)	(430)	10	(45)	(465)
(108)	184	132	(111)	206	136	(113)	229	140	(115)	253	144	(118)	279	148	(120)	307
-	179	8	-	188	9	-	197	9	-	206	10	-	216	11	-	227
(509)	1,571	690	(584)	1,677	708	(596)	1,788	725	(611)	1,903	744	(642)	2,005	763	(602)	2,166
(29)	160	62	(36)	187	64	(64)	186	60	(245)	2	57	(88)	(29)	58	(91)	(61)
(160)	16	173	(315)	(126)	176	(287)	(237)	180	(289)	(346)	183	(107)	(270)	187	(100)	(183)
(68)	119	178	(235)	62	177	(686)	(447)	180	(859)	(1,125)	183	(329)	(1,271)	187	(430)	(1,514)
-	1	-	-	1	-	-	1	-	-	1	-	-	1	-	-	1
(81)	(20)	54	(66)	(33)	55	(86)	(65)	56	(75)	(84)	57	(49)	(76)	58	(75)	(94)
-	394	19	-	413	20	-	432	21	-	453	22	-	475	23	-	498
-	3	-	-	3	-	-	3	-	-	3	-	-	3	-	-	4
(477)	600	443	(339)	704	456	(409)	751	466	(497)	720	476	(437)	758	485	(519)	724
(278)	(213)	328	(357)	(242)	334	(215)	(123)	341	(329)	(110)	349	(486)	(247)	356	(598)	(489)
(639)	877	882	(653)	1,107	942	(666)	1,383	999	(680)	1,702	855	(1,579)	978	726	(1,612)	92
(418)	(5,590)	176	(383)	(5,797)	180	(316)	(5,934)	183	(394)	(6,144)	187	(312)	(6,269)	190	(321)	(6,400)
(1,749)	3,206	2,551	(1,791)	3,966	2,646	(1,834)	4,778	2,747	(1,879)	5,646	2,856	(1,925)	6,577	2,971	(1,975)	7,573
(105)	(585)	49	(110)	(646)	51	(115)	(710)	52	(121)	(779)	53	(127)	(853)	50	(133)	(936)
(9)	(152)	83	(5)	(74)	85	(37)	(26)	87	(55)	5	91	(14)	82	97	(16)	163
(27)	(173)	-	(36)	(208)	-	(34)	(242)	-	(36)	(279)	-	(39)	(318)	-	(42)	(359)
(54)	58	69	(55)	72	71	(56)	87	73	(57)	103	75	(58)	120	77	(59)	138

RESERVE ACCOUNT	2019 OPENING BALANCE	2019 TRANSFERS IN	2019 TRANSFERS OUT	2019 CLOSING BALANCE	2020 TRANSFERS IN	2020 TRANSFERS OUT	2020 CLOSING BALANCE	2021 TRANSFERS IN	2021 TRANSFERS OUT	2021 CLOSING BALANCE	2022 TRANSFERS IN	2022 TRANSFERS OUT	2022 CLOSING BALANCE	2023 TRANSFERS IN
Total Depreciation Reserves	2,416	7,226	(7,631)	2,011	7,678	(7,410)	2,278	8,266	(9,761)	784	8,827	(8,542)	1,068	9,196
General Rates and Revenues	(64)	556	(120)	373	16	-	389	17	-	406	18	-	425	20
Roading Rate	548	18	(275)	291	2	-	292	-	(10)	282	-	(10)	272	-
Refuse Collection Rate	383	16	(175)	400	17	(102)	417	19	(52)	436	20	-	456	21
Waste Minimisation	116	113	(23)	31	113	(23)	20	116	(23)	60	122	-	183	130
Whakatāne Wastewater	(175)	-	(8)	(183)	-	(8)	(192)	-	(9)	(201)	-	(10)	(210)	-
Ōhope Wastewater	(10)	-	-	(11)	-	-	(11)	-	(1)	(12)	-	(1)	(12)	-
Edgcumbe Wastewater	2	-	-	2	-	-	2	-	-	2	-	-	2	-
Matatā Wastewater	(2,884)	3,000	(59)	57	2	-	60	3	-	62	3	-	65	3
Taneatua Wastewater	(2)	-	-	(2)	-	-	(2)	-	-	(2)	-	-	(2)	-
Te Teko Wastewater	1	-	-	1	-	-	1	-	-	1	-	-	1	-
Murupara Wastewater	(24)	-	(1)	(25)	-	(1)	(26)	-	(1)	(27)	-	(1)	(28)	-
Equalised Water	(206)	433	-	228	167	-	395	18	-	413	19	-	431	20
Murupara Water	(34)	58	(6)	18	38	-	55	2	-	58	3	-	60	3
Plains Water	393	59	(130)	322	14	-	336	15	-	351	16	-	367	17
Dog Control	24	1	(1)	24	1	-	26	1	-	27	1	(1)	26	1
Parking Enforcement	154	10	(30)	134	143	(163)	115	145	(198)	62	145	(168)	39	145
Pensioner Housing	575	25	-	599	26	-	626	28	-	653	30	-	683	32
Airport Whakatāne	(1,448)	-	(422)	(1,801)	-	(404)	(2,119)	-	(215)	(2,237)	-	(285)	(2,416)	-
Fixed Assets	1,257	54	-	1,311	57	-	1,368	61	-	1,429	65	-	1,494	70
Disaster Mitigation - Matatā Grant Funded	195	8	-	204	9	-	213	9	-	222	10	-	232	11
Disaster Mitigation - Matatā Non-Grant Funded	51	2	-	53	2	-	56	2	-	58	3	-	61	3
Disaster Mitigation - Edgcumbe	24	1	-	25	1	-	26	1	-	27	1	-	28	1
Disaster Mitigation - Awatapu	9	-	-	10	-	-	10	-	-	11	-	-	11	1
Disaster Mitigation - West End	43	2	-	45	2	-	47	2	-	49	2	-	52	2
Whakatāne Stormwater	145	50	(100)	95	4	-	100	4	-	104	5	-	109	5

2023 TRANSFERS OUT	2023 CLOSING BALANCE	2024 TRANSFERS IN	2024 TRANSFERS OUT	2024 CLOSING BALANCE	2025 TRANSFERS IN	2025 TRANSFERS OUT	2025 CLOSING BALANCE	2026 TRANSFERS IN	2026 TRANSFERS OUT	2026 CLOSING BALANCE	2027 TRANSFERS IN	2027 TRANSFERS OUT	2027 CLOSING BALANCE	2028 TRANSFERS IN	2028 TRANSFERS OUT	2028 CLOSING BALANCE
(7,103)	3,161	9,471	(9,988)	2,644	9,678	(12,635)	(313)	9,962	(8,964)	685	10,088	(10,691)	82	10,162	(13,005)	(2,761)
-	445	21	-	466	22	-	488	23	-	511	25	-	536	26	-	562
(11)	261	-	(12)	249	-	(12)	237	-	(13)	224	-	(14)	209	-	(15)	195
-	477	22	-	499	24	-	523	25	-	548	27	-	575	28	-	603
-	313	139	-	452	149	-	601	159	-	759	170	-	929	181	-	1,110
(10)	(221)	-	(11)	(232)	-	(11)	(243)	-	(12)	(255)	-	(13)	(268)	-	(14)	(282)
(1)	(13)	-	(1)	(13)	-	(1)	(14)	-	(1)	(15)	-	(1)	(15)	-	(1)	(16)
-	2	-	-	2	-	-	2	-	-	2	-	-	3	-	-	3
-	68	3	-	71	3	-	75	4	-	78	4	-	82	4	-	86
-	(2)	-	-	(2)	-	-	(2)	-	-	(2)	-	-	(3)	-	-	(3)
-	1	-	-	1	-	-	1	-	-	1	-	-	2	-	-	2
(1)	(30)	-	(1)	(31)	-	(1)	(33)	-	(2)	(34)	-	(2)	(36)	-	(2)	(38)
-	451	21	-	473	22	-	495	24	-	519	25	-	544	27	-	571
(13)	50	2	-	52	2	-	55	3	-	57	3	-	60	3	(15)	48
(4)	379	18	-	397	19	-	416	20	-	436	21	-	457	22	(5)	474
(2)	25	1	(3)	24	1	(1)	24	1	(1)	24	1	2	27	1	6	35
(205)	(20)	148	(176)	(48)	152	(216)	(112)	156	(186)	(142)	161	(229)	(210)	168	(198)	(240)
-	715	34	-	749	13	(939)	(177)	-	(8)	(186)	-	(9)	(195)	-	(10)	(204)
(182)	(2,484)	-	(184)	(2,549)	-	(195)	(2,621)	-	(215)	(2,710)	-	(177)	(2,753)	-	(172)	(2,789)
-	1,563	73	-	1,637	78	-	1,714	82	-	1,796	88	-	1,884	93	-	1,977
-	243	11	-	254	12	-	266	13	-	279	14	-	293	14	-	307
-	64	3	-	67	3	-	70	3	-	73	4	-	77	4	-	81
-	30	1	-	31	1	-	32	2	-	34	2	-	36	2	-	37
-	12	1	-	12	1	-	13	1	-	13	1	-	14	1	-	15
-	54	3	-	57	3	-	59	3	-	62	3	-	65	3	-	68
-	114	5	-	119	6	-	125	6	-	131	6	-	137	7	-	144

