



Agenda - Part 1 (of 2)

# Environment, Energy, and Resilience Committee

*Te Komiti Rautaki me ngā Kaupapa Here*

Wednesday, 6 March 2024  
*Rāapa, 6 Poutūterangi 2024*

Totara Room, Whakatāne District Council  
14 Commerce Street, Whakatāne  
Commencing at: 9:00 am

Chief Executive: Steph O'Sullivan  
Publication Date: 1 March 2024



**Live Streaming the Meeting - *Ka whakapāho mataora te hui***

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**A Membership - *Mematanga*****A Membership - *Mematanga***

Mayor Dr V Luca - Chairperson

Councillor N S Tánczos - Deputy Chairperson

Deputy Mayor L N Immink

Councillor T Boynton

Councillor G L Dennis

Councillor A V Iles

Councillor W B James

Councillor J C Jukes

Councillor T O'Brien

Councillor J W Pullar

Councillor N Rangiaho

**B Delegations to the Environment, Energy and Resilience Committee - *Tuku Mahi ki te Komiti***

1. To oversee development of strategies and plans that reflect and implement the Council's vision.
2. To oversee the development of strategies, plans and programmes that protect and restore the District's natural environment, resources, and ecology.
3. To monitor and advise on the strategy, policies and direction on the impact of climate change on the District.
4. To improve community resilience to environmental threats.

**Specific functions and delegations:**

Develop the Long-term Plan and Annual Plan and determine the form and extent of public consultation methods to be employed (Note1: the Council cannot delegate to a Committee the adoption of the Long-term Plan and Annual Plan, Note2: the Council retains for itself the strategic direction setting responsibility of the Long-term Plan process).

- a. Develop, and monitor implementation of, Council's Climate Change Strategy and programme.
- b. Monitor the development of associated Central Government Reform programmes.
- c. Develop and review associated bylaws (Note: only Council has the power to make a bylaw).
- d. Develop, review and approve associated strategies, policies and plans (Note: only Council has the power to adopt policies associated with the Long-term Plan).

**B Delegations to the Environment, Energy and Resilience Committee - *Tuku Mahi ki te Komiti*(Cont.)**

- e. Develop a proposed plan or a change to a district plan under the Resource Management Act 1991.
- f. Climate change science, impact and strategy overview - mitigation, adaptation and resilience.
- g. Foster community environmental and climate change understanding.

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### Part 1

Up to Appendix 4

### Part 2

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**1 Apologies - *Te hunga kāore i tae*****1 Apologies - *Te hunga kāore i tae***

No apologies have been received at the time of compiling the agenda.

**2 Acknowledgements / Tributes - *Ngā Mihimihi***

An opportunity for members to recognise achievements, to notify of events, or to pay tribute to an occasion of importance.

**3 Conflicts of Interest - *Ngākau kōnatunatu***

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as an elected member and any private or other external interests they might have.

The Elected Member Register of Interest is available on the Whakatāne District Council website. If you wish to view the information, please click this [Register link](#).

**4 Public Participation- *Wānanga Tūmatanui*****4.1 Public Forum - *Wānanga Tūmatanui***

The Committee has set aside 30 minutes for members of the public to speak in the public forum at the commencement of each meeting. Each speaker during the forum may speak for five minutes. Permission of the Chairperson is required for any person wishing to speak during the public forum.

With the permission of the Chairperson, Elected members may ask questions of speakers. Questions are to be confined to obtaining information or clarification on matters raised by a speaker.

**4.2 Deputations - *Nga Whakapuaki Whaitake***

A deputation enables a person, group or organisation to make a presentation to Committee on a matter or matters covered by their terms of reference. Deputations should be approved by the Chairperson, or an official with delegated authority, five working days before the meeting. Deputations may be heard at the commencement of the meeting or at the time that the relevant agenda item is being considered. No more than two speakers can speak on behalf of an organisation's deputation. Speakers can speak for up to 5 minutes, or with the permission of the Chairperson, a longer timeframe may be allocated.

With the permission of the Chairperson, Elected members may ask questions of speakers. Questions are to be confined to obtaining information or clarification on matters raised by the deputation.

**5 Confirmation of Minutes - *Te whakaaetanga o ngā meneti o te hui***

**5 Confirmation of Minutes - *Te whakaaetanga o ngā meneti o te hui***

The minutes from the Council meeting meeting held Thursday, 22 February 2024 can be viewed via the Council website.

Click on the link below in order to view the 'unconfirmed minutes'.

- [Unconfirmed Minutes - Environment, Energy, and Resilience Committee - 22 February 2024](#)



## 6 Reports - *Ngā Pūrongo*

### 6 Reports - *Ngā Pūrongo*

#### 6.1 Waters LTP: 2024-34



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To: **Environment, Energy and Resilience Committee**

Date: **Wednesday, 6 March 2024**

Author: **B Gray / GM Infrastructure**

Authoriser: **S O'Sullivan / Chief Executive**

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#### 1. Reason for the report - *Te Take mō tēnei rīpoata*

This report is to update and inform the Committee on the proposal to include three waters into the Infrastructure Strategy and Long Term Plan (LTP).

The new Government has indicated to all Councils that they will be required to bring three waters back into their LTP's and associated strategies and policies following their repeal of the Three Waters Reform legislation. Our Infrastructure Strategy up to this point was based on transport infrastructure only. The team have now updated the infrastructure strategy to include three waters infrastructure.

#### 2. Recommendations - *Tohutohu akiaki*

1. **THAT** the Environment, Energy and Resilience Committee receives the 3 Waters LTP: 2024-34 report; and
2. **THAT** the Environment, Energy and Resilience Committee **approve** the infrastructure strategy to be included in the LTP2024-2034 consultation document.

#### 3. Background - *He tirohanga whakamuri*

High quality infrastructure is essential to enabling our District to grow and supporting our communities to be healthy, safe, and prosperous. Infrastructure is the term used for pipes, treatment plants, roads, footpaths, and other assets that are essential for our communities to move around, live in, do business, and recreate.

It was anticipated that an infrastructure strategy would be prepared for Transport asset only, with the three waters assets being transferred over to a separate water entity. The new government announced it would repeal 3 waters reform and on 17 February the legislation to repeal 3 waters reform was passed. As a result of this legislative change councils had the following options available:

1. Continue with the LTP2024-2034 as normal – adopting by 30 June 2024
2. Extend the deadline for LTP until September 2024
3. Defer LTP2024-2034 by a year and replace with an enhanced annual plan for 2024/25

Whakatane District Council agreed to proceed with Option 1 'Continue with the LTP2024-2034 as normal – adopting by 30 June 2024', including three waters.

**6.1 Waters LTP: 2024-34(Cont.)**

Over the last 6 months multiple workshops have been held with the transport team to agree the relevant components of the Transport IS, these decisions have all been formally approved through the Infrastructure Planning Committee.

As the Three waters change of legislation was only enacted in February 2024, only two workshops have been held with councillors to seek direction on key aspects for incorporation into the infrastructure strategy.

This paper captures the direction received to date from councilors for Three Waters only and seeks endorsement of the Infrastructure Strategy (Transport and Three Waters).

**4. Issue/subject – *Kaupapa*****4.1. Purpose of an Infrastructure Strategy (IS)**

The Infrastructure Strategy outlines how Council intends to manage infrastructure assets over the next 30 years. It outlines the Council's vision for our communities, identifies the significant infrastructure challenges and drivers in achieving that vision, and how Council intends to address these through our long-term planning and investment.

Whakatāne District's Infrastructure Strategy focuses on the critical assets of:

- Drinking water supply;
- Wastewater collection, treatment and disposal;
- Stormwater drainage; and
- Transport connections

The Infrastructure Strategy outlines:

- The significant infrastructure areas that must be addressed
- The principal options available to address these issues
- The cost and service delivery implications of these options for the community
- How the Council intends to manage its infrastructure assets over the next 30 years,
- The most likely scenario for Council infrastructure investment
- The most likely scenario includes potential projects that may or may not proceed subject to funding decisions made through the long term planning process.

**4.2. Process for agreeing Infrastructure Strategy (IS)**

Normally an Infrastructure strategy would be prepared early on in the LTP development process, once developed the Asset Management Plans (AMP's) would then be developed. As the legislation has recently changed for three waters we are now seeking endorsement of this Infrastructure Strategy at a much later timeframe than normal.

**6.1 Waters LTP: 2024-34(Cont.)**

Key aspects of direction are required from councillors as part of the normal development of an IS, these include:

- a. **Confirming the strategic direction**
- b. **Problem definitions and key challenges**
- c. **Levels of service**
- d. **Performance measures**
- e. **Activity grouping and funding**
- f. **Funding needs analysis discussion**
- g. **Policies and strategies impacted**
- h. **Capex programme – "Needs based" vs "Constrained"**
- i. **Service delivery and operational needs assumption (OPEX and FTE budgets)**
- j. **Identification of consultation items**

This paper will outline the direction received at the Three Waters workshops.

**4.2.1. Strategic Direction**

On the 31 January 2024, a Three Waters workshop was held with Councillors. Staff asked councillors “What outcomes do you want to achieve for three waters over the next 30 years?”.

Councillors provided the following direction for staff to enable development of the IS :

<b>Water</b>	
<ul style="list-style-type: none"> <li>• New water source for Whakatāne/Ōhope.</li> <li>• Infrastructure resilience</li> <li>• Water Strategy completed</li> <li>• Consent compliance</li> <li>• Fit for purpose infrastructure</li> <li>• Reliability</li> <li>• Investigate high quality sources</li> <li>• Include capacity for growth</li> <li>• Great tasting water</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure we are good stewards of water as a precious resource (leaks / conservation)</li> <li>• Incorporate climate change resilience</li> <li>• Give effect to Te Mana o Te Wai</li> <li>• Discussion with communities around chlorination/residual treatment – safe drinking water</li> </ul>

<b>Wastewater</b>	
<ul style="list-style-type: none"> <li>• Currently 90% of NZ discharge to water</li> <li>• Small towns discharge to river</li> <li>• We need adequate treatment</li> <li>• Fit for purpose and cater for growth</li> </ul>	<ul style="list-style-type: none"> <li>• Good compliant systems</li> <li>• Learn from others – don’t reinvent the wheel</li> <li>• Consider Circular wastewater</li> </ul>

**6.1 Waters LTP: 2024-34(Cont.)**

Wastewater	
<ul style="list-style-type: none"> <li>• Adaptable treatment</li> <li>• Climate change resilience</li> <li>• Resilient infrastructure and communities</li> <li>• Reductions in overflows</li> </ul>	<ul style="list-style-type: none"> <li>• Look at other small towns like Te Teko for future schemes</li> <li>• Need social capital, buy in</li> </ul>

Stormwater	
<ul style="list-style-type: none"> <li>• Resilience</li> <li>• Level of service – build capacity during significant events</li> <li>• Stormwater can create displacement</li> <li>• Move away from pipes to open drains and green spaces</li> <li>• Soakage fields and swales</li> <li>• Land based treatments</li> </ul>	<ul style="list-style-type: none"> <li>• Collection of rainwater</li> <li>• Intersect with transport and regional council</li> <li>• Stewards of water</li> <li>• Biophilic design</li> <li>• Storage – capture for reuse</li> <li>• Urban planning - soakage</li> </ul>

The above direction has been incorporated into the development of the IS for Three Waters.

**4.2.2. Key challenges and problem definition**

On the 31 January 2024, a Three Waters workshop was held with Councillors. Staff tabled an initial view of the key challenges and problem statements, see below for details.

The Whakatāne District faces several infrastructure challenges over the coming years, including:

- Maintaining our assets;
- Responding to a changing regulatory environment;
- Improving resilience and responding to climate change;
- Meeting the demands of future growth;
- Funding and affordability challenges.

Addressing all these challenges requires significant planning and investment decisions and action. Council will need to ensure that we balance affordability with the delivery of essential services and prioritisation of critical improvements that will enhance our district and help achieve our vision and communities’ aspirations.

The following problem statements were noted:

- i. Maintaining our assets
  - Many the Council’s core infrastructure assets are coming to the end of their useful life and will need replacing within the 30 year period of this strategy. There are also a number of source water supply issues and vulnerabilities that need to be addressed.

**6.1 Waters LTP: 2024-34(Cont.)**

- Robust Asset Management Plans ensure that core infrastructure is maintained and that a long-term prioritised programme of works, along with 'whole of life' costs are balanced and shared across multiple planning periods.
- A number of projects and programmes ensure that the Council is able to maintain and upgrade infrastructure as required in order to deliver three waters services.
- ii. Responding to a changing regulatory environment
  - We are required to renew our consents for wastewater discharges and water takes by 2026, the process will be extensive
  - Three waters reforms are being repealed, creating uncertainty over future funding and delivery arrangements for three waters infrastructure and services.
  - Environmental standards regarding the quality of water continue to increase. New infrastructure is needed to meet these standards.
  - Tightening of environmental discharge rules will affect renewal of wastewater consents.
- iii. Resilience and responding to climate change
  - Climate change is expected to generate more frequent and more severe weather events which cause increased flooding, coastal inundation and erosion, and droughts. Large parts of the district are low-lying and prone to flooding while changes to groundwater levels could have a significant impact on Council's three waters infrastructure and assets.
  - Extreme temperatures and drought will affect three waters operations while the capacity of the stormwater network will need to be increased to manage more severe and more frequent storms.
- iv. Meeting the demands of future growth
  - Recent forecasts show that Whakatāne's population is expected to grow by nearly 3,000 households by 2053. Changing demographics means different housing types will be required.
  - The National Policy Statement on Urban Development (NPS-UD) requires Councils provide infrastructure before development can take place and costs recouped.
  - New investment in drinking water supply and wastewater treatment, along with improvements to the quality of stormwater and wastewater outfalls will be required.
- v. Funding and affordability challenges
  - The provision of infrastructure required to support our centres and communities is extensive, and with that comes significant costs.
  - Costs to maintain and deliver new infrastructure have significantly increased, meaning more funding is required each year to support this.
  - Increased costs for essential infrastructure is placing significant pressure on families and our communities at a time where affordability and cost of living is an everyday challenge.
  - Current funding sources within New Zealand to support the provision and operation of infrastructure, are stretched and access to alternative funding sources is limited.

Councillors noted they agreed with the key challenges and problem statements tabled by staff. This has therefore been used to develop the IS document for Three Waters.

**6.1 Waters LTP: 2024-34(Cont.)****4.2.3. Levels of Service**

We operate under resource consents granted by the regional council and are required to meet drinking water standards and other key legislation.

We deliver services to agreed levels and ensure these are met by:

- Operating and maintaining assets.
- Investing capital in response to increasing demands for growth (greenfield and infill).
- Investing where appropriate in renewal
- Investing where appropriate in improving level-of-service.

The service that the community receives from each infrastructure activity is defined by the agreed levels of service as described in the Infrastructure Strategy and Long Term Plan. Levels of service have a direct relationship with rates and user fees and charges. They are also directly related to performance measures and monitoring.

As part of the development of the Long Term Plan 2024-34 and Infrastructure Strategy 2024-54, a levels of service exercise was undertaken with staff noting the following considerations :

**Water supply**

- Drinking water quality: taste & odor, water quality safety (microbiological, protozoa), aesthetic (e.g. pH, Iron & Manganese)
- Continuity and availability of supply (Network coverage, Flow/pressure, outages & interruptions)
- Water loss
- Resource consent compliance

**Wastewater**

- Resource consent compliance
- Wastewater overflows (Dry and Wet Weather)
- Network reliability and faults

**Stormwater**

- Resource consent compliance
- Network performance
- Flooding incidences

Note : New measures are expected in 2024 for both wastewater and stormwater

At this workshop Staff highlighted that an unconstrained budget was prepared as part of the Three Waters reform. This unconstrained budget contained a list of projects that could be progressed if funding and staff availability were not constrained.

Following the announcement by the new government to repeal the 3 waters legislation, staff also prepared a constrained budget taking into account affordability and also deliverability.

Staff tabled a comparison of an unconstrained budget vs constrained budget and the impacts to the levels of service, see below:

**6.1 Waters LTP: 2024-34(Cont.)**

Levels of service impacts (Constrained Vs Unconstrained programme)

Activity	Level of Service (Years 1-3)	Level of Service (Years 4-10)	Commentary
Water Supply	Increase/Increase	Maintain/Increase	<ul style="list-style-type: none"> <li>Limited investment in Strategic water projects (e.g Whakatane/Plains water strategy)</li> </ul>
Wastewater	Increase/Increase	Reduce/Increase	<ul style="list-style-type: none"> <li>Investment into the Matata wastewater scheme                             <ul style="list-style-type: none"> <li>Renewals and WWTP upgrades</li> <li>Network redundancy projects</li> </ul> </li> </ul>
Stormwater	Maintain/Maintain	Maintain/Increase	<ul style="list-style-type: none"> <li>Renewals/upgrades driven</li> </ul>

Councillors agreed, due to the affordability and deliverability constraints that staff should proceed with a constrained budget approach for development of the IS.