RESERVE ACCOUNT	2019 OPENING BALANCE	2019 TRANSFERS IN	2019 TRANSFERS OUT	2019 CLOSING BALANCE	2020 TRANSFERS IN	2020 TRANSFERS OUT	2020 CLOSING BALANCE	2021 TRANSFERS IN	2021 TRANSFERS OUT	2021 CLOSING BALANCE	2022 TRANSFERS IN	2022 TRANSFERS OUT	2022 CLOSING BALANCE	2023 TRANSFERS IN
Ōhope Stormwater	96	4	-	101	4	-	105	5	-	110	5	-	115	5
Edgecumbe Stormwater	10	-	(25)	(15)	-	(1)	(16)	-	(1)	(16)	-	(1)	(17)	-
Matatā Stormwater	16	1	-	16	1	-	17	1	-	18	1	-	19	1
Murupara Stormwater	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taneatua Stormwater	2	-	-	3	-	-	3	-	-	3	-	-	3	-
Te Teko Stormwater	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Te Mahoe Stormwater	-	-	-	-	-	-	(1)	-	-	(1)	-	-	(1)	-
District Growth	(45)	-	(2)	(47)	-	(2)	(49)	-	(2)	(51)	-	(2)	(53)	-
Total Operating Reserves	(847)	4,412	(1,376)	2,258	622	(703)	2,262	450	(511)	2,298	469	(480)	2,393	492
OTHER RESERVES														
Car Parks Development	44	2	-	46	2	-	48	2	-	50	2	-	52	2
Museum Collections	1	-	-	1	-	-	1	-	-	1	-	-	1	-
Galatea Reserve Development	2	-	-	2	-	-	2	-	-	2	-	-	2	-
Disabled Facilities	(10)	-	-	(10)	-	-	(10)	-	-	(11)	-	-	(11)	-
Capital Contributions - Roading	60	3	-	63	3	-	66	3	-	69	3	-	72	3
Roading Storm Damage Reserve	-	275	(538)	(263)	281	(5)	14	295	-	309	315	-	624	338
Te Mahoe Water - special	21	1	-	22	1	-	23	1	-	24	1	-	25	1
Disaster/LAPP Insurance Reserve	36	2	-	38	106	-	143	113	-	256	120	-	376	128
Asset Divestment	(719)	565	(156)	(310)	2,027	(649)	1,069	70	(36)	1,103	2,323	(36)	3,389	2,740
Sale of Bennett Block	(100)	-	(4)	(104)	-	(5)	(108)	-	(5)	(113)	-	(5)	(118)	-
Leaky Homes Reserve	(48)	151	-	103	161	-	264	171	-	435	183	-	617	29
Community Boards & Iwi Liaison	209	9	-	218	10	-	228	11	-	238	11	-	249	12
Digitisation	-	-	(178)	(178)	-	(8)	(186)	-	(8)	(194)	-	(9)	(203)	-
Whakatāne Holiday Park	-	-	(103)	(103)	-	(111)	(214)	-	(120)	(333)	-	(129)	(463)	-
Total Other Reserves	(503)	1,007	(980)	(476)	2,591	(777)	1,338	666	(170)	1,834	2,959	(181)	4,612	3,254
Total Reserves	21,956	16,868	(13,614)	25,279	14,222	(10,808)	28,778	12,728	(16,904)	24,700	15,631	(12,369)	28,068	16,396

2023 TRANSFERS OUT	2023 CLOSING BALANCE	2024 TRANSFERS IN	2024 TRANSFERS OUT	2024 CLOSING BALANCE	2025 TRANSFERS IN	2025 TRANSFERS OUT	2025 CLOSING BALANCE	2026 TRANSFERS IN	2026 TRANSFERS OUT	2026 CLOSING BALANCE	2027 TRANSFERS IN	2027 TRANSFERS OUT	2027 CLOSING BALANCE	2028 TRANSFERS IN	2028 TRANSFERS OUT	2028 CLOSING BALANCE
-	120	6	-	126	6	-	132	6	-	138	7	-	145	7	-	152
(1)	(18)	-	(1)	(19)	-	(1)	(20)	-	(1)	(20)	-	(1)	(21)	-	(1)	(22)
-	20	1	-	21	1	-	21	1	-	23	1	-	24	1	-	25
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	3	-	-	3	-	-	3	-	-	4	-	-	4	-	-	4
-	-	-	-	-	-	-	-	-	-	(1)	-	-	(1)	-	-	(1)
-	(1)	-	-	(1)	-	-	(1)	-	-	(1)	-	-	(1)	-	-	(1)
(2)	(56)	-	(3)	(58)	-	(3)	(61)	-	(3)	(64)	-	(3)	(67)	-	(3)	(70)
(433)	2,566	515	(390)	2,809	519	(1,381)	2,069	530	(443)	2,284	562	(447)	2,533	593	(429)	2,833
-	55	3	-	57	3	-	60	3	-	63	3	-	66	3	-	69
-	1	-	-	1	-	-	1	-	-	1	-	-	1	-	-	1
-	2	-	-	2	-	-	2	-	-	3	-	-	3	-	-	3
(1)	(12)	-	(1)	(13)	-	(1)	(13)	-	(1)	(14)	-	(1)	(14)	-	(1)	(15)
-	75	4	-	79	4	-	83	4	-	86	4	-	91	4	-	95
-	961	361	-	1,322	386	-	1,709	413	-	2,122	343	-	2,464	470	-	2,934
-	26	1	-	27	1	-	29	1	-	30	1	-	32	2	-	33
-	505	137	-	642	146	-	788	156	-	943	167	-	1,110	178	-	1,288
(37)	6,091	309	(38)	6,362	325	(39)	6,649	341	(39)	6,950	363	(40)	7,273	382	(41)	7,615
(6)	(124)	-	(6)	(130)	-	(6)	(136)	-	(6)	(142)	-	(7)	(149)	-	(7)	(157)
-	646	30	-	677	32	-	709	34	-	742	36	-	779	38	-	817
-	260	13	-	272	13	(1)	285	14	(1)	299	15	(1)	313	16	(1)	329
(9)	(213)	-	(10)	(223)	-	(11)	(233)	-	(11)	(244)	-	(12)	(256)	-	(13)	(269)
(141)	(603)	-	(151)	(754)	-	(160)	(915)	-	(173)	(1,087)	-	(185)	(1,273)	-	(196)	(1,469)
(194)	7,671	858	(206)	8,323	910	(217)	9,017	967	(231)	9,752	933	(246)	10,440	1,093	(258)	11,275
(10,520)	34,058	14,435	(12,939)	35,672	14,838	(16,547)	34,086	15,573	(11,865)	37,921	15,651	(13,353)	40,353	16,092	(15,713)	40,867

STATEMENT OF ACCOUNTING POLICIES

Ngā Tauākī kaupapa here pūtea

These statements provide the principles that we have applied in preparing our prospective financial statements. They are designed to help you understand the detail behind our calculations and forecasts.

REPORTING ENTITY

Whakatāne District Council is a territorial local authority governed by the Local Government Act 2002 and is domiciled in New Zealand and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002. The financial report consists of the prospective financial statements of Whakatāne District Council (the Council) and includes the Whakatāne Airport, which is a 50/50 joint equity venture between the Council and the Ministry of Transport.

The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself a Tier 1 public benefit entity (PBE) for financial reporting purposes.

The prospective financial statements of the Council are for the ten years ended 30 June 2028. The prospective financial statements were authorised for issue on 28 June 2018 by Council resolution. The Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

There is no intention to update the prospective financial information after the finalisation of this Long Term Plan.

BASIS OF PREPARATION

Statement of compliance

The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period. The prospective financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP). The prospective financial statements comply with NZ PBE IPSAS (Tier 1) and PBE FRS 42 Prospective Financial Statements

The principle accounting policies adopted in the preparation of these prospective financial statements are set out below have been applied consistently to all periods presented in these prospective financial statements.

Measurement base

The prospective financial statements use closing balances from the period ending 30 June 2017; estimates have been restated accordingly if required. These prospective financial statements have been prepared on a historical basis, modified by the estimated revaluation of land and buildings, certain infrastructural assets, financial instruments (including derivative instruments) investment property, and forestry assets.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). Some rounding variances may occur in the financial statements due to the use of decimal places in the underlying financial data. The functional currency of the Council is New Zealand dollars.

Standards issued that are not yet effective and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the council and group are:

Impairment of Revalued Assets

In April 2017, the XRB issued Impairment of Revalued Assets, which now scopes in revalued property, plant, and equipment into the impairment accounting standards. Previously, only property, plant, and equipment assets measured at cost were scoped into the impairment accounting standards.

This Standard amends PBE IPSAS 21 Impairment of Non-Cash-Generating Assets and PBE IPSAS 26 Impairment of Cash-Generating Assets so that assets measured at revalued amounts under the revaluation model in PBE IPSAS 17 Property, Plant and Equipment and PBE IPSAS 31 Intangible Assets are within the scope of PBE IPSAS 21 and PBE IPSAS 26.

As a result of the amendments, the Council is required to assess at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, the Council is required to assess the recoverable amount of that asset and recognise an impairment loss if the recoverable amount is less than the carrying amount. The Council can therefore impair a revalued asset without having to revalue the entire class-of-asset to which the asset belongs.

The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted.

The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council and group has not yet assessed the effects of these new standards.

Interests in other entities

In January 2017, the XRB issued new standards for interests in other entities (PBE IPSAS 34 - 38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6 - 8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted.

The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council and group has not yet assessed the effects of these new standards.

Financial instruments

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council and group has not yet assessed the effects of the new standard.

SIGNIFICANT ACCOUNTING POLICIES

Joint ventures and associates

A joint venture is a binding arrangement whereby two or more parties are committed to undertake an activity that is subject to joint control. Joint control is the agreed sharing of control over an activity.

For jointly controlled operations, the Council recognises in its financial statements the assets it controls, the liabilities and expenses it incurs and the share of revenue it earns from the joint venture.

REVENUE RECOGNITION

Revenue is measured at fair value of the consideration received.

Rates Revenue

Rates are set annually by a resolution from the Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

The following policies have been applied:

- General rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The council considers that the effect of payment of rates by instalment is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when the rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

- Rates collected on behalf of the Bay of Plenty Regional Council (BOPRC) are not recognised in the financial statements as the Council is acting as an agent for BOPRC. Rates collected on behalf of the BOPRC are not included in the Prospective Statement of Comprehensive Revenue and Expense as it does not belong to the Council. It is however, included as a receipt and payment in the Prospective Statement of Cash Flows.

Development and financial contributions

Development contributions and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise development and financial contributions are transferred to reserves until such time the Council provides, or is able to provide, the service.

New Zealand Transport Agency roading subsidies

The Council receives funding assistance from the New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grants are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Building and resource consent revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Entrance fees

Entrance fees are charged to users of the Council's local facilities, such as pools, museum, and gallery. Revenue from entrance fees is recognised upon entry to such facilities.

Landfill fees

Fees for disposing of waste at the Council's landfill are recognised as waste is disposed by users.

Provision of commercially based services

Revenue derived through the provision of services to third parties in a commercial manner is recognised in proportion to the stage of completion at balance date.

Rendering of services

Revenue derived through rendering of services is recognised when the service is provided to the customer.

Sales of goods

Revenue from sales of goods is recognised when a product is sold to the customer.

Infringement fees and fines

Infringement fees and fines mostly relate to traffic and parking infringements and are recognised when tickets are paid.

Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer. For long-lived assets that must be used for a specific purpose (e.g. land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects that it will need to return or pass the asset to another party.

Donated or bequeathed financial assets

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability released to revenue as the conditions are met (e.g. as the funds are spent for the nominated purpose).

Interest and dividends

Interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

BORROWING COSTS

Borrowing costs are recognised as an expense in the period in which they are incurred, regardless of how the borrowings are applied.

GRANT EXPENDITURE

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant. The Council's grants awarded have no substantive conditions attached.

INCOME TAX

Income tax expense comprises both current tax and deferred tax, and is calculated using tax rates that have been enacted or substantively enacted by balance date.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Council can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly in equity.

LEASES

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to the ownership of an asset, whether or not the title is eventually transferred.

At the commencement of the lease term, the Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. The finance charge is charged to the statement of financial performance over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the prospective statement of financial position.

TRADE AND OTHER RECEIVABLES

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost, less any provision for impairment.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are used to manage exposure to interest rate risks arising from the Council's financing activities. In accordance with its treasury policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date.

The associated gains or losses of these derivatives are recognised in the surplus or deficit.

FINANCIAL ASSETS

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council and group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council and group has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purpose of measurement:

- fair value through surplus or deficit;
- loans and receivables;
- held-to-maturity investments; and
- fair value through other comprehensive revenue and expense.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans to community organisations made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

Held-to-maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the share investment within 12 months of balance date or if the debt instrument is not expected to be realised within 12 months of balance date. The Council and group includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

IMPAIRMENT OF FINANCIAL ASSETS

At each balance sheet date the Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the prospective statement of comprehensive revenue and expense.

Loans and receivables, and held-to-maturity investments

Impairment of a receivable is established when there is objective evidence that the Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation, and default in payments are considered indicators that the debt is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For receivables and debtors the carrying amount of the asset is reduced through the use of an additional allowance account, and the amount of the loss is

recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance cost of receivables. Overdue receivables that have not been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government bonds, and community loans, are recognised directly against the instrument's carrying amount.

Financial assets at fair value through other comprehensive revenue and expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss is reversed in the surplus or deficit.

INVENTORIES

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost (using the FIFO method), adjusted, when applicable, for any loss of service potential.

Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower end of cost (using the FIFO method) and net realisable value.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

When land held for development and future resale is transferred from investment property, or property, plant and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

Costs directly attributable to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant and equipment.

Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the prospective statement of comprehensive revenue and expense. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment consists of: Operational assets

These include land, buildings, library books, plant and equipment, museum collection and motor vehicles.

Restricted assets

Restricted assets are parks, reserves and harbour assets owned by the Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructural assets

Infrastructural assets are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

Revaluation

Land, buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are re-valued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other asset classes are carried at depreciated historical cost.