**4.2.4. Performance Measures**

On the 31 January 2024, a Three Waters workshop was held with Councillors. Staff noted there was existing performance measures in place for three waters, current performance measures include :

**Performance measures - Reporting**

- Compliance – consents (s.124 provision)**
  - Water takes - 16 active consents (Rūātōki 2019, 8 expiring in 2026)
  - Wastewater discharge, include odour - 12 active consents (8 expiring in 2026)
  - Stormwater – 41 active consents, 16 Whakatāne consents combined to single comprehensive SW consent (lodged 2023)
- Taumata Arowai – Water Services Act 2021**
  - Drinking water quality performance statements – quarterly with external audit (Wai Comply)
  - Aesthetic Values for drinking water
  - Network Environmental Performance Report – annually
- DIA - Non-financial performance measures rules 2013**
  - Water supply activities – safety, maintenance, faults, customer satisfaction, demand management (consumption, water loss)
  - Sewerage and treatment – system adequacy, discharge compliance, faults, customer satisfaction
  - Stormwater drainage – system adequacy, discharge compliance, faults, customer satisfaction
- Residential customer residents survey – annual**

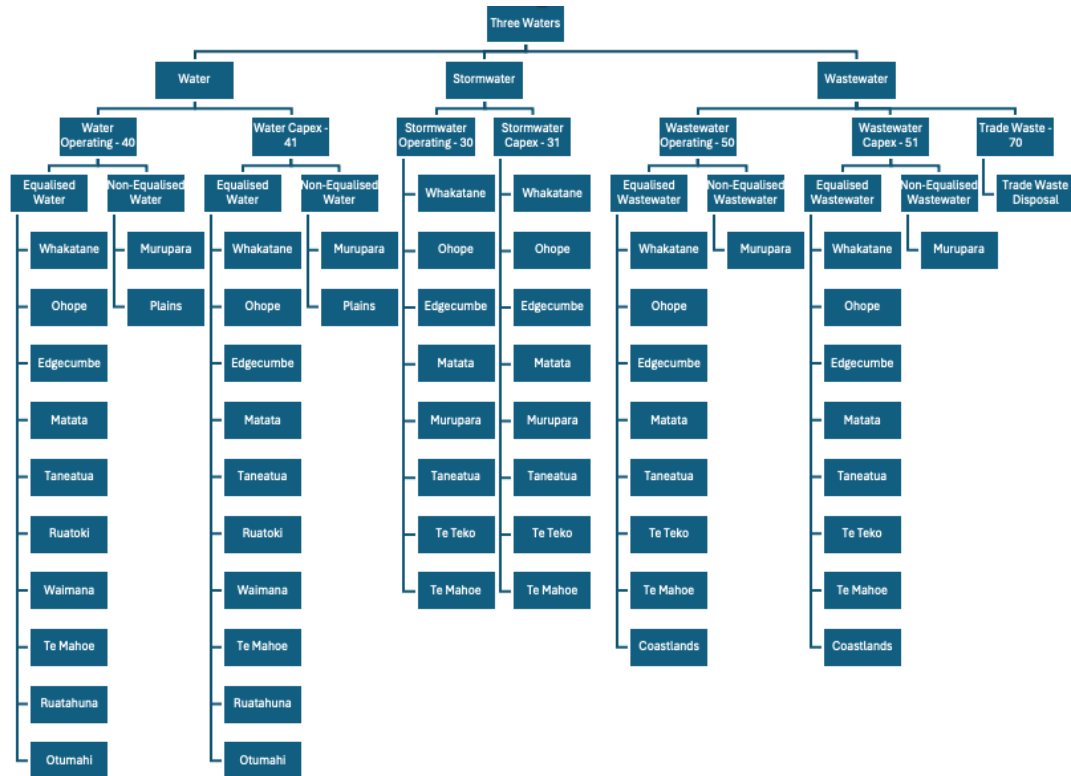
Councillors noted they were comfortable with the existing performance measures as tabled.

Further details on ‘non-financial performance measures’ will be provided to councillors in March /April 2024. This will be a consolidated list of ‘non-financial performance measures’ for all areas of council.

**4.2.5. Activity Grouping and funding**

On the 22 February 2024, a Three Waters workshop was held with Councillors. Staff tabled the current activity grouping used for Three waters activities – see below :

**6.1 Waters LTP: 2024-34(Cont.)**



Staff noted this was a complex structure, however due to the time constraints proposed that the activity structure remain for the LTP24-34, and a review undertaken in year 1 of the LTP.

Councillors advised they were comfortable with the proposed activity structure and noted the complexity.

**4.2.6. Funding needs analysis**

On the 22 February 2024, a Three Waters workshop was held with Councillors. It was noted that:

- Three waters is the most complex rated activity in council, with the largest number of targeted rates and schemes, and incurs some of the most significant costs within Council.
- Changes in expenditure at an individual scheme level can have significant impacts on ratepayers within that scheme, especially if the activity has is funded largely by targeted rates.
- The Revenue and Financing Policy outlines how activities should be funded based on an assessment of who creates the need for the activity, or benefits from it.
- The Three waters team have not received any financial rating impact assessments for LTP24-34, which highlights where there are impacts, or who is impacted.
- Staff recommended that Council undertake a review of the rating of three waters in year 1 of the LTP.

Councillors stated that for three waters in rural areas the issue of increasing pricing needs to be carefully considered and managed appropriately.

Councillors also noted the Braemar scheme was built originally by farmers in that area.



**6.1 Waters LTP: 2024-34(Cont.)**

Councillors noted they were comfortable with the approach by staff and agreed to the recommendation to progress a rating review for three waters in year 1 of the LTP24-34.

**4.2.7. Policies and strategies impacted**

On the 22 February 2024, a Three Waters workshop was held with Councillors. Staff noted the following policies and strategies would be impacted through the development of the IS :

- **Water Strategy** - Long term strategy to provide improved and sustainable water schemes across the Whakatane/Ohope and Plains areas. Involves a phasing out of the existing surface water source and treatment plant at Te Tahi street.
- **Water loss, Pressure and Demand management Strategy** - Pressure management to reduce levels of leakage and reduce demand
- **Inflow and Infiltration reduction strategy** - Establishment of a plan to economically target a reduction in the levels of wet weather flows
- **Climate Change Action Plan** – Ensures that the impacts from delivering waters services considers aligns with Councils goals
- **Spatial Plan** - Provides plan to target infrastructure upgrades resulting from growth
- **DC policies** - Recovers an appropriate level of revenue to manage effects of growth over time

Councillors confirmed they were clear about the impacted policies and strategies. No queries were raised and councillors confirmed agreement of the impacted strategies and policies.

**4.2.8. Capex Programme – “Needs based” vs “ Constrained”**

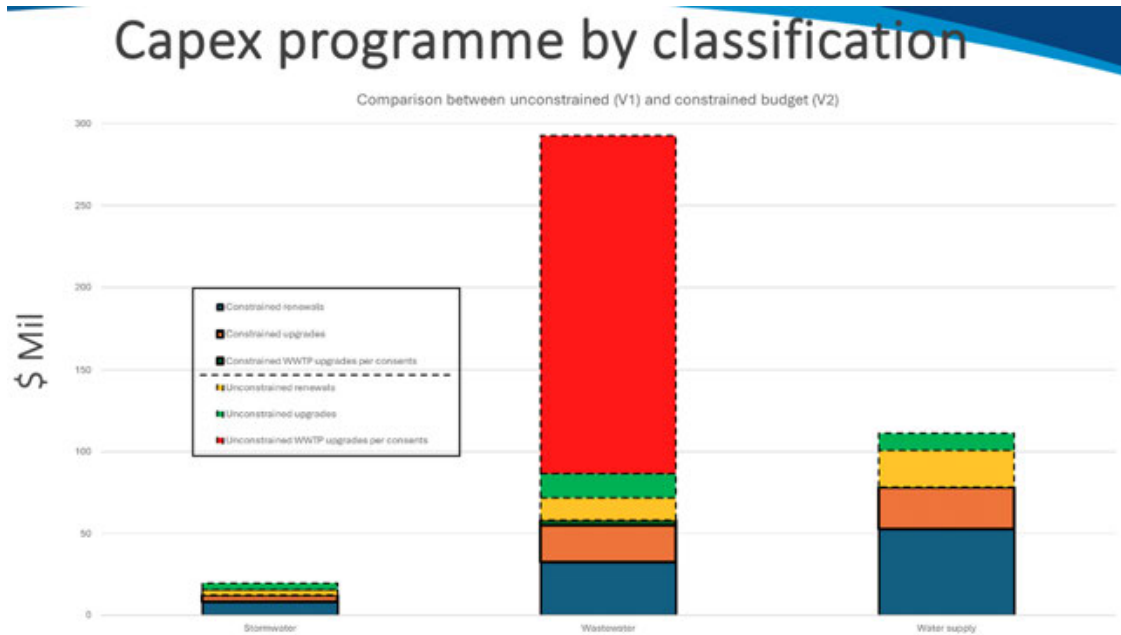
On the 31 January 2024, a Three Waters workshop was held with Councillors.

At this workshop Staff highlighted that an unconstrained budget was prepared as part of the Three Waters reform. This unconstrained budget contained a list of projects that could be progressed if funding and staff availability were not constrained.

Following the announcement by the new government to repeal the 3 waters legislation, staff also prepared a constrained budget taking into account affordability and also deliverability.

The key changes between the unconstrained and unconstrained delivery programme was tabled :

6.1 Waters LTP: 2024-34(Cont.)




Councillors requested further details on the level of risk for council, as a result of progressing with the constrained budget. Staff prepared further detail on the projects that would be deferred along with key risks and their treatment (accept / mitigate). This information was tabled with councillors on 22 Feb 2024, details below:

Due to constrained budget Wastewater investment reduced from \$293M to \$76M (-\$216M) between 2024-34

Key Project Deferrals	Key Points to Note	Risk Impacts
<ul style="list-style-type: none"> <li>• Upgraded WWTP (Whakatane /Taneatua/Edgecumbe) [-\$156M]</li> <li>• Upgraded WWTP (Murupara) [-\$29M]</li> </ul>	<ul style="list-style-type: none"> <li>• Existing treatment are basic pond systems</li> <li>• 3 freshwater &amp; 1 coastal discharge</li> <li>• Whakatane mechanical based, others gravity fed</li> <li>• No capacity constraints</li> <li>• Edgecumbe has significant compliance issues</li> </ul>	<ul style="list-style-type: none"> <li>• Failures due to age / sunk cost to mitigate risk [Manage using limited budget]</li> <li>• Consents expire 2026, use \$124 to operate on expired consents [Accept]</li> <li>• Negative iwi / community perception – discharging into rivers [Accept]</li> </ul>
<ul style="list-style-type: none"> <li>• Wastewater pond desludging (Whakatane / Ohope / Edgecumbe / Taneatua / Murupara) [-\$18M]</li> </ul>	<ul style="list-style-type: none"> <li>• Some desludging will be required for LTP24-34 (Years 1-3)</li> <li>• Required for extended lifespan of asset</li> </ul>	<ul style="list-style-type: none"> <li>• Degraded pond performance [Accept]</li> <li>• Increased odours – residents [Accept]</li> <li>• Infringement / Abatement notices [Accept]</li> <li>• <b>Note : Staff reviewing potential options to mitigate</b></li> </ul>
<ul style="list-style-type: none"> <li>• Wastewater Network Renewals [-\$6M]</li> </ul>	<ul style="list-style-type: none"> <li>• Good asset condition information available. Further work to link to criticality</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in blockages / pipe collapses / Breaks / Spills [Manage using limited budget]</li> </ul>
<ul style="list-style-type: none"> <li>• Various smaller projects [-\$8M]</li> </ul>		<ul style="list-style-type: none"> <li>• Lack of resilience – storm events [Accept]</li> <li>• Potential rising main failures result in environmental consequences [Manage using limited budget]</li> <li>• Budgets could be exceeded if storm events / significant failures [Accept]</li> </ul>

6.1 Waters LTP: 2024-34(Cont.)

**Due to constrained budget Water investment reduced from \$124M to \$87.9M (-\$36.1M) between 2024-34**



Key Project Deferrals	Key Points to Note	Risk Impacts
<ul style="list-style-type: none"> <li>Reduced water network renewals (all except Murupara / plains) [-\$10M]</li> </ul>	<ul style="list-style-type: none"> <li>Aging asbestos pipes</li> <li>Good understanding underground assets (11% poor / very poor)</li> <li>Large number assets installed 1970-1990</li> </ul>	<ul style="list-style-type: none"> <li>Increased pipe failures, reactive cost more expensive [Manage using limited budget]</li> </ul>
<ul style="list-style-type: none"> <li>Reduced water treatment plant upgrade / renewals – Equalised [-\$6M]</li> </ul>	<ul style="list-style-type: none"> <li>Two significant issues from Water safety plans – Ruatoki &amp; Murupara</li> <li>All other issues from Water safety plans are moderate/minor.</li> </ul>	<ul style="list-style-type: none"> <li>Ruatoki / Murupara upgrades in LTP24-34 Years 1-3 [Manage / Mitigate risk]</li> <li>All other issues (moderate / minor) from Water Safety Plans [Manage using limited budget]</li> </ul>
<ul style="list-style-type: none"> <li>Johnston road upgrades [-\$5M]</li> </ul>	<ul style="list-style-type: none"> <li>Could be addressed using Otumahi/ Braemar schemes. Link to strategy</li> </ul>	<ul style="list-style-type: none"> <li>May not be required. Will know following consenting for Otumahi / Braemar [Accept]</li> </ul>
<ul style="list-style-type: none"> <li>Various smaller projects [-\$15M]</li> </ul>		<ul style="list-style-type: none"> <li>Reservoirs ageing &amp; not earthquake complaint – risk of failure in large earthquake [Accept]</li> <li>Coastland watermain – lack of resilience &amp; configuration issues [Accept]</li> <li>Budgets could be exceeded if storm events / significant failures [Accept]</li> </ul>

**Due to constrained budget Stormwater investment reduced from \$19M to \$17M (-\$2M) between 2024-34**




Key Project Deferrals	Key Points to Note	Risk Impacts
<ul style="list-style-type: none"> <li>Edgecumbe SW improvements [-\$2M]</li> </ul>		<ul style="list-style-type: none"> <li>Poor performance SW network in Edgecumbe [Accept]</li> <li>Budgets could be exceeded if storm events / significant failures [Accept]</li> </ul>

Councillors queried the Wastewater risks especially with the significant deferrals. Staff advised a robust consent process will be followed for the existing WWTP’s supported by science based information, therefore staff were comfortable with the risks as tabled.

Councillors confirmed agreement on the ‘constrained budget approach’ and acceptance of the risks as highlighted by staff.

4.2.9. **Service delivery and operational needs assumptions (OPEX and FTE Budgets)**

On the 22 February 2024, a Three Waters workshop was held with Councillors. Staff confirmed the key service delivery impacts for the three waters team (as part of the LTP24-34) was as follows :



**Service delivery & operational impacts**

- Need to allow for surge capacity and succession planning (aging workforce, with regards to key operational staff)  
*Two additional serviceperson roles in YR1, plus one additional in YR3: Increase of 3 over next 3 years.*
- Upgrade of systems and process (field based, more paper lite)  
*Field devices, streamlined process, more automation.*
- Specific allowance in budgets for leak detection

**6.1 Waters LTP: 2024-34(Cont.)**

Councillors confirmed agreement with the approach suggested by staff.

**4.2.10. Identification of consultation items**

There are no proposed consultation items for three waters noted for the LTP24-34 consultation. Three waters will be included as a key issue in the consultation document.

As part of the updated legislation from the current government, further legislation is expected in relation to the use of regional Council Controlled Organisations (CCO's), this is expected in late 2024. As part of this council may look to consult with communities on the approach to Regional CCO's once more information is available.

**5. Significance and Engagement Assessment - *Aromatawai Pāhekoheko*****5.1. Assessment of Significance**

The decisions and matters of this report are assessed to be of high significance, in accordance with the Council's Significance and Engagement Policy. The development of the infrastructure strategy is prescribed by legislation. The following criteria are of particular relevance in determining the level of significance, because the IS work plan for the next thirty years impacts each:

- Level of community interest
- Level of impact on current and future wellbeing
- Rating impact
- Financial impact
- Impact on Māori
- Impact on levels of service
- Impact on strategic assets

**5.2. Engagement and community views**

Engagement and community views will be gathered through the LTP24-34 consultation process.

**6. Considerations - *Whai Whakaaro*****6.1. Financial/budget considerations**

The financial implications of the proposals captured in this IS are contained in the LTP24-34 Consultation Document and supporting documents.

**6.2. Strategic alignment**

The IS defines Council's strategic direction and priorities for the next thirty years.

**6.3. Climate change assessment**

Climate change mitigation and adaptation feature as key focus areas throughout the IS. Climate change is specifically mentioned as a key challenges in the IS and its impacts have been specifically considered through the development of projects and budgets.

**6.1 Waters LTP: 2024-34(Cont.)**

**6.4. Risks**

Details of the risk implications for endorsing this infrastructure strategy is captured in Section 4.2.8.

**7. Next steps - *Ahu whakamua***

Following endorsement of the IS, a further paper is planned to be tabled with councillors seeking to adopt the consultation document, as part of the LTP24-34.

**Attached to this report:**

- Appendix 1 - Infrastructure Strategy

**6.1.1 Appendix 1 - Infrastructure Strategy**

**6.1.1 Appendix 1 - Infrastructure Strategy**

Refer to Section 6.2.2 within this agenda to view the Draft Infrastructure Strategy 2024-54

**6.2 Adoption of the Long Term Plan 2024-34 Documents for Consultation****6.2 Adoption of the Long Term Plan 2024-34 Documents for Consultation**

To: **Environment, Energy and Resilience Committee**

Date: **Monday, 6 March 2024**

Author: **H Keravel / Senior Strategic Policy Analyst**

Authoriser: **S Perdia / GM Strategy and transformation**

Reference: **A2623844**

**1. Reason for the report - *Te Take mō tēnei rīpoata***

The purpose of this report is to provide the Council with the Long Term Plan 2024-34 (LTP) Consultation Document, underlying information, and supporting policies and proposals to adopt as the basis for public consultation from 12 March -12 April 2024. This report also provides an update on the audit process and outlines the next steps for LTP consultation and adoption.

The Consultation Document, underlying information, and supporting policies and proposals are attached to this report for Council adoption.

**2. Recommendations - *Tohutohu akiaki***

1. THAT the Environment, Energy and Resilience Committee **receive** the Adoption of the Long Term Plan 2024-34 Documents for Consultation report; and,
2. THAT the Committee **note** the Government has repealed the previous reform programme, passing legislation on 17 February 2024. This results in the inclusion of the Three Waters work programme into Long Term Plan documents (infrastructure strategy, financial strategy, groups of activity information, performance measures, funding impacts statements and budgets); and,
3. THAT the Committee **adopt** the following supporting documents, subject to any changes agreed at the Committee meeting, for the Long Term Plan 2024-34, to be publicly available during the Special Consultative Procedure, in accordance with Sections 93G, 101A, 101B, 102 and Schedule 10 of the Local Government Act 2002:
  - a. Draft Financial Strategy 2024-34;
  - b. Draft Infrastructure Strategy 2024-54;
  - c. Draft Significant Forecasting Assumptions 2024-34;
  - d. Draft Groups of Activities Summaries;
  - e. Draft Financial Information 2024-34; and,
4. THAT the Committee **adopt** the following draft policies and proposals, subject to any changes agreed at the Committee meeting, which have been developed as part of the broader Long Term Plan programme for consultation alongside the Long Term Plan Consultation Document in accordance with Section 93G and Schedule 10 of the Local Government Act 2002:
  - f. Draft Development Contributions Policy;

**6.2 Adoption of the Long Term Plan 2024-34 Documents for Consultation(Cont.)**

- g. Draft Rates Remission and Postponement Policies - All Land;
  - h. Draft Rates Remission and Postponement Policies - Māori Freehold Land;
  - i. Draft Revenue and Financing Policy;
  - j. Draft Fees and Charges Schedule 2024/25; and,
5. THAT the Committee, **adopt** the Consultation Document for public consultation on the Long Term Plan 2024-34 in accordance with Sections 83, 93, and 93A of the Local Government Act 2002; and,
  6. THAT the Committee **approve** to retain 30 June 2024 as the adoption deadline and have the review of the Consultation Document by AuditNZ alongside the consultation period and draft of the final Long Term Plan document.