The Council assesses the carrying values of its re-valued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are re-valued.

The Council accounts for revaluations of property, plant and equipment on a class of asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue an expense.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the prospective statement of comprehensive revenue and expense. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Land is non depreciable. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

The expected lives, in years, of major classes of fixed assets are as follows:

INFRASTRUCTURE ASSETS	YEARS
ROADING	
Land - Road reserve	N/A
Road formation	N/A
Pavement Basecourse	22-90
Sealed Pavement surface	2-20
Unsealed roads	2-7
Traffic control device	50
Road signs and markers	7-15
Kerbs and channels and cesspits	40-60
Surface water Channel	15-50
Street Railings	10-20
Traffic Islands	50
Street lighting	10-50
Footpaths	20-50
Bridges – concrete	100
Bridges – wooden	30
Car-parks	50

WATER

Treatment plant – structure	70-90
Treatment plant – contents	15-50
Pump stations – structure	80-100
Pump stations – contents	10-50
Reservoirs – concrete and wooden	70-90
Water lines and service lines	50-80
Valves and hydrants	30-65
Water meters	15-25

WHARVES

Wharves (concrete)	50
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STORMWATER

Stormwater lines	80
Manholes	70-80
Open drains and channels	50-90
Pump stations – structure	80-100
Pump station – contents	12-40
Retention dams	80-90
Floodgates	50

SEWERAGE

Sewer lines and service lines	60-80
Manholes	70-80
Pump station – structure	60-70
Pump station – contents	12-25
Ponds – structure	60
Ponds – plant and equipment	15-25

OPERATIONAL ASSETS	YEARS
Museum assets	N/A
Land	N/A
Buildings	8-55
Vehicles	5-8
Plant and Equipment	4-33
Furniture and fittings	5-10
Library books	2-15
Office equipment	5-10

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.

INTANGIBLE ASSETS

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

Easements

Easements are recognised at cost, being purchase price and any directly attributable costs in bringing the asset to its intended use. Easements have an indefinite useful life and consequently are not amortised, but are instead tested for impairment annually.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised. The amortisation charge for each period is recognised in the prospective statement of comprehensive revenue and expense.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software 4 - 5 years 25% - 20%

IMPAIRMENT OF NON-FINANCIAL ASSETS

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Property, plant, and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For re-valued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of comprehensive revenue and expense.

For assets not carried at a re-valued amount, the total impairment loss is recognised in the prospective statement of comprehensive revenue and expense.

The reversal of an impairment loss on a re-valued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in prospective statement of comprehensive revenue and expense, a reversal of the impairment loss is also recognised in the prospective statement of comprehensive revenue and expense.

For assets not carried at a re-valued amount the reversal of an impairment loss is recognised in the prospective statement of comprehensive revenue and expense.

Value in use for non-cash-generating assets

Non-cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

INVESTMENT PROPERTY

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, the Council measures all investment property at fair value as determined annually by an independent valuer, at each reporting date.

Gains or losses arising from a change in the fair value of investment property are recognised in the prospective statement of comprehensive revenue and expense.

FOREST ASSETS

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains and losses arising on initial recognition of biological assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell are recognised in the Prospective Statement of Comprehensive Revenue and Expense.

The costs to maintain forestry assets are included in the Prospective Statement of Comprehensive Revenue and Expense.

CREDITORS AND OTHER PAYABLES

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

EMPLOYEE BENEFITS

Short-term benefits

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

The Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that the Council anticipates it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where the Council has a contractual obligation or where there is a past practice that has created a constructive obligation.

Long-term benefits

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement,
- The likelihood that staff will reach the point of entitlement and contractual entitlement information; and,
- The present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave and long service leave are valued on an actuarial basis. The present value of retirement and long service leave obligations depend on a number of factors that are determined on an actuarial basis. Three key assumptions used in calculating this liability include the discount rate, salary escalation rates and resignation rates. Any changes in these assumptions will affect the carrying amount of the liability.

Sick leave and long service leave are classified as both current and long term liabilities depending on predicted settlement. If the payment is likely to be made within 12 months of balance date the entitlement is classified as current. The basis of the valuation is classified as long term.

Projected cashflows are discounted back to the valuation date at the valuation discount rates. The discount rates have been chosen in accordance with PBE IPAS 25 and have been obtained from Treasury's published Risk-Free Discount Rates as at 30 June 2017. A long term annual rate of salary growth of 3.0% per year has been used.

Superannuation scheme

Obligations for contributions to Kiwisaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the surplus or deficit incurred.

PROVISIONS

A provision is recognised for future expenditure of uncertain timing when the Council has a present legal or constructive obligation as a result of past events; is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

PUBLIC EQUITY

Public Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves. Reserves are a component of equity generally representing a particular use for which various parts of equity have been assigned. The components of equity are:

- Retained earnings;
- Restricted reserves;
- Asset revaluation reserve.

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

Restricted reserves are those subject to specific conditions accepted as binding by Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Asset revaluation reserve

This reserve relates to the revaluation of property, plant and equipment to fair value.

Fair value through other comprehensive revenue and expense reserve

This reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.

GOODS AND SERVICES TAX

All items in the financial statements are stated exclusive of GST, except for receivables and creditors and other payables, which are presented inclusive of GST. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the prospective statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the prospective statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

COST ALLOCATION

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to the significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities using appropriate cost drivers such as usage, staff numbers, and floor area.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Asset valuations and Fair Value assumptions

During the 2017 year, independent valuations were carried out on operational land, operational buildings, parks and reserves, harbour assets, the library collection, investment property and property held for sale.

All assets have been valued on the fair value assumption. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Comprehensive Revenue. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Comprehensive Revenue will be recognised first in the Statement of

Comprehensive Revenue up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset. Revaluations are based on BERL estimates.

CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

Management has exercised no critical judgements in applying accounting policies to the proposed budget.

CAPITAL PROJECTS LIST

Rārangi mahi hua

The following table sets out the capital projects which are planned for the period of the LTP. This table provides a complete list of capital projects, however a number of projects have been consolidated for readability. All figures are not inflation adjusted.

ACTIVITY	YEAR	TOTAL \$	FUNDING
ROADS AND FOOTPATHS			
Unsealed Road Metalling Renewals	2019-28	5,000,000	RENEWAL 36 SUBSIDY 64
Sealed Road Resurfacing Renewals	2019-28	22,000,000	RENEWAL 36 SUBSIDY 64
Drainage Renewals	2019-28	4,800,000	RENEWAL 36 SUBSIDY 64
Pavement Rehabilitation	2019-28	9,140,000	RENEWAL 36 SUBSIDY 64
Structures Renewals	2019-28	1,400,000	RENEWAL 36 SUBSIDY 64
Traffic Service Renewals	2019-28	2,000,000	RENEWAL 36 SUBSIDY 64
Road Improvements - Landing Road	2019-21	2,700,000	DEVCON 5 LOAN 31 SUBSIDY 64
Low Cost Low Risk Improvements	2019-28	15,963,000	LOAN 36 SUBSIDY 64
Cycleway Extension	2022	900,000	DEVCON 5 LOAN 31 SUBSIDY 64
Bunyan Road Improvements	2019	950,000	LOAN 36 SUBSIDY 64
April 2017 Storm Damage Reinstatement	2019-28	1,050,000	OPEXRES 25 SUBSIDY 75
Total Financially Assisted Local Roads		65,903,000	
Unsealed Road Metalling Renewals	2019-28	2,000,000	SUBSIDY 100
Sealed Road Resurfacing Renewals	2019-28	1,400,000	SUBSIDY 100
Drainage Renewals	2019-28	1,100,000	SUBSIDY 100
Structures Renewals	2019-28	550,000	SUBSIDY 100
Traffic Service Renewals	2019-28	265,000	SUBSIDY 100
Seal Extensions	2019-21	4,500,000	SUBSIDY 100
Low Cost Low Risk Improvements	2019-28	4,490,000	SUBSIDY 100
April 2017 Storm Damage Reinstatement	2019-28	7,900,000	SUBSIDY 100
Total Financially Assisted Special Purpose Roads		22,205,000	





ACTIVITY	YEAR	TOTAL \$	FUNDING
Renewals	2019-28	1,173,000	RENEWAL 100
Walkway Lighting - Information Centre to Boat Ramp	2019	150,000	RESTRICT 50 SUBSIDY 50
New Kerbing & Drainage	2019-28	200,000	LOAN 100
New Footpaths	2019-28	1,000,000	LOAN 36 SUBSIDY 64
Miscellaneous Projects	2019-28	500,000	TARG 100
Pedestrian Bridge from Piripai	2020	1,000,000	OPEXRES 50 SUBSIDY 50
Bunyan Road Improvements	2019	550,000	DEVCON 100
Cemetery Road Resealing	2019	15,000	LOAN 100
Total Non Financially Assisted		4,588,000	
Total Roads And Footpaths		92,696,000	

WATER SUPPLY

Water Supply Renewals	2019-28	7,422,000	RENEWAL 100
Whakatāne Sludge Treatment	2023-24	800,000	LOAN 100
Whakatāne Water Treatment Plant Upgrade	2021	100,000	RENEWAL 100
Coastlands Main Link	2023-24	500,000	DEVCON 98 LOAN 2
Whakatāne Treatment Plant Filter Covering	2021	100,000	LOAN 100
Whakatāne Riverbank Filtration Gallery and Bore/s	2019-20	2,300,000	LOAN 100
Water Meter Programme	2020	558,000	LOAN 100
Water Modelling and Calibration	2019-22	315,000	LOAN 100
Hydrogeological Studies	2023	980,000	LOAN 100
Condition and Improvements - Reservoirs	2020-26	8,750,000	DEVCON 3 LOAN 37 RENEWAL 60
Water Losses and Leak Detection	2019-23	280,000	LOAN 100
Water Safety Plan	2019-25	1,673,500	LOAN 50 RENEWAL 50
Supply Main from Ngāti Awa Reserve	2019	500,000	LOAN 100
Upgrade Pipes - Harbour	2025	650,000	LOAN 50 RENEWAL 50

ACTIVITY	YEAR	TOTAL \$	FUNDING
Ōhope Timber Reservoir Replacement	2028	500,000	LOAN 41 RENEWAL 59
Te Mahoe Improvements	2019-28	92,500	LOAN 100
Otumahi Morrison Bore watermains and Hydrants	2019-20	350,000	LOAN 100
Total Water Supply		25,871,000	
SEWAGE TREATMENT AND DISPOSAL			
Sewage Treatment and Disposal Renewals	2019-28	4,127,200	RENEWAL 100
Mc Allister Pump Station Rising Main	2024-25	3,500,000	RENEWAL 100
Huna Road Development	2019	300,000	DEVCON 98 LOAN 2
Emergency Storage - McAllister Pump Station	2024	1,500,000	DEVCON 6.8 LOAN 93.2
Upgrade Whakatāne Wastewater Treatment Plant	2019-28	4,030,000	LOAN 70 RENEWAL 30
Wastewater Model Network Upgrades	2021	142,000	LOAN 100
Resource Consents	2020-28	3,500,000	RENEWAL 100
Risk Assessment and Implementation	2019-24	862,000	LOAN 100
Monitoring of Wastewater Discharges	2019-28	1,050,000	LOAN 100
Edgecumbe Pump Station - land matters	2019	12,000	LOAN 50 RENEWAL 50
Upgrade Edgecumbe Wastewater Treatment plant	2023	529,500	LOAN 100
Edgecumbe Renewal of Reticulation Network	2028	4,000,000	LOAN 50 RENEWAL 50
Murupara Treatment plant upgrade	2027-28	3,000,000	LOAN 64 RENEWAL 36
Tāneatua Treatment Plant Upgrade	2019-28	540,000	LOAN 70 RENEWAL 30
Total Sewage Treatment and Disposal		27,092,700	
STORMWATER DRAINAGE			
Hinemoa Pump Station and Pipes	2021-23	3,500,000	DEVCON 6.8 LOAN 93.2
Henderson Street Improvements	2019-20	800,000	LOAN 100
Pipe Upgrades	2020-26	2,850,000	LOAN 70 RENEWAL 30
Upgrade St Josephs Pump Station	2019-21	1,050,000	DEVCON 6.8 LOAN 93.2





ACTIVITY	YEAR	TOTAL \$	FUNDING
Stormwater Drainage Renewals	2019-28	700,600	RENEWAL 100
Resource Consents, Risk Assessment & Implementation, Modelling	2019-24	2,167,000	LOAN 100
Comprehensive Management Plans Development	2021-23	120,000	LOAN 100
Comprehensive Management Plan Upgrades	2021-25	950,000	LOAN 50 RENEWAL 50
Maraetōtara Stream	2019	200,000	LOAN 100
Stormwater Study - Edgcumbe	2024	25,000	LOAN 100
Ōhope - Upgrades	2020-22	150,000	LOAN 50 RENEWAL 50
Edgcumbe Drains - Flood Gates/Fencing	2019-27	25,000	LOAN 20 RENEWAL 80
Catchment Management Plans Development	2024-25	120,000	LOAN 100
Total Stormwater Drainage		12,657,600	
SOLID WASTE			
Renewals	2019-28	239,838	RENEWAL 100
Murupara Transfer Station Improvements	2019-28	50,000	GENRATE 100
Recycling Park Improvements	2019-28	50,000	GENRATE 30 TARG 70
Total Solid Waste		339,838	
DISTRICT GROWTH			
Harbour Owned Building Renewals	2019-28	335,317	RESTRICT 100
Strategic and Investment Property Renewals	2019-28	531,786	GENRATE 100
60 Bunyan Road Woodwaste Remediation	2019-28	200,000	LOAN 100
Total District Growth		1,067,103	
RECREATION & COMMUNITY FACILTITES			
Library Mixed Collection Renewal	2019-28	1,000,000	RENEWAL 100
Multi Sports Event Centre	2019-26	10,000,000	DEVCON 4.8 LOAN 19 RENEWAL 9.4 SUBSIDY 66.8
Halls Renewals	2019-28	2,395,500	RENEWAL 100
Aquatic Centres - Plant Room VSD Installation	2020	40,000	LOAN 100

ACTIVITY	YEAR	TOTAL \$	FUNDING
Aquatic Centres - Development of Outdoor Picnic and BBQ Facilities	2020	30,000	LOAN 50 SUBSIDY 50
Aquatic Centres - Heat Pump Replacement	2020	20,000	RENEWAL 50 SUBSIDY 50
Aquatic Centres - Plant Renewal	2019-28	1,208,350	LOAN 48 RENEWAL 52
Aquatic Centres - Renewals	2019-28	1,387,804	RENEWAL 100
Cemetery Expansion	2019-27	2,724,000	LOAN 100
Cemetery Berms	2019-28	100,000	FEECHG 89 GENRATE 11
Cemetery Renewals	2019-28	639,000	RENEWAL 100
Christmas Lights	2019-28	400,000	GENRATE 100
Recycling Bins for Reserves	2019-28	100,000	SUBSIDY 100
Sullivan Lake Footpath and Retaining Walls	2019-27	63,000	RESTRICT 100
Harbour Beautification	2019-28	750,000	RESTRICT 100
Playground and Reserves Renewals	2019-28	3,555,500	RENEWAL 100
Dog Park	2024-28	10,000	RESTRICT 100
Significant Sites	2019-28	651,000	RENEWAL 50 SUBSIDY 50
Walking & Cycling Projects	2019-28	750,000	SUBSIDY 100
Game Wharf Park Upgrade	2019	600,000	RESTRICT 100
Port Ōhope Wharf	2019-28	525,000	RESTRICT 100
Ports & Harbour Renewals	2019-28	1,494,000	RENEWAL 100
Whakatāne Main Wharf Replacement	2019-22	6,764,561	RENEWAL 20 RESTRICT 80
Harbour Eastern Wall Strengthening	2023	470,000	RESTRICT 100
Public Conveniences - Renewals	2019-28	788,500	RENEWAL 100
Sportsfields Facilities - Renewals	2019-28	1,169,500	RENEWAL 100
Whakatāne Holiday Park - Renewals	2019-28	500,000	RENEWAL 100