**3. Subject - *Kaupapa***

The Council is required to develop and adopt a Long-Term Plan ('LTP') every three years under the Local Government Act 2002 (LGA). The LGA also sets out the requirements for the LTP consultation process, including the content of the Consultation Document, and the provision of underlying information to support the consultation process. These documents are required to be adopted prior to the consultation process commencing.

**3.1. Underlying Information Supporting the Consultation Document**

Section 93G of the LGA requires the Council to adopt the information relied upon by the content of the Consultation Document (before adopting the Consultation Document itself), and to make this available to the public through the consultation process.

The following is a list of these of these documents:

- Draft Financial Strategy 2024-34
- Draft Infrastructure Strategy 2024-54
- Draft Significant Forecasting Assumptions 2024-34
- Draft Groups of Activities Summaries
- Draft Financial Information 2024-34

**3.2. Draft Financial Strategy (Appendix 1)**

The 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. The Financial Strategy is central to the development of the Council's Long Term Plan.

The strategy focuses on balanced investment in priority areas to support the District's development and community aspirations, while also ensuring that the Council's long term financial position is strong, prudent and fair in addressing the many challenges it is facing. Many of these challenges are caused by factors outside Council's control.

- Inflationary pressures
- Responding to increasing cost of compliance
- Recognising the future demand for critical infrastructure investment



**6.2 Adoption of the Long Term Plan 2024-34 Documents for Consultation(Cont.)**

- Developing resilience to respond to climate change and weather events
- The strategy is addressing the gap between the cost of delivery and the rates income needed.

**3.3. Draft Infrastructure Strategy (Appendix 2)**

The Infrastructure Strategy outlines how the Council intends to manage infrastructure assets over the next 30 years. It outlines the Council's vision for our communities, identifies significant infrastructure challenges and drivers in achieving that vision, and notes how the Council intends to address these through long term planning and investment.

The Infrastructure Strategy focuses on the critical assets of drinking water supply, sewage treatment and disposal (wastewater), stormwater drainage, and the provision of roads and footpaths.

**3.4. Draft Significant Forecasting Assumptions LTP 2024-34 (Appendix 3)**

The Risk and Assurance Committee endorsed the non-financial Long Term Plan assumptions on 4 August 2023 and noted that the assumptions would be regularly reviewed and updated as new information arose. The report identified five key assumptions being population projections, climate change, Water Services Reform, inflation and interest rates.

Our assumption for Water Services Reform has changed in response to the central government decision to repeal the previous reform programme. Our assumption for the Resource Management Act has also changed to reflect central government's intention to repeal the previous reform.

Our financial assumptions (interest rates and inflation) have been updated to reflect the latest data available.

**3.5. Draft Group of Activities (Appendix 4)**

Council reviewed the Group of Activities for the Long Term Plan 24/34 in November 2023.

The proposed Group of Activities for the Long Term Plan 24/34 was considered to provide greater visibility and transparency of Council's functions and services for the community as well as better accountability given the need for a performance measure and financial forecast for each activity.

**3.6. Draft LTP Financial Information (Appendix 5)**

The financial information provides more detail about Council's costs, projects and rates impacts.

It includes the following:

- Indicative Rating Examples; for each year of the LTP
- Key Capital Projects Summary
- Capital Expenditure Funding Summary 2024-34
- Capital Expenditure for Groups of Activities
- Forecast Financial Statement
- Financial Prudence Benchmarks
- Statement of Accounting Policies
- Statement of Reserve Balances

**6.2 Adoption of the Long Term Plan 2024-34 Documents for Consultation(Cont.)**

- Funding Impact Statement (Rating)
- Group of Activity Funding Impact Statements (also included in Draft Groups of Activities Summaries)

**3.7. Draft Development Contributions Policy (Appendix 6)**

Development contributions are fees charged to developers to recover a share of the cost of upgraded, improved or new infrastructure to support new development. The purpose of development contributions is to recover a fair, equitable, and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.

Revenue from these charges is used for new or upgraded infrastructure such as transport, water, wastewater, stormwater, reserves and community facilities.

**3.8. Draft Revenue and Financing Policy (Appendix 7)**

The Revenue and Financing Policy sets out the Council's funding philosophy and describes how each of the Council's activities will be funded (e.g. the mix of general rates, targeted rates and other sources), including the rationale for each funding method.

A funding needs analysis will be made available on Council's website as a supporting document. This provides the background and analysis to explain the funding decisions considered by the Council. It identifies the specific funding needs of each of the activities of Whakatāne District Council, determining the amount of the funding required, and understanding the sources and timing of funding.

**3.9. Draft Rates Remission and Postponement Policies (Appendix 8 and 9)**

These policies define the circumstances in which the Council may remit or postpone rates. Remission of rates involves reducing the amount owing or waiving collection of rates altogether. Postponement of rates means that the payment of rates is not waived in the first instance, but delayed for a certain time, or until certain events occur.

A policy on the remission and postponement of rates on Māori freehold land is required under the Local Government Act. Other rates remission and postponement policies are optional but are guided by provisions under the Act where councils choose to develop them. Any rates remission and postponement policies must be reviewed at least every six years. The Local Government Act requires consultation of these policies.

**3.10. Draft Fees and Charges for 24/25 (Appendix 10)**

The current Fees and Charges schedule was adopted by Council on the 15<sup>th</sup> of November 2023 following a comprehensive review. Council confirmed that there will not be a detailed review of fees and charges during the development of the LTP however would make allowances for an annual inflationary adjustment, where commitments were made to review specific fees and charges and where minor adjustments were needed.

**6.2 Adoption of the Long Term Plan 2024-34 Documents for Consultation(Cont.)****3.11. Consultation Document (Appendix 11)**

Section 93C of the LGA sets requirements for the content to be included in the Council's LTP Consultation Document. In summary, the Consultation Document must focus on the significant issues and choices facing Council and the community for the next ten years. It should be presented in a concise and simple manner and is not intended to be a summary of all the decisions that Council has made in developing its LTP.

The development of the Consultation Document has been progressed through Council briefings and includes both contextual information and specific questions for the community to provide feedback on.

The next steps of the process towards completion of the final LTP 2024-34 are as follows:

Action	Timeframe
Council adopt Consultation Document, underlying information and draft policies and proposals	6 March 2024
Public notice marking the start of consultation	11 March 2024
Submission Period	12 March to 12 April 2024
Hearings	18 and 19 April 2024
Deliberations (3 full days)	8 to 10 May 2024
Environment, Energy and Resilience Committee to approve final LTP to audit	23 May 2024
Council adopt LTP 2024-34, underlying information, and supporting policies and proposals	20 June 2024

**4. Options analysis - Ngā Kōwhiringa****4.1. Option 1: Adopt the LTP 2024-34 Consultation Document, budget, supporting information, policies, and proposals for consultation – preferred option.**

<i>Advantages</i>	<i>Disadvantages</i>
<p>This enables Council to meet legislative requirements to adopt the LTP 24/34 before the end of June 2024 and set rates.</p> <p>Provides the Community with timely information and detail about proposed Levels of Service and rate impacts.</p>	<p>There are no identified dis-advantages.</p>

**6.2 Adoption of the Long Term Plan 2024-34 Documents for Consultation(Cont.)****4.2. Option 2: Do not adopt the LTP 2024-34 Consultation Document, budget, supporting information, policies and proposals for consultation.**

<i>Advantages</i>	<i>Disadvantages</i>
There are no identified advantages with this option.	<p>Significant risk of not meeting legislative requirement to adopt and LTP and set rates by 30 June 2024 (LGA).</p> <p>Potential reputational risk for Council of delaying a draft budget.</p> <p>Increased debt impact if not adjusting rates to correct operating deficit.</p> <p>Likely to accentuate the rates increase over the following quarters to make up for delay.</p>

**5. Significance and Engagement Assessment - *Aromatawai Pāhekoheko*****5.1. Assessment of Significance**

The decisions and matters of this report are assessed to be of high significance, in accordance with the Council's Significance and Engagement Policy. The development of the LTP is prescribed by legislation, and the Special Consultative Procedure is required to be undertaken prior to adoption of the final LTP. The following criteria are of particular relevance in determining the level of significance, because the LTP budget and work plan for the next ten years impacts each:

- Level of community interest
- Level of impact on current and future wellbeing
- Rating impact
- Financial impact
- Reversibility
- Impact on Māori
- Impact on levels of service
- Impact on strategic assets

**5.2. Engagement and community views**

In May/June 2023, Council staff engaged with communities and Iwi Partners to 'pulse check' Council's draft Strategic Priorities. Let's Keep Moving: Whaia Tonuhia was an early, non-statutory, engagement phase and included a range of tactics including direct emails, social media posts, radio and print advertising. Staff also undertook focus group conversations with staff, youth, and each of the Community Boards. The pre-engagement questions were focused on what was most important to people under each of the priorities. Council received more than 360 pieces of feedback through this pre-engagement phase. This provided good insights into community aspirations, preferences, and preoccupations.

**6.2 Adoption of the Long Term Plan 2024-34 Documents for Consultation(Cont.)**

A Communication and Engagement Plan was developed to provide an overview of the engagement activities and communication tactics planned for the Long Term Plan formal consultation. There will be a primary focus on face-to-face events in each of our ward areas – Whakatāne/Ōhope, Tāneatua, Murupara and Rangitāiki and a secondary focus on digital communication with an engaging online presence that tells the very real story of what we are facing as a Council.

The consultation document (appendix 11) is meeting our legal obligations under sections 93B and 93C of the Local Government Act 2002 (the Act).

The full consultation document and a summary of the document will be distributed across the district and will be available in Council libraries, service centres and online. Council's 'Kōrero Mai' consultation website will be used as the main platform in which to make submissions. Other communication and engagement tactics will be used to advertise formal consultation including, face-to-face events, social media, social media polls, website, radio, media stories, posters, digital newsletters, community newsletters, videos, and a district wide mail drop. Iwi partners and specific identified stakeholders will be contacted directly.

Elected Members are expected to be actively involved in consultation activities and events, as these provide valuable opportunities to hear directly from the community about the Council's proposed activities over the next ten years and beyond.

**5.3. Financial/budget considerations**

The financial implications of the proposals for the LTP are contained in the Consultation Document and supporting documents. This LTP has been impacted by unprecedented inflation and rising cost of living for communities across the country. The proposals for the LTP are weighing up all options to close the gap between the cost of delivery and the rates income needed and within either a one-, three- or six-year term recovery.

The development of the LTP sets the proposed budgets and associated rates impact for the following ten years.

Of note, the suite of supporting Draft Policies and Proposals also includes the proposed Fees and Charges, Revenue and Financing Policy and Development Contributions Policy – all of which have financial implications.

The costs associated with the development of the LTP, including costs of consultation, are included within current budgets.

**5.4. Strategic alignment**

The LTP defines Council's strategic direction and priorities for the next ten years.

**5.5. Climate change assessment**

Climate change mitigation and adaptation feature as key focus areas throughout the LTP programme. Climate change is specifically mentioned as one of the Council's strategic priority areas and its impacts have been specifically considered through the development of budgets.

The Council's Consultation Document contains a specific section referencing climate change and acknowledges the current review of the Council's Climate Change Strategy. The strategy review included a community engagement campaign in 2023 that gathered feedback to identify the biggest issues facing the community, reflecting the importance of the Council's response to this issue. While

**6.2 Adoption of the Long Term Plan 2024-34 Documents for Consultation(Cont.)**

there is no intention to consult specifically on the proposed new climate change strategy within this LTP consultation process, a link will be provided so that members of the community may submit feedback before the new strategy is adopted in June 2024. Adopting a revised Climate Change Strategy will better enable climate change mitigation and adaptation action across our hapori/communities.

Based on this climate change assessment, the decisions and matters of this report are assessed to have high climate change implications and considerations, in accordance with the Council's Climate Change Principles.

**5.6. Risks**

If the documents are not adopted for consultation at this meeting the risk is that this will cause timeframe delays with consequential effects to the adoption of the LTP with impact on ratepayers.

**6. Audit process for Consultation Document and supporting information.**

In response to the government's position on Water Services Reform, staff recommend following the standard procedure but with delayed audit of the Consultation Document which means retaining June 2024 as adoption date for the LTP. This was presented as one of multiple options by the Department of Internal Affairs in response to central government's announced intention to repeal reform legislation and the impact on adoption timeframes.

'Delayed Audit' means the Consultation Document and underlying information would not be audited by Audit NZ prior to consultation but rather conduct this process in tandem alongside consultation and final document drafting. This approach would allow more time for the required re-working of content due to three waters implications, but less time to respond to Audit NZ outcomes for the final document.

**7. Conclusion - *Kupu whakamutunga***

This report seeks Council's adoption of a number of LTP-related documents for public consultation. The development of these documents has been guided by the Council and Committees of Council.

**Attached to this report:**

- Appendix 1: Draft Financial Strategy 2024-34
- Appendix 2: Draft Infrastructure Strategy 2024-54
- Appendix 3: Draft Significant Forecasting Assumptions 2024-34
- Appendix 4: Draft Groups of Activities
- Appendix 5: Draft Financial Information 2024-34
- Appendix 6: Draft Development Contributions Policy
- Appendix 7: Draft Revenue and Financing Policy
- Appendix 8 : Draft Rates Remission and Postponement Policies - All Land
- Appendix 9 : Draft Rates Remission and Postponement Policies- Māori Freehold Land

**6.2.1 Appendix 1 - Draft Financial Strategy**

- Appendix 10: Draft Fees and Charges 2024-25
- Appendix 11: Consultation Document

**6.2.1 Appendix 1 - Draft Financial Strategy**

6.2.1 Appendix 1 - Draft Financial Strategy(Cont.)



**Draft Financial Strategy 2024-34**  
*Te tuhinga hukihuki Rautaki Ahumoni 2024-34*

Long Term Plan 2024-34 - Consultation  
*Te Mahere Pae Tawhiti 2024-34 - He Uiuinga*





6.2.1 Appendix 1 - Draft Financial Strategy(Cont.)



# FINANCIAL STRATEGY

## *Te Rautaki Ahumoni*

**Long Term Plan Te Mahere Pae Tawhiti 2024-34**  
**Consultation Draft Supporting Document**  
6 March 2024

**6.2.1 Appendix 1 - Draft Financial Strategy(Cont.)****FINANCIAL STRATEGY*****Te Rautaki Ahumoni*****Introduction**

The financial strategy outlines our overall approach to managing the Council's finances, how we plan to deliver Council activities and services and fund the capital investments planned for the period of the 2024-34 Long Term Plan (LTP), providing guidance when we make spending decisions.

The financial strategy is central to the development of the Council's LTP and builds on the associated Revenue and Financing Policy and Fund Needs Analysis undertaken in accordance with section 101 of the Local Government Act 2002.

This strategy has been adapted to respond to the many challenges faced by Council's at present. It focuses on balancing the investment in priority areas to support the district's development and communities' aspirations, addressing historic under investment in critical infrastructure, responding to increasing policy and legislation requirement, and addressing the substantial and significant inflation and interest cost increases incurred in the last 3 years well above the assumptions of our previous 2021-31 LTP. The strategy reflects how we will do this in a manner that addresses rates affordability and ensures that the Council remains in a long-term stable financial position.

**Objectives**

Our financial strategy aims to provide the financial framework underlying the proposed expenditure and funding of the LTP, and is intended to guide the decisions we make now in the future to enable Council's contribution to the vision for Whakatāne District. Our financial strategy aims to deliver on the following objectives which provide the foundation for prudent sustainable financial management:

- **Minimising Impact on Ratepayers Now and in the Future.** We understand that rate increases can place a burden on current ratepayers and future. We must balance the need to fund our immediate goals with the responsibility of not overburdening our residents. Striking this balance is

essential for the well-being of both current and future ratepayers.

- **Achieving outcomes.** We need to consider the strategic goals that aim to drive growth and improvement in our community not only for our present prosperity but also for the long-term health and vitality of our district. At the same time recognising the importance of maintaining and where appropriate improving the essential services that our community relies on daily. Failing to do so would adversely affect the quality of life for our residents and businesses.
- **Ensuring financial prudence and sustainability.** While we strive to achieve our strategic objectives, we are committed to being financially prudent, securing our long-term financial health, balancing budgets, and minimising financial risks for resilient community well-being and growth. This means managing resources responsibly, avoiding excessive debt, and ensuring that every dollar spent delivers maximum value to the community.
- **Reflecting fairness and equity.** We need to ensure fairness through our financial strategy, equitable distribution of costs across who benefits including the inter-generational nature of our investments and those that causes costs. Focusing on equity across multiple perspectives fosters social justice for community harmony and progress.

These objectives are anticipated to be achieved by observing the following Financial outcomes:

- **Ability to pay (affordability)-** affordability is an important consideration as it ensures that we transparently consider the ability of our diverse community to pay rates as part of the decision-making process. Consideration will be given at both the macro level (ie, generally affordability to most) and also at the micro level (ie, for a specific individual where rates rebates, remissions or postponement policies may be required).

- **Value for money** - proposals for expenditure must contribute to the strategic outcomes agreed with the community, and the total cost must be reasonable. The cost effectiveness of the funding mechanism must be considered.
- **Prioritisation of investment choices** - careful consideration is given to investment choices and options, and priority given to core infrastructure investment and 'invest to save' options.
- **Environmental sustainability** - funding decisions will consider community outcomes Council seeks, including wider environmental and climate change impacts.
- **Prudent sustainable financial management-** budgets are managed prudently and in the best interests of the District in the long term. Debt must be maintained at prudent levels and be affordable.
- **Good financial governance and stewardship** - good stewardship of Council's assets and finances requires Council to ensure that its actions now do not compromise the ability of future councils to fund future community needs.
  - assets should be maintained at least at current service levels to avoid placing a financial burden on future generations.
  - debt should not be used to fund operating expenditure other than in specific exceptional circumstances.
  - the level of debt is regularly reviewed to ensure that it is at a level that will not restrict a future council's ability to fund new assets through debt.
  - the consequential operational expenditure implications of capital expenditure decisions are considered.