ACTIVITY	YEAR	TOTAL \$	FUNDING
Whakatāne Holiday Park - Upgrades	2019-28	500,000	LOAN 100
Total Recreation & Community Facilities		38,635,715	
COMMUNITY SAFETY			
CCTV- Phase 2	2019-25	200,000	RENEWAL 30 SUBSIDY 70
Speed Limit Sign	2024	20,000	SUBSIDY 100
Total Community Safety		220,000	
CORPORATE ACTIVITIES			
Vehicle Replacements	2019-28	3,672,000	RENEWAL 100
Corporate Property Renewals	2019-28	2,679,146	RENEWAL 100
Information Systems Infrastructure - Upgrades	2019-27	760,000	LOAN 100
Information Systems Infrastructure - Renewals	2019-28	6,604,000	RENEWAL 100
ERP Replacement	2027-28	2,000,000	LOAN 25 RENEWAL 75
Operations Business Unit Renewals	2019-28	229,000	RENEWAL 100
Total Corporate Activities		15,944,146	
REPORTABLE COUNCIL CONTROLLED ORGANISATIONS			
Security Management Systems	2021	5,000	LOAN 50 OPEXRES 50
Runway Renewals	2019-27	403,672	OPEXRES 50 RENEWAL 50
Taxiway & Terminal Apron	2020-28	176,796	OPEXRES 50 RENEWAL 50
Commercial Lease Taxiway	2020	50,400	OPEXRES 50 RENEWAL 50
Airport Car Park	2020-25	25,272	OPEXRES 50 RENEWAL 50
Runway Lighting & Navigation Aids Upgrade	2022	200,000	LOAN 25 OPEXRES 50 SUBSIDY 25
Airport Terminal Building	2020	150,000	LOAN 50 OPEXRES 50
Runway End Safety Area	2019	250,000	LOAN 25 OPEXRES 50 SUBSIDY 25
Total Reportable Council Controlled Activities		1,261,140	
Total Council		215,785,242	

ALL ABOUT RATES

Ngā Take Kaunihera

Rateable properties in our District

The Council's rating requirement (the amount we need to collect from rates) is divided among the available "rateable properties" in the District. Certain types of properties, like schools, churches, and recreation reserves, are not rateable. Our District is made up of 15,659 rateable properties. The table below shows the number of rateable properties in our District as at 6 June 2018. Properties are valued every three years by an independent valuer, and were last valued in September 2016. The next review will take place in 2019.

The financial forecasts in this LTP are based on no-change in the number of rateable units in the Whakatāne District. While some growth is expected, this provides a conservative approach. This will be updated annually to reflect the actual change.

	NUMBER OF RATEABLE RATING UNITS	RATEABLE CAPITAL VALUE \$ MILLION
Whakatāne Commercial	528	1,086,893
Edgecumbe	648	188,608
Matatā	333	92,215
Murupara	773	52,819
Ōhope	1,879	1,187,571
Ōtarawairere	37	32,242
Rural	5,078	3,462,103
Tāneatua	284	37,764
Te Teko	277	38,670
Whakatāne Urban	5,822	2,137,824
TOTAL	15,659	8,316,709

Rates due dates

There will be four equal instalments for the 2018/19 rates and the due dates are as follows:

INSTALMENT	DUE DATE	PENALTY DATE
Instalment 1	Friday, 24 August 2018	27 August 2018
Instalment 2	Friday, 23 November 2018	26 November 2018
Instalment 3	Friday, 22 February 2019	25 February 2019
Instalment 4	Friday, 24 May 2019	27 May 2019

A 10% instalment penalty will apply to any rates which are not paid by the instalment due dates. A further 10% additional charge will be added on 1 October 2019 to any overdue rates payments as at 1 July 2019 and which are unpaid at 1 July 2019, which remain unpaid at 30 September 2019.

Water due dates

The following are the due dates for the water invoices:

INSTALMENT	SCHEME	DUE DATE	PENALTY DATE
1st Reading	Plains	Friday, 26 October 2018	29 October 2018
2nd Reading	All metered schemes	Friday, 25 January 2019	28 January 2019
3rd Reading	Plains	Friday, 26 April 2019	29 April 2019
4th Reading	All metered schemes	Friday, 26 July 2019	29 July 2019

A 10% penalty will apply if any water rates payments remain outstanding after each of the above water rates due dates.

Funding Impact Statement (Rating)

The Funding Impact Statement shows how the rating system will look as dollar figures applied across the community. Hopefully this information will help you to understand the financial impact of the 'All about rates' section. You will find that this information is very similar to what appears on the back of your rates invoice.

RATING UNITS ARE DEFINED AS:

Commercial and industrial is defined as any property zoned or used for commercial / industrial purposes.

Rural is defined as all rural zoned land except commercial and industrial properties as defined above.

Note: All figures in this table are GST exclusive. GST will apply at the current rate of 15%

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
GENERAL RATES											
Total amount required	21,692,874	21,994,161	22,500,434	22,490,146	22,650,469	23,042,043	23,422,785	23,461,226	24,054,078	24,350,619	
<i>The Council sets a general rate on the capital value (CV) of each applicable rating unit in the District on a stepped differential basis (cents per CV\$).</i>											
	Cents per CV\$										
District wide rating units capital value less than \$15 million (step 1)	0.00138374	10,889,196	10,948,879	11,092,068	10,918,729	10,864,903	10,970,091	11,102,988	10,990,585	11,323,597	11,389,371
District wide rating units capital value greater than \$15 million (step 2)*	0.00069187	307,004	308,687	312,724	307,837	306,319	309,285	313,032	309,863	319,252	321,106
<i>The council sets a Uniform Annual General Charge on a fixed dollar amount per applicable rating unit.</i>											
Uniform Annual General Charge on all rating units in the District	707.23	10,496,674	10,736,595	11,095,643	11,263,580	11,479,246	11,762,666	12,006,765	12,160,778	12,411,229	12,640,142
<i>* Council uses a differential for all rating units with capital value over \$15 million to reduce the total rate those 17 rating units are charged.</i>											
ROADING RATES											
Total amount required	5,837,464	6,412,079	6,549,943	6,819,271	7,043,480	7,323,080	7,351,890	7,546,726	7,680,453	7,834,464	
<i>The Council sets the roading rate on the capital value of each applicable rating unit in the District (cents per CV\$).</i>											
	Cents per CV\$										
District wide rating units (cents per CV\$)	0.00063648	5,253,717	5,770,871	5,894,949	6,137,344	6,339,132	6,590,772	6,616,701	6,792,053	6,912,407	7,051,018
Fixed targeted rate on all rating units in the District	39.33	583,746	641,208	654,994	681,927	704,348	732,308	735,189	754,673	768,045	783,446