6.2.1 Appendix 1 - Draft Financial Strategy(Cont.)

- **Fairness and equity**- the funding of expenditure should be equitable across both present and future ratepayers:
  - intergenerational equity, meaning the cost of long term assets should be met by ratepayers over the life of those assets. This is reflected by debt funding new assets and funding the replacement or renewal of assets from rates.
  - balanced budget, meaning projected operating revenue over the lifetime of the 10-year plan is set at a level sufficient to meet projected operating expenses, ensuring that current ratepayers are contributing an appropriate amount towards the cost of the services they receive or are able to access; ie, 'everyday costs are paid for from everyday income.
- **Growth pays for growth**- the capital costs incurred to develop infrastructure that supports growth within the district should be primarily covered by those causing the growth and increasing the demand on Council infrastructure.
- **Distribution of benefits**- consideration is given to the distribution of the benefits from Council activities over identifiable parts of the community, the whole community or individuals (users). Where there are identifiable direct benefits, the proportion of costs associated with these benefits should be covered by the user(s).

**Background**

Over the last three years when measured against our previous long-term plan, we have achieved significant success by diligently delivering on strategic priorities, thereby enriching the fabric of our amazing district. Essential services were not only maintained but also improved, contributing to the overall well-being of our community. This success reflects the commitment of the Council to address the needs and aspirations of the residents.

It was clear throughout the Annual Plan 2023/24 process that we face significant financial challenges going forward, and that there was a need for these to be considered in a well structured approach through the financial strategy of this 10-year plan.

As we embark on the next phase reflected in our 2024-34 long-term plan, we recognise that like all councils across Aotearoa New Zealand, we are facing different and more significant challenges

today than we did when we set the financial strategy of 2021, many of which have been caused by factors outside our control.

**Inflationary pressures and starting from behind**

The global economy is in a vastly different space, and we continue to see the costs of delivering our plan have and will continue to increase in the coming 10 years significantly. We have seen unprecedented increases in inflation through what has been largely labelled the 'cost of living crisis', and with this has come interest rate increases and impacts to borrowing. Everything we do is costing more to deliver. While consumer inflation has risen as high as 7.5%, local government costs have inflated as high as 50 percent in some instances. As a result, the starting position of this LTP, as we highlighted when setting our annual plan last year, means current rate do not cover our costs/increases. We have been using borrowing to fund our asset renewals which has been acceptable in the short term, however is not a sustainable option for the medium-to-long term.

**Responding to increasing cost of compliance**

We face the challenge of additional costs to maintain crucial services due to compliance demands from central government. These demands, through policy and legislation, while necessary for regulatory adherence and quality standards to ensure the well-being of the community, bring with them financial pressures on the Council's resources. Balancing the books for the long-term plan becomes more difficult as the Council strives to meet these mandated requirements without unduly burdening the community.

**Recognising the future demand for critical infrastructure investment**

We are also confronted with the pressing issue of addressing long-term historical underinvestment in critical infrastructure. To meet the needs of the community and ensure the reliability of essential services, capital expenditure projects are essential. However, the challenge lies in the limited ability to borrow funds for these necessary investments. Striking the right balance is crucial, as the Council must also be mindful of the rates burden on the community now and in the future.

**Developing resilience to respond to climate change and weather events**

Like many councils, we are grappling with the challenge of anticipating and responding to the unpredictable and volatile

impact of climate change and extreme weather events. These phenomena pose a significant threat to our community's well-being and infrastructure. In our long-term financial strategy, it is imperative we continue to consider the increasing need to allocate resources for adaptation and resilience

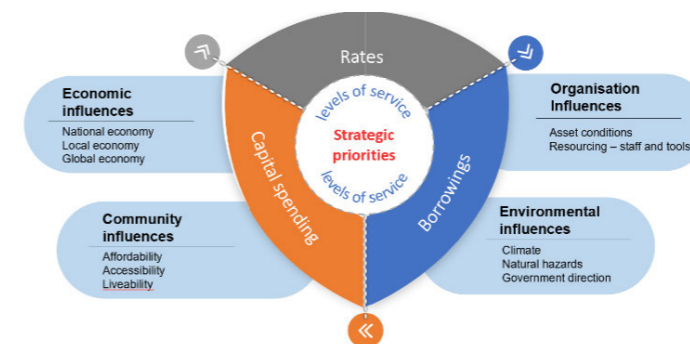
**Planning for the long term**

The 2024-34 Long Term Plan has a particular focus, in the first three years, on undertaking a number of key initiatives to ensure that we:

- remain mindful of the financial pressures our communities are facing; and
- are realistic about what we can achieve now while carefully planning for the future; and
- weigh up all options to close the gap between the cost of delivery and the rates income needed; and
- Continue to prepare for changes brought about by central government reforms.

Balancing diverse and often conflicting financial priorities in the face of community needs and various challenges, such as high inflation and interest rates, is a complex task that our Council faces. This delicate balance requires careful consideration and strategic planning within the financial strategy to ensure the well-being of both current and future ratepayers.

- Rates fund capital spending on renewal of assets and service levels, impacting current service quality.
- Borrowings for long-term projects spread costs across generations, matching the benefit against when it is paid for, but also comes with the obligation of future debt.
- Balancing rates, spending, and borrowings is crucial for fair intergenerational equity—ensuring current services without compromising the future's financial stability or overwhelming them with debt.



6.2.1 Appendix 1 - Draft Financial Strategy(Cont.)

**Capital expenditure**

Capital expenditure is categorised into renewals (renewing existing assets), service improvement (new assets that improve the services provided to the community) and growth (new assets required to accommodate growth within the District).

This financial strategy focuses on strong fiscal management whilst addressing growing historically generated demands for increasing capital expenditure into core infrastructure assets such as the stormwater, wastewater, water supply and transport networks.

Over the next 10 years, Council’s total capital expenditure is planned to range from \$40.9 million to \$108.4 million. In total Council plans to spend \$618.2 million on capital investment, 35 per cent of which is in the wastewater, stormwater and water supply area, and 32 per cent on transport.

Council assets have very long lives. Council’s strategy is to ensure that both current and future ratepayers pay their fair share of the cost of providing assets and services. Intergenerational equity is achieved through loan funding, long-term assets and drawing rates to pay for the loan over an extended period.

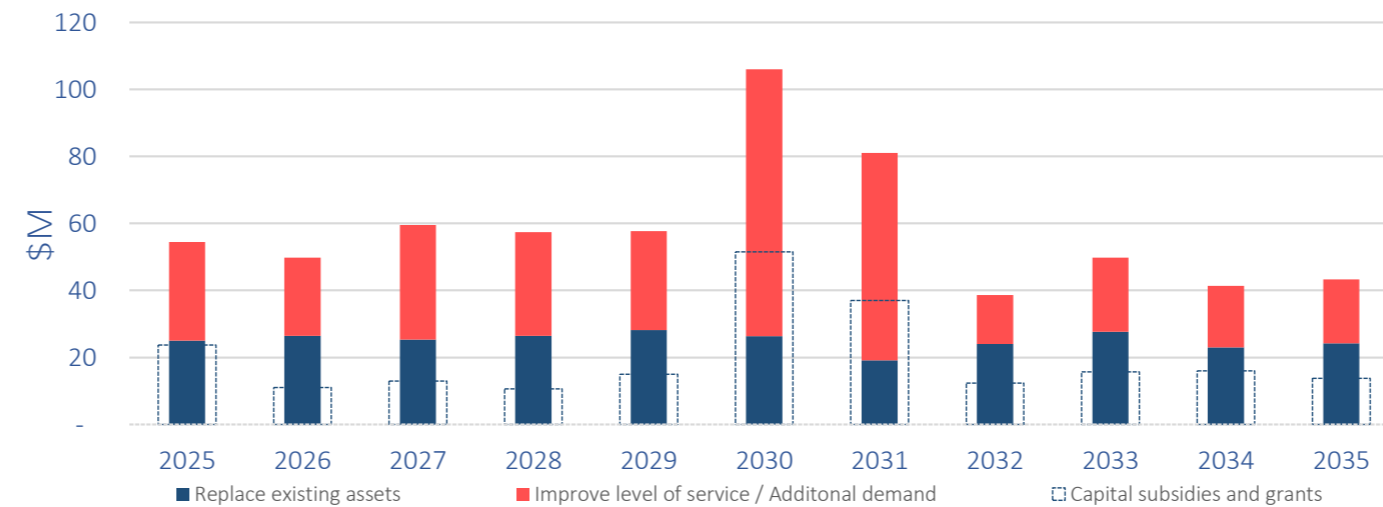
Depreciation assists in intergenerational equity by ensuring that a cost is recognised for the consumption of the assets. Where financially prudent depreciation reserves are set aside annually to meet the costs of renewing an asset as it nears the end of its lifespan.

The Infrastructure Strategy included in this long term plan provides for further information on capital expenditure plans, together with asset information and service levels.

A major factor for consideration by the Council in preparing this financial strategy has been the uncertain nature of government reforms associated with the waters activity groups.

Government direction in water reforms has meant responsibility for three waters is retained by local government with the repealing of the enabling legislation. The 54th government has advised that ‘Local Water Done Well’ policy development will occur in 2024 with possible regional or sub-regional groupings of willing participants.

Figure 1: Total capital expenditure by year



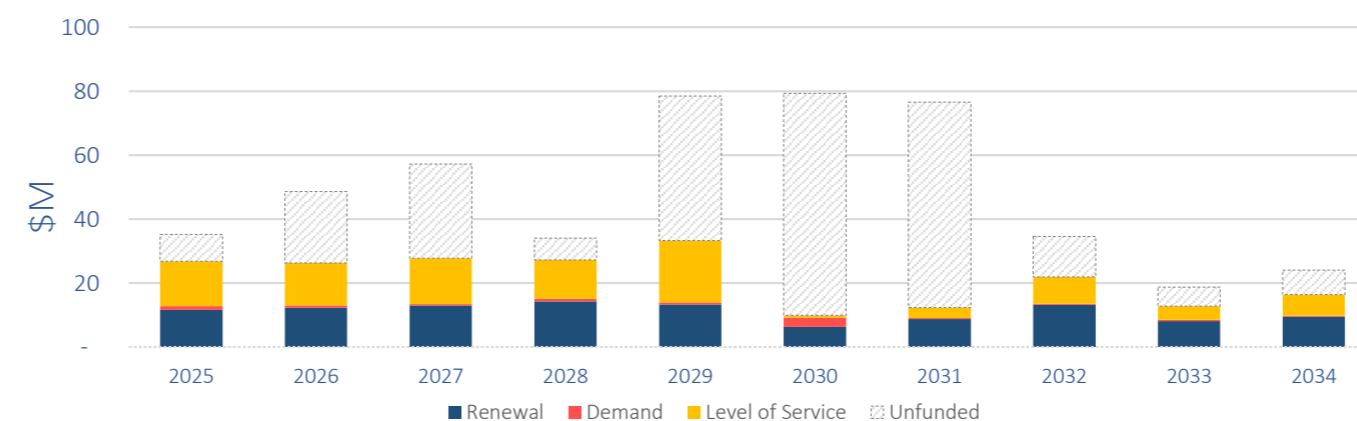
The re-inclusion of three waters back into Council’s Long Term Plan and Infrastructure Strategy brings significant levels of service, funding and financing challenges.

One of key issues with water, has highlighted in more detail in the Infrastructure Strategy, is the acknowledged requirement for significant capital investment to address historic under-investment and maintain service level expectations. The volume of investment required however far outweighs the Councils

ability to securing borrowings to support the programme, irrespective of the additional affordability issues this increased investment would have on ratepayers.

As a result Council, in setting this Long Term Plan, has had to constrain the investment in water infrastructure capital investment to ensure it remains within its financial limits. Figure 2 highlights the extent to which demand for investment in water infrastructure has gone unfunded in this Long Term Plan.

Figure 2: Total capital expenditure on water infrastructure (planned vs required)



6.2.1 Appendix 1 - Draft Financial Strategy(Cont.)

**Renewals**

It is important the Council continues to renew/replace assets to ensure our assets are fit for purpose and deliver the level of service that is required. Funding for renewal expenditure is from rates. By funding renewal expenditure, together with moving to a balanced budget this will enable a financially sustainable asset replacement programme.

**Growth**

The population of the district at the 2018 Census was 35,700. And latest assessment on 30 June 2023 indicates it was 38,800.

The population is forecast to grow by around 3,800 people, an 10 per cent increase, by 2034, this has been assessed as indicating that approximately an additional 1,250 households will be required over the Long Term Plan 10 year period.

**Service improvement**

Investing in better service levels for infrastructure is essential to any growing community; however, Council must balance these improvements with our communities ability to pay.

Figure 4: Capital renewals compared to depreciation

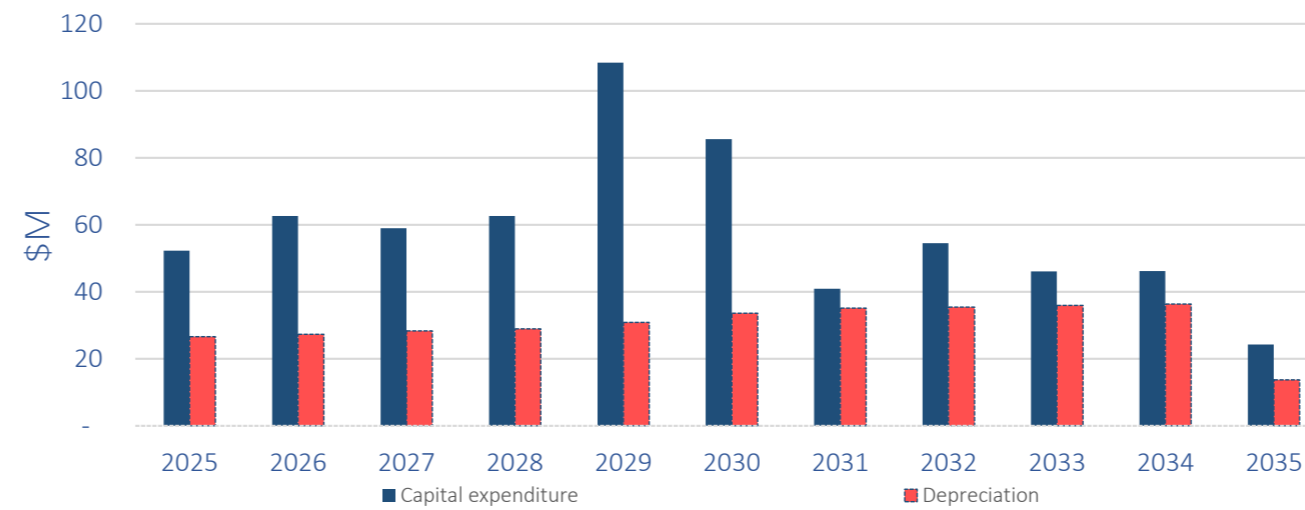


Figure 3: Total capital expenditure by driver

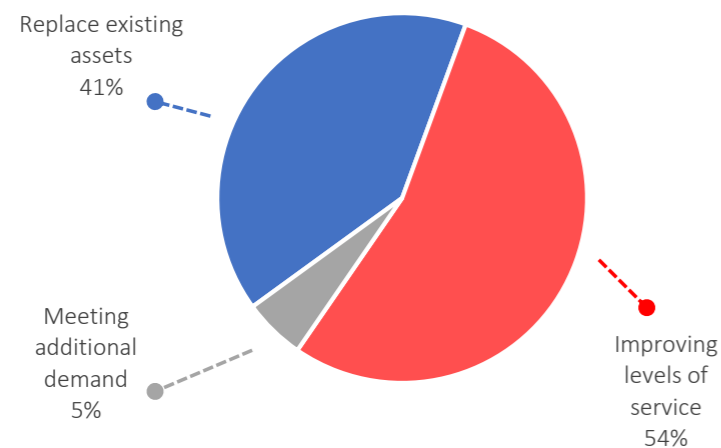
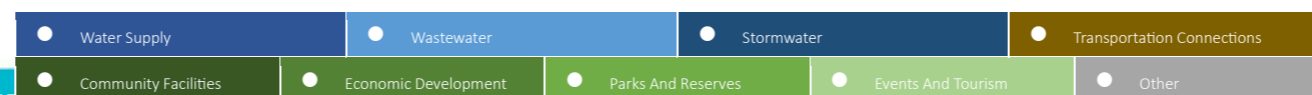
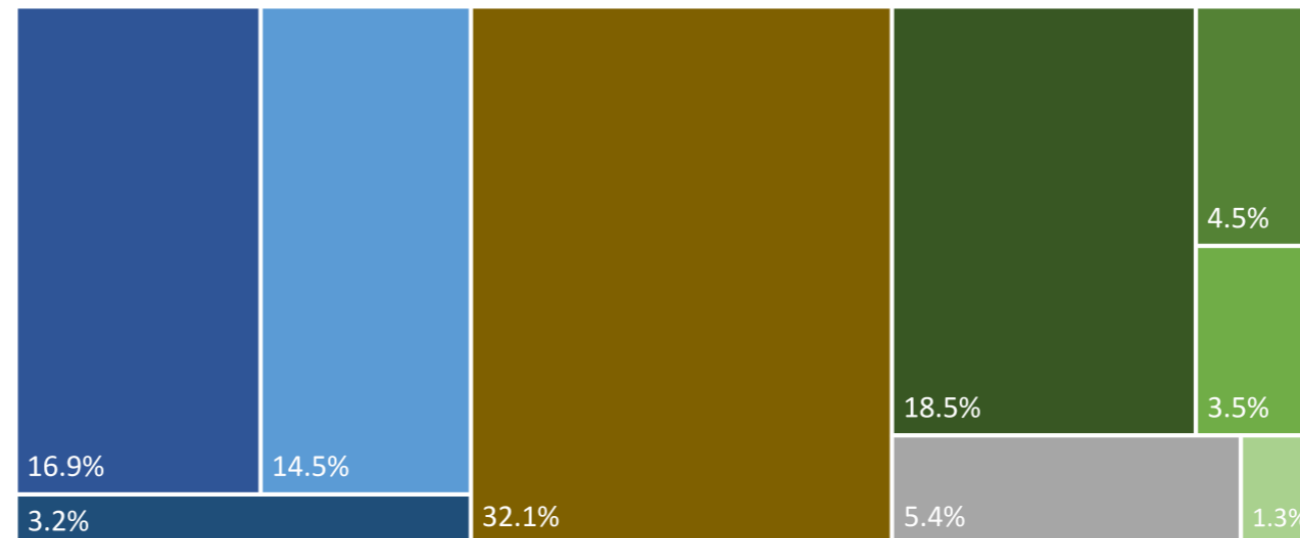


Figure 5: Total capital expenditure by council activity



6.2.1 Appendix 1 - Draft Financial Strategy(Cont.)

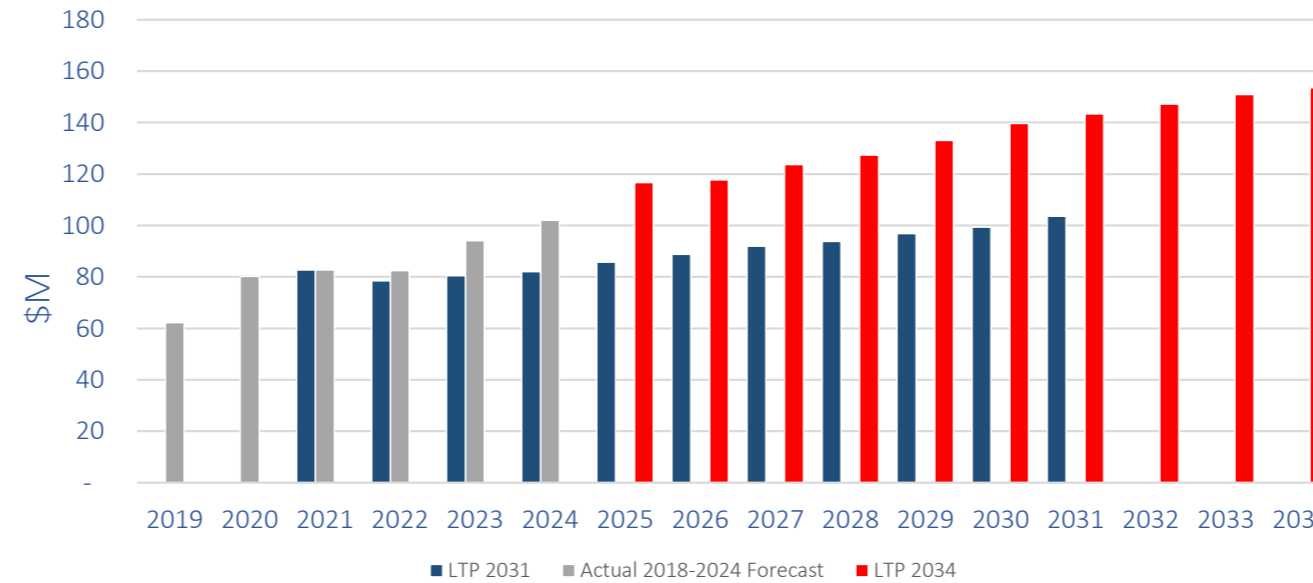
**Operating expenditure**

Operating expenditure primarily pays for Council’s day-to-day costs of delivering services and maintaining existing assets. The Council is forecasting operational expenditure of \$1.36 billion over the life of the 10-year plan. This reflects the costs of continuing with the Council’s programme to prioritise spend based on the key priorities.

Council is forecasting that its operating expenditure will increase by 47 per cent from \$105.0M to \$154.3M between 2024/25 and 2033/34. The majority of our operating expenditure is related to the four core network infrastructure activities which include transport connections, water supply, stormwater drainage, and sewage treatment and disposal.

Council will continue to drive for efficiencies and revenue opportunities to reduce the rates burden into the future benchmarking with other Councils. The proposed fees and charges reflect the outcome of this review process.

Figure 6: Total operating expenditure trend



This chart reflects the significant shift in actual operating costs incurred and forecast for 2023-24 and the impact this combined with higher future inflation and interest rates together with financing costs from increased borrowing requirements is projected to have in the 10 years of LTP 2024-34, against the previous LTP 2021-31.

Figure 7: Revenue sources to fund operational expenditure

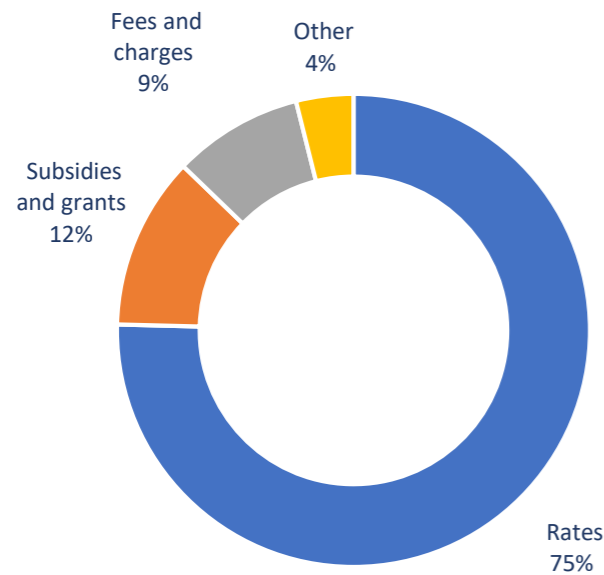
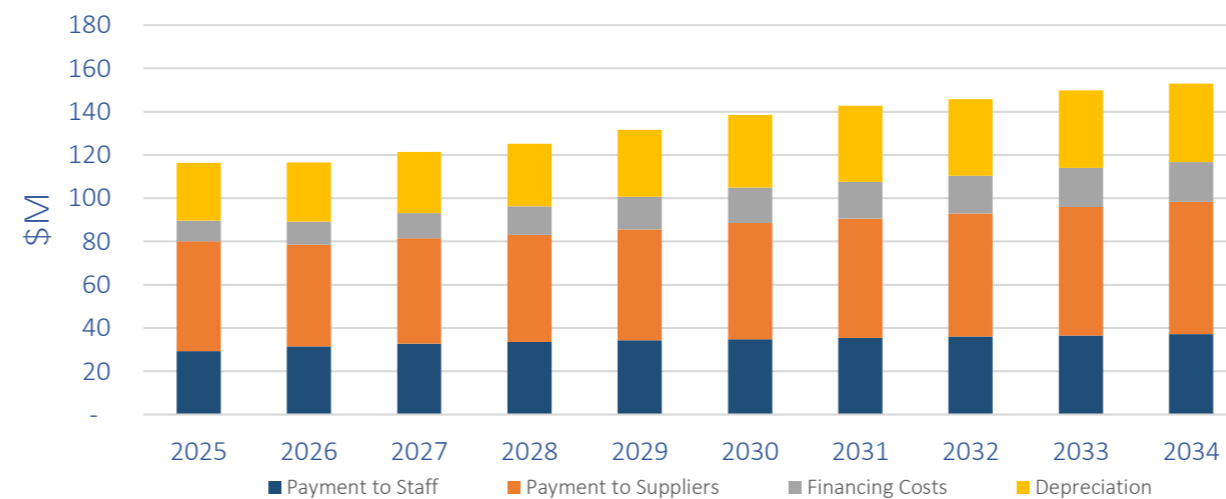
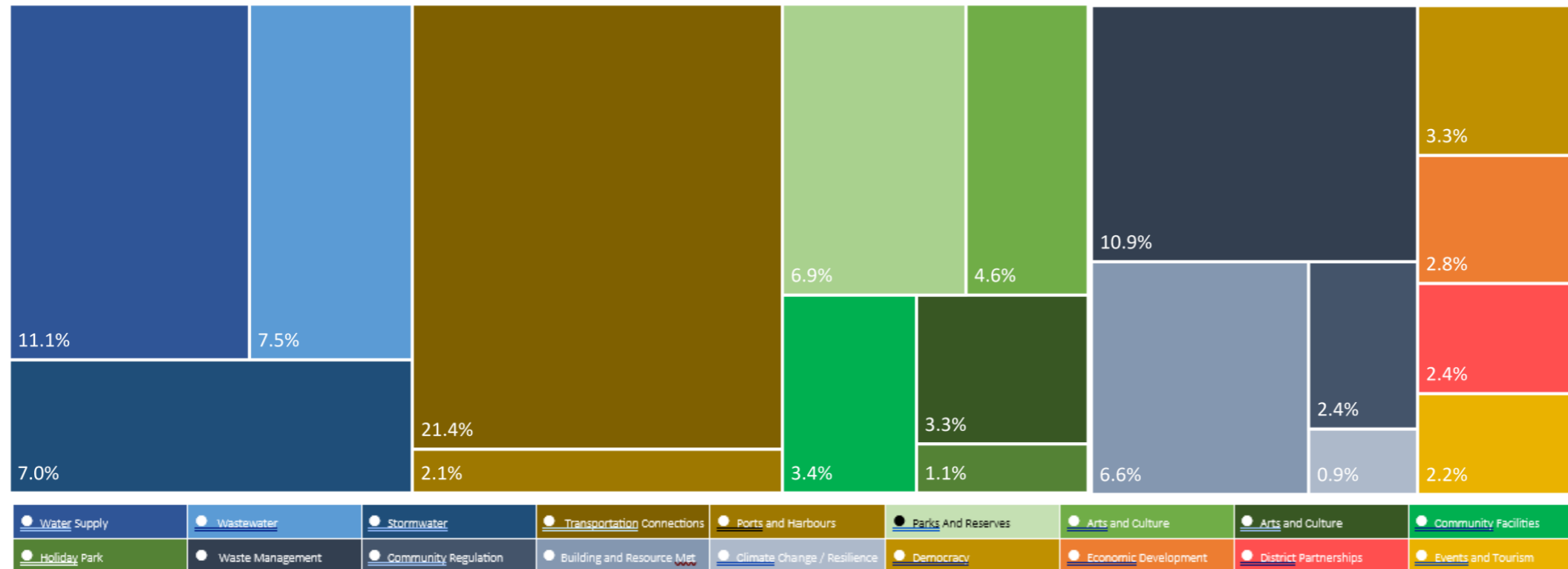


Figure 8: Total operating expenditure trend by nature of expenditure



6.2.1 Appendix 1 - Draft Financial Strategy(Cont.)

Figure 9: Total operating expenditure by council activity



**Borrowing for capital expenditure and impact on debt**

Borrowings are a key component of recognising the intergenerational equity principle, and recognising that the cost of long-term assets should be met by ratepayers over the life of those assets. It is important that we prudently manage the amount of borrowings, while enabling continued investment in infrastructure and community assets.

In light of the significant capital expenditure plans, particularly as a response to the demands for improving water infrastructure and the Rex Morpeth Park Project, we will need to increase our debt to fund what is not provided for by way of capital subsidies, development contributions income and depreciation.

Council is able to externally borrow through a variety of market mechanisms including: direct bank borrowing, the LGFA, accessing the short and long-term wholesale/retail debt capital markets directly or internal borrowing of reserve and special funds.

Council’s ability to readily attract cost effective borrowing is largely driven by its ability to rate, maintain a strong financial standing and manage its relationships with its investors, LGFA, and financial institutions/brokers.

The growth in debt over the life of the 10-year plan is from \$150M to \$330M in 2033/34.

Investment in capital expenditure is the major driver of the projected increase in borrowings, with \$365M in capital expenditure to meet demand and essential investment in infrastructure to improve levels of service. Council has carefully considered the timing of the capital programme and the associated borrowing requirements to ensure that we can best meet the needs of current and future generations.

6.2.1 Appendix 1 - Draft Financial Strategy(Cont.)

Managing debt in a prudent manner helps the Council build resilience and sustainability, as it provides the Council with the financial capacity to cope with exceptional circumstances.

The Treasury Risk Management Policy outlines limits set for borrowings for the current Long Term Plan. These limits are set at prudent levels, and are within the requirements of the Local Government Funding Agency. Council has reviewed the limits as

part of the development of this 10-year plan; the net debt to total revenue limit has been increased to enable the funding of the increased investment programme and align with the intergenerational equity principle).

In order to secure borrowing in line with the Long Term Plan Council is anticipating gain a credit rating from a certified credit rating to enable it to borrowing within the LGFA covenants for

credit rated councils rather than the lower covenants for unrated councils.

Interest rate swaps are held as part of the interest rate risk management strategy, in line with the Treasury Risk Management.

Figure 10: Projected net debt compared to debt to revenue limit of 250%

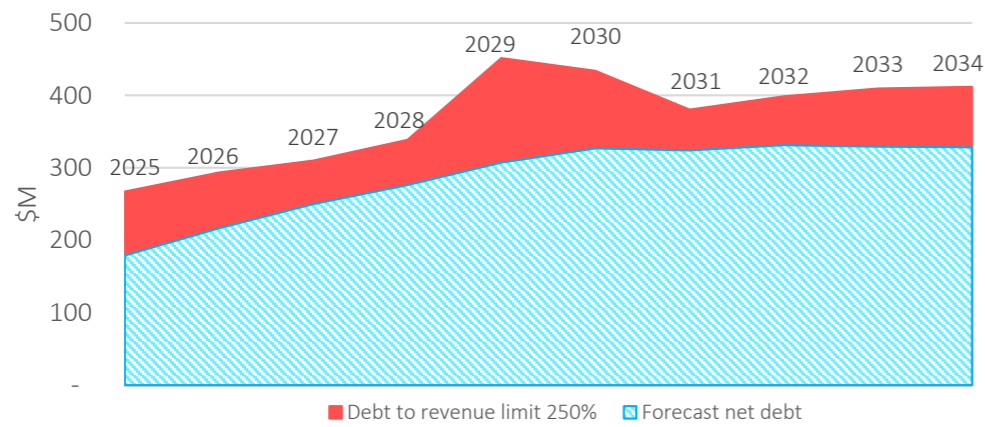


Figure 11: Projected net debt to revenue ratio compared to debt to revenue limit of 250%

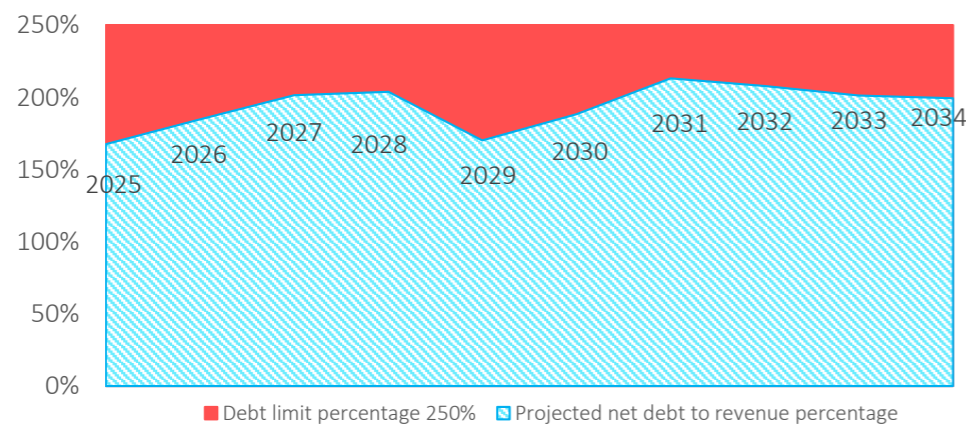


Figure 12: Projected interest to revenue ratio compared with limit of 10%

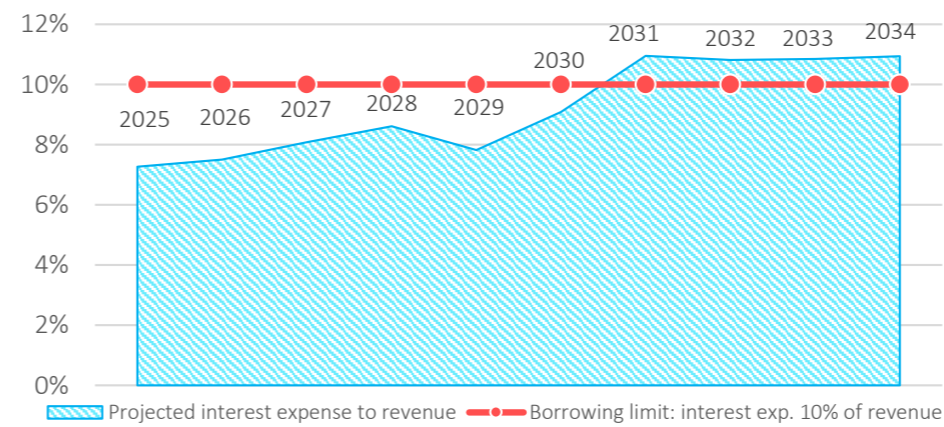
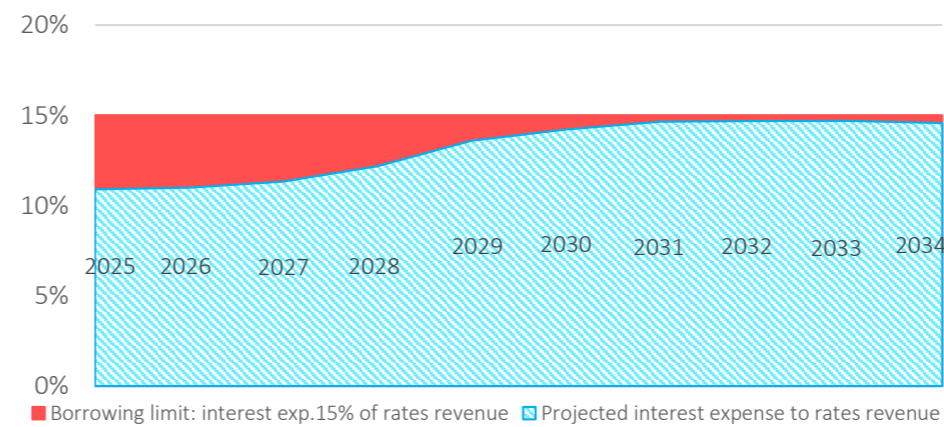


Figure 13: Projected interest to annual rates revenue compared with limit of 15%





**6.2.1 Appendix 1 - Draft Financial Strategy(Cont.)**

**Rates and rates increases**

Rates revenue is the amount Council requires to provide services to residents and ratepayers after allowing for other income, such as fees and charges, grants and subsidies. The Council has a high dependency on rates revenue as its principal source of income. 75 per cent of operating expenditure is funded from rates over the life of the 10-year plan.