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$			
COMMUNITY BOARD RATES													
Total amount required	333,517	338,688	344,350	350,388	357,976	364,453	370,905	379,217	386,141	393,203			
<i>The Community Board rate funds the Governance activity and the costs of the four Community Boards. The Council sets a fixed targeted rate on rating units within each of the following locations.</i>													
	Rate \$												
Whakatāne/Ōhope	22.04	181,242	183,974	186,661	189,976	194,593	197,714	201,269	206,307	209,659	213,553		
Rangitāiki	15.12	62,104	63,261	64,465	65,594	66,809	68,169	69,372	70,711	72,159	73,479		
Tāneatua	34.95	43,897	44,702	45,542	46,336	47,183	48,128	48,972	49,907	50,911	51,838		
Murupara	36.67	46,058	46,938	47,870	48,687	49,598	50,651	51,520	52,523	53,645	54,598		
STORMWATER RATES													
Total amount required	3,184,455	3,390,288	3,597,401	3,820,184	3,995,279	4,142,912	4,237,732	4,432,140	4,480,355	4,517,950			
<i>The Council sets a differential targeted rate for stormwater on rating units and a rate on the capital value differentially as follows.</i>													
	Differential	Fixed targeted rate per rateable unit	Cents per CV\$										
Whakatāne Urban	1.0	92.75	0.00054360	1,703,359	1,814,991	1,920,795	2,030,341	2,129,005	2,197,732	2,228,963	2,346,189	2,405,968	2,428,855
Whakatāne Commercial and Industrial*	2.2	92.75	0.00119591	624,301	665,215	703,994	744,144	780,305	805,495	816,941	859,906	881,816	890,204
Matatā	1.0	46.61	0.00049281	60,592	66,169	88,000	94,217	99,878	109,238	116,780	109,923	111,525	112,893
Ōhope	1.0	72.22	0.00033632	543,373	560,973	580,488	604,646	619,190	635,478	647,568	662,881	648,771	650,394
Edgecumbe	1.0	90.99	0.00063511	231,469	261,247	274,753	303,764	311,798	327,680	346,653	359,992	348,703	351,655
Tāneatua	1.0	11.13	0.00023787	11,977	12,214	12,524	14,421	19,767	21,253	22,881	28,481	28,915	29,260
Murupara	1.0	0.50	0.00002622	1,471	1,501	8,775	18,894	19,652	27,785	38,195	38,286	28,013	27,962
Te Mahoe Land Drainage	1.0	14.73	0.00050447	1,415	1,427	1,464	1,504	2,367	4,895	5,640	9,144	9,212	9,245
Te Teko Land Drainage	1.0	12.69	0.00046477	6,499	6,550	6,609	8,253	13,316	13,355	14,112	17,337	17,433	17,480
* A differential targeted rate calculated on capital value is charged for Whakatāne Commercial and Industrial rating units, due to the greater level of impermeable surfaces putting greater pressure on stormwater systems.													

		2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
DISTRICT GROWTH RATES											
Total amount required		759,529	771,320	786,059	801,292	817,311	833,518	849,498	866,386	883,483	900,106
<i>The District Growth rate funds the Economic Development Activity.</i>											
The Council sets a fixed targeted rate per commercial and industrial rating unit within the District	318.59	189,882	192,830	196,515	200,323	204,328	208,380	212,374	216,596	220,871	225,027
Total amount required from cents per CV\$		569,647	578,490	589,544	600,969	612,983	625,139	637,123	649,789	662,612	675,080
	Differential	cents per CV\$	\$								
The Council sets a targeted rate on the capital value for all commercial and industrial rating units outside the Whakatāne urban area (cents per CV\$).	1.0	0.00050129	82,969								
The Council sets a targeted rate on the capital value for all commercial and industrial rating units within the Whakatāne urban area (cents per CV\$).	2.0	0.00100259	486,678								
REFUSE REMOVAL RATES											
Total amount required		\$ 2,595,157	2,731,699	2,829,587	2,925,401	2,992,242	3,055,626	3,119,389	3,193,497	3,202,487	3,277,636
<i>The Refuse Removal rate funds the Waste Group of Activities. The Council sets a targeted rate to fund the collection and disposal of the Council approved refuse and recycling bins. This targeted rate is set as a fixed amount where a service is available to the rating unit. A rating unit can apply for more than one service and will be charged accordingly. The service applicable to each category is: Residential - refuse, recycling and green waste. Rural and Commercial - recycling and green waste.</i>											
Residential - per service	198.46	1,609,098	1,691,176	1,750,565	1,808,689	1,849,870	1,889,133	1,928,427	1,974,007	1,981,298	2,027,348
Rural/commercial - per service	162.66	627,227	663,581	688,986	713,860	730,451	745,931	761,746	780,237	780,361	799,315
Ōhope residential * - per service	201.10	351,724	369,429	382,240	394,778	403,661	412,131	420,607	430,439	432,012	441,946
Ōhope commercial - per service	165.30	7,108	7,513	7,797	8,074	8,259	8,432	8,608	8,814	8,816	9,027
<i>*The Council provides an additional three recycling collections during the summer holiday period for Ōhope.</i>											

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
WATER RATES												
Total amount required	6,117,375	5,884,834	6,035,206	6,225,640	6,477,708	6,720,065	6,906,253	7,044,216	7,141,562	7,248,158		
<p>The Council sets water rates on a differential based on provision of service, land use and location.</p> <p>Connected - any rating unit that is connected directly or indirectly to a Council operated waterworks.</p> <p>Available - any rating unit that is not connected to a Council operated waterworks but is within 100 metres of such waterworks.</p> <p>Note: All water by meter consumption that is invoiced during the current rating year will be calculated on the charges detailed below.</p>												
	Per connection	Rate										
	\$	\$										
Ruatāhuna												
Connected	36.93		295	304	311	318	326	334	342	351	359	368
Connected - commercial	92.33		185	190	194	199	204	209	214	219	224	230
Plains												
Connected - metered	120.00		410,305	407,948	427,469	433,325	446,957	467,162	472,042	470,178	480,662	489,912
Water by meter		0.27	615,457	611,921	641,204	649,988	670,435	700,742	708,063	705,267	720,993	734,868
excess water by meter*		0.90										
Murupara		Rate										
		\$										
Connected - metered	127.71		3,065	2,824	2,495	2,575	2,940	3,068	3,137	3,132	3,234	3,176
Connected - non metered	314.09		210,754	194,160	171,583	177,026	202,177	239,002	244,368	243,991	251,879	247,429
Available - not connected	127.71		13,282	12,236	10,814	11,157	12,742	13,296	13,594	13,573	14,012	13,764
Water by meter		0.85	28,005	25,800	22,800	23,524	26,866	0	0	0	0	0
All Other Schemes (Whakatāne, Ōhope, Edgecumbe, Tāneatua, Te Mahoe, Matatā, Waimana, Rūātoki)												
Connected - metered	202.43		1,729,957	1,656,061	1,702,166	1,762,690	1,829,775	1,894,591	1,954,774	2,005,933	2,028,360	2,059,915
Connected - non metered	540.85		320,184	306,507	315,040	326,242	338,658	350,655	361,793	371,262	375,413	381,253
Available - not connected	202.43		84,615	81,001	83,256	86,216	89,498	92,668	95,611	98,114	99,211	100,754
Water by meter		1.54	2,701,270	2,585,882	2,657,874	2,752,381	2,857,131	2,958,339	3,052,314	3,132,196	3,167,215	3,216,488
<p>*The council sets an additional targeted rate for any excess water consumed that is over and above the purchased entitlement for each rating unit connected to these water supplies. An overuse targeted rate is set for the excess volume consumed over and above the purchased entitlement.</p> <p>Note: Where rating units meet the definition of being contiguous either under legislation or Council Policy, the entitlements for such properties will be aggregated prior to an imposition of the overuse penalty.</p>												