Affordability of rates is a key principle of the Financial Strategy.

Council has determined its rates increases based on a number of factors, including the levels of service it wants to provide and its capital programme. The increases reflect the guiding principles and issues referred to earlier in this strategy, including the challenge of achieving a balanced budget and responding to increasing costs of compliance.

It is important to distinguish between the increases in rate revenue from year to year and the average rate increase which can significantly vary from property to property.

Our revenue not only reflects the impact of rates increases to the average ratepayer; it also includes rate revenue received from the growth in new rateable properties each year, which are expected to be about 0.83 per cent per annum.

Further information about the indicative rating impact for the average ratepayer by category and location is available in the Rates Funding Impact Statement.

**Quantified limits and targets**

**Rates and agreed limits on rates**

The focus of the Long Term Plan is on what we need to do and spend to achieve the desired outcomes for our district recognising the challenges and issues that our district is facing.

Revenue from rates is one of the ways we fund the needed expenditure. Other ways include direct charges to people using our services, subsidies and grants, developer contributions and shared arrangements or partnerships with other organisations as outlined above.

Where we decide to fund activities or services by rates, Council must determine how much different members of the community contribute and for what.

**Quantified limit on rates income**

The quantified limit on rates income, is an affordability measure, which sets a limit on the maximum Council expects of income from rates as a ratio of total income.

For this Long Term Plan the amount of rates revenue as a percentage of total revenue will not exceed 80%.

**Quantified Limit on rates increases**

This quantified limit on rates increases sets the maximum budgeted increase in annual rates collected per year based on the Long Term Plan budgets.

In presenting rates increase limits for this Long Term Plan, we have set the limit on an annual basis reflecting the specific circumstances assumed to be in place for each year.

For this Long Term Plan the limit on rates increases makes allowance for:

- The recovery to a balanced budget over a 6 year period through 2030; and
- Inflation on costs lines assumed to be greater than the Local Government Cost Index, such as waste management and insurance costs; and
- Inflation on costs based on the Local Government Cost Index, plus an allowance of up to 3% for uncertainty and risk; and
- The costs of borrowings on higher levels of borrowings to support an increase rate of investment in infrastructure assets.

The specific annual limits in rate increases are set as follows:

for the years ending 30 June				
2025	2026	2027	2028	2029
19%	14%	13%	11%	11%
2030	2032	2032	2033	2034
9%	5%	5%	5%	5%

The LTP remains compliant with the limits for borrowing and rates throughout the ten years.

**What is 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).

The inflation assumptions used in this Long Term Plan 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.

**Quantified Limits on Borrowing**

Consistent with Council’s Treasury policy, Council will adhere to the following limits on borrowing:

- Net interest expense on external debt as a percentage of annual rates revenue will not exceed 15%, and
- Net external debt as a percentage of annual operating revenue will not exceed the lower of 250% or the borrowing limits set by the covenants of the Local Government Funding Agency.

**The Long Term Plan remains compliant with the limits for borrowing and rates throughout the ten years.**

**Ensuring the funding decision of Council don’t materially impact market neutrality**

In delivering on its financial strategy Council recognise that it is itself a significant entity within the economy of the district and at times may be in a position of competing with the private sector in producing or delivering services or securing resources, such as staff. To avoid council being placed in an advantageous position or discouraging private enterprise the council will apply commercial best practice when undertaking such activities.

6.2.1 Appendix 1 - Draft Financial Strategy(Cont.)

**Balancing the budget**

One of the guiding principles of this financial strategy is prudent sustainable financial management, which is reflected here as the importance of a balanced budget. This means that projected operating revenue over the lifetime of the LTP is set at a level sufficient to meet projected operating expenses, ensuring that current ratepayers are contributing an appropriate amount towards the cost of the services they receive or can access.

In the context of our long-term plan, this assessment highlights the impact of market forces beyond the scope considered in our 2021-31 projections as identified in the introduction to this strategy. These forces include addressing the rising demands of policies and legislation; and managing substantial inflation and interest cost increases over the last three years, far surpassing the assumptions allowed for in our previous LTP and which have not been adequately addressed through rating or third-party income increases to offset the additional costs over the same period, as a result our starting position is now in deficit.

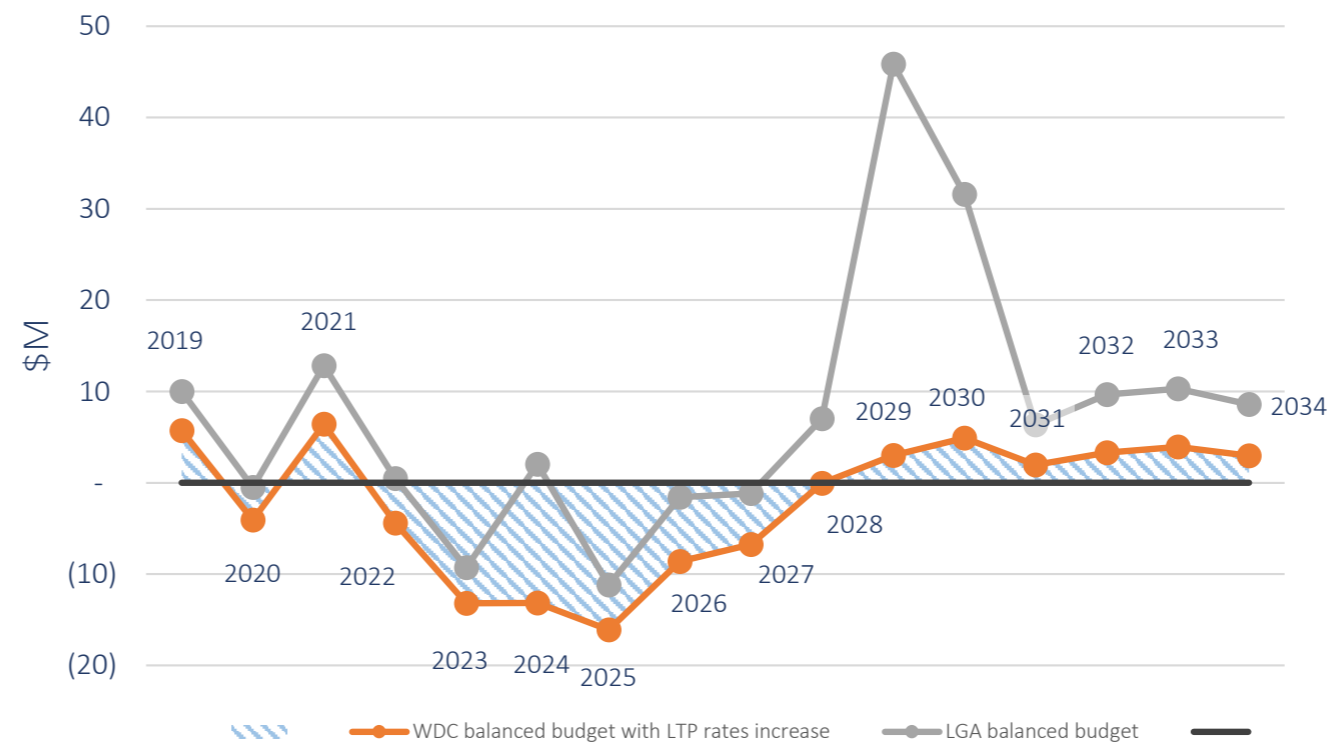
We acknowledge that we run deficits from a balanced budget perspective mainly due to revenues not covering the full cost of depreciation rather than day to day operating costs. Council will use the following financial levers to move progressively towards achieving a balanced budget: fees and charges, rating for depreciation, development and financial contributions, efficiencies, debt repayment and rates setting.

Recognising the 'cost of living crisis' which has largely resulted in us being where we are, we need to move towards a sustainable position, balancing the budget over the medium term. The capital investment programme and cost pressures from the last and current 10-year plan, together with limitations on revenue, particularly due to affordability issues of rates, makes this very challenging.

The LGA requires Council to budget each year for operating revenue at a level sufficient to meet operating expenses budgeted for that year. This is known as the 'balanced budget' requirement. The LGA allows councils to budget for a deficit, if it resolves that it is financially prudent to do so.

10-year plan projects that we will achieve the balanced budget target in 2028-29. This balanced budget position is a pragmatic balance between managing the pressures on current ratepayers and ensuring the Council remains financially sustainable into the future, whereby the actions of today do not significantly impact unfairly on ratepayers in the future.

Figure 14: Projected Council balanced budget position <sup>1</sup>



<sup>1</sup> To project the Councils' Balanced Budget Position we have used the Local Government (Financial Reporting and Prudence) Regulations Act 2014 definition, modified to exclude from the definition of revenue 'capital improvement subsidies' primarily related to NZ Transport Agency Waka Kotahi's capital improvement subsidies supporting road transportation improvements, and capital improvement grants and subsidies assumed for the Rex Morpeth Redevelopment project.

**6.2.1 Appendix 1 - Draft Financial Strategy(Cont.)****Uncertainty and risk**

The Council has made a number of forecasting assumptions in preparing the 2024-34 Long Term Plan. These are outlined in the Our Assumptions section of this prospective Long Term Plan.

In preparing this Long Term Plan, a number of areas of uncertainty and risk were identified, many of them through the assumption setting process, which include:

- o planned external funding to support the infrastructure capital programme, including from Ministry of Transport Waka Kotahi and other agencies, does not eventuate;
- o planned external funding from capital subsidies and grants to support the Rex Morpeth Park Redevelopment project, do not eventuate;
- o the ability of the civil construction sector to deliver the volume of capital investment proposed in our district in the long term plan;
- o unforeseen costs increases beyond the inflation levels assumed which could impact ability to pay (affordability);
- o unforeseen costs and challenges in delivering our capital investments (deliverability);
- o potential impacts of unplanned for failure of assets
- o the impact of a change in timing or quantity of projected population growth which would affect demand for services and revenue from development contributions;
- o the impacts of climate change and the risk of unforeseen natural events such as earthquakes, tsunamis, major storms and flooding;
- o uncertainty about the future including disruptive technologies and changing lifestyles and living choices;
- o local government reform such as waters done well (three waters) and resource management act reforms indicated in the coalition agreement of the current government which are likely to occur during the period of this long term plan, but the specific of which and there impacts are at present uncertain.

There are a number of tools used to manage risk and uncertainty in this budget, or which could be utilised even as short term treatments to absorb risks and uncertainty should it occur:

- o Continued review of funding and confirmation of external revenue for projects before significant funds are committed, with an option of revising the capital programme should there be significant shortfall in external funding;
- o Identification of underutilised assets that could be realised to support new priority expenditure to support funding where external funding is less than budgeted;
- o Investment in staff, systems, processes and governance arrangements to improve the capacity of the organisation to deliver the proposed capital investment in a timely and cost-effective way managing and mitigating risks;
- o Continued review of timing of projects in relation to growth requirements and assessment of most appropriate areas to develop to address growth needs;
- o Maintenance of debt levels below treasury limits to provide debt headroom to cope with unforeseen events;
- o Sound asset management including revaluation of assets, and funding of depreciation into a depreciation reserve from which activity debt can be repaid and renewals funded over time;
- o Implementing the funding of a risk reserve within the annual plan setting process, funded from annual rates, that enables consistent funding over time to respond to unforeseen events which are likely to occur sporadically through time.

**Securities and financial investment disclosure****Policy on the giving of securities for borrowing**

To borrow money, the Council has to offer lenders security. 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.

Council uses financial derivatives to arrange interest rate risk.

These derivatives, known as swaps, reduce variability in interest costs, allowing Council to better manage cash-flow. The Council's full policy on security for borrowing, the Liability Management Policy, incorporated within its' Treasury Policy, setting out its approach to managing securities for borrowings.

**Objective for holding and managing financial investments and equity securities**

Under the legislation, our Financial Strategy must disclose any objectives for holding and managing investments and equity securities.

Council holds financial investments, such as term deposits, to manage its cash flow to finance expenditure on operations. As per Council's Investment Policy, incorporated within its' Treasury Policy, these investments are not significant.

The Council holds these funds to:

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

The Council has an Investment Policy in place, incorporated within its' Treasury Policy, setting out its approach to managing any investments.

6.2.1 Appendix 1 - Draft Financial Strategy(Cont.)



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**WHAKATĀNE**  
District Council  
*Kia Whakatāne au i ahau*

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54**

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54**

6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)



**Draft Infrastructure Strategy 2024-34**  
*Te tuhinga hukihuki Rautaki Hangaroto 2024-34*

Long Term Plan 2024-34 - Consultation  
*Te Mahere Pae Tawhiti 2024-34 - He Uiuinga*



# DRAFT INFRASTRUCTURE STRATEGY 2024-2054

DRAFT 1 MARCH 2024 - 07:00

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

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**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)****Part A: Introduction****Overview**

Reliable, high-quality infrastructure is essential to support our community's health, safety and prosperity. It is also necessary to allow the community to grow. Infrastructure is the term used for pipes, treatment plants, pumpstations roads, footpaths, and other assets that are essential for our communities to live in, move around, do business in and recreate.

Like many districts across New Zealand, the Whakatāne District faces a number of infrastructure challenges over the coming years, including:

- Funding and financing of infrastructure;
- Maintaining our assets;
- Responding to the regulatory environment;
- Meeting the demands of future growth; and
- Improving resilience and responding to climate change.

Addressing these challenges will require significant planning and investment decisions and action. Council will need to ensure that we balance affordability with the delivery of essential services and prioritisation of critical improvements that will enhance our district and help achieve our vision and communities' aspirations.

**Purpose of the Infrastructure Strategy**

A significant portion of Council's business is in the operation and maintenance of its infrastructure, with assets valued at \$1.04 billion. Many of these assets have a very long life which means there is a long planning horizon for initial provision and renewal, both of which can present cost peaks that are best planned for well in advance.

The Infrastructure Strategy outlines how Council intends to manage infrastructure assets over the next 30 years, with a particular focus on the first 10 years. It outlines the Council's vision for our communities, identifies the significant infrastructure challenges and drivers in achieving that vision, and how the Council intends to address these through our long-term planning and investment.

Whakatāne District's Infrastructure Strategy focuses on the critical assets of:

- Drinking water supply;
- Wastewater collection, treatment and disposal;
- Stormwater management; and
- Transport connections.

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

The Infrastructure Strategy outlines:

- The significant infrastructure challenges that must be addressed
- The principal options available to address these.
- The cost and service delivery implications of these options for the community
- How the Council intends to manage its infrastructure assets over the next 30 years,
- The most likely scenario for Council infrastructure investment, including potential projects that may or may not proceed subject to funding decisions made through the Long Term Plan process.

**About Whakatane**

Whakatāne District is located in the eastern Bay of Plenty and comprises a total area of 4,465 square kilometres. Sandy beaches line much of the 54 kilometres of coastland that stretches from Ōtamarākau 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. It's main centre of Whakatane has won "Supreme award" and "Large town" awards in the New Zealand Beautiful contest over the most recent 5 years.

The district has a population of 38,800 (2023), of which approximately 20,200 people live in Whakatāne town, which is the major service and administrative centre for the Eastern Bay of Plenty. Whakatāne town is physically constrained to a large extent, by the escarpment to the east and the Whakatāne River to the west. The Hub and Coastlands lie on the west bank of the river. A number of smaller dormitory towns and suburbs are located around the district which predominantly rely on Whakatāne for services and supply. Ōhope has a population of 2,800, while other settlements include Murupara (1,950), Edgecumbe (1,700), Tāneatua (750), Te Teko (600) with the remainder living in rural areas across the district. Dairy and horticulture are key activities on the Rangitāiki and Galatea Plains. The river valleys contain some dairy on the lower levels, with dry stock and forestry occupying the foothills and ranges. The southeast of the district is dominated by the ranges of Te Urewera and the southwest incorporates the massive forest plantations of the Central Plateau.

Significant industrial activity includes the Fonterra dairy factory in Edgecumbe, the Whakatāne Paperboard Mill and two of the country's largest aluminium boat builders. The neighbouring Kawerau District is also home to other mills, industry and geothermal power stations.

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

**Planning for Growth**

The medium (most likely) population projection estimates that the populations will continue to grow year on year between now and 2055. Whakatāne is projected to add 7,720 residents to its 2023 population of approximately 38,800, for a projected 2053 population of 46,020. See below for forecasts:

Year	2018	2022	2023	2024	2025	2026	2027	2034	2053
Source	Census	<a href="#">NZ Stats (Subnational Population TA)</a>						MR Cagney	
Population	35,700	38,500	38,800	39,227	39,658	40,094	40,534	42,574	46,020
+/- % p.a.	1.78%	-2.28%	0.78%	1.10%	1.10%	1.10%	1.10%	0.53%	0.66%
AR Rating Units	15,800	17,039	17,081	17,269	17,459	17,651	17,845	18,742	19,011
LTP/AP Rating Assessments	14,764	15,922	16,046	16,080	16,257	16,435	16,616	17,452	17,702

**Eastern Bay of Plenty Spatial Plan**

Whakatāne, Kawerau and Ōpōtiki Councils are working collectively with project partners comprising of mana whenua representatives, government departments and the Bay of Plenty Regional Council to prepare a spatial plan for the Eastern Bay of Plenty. The Plan is due for completion in mid-2025.

The spatial plan will provide strategic direction based on shared outcomes that recognise spatial differences, constraints and opportunities from a four wellbeing's approach (economic, social, cultural and environmental). In doing so, the Spatial Plan will guide growth and development in the Whakatāne, Kawerau and Opotiki districts. Significant planning and investment in supporting infrastructure will be required to enable this growth to occur.

The spatial plan is exploring a long-term option for one or more new development areas away from the existing town locations due to the natural hazard and other constraints. Key aspects of evaluating these options include 3 waters infrastructure (costs and environmental limits), transport links, access to jobs and services, and resiliency and climate change impacts. In particular, new development areas are likely to require new wastewater and water infrastructure, which will be confirmed in time for the next Long Term Plan/Infrastructure Strategy.

A number of infrastructure planning projects have been included in years 1-3 of the Long Term Plan 2024-34 to better inform the scope, cost and timing of the supporting infrastructure required to enable the growth, as well as a number of key projects included in outer years which will be further refined in the Long Term Plan 2027-37 and Infrastructure Strategy 2027-57 when the Spatial Plan is complete.

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)****Our Changing Context**

Whakatāne is going through a time of change, which brings an increased level of uncertainty about the future impacts on our district.

In particular, key areas of change are:

1. **Government direction in water reforms** has meant responsibility of three waters is retained by local government with the repealing of the enabling legislation. The coalition government has advised that 'Local Water Done Well' policy development will occur in 2024 with possible regional or sub-regional groupings of willing participants. The re-inclusion of three waters back into Council's Long-Term Plan and Infrastructure Strategy brings significant levels of service, funding and financing challenges.
2. **Escalating costs of maintaining and delivering essential infrastructure** is continually challenging when faced alongside other cost escalations in our communities. The Council needs to ensure that all options of funding and financing are investigated and that decisions deliver value for money where affordability is front of mind.
3. **Continued population growth** is putting pressure on the district's infrastructure. Annual increases of population and business activities are placing increased demand on our three waters and transport systems. Some of which are nearing end-of-life or are nearing their capacity. As the District grows, the Council needs to prepare and invest prudently for growth, while at the same time ensure current assets are well maintained and operated.
4. **Climate Change** poses additional challenges for infrastructure management, including the need to adapt to more frequent extreme weather events and rising sea levels. Building resilience against these impacts requires substantial investment in infrastructure upgrades and mitigation measures.

**Key input documents**

A number of key input documents guide our decision making and approach to maintaining and investing in our infrastructure.

**Three Waters Asset Management Plan**

Quality drinking water supply, wastewater and stormwater services are essential for protecting public health, safeguarding the environment, respecting Te Mana o te Wai, complying with regulations, and enhancing community wellbeing.



**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

We aim to manage infrastructure in a sustainable way to provide an adequate level of service and resilience. We operate under resource consents granted by the regional council and are required to meet drinking water standards and other key legislation.

We deliver services to agreed levels and ensure these are met by:

- Operating and maintaining assets.
- Investing capital in response to increasing demands for growth (greenfield and infill).
- Investing where appropriate in renewal
- Investing where appropriate in improving level-of-service.

**Transport Asset Management Plan**

The Transport Asset Management Plan includes a vision of “Better Alignment = Greater Benefits for Minimised Cost” meaning *Benefits are maximised and cost minimised when there is greater alignment between community expectation, network needs and funded programme.*

This is focused on the alignment of three key areas including:

- **Community Expectations** – the Long-Term Plan strategic priorities represent our community’s reasonable expectations and needs.
- **Our funded programme** – the Regional Land Transport Plan (RLTP) represents regional priorities and is consistent with the GPS for Land Transport.
- **Network Priorities** – defines and prioritises the key problems and opportunities in the network, and the benefits we want to achieve through investment.

**The Council’s Vision and Strategic Priorities****Planning for the Long Term**

The Council’s Long-Term Plan 2024-34 sets out the Council’s strategic direction including the vision and strategic priorities for the future of our district.

The strategic direction has been developed to recognise community aspirations for the future of our district, and to address big challenges and opportunities facing our communities. This infrastructure strategy seeks to address the challenges and opportunities and deliver on the strategic direction as it pertains to Council’s infrastructure assets (information about specific infrastructure challenges can be found later in this strategy).

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

The Council’s strategic direction, and this infrastructure strategy, acknowledge that our context is changing rapidly, and the resulting uncertainty means that as we learn more, our plans will need to adapt. This is not a concept new to infrastructure planning with many assets having a long life (i.e. 80 - 100 years), requiring the Council to plan for, invest in, maintain, and renew assets over a long-term horizon.

**Council’s Vision**

The Council’s Vision and Community Outcomes are set out below. These set the high-level direction and goals which the Council works towards to support and enhance the well-being of Whakatāne District and its people.

The Vision statement recognises that the Whakatāne District offers a great quality of life. It also embraces the Council’s role in supporting the community to flourish, fulfil their potential and live life to its fullest. To have an impact on those things that are most important to all of us requires a strong, resilient, and enabled Council organisation.

**Our vision: More life in life**

*Working together to make living better for our communities, now and in the future*



***Strong, resilient Council organisation focused on continuous improvement***

**Council’s Strategic Priorities**

The Council has identified five Strategic Priorities that underpin the development of the LTP 2024-2034. These drive the priorities and projects the Council is proposing over the next 30 years and form the basis of both the LTP 2024-34 and the Council’s Financial Strategy. The five Strategic Priorities are supported by significant strategies, programmes of work, and projects.

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**



**Council’s approach to asset management**

Council seeks to achieve best practice asset management to meet the agreed levels of service for the community and takes a coordinated approach across the entire lifecycle of all its assets. The comprehensive asset management plans for drinking water supply, wastewater, stormwater and transport are reviewed and updated every three years. A significant part of asset management is to operate, maintain and manage existing assets. Renewals planning includes the collection of an extensive amount of asset data, including as-built information, maintenance costs, failure analysis and condition assessments. This data informs forecasts and renewals strategies to ensure assets are renewed at the optimum and most cost-effective time.

**Council’s Three Waters Activity and Assets**

The Council provides drinking water to over 13,490 households and businesses throughout the district. The drinking water supply systems treat raw water to make sure it is safe to drink and continuously supply to customers at a suitable pressure and quantity. The Council’s drinking water supply system also provides water for fire services in urban areas.

The wastewater system collects wastewater from connected houses and businesses (generally in urban areas), treats it and disposes of it. This activity also includes the Council’s trade waste function which includes the monitoring and management of high volume and/or high strength wastewater from approximately 300 businesses.

The Council manages eight stormwater schemes which cover over 1,700 hectares of land and 78% of the population in the district. The stormwater systems are designed to take stormwater away from built-up urban areas and disperse it within our waterways to minimise the effects of flooding on property and the risk to human life.

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)****Council's Transport Activity**

The Council provides and manages a safe, integrated, and efficient transport system for the Whakatāne District, including provision for private vehicles, freight, public transport, walking, cycling and pedestrians. Council also manages on-street and off-street parking facilities.

Arterial roads make up only 5% of the network length but carry 60% of the traffic. At the other end of the scale, 50% of our network is access/low volume and carries less than 10% of our traffic.

The transport maintenance and renewals programme also gives Council the opportunity to optimise assets, where appropriate, and to support Council's environmental protection and climate change initiatives. Council works closely with the NZ Transport Agency Waka Kotahi on the future planning and investment of the transport system, including the continued monitoring of population growth and development demands.

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

**Part B: Infrastructure Challenges**

**Responding to our challenges**

Council needs to ensure that we maintain, operate, and invest in core infrastructure to enable our District to grow and our communities to prosper. An evolving regulatory environment continued maintaining of our assets, and annual population growth brings significant infrastructure challenges that we must focus on and address over the coming years.

This strategy identifies five significant infrastructure challenges for the district over the next 30 years.

Challenge	Implications for our District
<p><i>Challenge 1:</i></p> <p><b>Funding and financing of infrastructure</b></p>	<ul style="list-style-type: none"> <li>• The provision of infrastructure required to support our centres and communities is extensive, and with that comes significant costs.</li> <li>• Costs to maintain and deliver new infrastructure have significantly increased, meaning more funding is required each year to deliver.</li> <li>• Increased costs for essential infrastructure are placing significant pressure on families and our communities at a time where affordability and cost of living is an everyday challenge.</li> <li>• Current funding sources within New Zealand to support the provision and operation of infrastructure, are stretched and access to alternative funding sources is limited.</li> </ul> <p><b>OUTCOME SOUGHT</b></p> <p><i>Identify, investigate, and explore funding &amp; financing opportunities to support the future needs of our communities.</i></p>
<p><i>Challenge 2:</i></p> <p><b>Maintaining our assets</b></p>	<ul style="list-style-type: none"> <li>• A large number of Council’s core infrastructure assets are coming to the end of their useful life and will need replacing within the 30 year period of this strategy. There are also a number of source water supply issues and vulnerabilities that need to be addressed.</li> <li>• Robust Asset Management Plans ensure that core infrastructure is maintained and that a long-term prioritised programme of works, along with ‘whole of life’ costs are balanced and shared across multiple planning periods.</li> <li>• A number of projects and programmes ensure that the Council is able to maintain and upgrade infrastructure as required in order to deliver core transport and three waters services.</li> </ul> <p><b>OUTCOME SOUGHT</b></p> <p><i>Maintain current levels of service within budget limitations.</i></p>

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

<p><i>Challenge 3:</i></p> <p><b>Responding to the regulatory environment</b></p>	<ul style="list-style-type: none"> <li>• Three waters reforms are being repealed. This hands three waters management squarely back to Councils.</li> <li>• Environmental standards regarding the quality of water continue to increase. New and upgraded infrastructure is needed to meet these standards.</li> <li>• There are no nationally consistent standards for the discharge of treated wastewater, which creates significant uncertainty during planning stages.</li> <li>• Tightening of environmental discharge rules will affect renewal of wastewater consents i.e. the National Policy Statement for freshwater management (NPS-FM) was updated in 2024. This contains specific requirements (Cl. 3.34) for the Bay of Plenty.</li> <li>• Updated health and safety regulations for temporary traffic management activities have increased costs to the Council.</li> <li>• The Economic and performance oversight regulatory framework for Three Waters is unclear and still developing.</li> </ul> <p><b>OUTCOME SOUGHT</b></p> <p><i>Council has flexibility/agility to cope with a changing regulatory environment.</i></p>
<p><i>Challenge 4:</i></p> <p><b>Meeting the demands of future growth</b></p>	<ul style="list-style-type: none"> <li>• Forecasts show that Whakatāne’s population is expected to grow by nearly 7,200 people (over 3,000 households) by 2053. Much of the challenge is forecasting where this growth will occur. Agility is required.</li> <li>• The National Policy Statement on Urban Development (NPS-UD) requires land to be zoned and infrastructure provided for such development, and costs to be recouped where possible.</li> <li>• Growth in primary industries will result in more heavy vehicles on our roading network leading to increased deterioration of the network.</li> </ul> <p><b>OUTCOME SOUGHT</b></p> <p><i>Delivery of assets do not impose limitations on planned growth.</i></p>
<p><i>Challenge 5:</i></p> <p><b>Improving resilience and responding to climate change</b></p>	<ul style="list-style-type: none"> <li>• Climate change is expected to generate more frequent and more severe weather events which cause increased flooding, coastal inundation and erosion, and droughts.</li> <li>• Large parts of the district are low-lying and prone to flooding while changes to groundwater levels could have a significant impact on Council’s transport and three waters infrastructure and assets.</li> <li>• Extreme temperatures and drought will affect three waters operations while the capacity of the stormwater network will need to be increased to manage more severe and more frequent storms.</li> </ul> <p><b>OUTCOME SOUGHT</b></p> <p><i>Improve resilience across our asset base.</i></p>

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

These challenges have been distilled down into five significant investment decisions. Three options are presented for each decision.

<b>Infrastructure Challenge</b>	<b>Significant Issue</b>	<b>Significant Investment Decisions</b>
<b>Funding and financing of infrastructure</b>	How should Council endeavour to tackle its infrastructure deficit – in particular the funding and financing tools for three waters?	<ul style="list-style-type: none"> <li>• Do nothing. Continue with current funding and delivery model for three waters infrastructure.</li> <li>• Investigate and agree an alternative delivery and funding model for three waters infrastructure (e.g. rating, water charging, alternatively debt options)</li> </ul>
<b>Maintaining our assets</b>	Is our asset renewal program right sized?	<ul style="list-style-type: none"> <li>• Invest aggressively in renewals to get ahead of the curve.</li> <li>• Renew selectively based on asset condition, level of service delivered and criticality.</li> <li>• Scale back renewal program.</li> </ul>
<b>Responding to the regulatory environment</b>	How should Council tackle the requirement for new wastewater and water abstraction consents?	<ul style="list-style-type: none"> <li>• Progress full consenting within mandated timeframes. Not possible with funding constraints.</li> <li>• Understand and assess risks. Prepare consenting plan. Engage with consenting authority. Propose delayed implementation.</li> <li>• Apply for renewals. No further action.</li> </ul>
<b>Meeting the demands of future growth</b>	How proactively should Council invest in infrastructure for growth? (Note that growth is largely private sector initiated and it is very difficult to establish a direct linkage to any particular capacity constraint.)	<ul style="list-style-type: none"> <li>• Invest fully in infrastructure to enable growth.</li> <li>• Limited investment in identified areas to assist growth.</li> <li>• No pro-active investment for growth.</li> </ul>
<b>Improving resilience and responding to climate change</b>	How actively should Council be investing in managing resilience and climate change risks?	<ul style="list-style-type: none"> <li>• Invest significantly to address resilience and climate change risks.</li> <li>• Limited investment to mitigate some risk.</li> <li>• No investment to manage resilience and climate change risks.</li> </ul>

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

**Supporting notes for significant challenges section**

<b>Cost Scale of Options</b>	<p>Low            Up to \$5 million</p> <p>Medium        \$5 – \$20 million</p> <p>High            Over \$20 million</p>
<b>Financial Forecasts</b>	<p>Projects proposed in the early years of the Infrastructure Strategy have a higher degree of financial and timing certainty, often due to the work being planned, scoped and estimated.</p> <p>Project estimates in the later years of the Infrastructure Strategy (years 11 – 30) are less certain financially and in terms of timing. The cost and timings defined in this strategy are the Council’s reasonable expectation of the capital investment required to maintain, grow and operate our critical infrastructure assets, based on best available information.</p>
<b>Most Likely Scenario</b>	<p>Each significant decision outlines the most likely scenarios for managing our infrastructure including Council’s preferred options to inform capital works and funding. Forecasts for the first three years are more detailed, while those in years four to ten are a reasonable outline of the most likely scenario. Forecasts beyond year ten are indicative and will be modified via future Long Term Plans and Annual Plans and as more information becomes available.</p>



**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)****Challenge 1: Funding and financing infrastructure****Introduction to challenge 1**

Managing infrastructure is a core responsibility for local government authorities across New Zealand, encompassing essential services such as water supply, wastewater treatment, stormwater management, roading, and footpaths. However, ensuring the adequacy and sustainability of this infrastructure presents numerous funding and financing challenges. From balancing limited financial resources to addressing the growing demand for infrastructure upgrades and maintenance, local councils face a complex landscape of fiscal constraints and regulatory requirements.

**Funding and Financing Challenges**

There are a number of funding and financing challenges confronting local government in New Zealand. Council will need to explore potential strategies for overcoming these obstacles to build resilient and sustainable infrastructure for communities nationwide.

- **Limited Funding Sources:** Local governments in New Zealand primarily rely on rates, user charges, government grants, and borrowing to finance infrastructure projects. However, these funding sources may not always be sufficient to meet the growing demand for infrastructure upgrades and maintenance, especially in rapidly expanding urban areas.
- **Infrastructure Deficit:** Many local authorities face an infrastructure deficit, where the existing infrastructure is aging and inadequate to meet current and future needs. Addressing this deficit requires substantial investment, which may strain the financial resources of councils.
- **Affordability:** Increasing infrastructure costs coupled with constraints on rates and user charges can pose affordability challenges for ratepayers. Balancing the need for essential infrastructure upgrades with the ability of ratepayers to afford higher rates or charges is a delicate balancing act for councils.
- **Asset Management and Maintenance:** Proper asset management and ongoing maintenance are essential to ensure the longevity and efficiency of infrastructure assets. However, limited funding can result in deferred maintenance, leading to asset deterioration and increased long-term costs.
- **Regulatory Compliance and Standards:** Local governments are required to comply with regulatory standards for water, wastewater, stormwater, and roading infrastructure. Meeting these standards, which often change, involves significant capital investment, which may strain council budgets.
- **Climate Change Resilience:** Climate change poses additional challenges for infrastructure management, including the need to adapt to more frequent extreme weather events and rising sea levels. Building resilience against these impacts requires substantial investment in infrastructure upgrades and mitigation measures.

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

- **Uncertainty in Funding Streams:** Changes in government policy or funding priorities can create uncertainty for councils in planning and financing infrastructure projects. This uncertainty can make long-term planning and investment decisions more challenging.

Addressing these funding and financing challenges requires a combination of innovative funding mechanisms, collaboration between government agencies and private sector partners, efficient asset management practices, and a focus on long-term sustainability and resilience.

**Supporting Council strategies and plans**

- **Council's Water Strategy** sets the long-term strategy to provide improved and sustainable water schemes across the Whakatāne/Ohope and Plains areas.
- **Council's Financial Strategy** supports the delivery of Council activities and services to address rates affordability and ensure that the Council remains in a long-term stable financial position. Focuses on balanced investment in priority areas to support the district's development and communities' aspirations, while also ensuring Council's long term financial position is strong, prudent and fair.
- **Council's Development Contributions Policy** to enable development contributions to be taken that ensure developers make a fair and equitable contribution to the development of network infrastructure, community infrastructure and reserves required to maintain an accepted level of service as development increases demand in the district.
- **Council's Revenue and Financing Policy** describes how each of Council's activities will be funded and the reasons for. Funding sources may include general rates, targeted rates, fees and charges, and others.

**Three Waters Reform**

The previous Government's "Three Waters Reform" aimed to address the financing and funding challenges related to three waters infrastructure within councils by establishing new Water Services Entities (WSEs) to take responsibility for delivering safe and sustainable drinking water, wastewater, and stormwater services. These entities would be separate (have balance sheet separation) from local councils and would have dedicated governance and management structures focused solely on water service delivery.

By consolidating water services under regional or national entities, the reform aimed to achieve economies of scale and efficiency gains. This includes streamlining administrative processes, reducing duplication of services, and optimising resource allocation to deliver cost-effective and sustainable water services.

As part of the information gathering to support the three waters reform, a draft Asset Management Plan (AMP) was developed by each Council. This AMP identified all projects and programmes considered necessary to meet Whakatane's needs and aspirations over the planning period. This was labelled the

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

'Needs Based Three Waters Programme'. This programme totalled \$440 million of investment over the ten year period, which would have represented a very ambitious programme of capital works and funding.

With the change in government direction around three wates reform post-election, and the subsequent repealing of enabling legislation, Council's three water activities are now re-included into the Long Term Plan 2024-34 development and prioritisation processes. This change in structure, and delivery and funding model, comes with significant funding constraints.