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
SEWERAGE RATES											
Total amount required	3,764,335	4,037,930	4,467,880	4,608,638	4,754,551	4,888,821	5,116,166	5,289,197	5,409,326	5,662,044	
<p><i>The Council sets sewerage rates on land use and provision of service. Land use is residential, rural or commercial / industrial. For residential and rural rating units, the Council sets fixed targeted rates per separately used or inhabited part of a rating unit* to fund sewage disposal. Commercial / industrial properties are charged per pan.</i></p> <p>Connected - any rating unit that is connected to a public sewerage drain.</p> <p>Available - any rating unit that is not connected to a public sewerage drain but is within 30 metres of such a drain.</p>											
	Rate \$										
Available - all schemes (Whakatāne, Ōhope, Edgecumbe, Tāneatua, Te Mahoe)	156.65	56,081	59,335	65,023	67,089	68,996	70,941	74,270	76,912	78,273	81,037
Connected - all schemes (Whakatāne, Ōhope, Edgecumbe, Tāneatua, Te Mahoe) included land use of residential/rural and commercial/industrial**	313.30	3,509,322	3,712,925	4,068,861	4,198,147	4,317,436	4,439,164	4,647,502	4,812,828	4,897,950	5,070,913
Available - Murupara	126.39	11,122	14,853	18,673	19,199	20,581	21,173	22,050	22,333	24,214	28,519
Connected - Murupara included land use of residential/rural and commercial/industrial**	252.77	187,809	250,817	315,322	324,202	347,538	357,543	372,344	377,124	408,889	481,576
<p>* Any part of a rating unit that is, or is able to be, separately used or inhabited by the ratepayer, or by any other person or body having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement.</p> <p>**Commercial / industrial properties are charged per pan</p>											

Indicative Rating Examples for 2018/19

	WHAKATĀNE URBAN LOW	WHAKATĀNE URBAN AVERAGE	WHAKATĀNE URBAN HIGH	WHAKATĀNE COMMERCIAL (LESS THAN \$10M) LOW	WHAKATĀNE COMMERCIAL (LESS THAN \$10M) AVERAGE	EDGE CUMBE AVERAGE	MATATĀ AVERAGE	MATATĀ HIGH
Capital Value	155,000	355,000	1,100,000	370,000	730,000	295,000	293,000	640,000
General Rate	214.48	491.23	1,522.12	511.99	1,010.13	408.20	405.44	885.60
Uniform Annual General Charge	707.23	707.23	707.23	707.23	707.23	707.23	707.23	707.23
Roading CV	98.65	225.95	700.13	235.50	464.63	187.76	186.49	407.35
Roading Fixed Targeted Rate	39.33	39.33	39.33	39.33	39.33	39.33	39.33	39.33
Community Boards	22.04	22.04	22.04	22.04	22.04	15.12	15.12	15.12
Stormwater Fixed Targeted Rate	92.75	92.75	92.75	92.75	92.75	90.99	46.61	46.61
Stormwater CV	84.26	192.98	597.96	442.49	873.02	187.36	144.39	315.40
District Growth	-	-	-	689.55	1,050.48	-	-	-
Refuse Removal	198.46	198.46	198.46	162.66	162.66	198.46	198.46	198.46
Water	540.85	540.85	540.85	540.85	540.85	540.85	540.85	540.85
Sewerage	313.30	313.30	313.30	313.30	313.30	313.30	-	-
Subtotal (excluding GST)	2,311.35	2,824.12	4,734.17	3,757.69	5,276.42	2,688.60	2,283.92	3,155.95
Plus GST at 15%	346.70	423.62	710.13	563.65	791.46	403.29	342.59	473.39
2018/19 Total indicative rates including GST	\$2,658.05	\$3,247.74	\$5,444.30	\$4,321.34	\$6,067.88	\$3,091.89	\$2,626.51	\$3,629.34
2017/18 Total indicative rates including GST	\$2,545.01	\$3,128.12	\$5,300.22	\$4,121.85	\$5,821.73	\$2,902.03	\$2,456.83	\$3,371.33
% increase (decrease) incl. GST	4.44%	3.82%	2.72%	4.84%	4.23%	6.54%	6.91%	7.65%

MURUPARA URBAN	MURUPARA LIFESTYLE	TE TEKO	ŌTARAWAIRERE	ŌHOPE LOW	ŌHOPE AVERAGE	ŌHOPE HIGH	TĀNEATUA	RURAL LOW	RURAL AVERAGE	RURAL HIGH
61,000	205,000	111,000	820,000	510,000	640,000	1,220,000	134,000	58,500	965,000	3,190,000
84.41	283.67	153.60	1,134.67	705.71	885.60	1,688.17	185.42	80.95	1,335.31	4,414.14
707.23	707.23	707.23	707.23	707.23	707.23	707.23	707.23	707.23	707.23	707.23
38.83	130.48	70.65	521.92	324.61	407.35	776.51	85.29	37.23	614.21	2,030.38
39.33	39.33	39.33	39.33	39.33	39.33	39.33	39.33	39.33	39.33	39.33
36.67	36.67	15.12	22.04	22.04	22.04	22.04	34.95	15.12	15.12	15.12
0.50	-	12.69	72.22	72.22	72.22	72.22	11.13	-	-	-
1.60	-	51.59	275.78	171.52	215.24	410.31	31.87	-	-	-
-	-	-	-	-	-	-	-	-	-	-
198.46	162.66	198.46	201.10	201.10	201.10	201.10	198.46	162.66	162.66	162.66
314.09	-	120.00	540.85	540.85	540.85	540.85	540.85	120.00	120.00	120.00
252.77	-	-	313.30	313.30	313.30	313.30	313.30	-	-	-
1,673.89	1,360.04	1,368.67	3,828.44	3,097.91	3,404.26	4,771.06	2,147.83	1,162.52	2,993.86	7,488.86
251.08	204.01	205.30	574.27	464.69	510.64	715.66	322.17	174.38	449.08	1,123.33
\$1,924.97	\$1,564.05	\$1,573.97	\$4,402.71	\$3,562.60	\$3,914.90	\$5,486.72	\$2,470.00	\$1,336.90	\$3,442.94	\$8,612.19
\$1,788.26	\$1,570.53	\$1,583.22	\$4,256.94	\$3,430.77	\$3,777.22	\$5,322.96	\$2,366.31	\$1,349.95	\$3,393.03	\$8,407.77
7.64%	(%0.41)	(%0.58)	3.42%	3.84%	3.64%	3.08%	4.38%	(%0.97)	1.47%	2.43%

AUDIT REPORT

This consultation document and the underlying information provided in supporting documents have been reviewed by Audit New Zealand.

To the reader:

Independent auditor's report on Whakatāne District Council's 2018 28 Long Term Plan

I am the Auditor General's appointed auditor for Whakatāne District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's long term plan (the plan). Section 259C of the Act requires a report on disclosures made under certain regulations. We have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 28 June 2018.

Opinion

In my opinion:

- the plan provides a reasonable basis for:
- long term, integrated decision making and co ordination of the Council's resources; and
 - accountability of the Council to the community;
 - the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 228 to 231 of the plan represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;

- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
 - presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
 - having systems and processes in place to enable the preparation of a plan that is free from material misstatement.
- I am responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

Independence

In carrying out our work, we complied with the Auditor General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

In addition to this report on the Council's long-term plan and all legally required external audits, we have provided an assurance report on certain matters in respect of the Council's Debenture Trust Deed. These assignments are compatible with those independence requirements. Other than these assignments, we have no relationship with or interests in the Council.



B H Halford
Audit New Zealand
On behalf of the Auditor General, Tauranga, New Zealand



FOUR PRINCIPALS of the LTP

1
Responsible
Takohanga

2
Sustainable
Whakauka

3
Enabling
Whakamana

4
Affordable
Ka tae ate utu

WHAKATĀNE DISTRICT COUNCIL

Civic Centre, Commerce Street, Whakatāne
Private Bag 1002, Whakatāne 3158

Email: information@whakatane.govt.nz

Phone: 07 306 0500

Website: whakatane.govt.nz



Whakatane District Council



@WhakataneDC1

SERVICE CENTRE MURUPARA

Pine Drive, Murupara
Phone: 07 366 5896



WHAKATĀNE
District Council
Kia Whakatāne au i ahau