**Impacts on Council's capital works program**

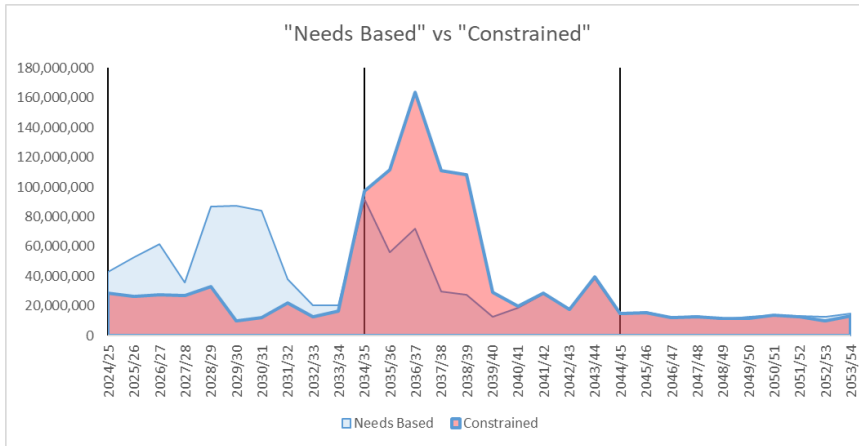
Council has a financially constrained allowance of some \$180 million available for three waters capex over Y1-Y10 of the planning period. Therefore, Council proposes to defer the balance – i.e. \$260 million until the latter years of the planning period – i.e. Y11-Y30. This is due to the debt constraints on Council from our primary lender LGFA.

For Y1-Y10 this has resulted in:

- No budget for the implementation of Wastewater Treatment Plant upgrades to support re-consenting.
- No budget for management of wastewater sludge from treatment ponds.
- Reduced renewals of existing infrastructure assets down to 70% of what the needs based asset management plan recommends.
- reduced compliance and resilience based projects down to 50% of what the needs based asset management plan recommends.

We are forecasting our opening depreciation reserve balances for the Long Term Plan 2024-34 to be \$4.5million overdrawn, which means we are already on the back foot for funding asset renewals. We need to acknowledge, heading into a Long Term Plan that is forecasting a significant step change increase in capital expenditure, that the current depreciation funding model is not sustainable and no longer fit for purpose.

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**



**Significant investment decision – Investigate alternative delivery and funding models for three waters infrastructure?**

The Local Government sector generally fund infrastructure through a combination of Borrowing, Depreciation Reserves, Rates, User Fees and Charges, Grants and Subsidies, and Development or Financial Contributions. Capital works are predominantly funded through borrowing, reserves, and rates, whilst operating expenditure is largely funded through rates.

New infrastructure is largely funded by borrowing, and the loans repaid by ratepayers over a term of 20 to 30 years. The new infrastructure is capitalised when commissioned and depreciated along with existing infrastructure assets. Asset management practices outline when existing infrastructure assets are required to be renewed, it is common practice that these are largely funded by depreciation reserves, resulting in one of the most challenging issues, as depreciation reserves are often insufficient to cater for the level of renewals required.

Acknowledging the challenges we have and that fundamentally the current method of building reserves to fund the renewal of critical infrastructure is broken, we need to consider alternatives to the funding model that are more sustainable.

**Date decisions required:** 2024/25.

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

**Key options for decisions**

Option(s)	Positive Implications	Negative implications	Cost scale of option
Continue with current funding and delivery model for three waters infrastructure.	Perceived to be “fairer” - typically by those currently exposed to lower costs.	<ul style="list-style-type: none"> <li>• Continued complicated model that treats and funds capital projects differently across the district.</li> <li>• Funding model that does not support a fair and equitable allocation of costs across communities.</li> </ul>	Low
Investigate and agree an alternative delivery and funding model for three waters infrastructure.  <b>This option is the preferred and most likely scenario.</b>	<ul style="list-style-type: none"> <li>• Simple and transparent funding model that treats and funds all capital projects the same way.</li> <li>• Promotes the principle of inter-generational equity and allocates a fair share of infrastructure costs to ratepayers.</li> <li>• Takes into account the nuances of funding long life infrastructure assets.</li> <li>• Allows more flexibility in accounting for and recovering costs from drivers for the project.</li> </ul>	<ul style="list-style-type: none"> <li>• Possible increases, and decreases, in rates for properties, to achieve a more fair and equitable approach.</li> </ul>	Low

**Risk Management**

With a constrained budget, come a number of key risks that the Council must effectively manage across the three waters programme. The following outlines these risks including identifying relevant projects that won't be delivered or only partially delivered in the first ten years of the Long Term Plan. The Specific risks Identified are outlined below:

**1. Failure to meet current regulatory requirements**

- Failures to meet current discharge consent conditions [Accept]
- Failure to meet current Drinking Water Quality Assurance Rules [Acc

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)****2. Deferral of treatment plant upgrades**

- Failures due to age and condition [Manage using limited budget]
- Consents expire 2026. Propose to use RMA s124 to operate on expired consents [Accept]
- Negative iwi / community perception – discharging into rivers [Accept]

**3. Deferral of desludging**

- Degraded pond performance [Accept]
- Increased odours – residents [Accept]
- Infringement / Abatement notices [Accept]
- Note : Staff reviewing potential options to mitigate

**4. Limited magnitude of wastewater network renewals**

- Increase in blockages / pipe collapses / breaks / spills [Manage using limited budget]

**5. Various smaller projects**

- Lack of resilience – storm events [Accept]
- Potential rising main failures result in environmental consequences [Manage using limited budget]
- Budgets could be exceeded if storm events / significant failures [Accept]
- Limited magnitude of wastewater network renewals

**6. Limited magnitude of drinking water network renewals**

- Increased pipe failures, reactive cost more expensive [Manage using limited budget]

**7. Limited drinking water treatment plant upgrades/renewals (excludes Ruatoki & Murupara, both included in Y1-Y3)**

- All other issues (moderate / minor) from Water Safety Plans [Manage using limited budget]
- Taste issues at Whakatane plant [Accept]
- Risk of rural pollution, saline intrusion and possible cyanobacterial event at Whakatāne plant [Accept].

**8. Johnson road upgrades**

- May be able to re-scope or reduce. This will become clearer as we learn about the performance of the newly upgraded Braemar plant and consent renewal implications. [Manage]

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

**9. Various smaller projects**

- Reservoirs ageing & not earthquake complaint – risk of damage or failure during seismic events [Accept]
- Coastlands watermain – lack of resilience & configuration issues [Accept]
- Budgets could be exceeded if storm events / significant failures [Accept]

**10. Edgecumbe drainage improvements**

- Poor performance SW network in Edgecumbe [Accept]
- Budgets could be exceeded due to storm events / significant failures [Accept]

Drinking water supply projects that are not **substantially** in the first ten years of the Long-Term Plan

Project Name	Risks with not delivering	Mitigation to manage the risks
410037 - District Wide - Equalised New Drinking Water Treatment Plant. (Y1-10 \$5.545M Y11-20 \$105.829M)	Dissatisfaction with performance of existing plant, nearing end-of-life. Continuing taste issues due to surface water source. No flexibility of separated, non-interconnected plants. Plant prone to saline, cyanobacteria and rural runoff pollution events.	Agile and active management of existing plant. (Upgrade funds programmed for Y7-Y15).  Accept risk of rural pollution, saline intrusion and possible cyanobacterial events.  Accept continuing taste issue.

Wastewater projects that are not **substantially** in the first ten years of the Long Term Plan

Project Name	Risks with not delivering	Mitigation to manage the risks
511054 - Ōhope Wastewater Treatment Plant upgrade.  (Y1-10 \$1.106M Y11-20 \$5.175M)	Plant is relatively modern.	Actively manage and monitor performance of existing plant. (Renewal funds programmed for Y13).
New Wastewater Treatment Plants: Whakatāne, Edgecumbe, Tāneatua (\$156M)	Failures due to age of plants.	Likely need to invest in end-of-life-asset (to keep it running).

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	Operating with expired consents.  Negative iwi/community perception – e.g. discharge to surface waters.	Carry out planning and scientific work to identify future options.  Actively and openly communicate with interested parties about the situation that Council finds itself in.
New Wastewater Treatment Plant Murupara (\$30M)	As above.	As above.
Wastewater ponds desludging (\$17M)	Reduced pond performance.  Increasing odours.  Infringement abatement notices.	Agile and active management.  Communicate challenges to the community.  Engage up-front with Regional Council.
Climate Change Adaption plan actions – PV generation and others (\$4.62M)	Concern that Council is not implementing its own plans	Explore options for staged implementation. Communicate options with community.

There are no particular, critical stormwater projects that are not currently in the first ten years of the LTP.

**See risk management section above for further information about risks, consequences and proposed management responses.**

**Roads and Footpaths**

The transportation programme included in the Infrastructure Strategy and Long-Term Plan has been developed on a need’s basis. This mostly focuses on a maintenance and renewals programme, supplemented with an improvements programme. There are more improvements projects identified, than what we have funding to deliver in the next 10 years. However, improvements are more the ‘nice to haves’ rather than the ‘must haves’.

The programme developed will provide for the needs of the transport activity and the level of improvements funding included, will contribute towards the identified problems and benefits, at an affordable and cost-effective level.



**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)****Challenge 2: Maintaining our Assets****Introduction to challenge 2**

The Council has robust Asset Management Plans in place for core infrastructure to ensure it's well-maintained, has a long-term prioritised programme of works and that the 'whole of life' costs are balanced and shared across multiple planning periods. The Council undertakes continuous monitoring of its assets, including forecasting models to plan long-range renewal requirements and to ensure appropriate funding is in place.

Over the last three years Council has undertaken significant scientific analysis, engagement and consultation with whānau, hapū and iwi, and the community to better understand Council's infrastructure assets. This work has enabled Council to build increased knowledge and confidence in the design life of each asset including better understanding of how the asset is performing, what challenges the asset is facing and therefore the timing and appropriate level of planning and investment required to manage risk and the ongoing operations.

Level of service measures provide a good snapshot of how Council is performing in relation to some level of metrics. Examples are responsiveness measures when network faults are reported and issue resolution times. While not complete this gives some insight into network condition and therefore the effectiveness of the renewal strategy.

**Supporting Council strategies and plans**

- **Asset Management Plans** provide an outline of the works required for each of the key asset activities in order to prudently manage infrastructure and deliver essential services to the community.

**Significant investment decisions – Renewing our aging assets**

Council has an ongoing programme of renewals for its infrastructure assets. During each Long-Term Plan, Council is required to reconfirm the level of funding for these.

Where appropriate, renewals for three waters are undertaken as a 'like for like' replacement, however in many cases, especially in the rural environment, renewal of assets is also requiring an upsizing in capacity to respond to increased resilience and climate change events as well as future proofing for growth over the long term. This upsizing means increased costs to renew.

Council has been underinvesting in road surfacing renewals for the last decade, due to funding constraints, and has a significant backlog of overdue resurfacings. Council currently has capacity in our lower classification roads condition ratings to absorb some managed decrease in levels of service. However, our

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

higher classification roads are already showing signs of deterioration and require increased surfacing renewals to bring them back in line, deal with the overdue renewals and reduce the risk of large scale (and far more costly), premature failure of the underlying road pavements.

**Date decisions required:** 2024 onwards.

**Key options for decisions**

**Three Waters renewal program**

Option(s)	Positive Implications	Negative implications	Cost scale of option
Lower scale implementation of renewals programme. i.e. lower investment than that described in the significant projects table below.		<ul style="list-style-type: none"> <li>Level of service decreases – water – drinking water standards compliance and water losses.</li> <li>Level of service decreases – wastewater – satisfaction, dry weather overflows and resource consent breaches.</li> <li>Lower system and infrastructure standards achieved.</li> <li>Increased risk of failure with operations and maintenance implications</li> </ul>	Medium
Medium scale implementation of renewals programme. i.e. investment described in the significant projects table below.  <b>This option is the preferred and most likely scenario.</b>	<ul style="list-style-type: none"> <li>No change to level of service.</li> <li>Bring system and infrastructure up to a higher standard at a quicker pace.</li> <li>Decreased risk of failure</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	High
Higher scale implementation of renewals programme. i.e. higher investment than that described in the significant projects table below.	<ul style="list-style-type: none"> <li>Level of service – increases water.</li> <li>Level of service – increases wastewater – satisfaction, dry weather overflows and resource consent breaches.</li> </ul>	<ul style="list-style-type: none"> <li>Significant investment required that could be potentially unaffordable for the district.</li> </ul>	High

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	<ul style="list-style-type: none"> <li>• Deliver robust fit-for purpose system and infrastructure.</li> <li>• Decreased operational and maintenance costs over time.</li> </ul>		
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**Transport Maintenance and Renewal Programme**

Option(s)	Positive Implications	Negative implications	Cost scale of option
<p><b>Proactive response</b> - focuses primarily on renewals and more frequent maintenance to reduce failure risk on all corridors.</p>	<ul style="list-style-type: none"> <li>• Improve the level of service on higher classification roads.</li> <li>• Maintain level of service on lower classification roads.</li> </ul>	<ul style="list-style-type: none"> <li>• Higher up-front cost</li> </ul>	High
<p><b>Balanced response</b> provides a proactive approach to higher classification roads and a reactive approach to lower classification roads.</p> <p><b>This option is the preferred and most likely scenario.</b></p>	<ul style="list-style-type: none"> <li>• Frequent maintenance through a proactive response.</li> </ul>	<ul style="list-style-type: none"> <li>• Decrease in level of service on lower classification roads.</li> </ul>	High
<p><b>Reactive response</b> - focuses on maintaining the higher classification roads and only do repair works to lower classification roads when they fail.</p>	<ul style="list-style-type: none"> <li>• Lower upfront cost</li> </ul>	<ul style="list-style-type: none"> <li>• Failure of lower classification roads before maintenance is carried out.</li> <li>• Increased costs to bring roads back to appropriate level of service.</li> </ul>	High

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

**Significant projects / programmes**

Project/ programme	Project type	Years 1-3 (\$000)	Years 4-10 (\$000)	Years 11-20 (\$000)	Years 21-30 (\$000)
Transport renewals. <ul style="list-style-type: none"> <li>• Pavements</li> <li>• Surfacing</li> </ul>	• Renewal	\$30,411	\$70,492	\$90,640	\$125,640
Transport renewals. <ul style="list-style-type: none"> <li>• Structures</li> <li>• Drainage</li> <li>• Traffic Services</li> <li>• Active Modes</li> <li>• Carparking</li> </ul>	• Renewal	\$8,803	\$16,032	\$38,399	\$44,067
Wastewater renewals <i>(uninflated)</i>	• Renewal	\$9,634	\$18,281	\$41,853	\$19,427
Drinking Water renewals <i>(uninflated)</i>	• Renewal	\$7,947	\$22,663	\$42,190	\$18,530
Stormwater pump station and other renewals <i>(uninflated)</i>	• Renewal	\$4,044	\$2,908	\$10,605	\$4,275

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)****Challenge 3: Responding to the regulatory environment**

Environmental standards continue to increase regarding the discharges to the environment of gaseous, liquid and solid waste streams. All three apply to wastewater with lesser impact for stormwater & drinking water treatment plants. Conforming to these higher standards will be a requirement within the term of the Long Term Plan 2024-34 for three waters services, which will necessitate a significant amount of work. This will include upgrades to our treatment processes and plants in order to gain consents from Bay of Plenty Regional Council.

In terms of transport, there are moderate impacts from increased resource consent conditions, National Environmental Standards for Freshwater i.e., culvert renewal costs, and increased general construction costs due to health and safety and traffic management requirements. These cost escalations are across the whole transport programme, rather than specific projects.

**Three Waters reform and beyond**

Between 2020 and 2023 New Zealand explored 3Waters reform. The proposal was that responsibility for management of drinking water, wastewater and stormwater services be removed from Council responsibility and handed to newly created, specialist, geographically based "entities".

The main trigger for the proposed reform was the 2016 Havelock North campylobacter drinking water contamination event. The entities would have been excised from Council control and were to have balance sheet separation from the councils. It was considered that the newly formed entities would have much greater debt carrying capacity than Councils. Via increased debt it was considered possible to make a step change in addressing a nationwide 3 waters infrastructure deficit.

This raised concerns with various parties, and it did not survive the October 2023 election. The newly elected coalition government moved quickly to repeal the enabling legislation. At the time of writing – February 2024 – 3 waters responsibility lies squarely with Whakatane DC without any prospect of future entity responsibility shift.

The new coalition government has a recent policy - "Local Water Done Well". The direction, form and content of this is currently unknown. This Infrastructure Strategy is prepared as at February 2024 with the assets fully owned and operated by Council.

Prior to legislative repeal considerable resource was committed to how reform might be accomplished. A national transition unit was established, and significant work was carried out across a number of workstreams. Like most other Councils Whakatane DC took part in this work program. WDC was part of Entity B – one of four and then later one of ten.

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

Prior to being shelved, Council contributed to exploring what a Waikato/BOP water entity might look like. Of particular interest an early draft capital investment program was prepared. For this work the opportunity was taken to think afresh about what best-practice customer service and asset management might be delivered. This was labelled as the *needs based unconstrained model*.

The input work for this was Council sourced. The other participants were the other neighbouring councils and external expertise was used to conduct a first cut of “harmonisation” across the various participants. This work did not reach a conclusion. However, it provides a very good unconstrained view of investment opportunities.

The challenge for Council is to take this unconstrained world view and tailor it to the particular circumstances that apply to the Whakatāne District as-at February 2024. The result of this tailoring work forms the basis of this Infrastructure Strategy.

**Supporting Council strategies and plans**

- **Whakatāne District Plan** provides a rulebook guiding development in the district.
- **Eastern Bay of Plenty Spatial Plan** (in development – due mid 2025) will set out a comprehensive long-term strategy for the future growth and development of Whakatāne and immediate neighbours Opotiki & Kawerau.
- **District Plan Review**. (to be developed – notification forecast for 2027/28) This is required by statute. It will also be required in order to implement or *give teeth* to the spatial plan.
- **Transport System Programme (to be developed)** in the form of a programme business case (PBC), covering the transport response to enable the spatial plan outputs. The PBC will provide a programme of identified new transport investments, projects and their expected timeframes for delivery, based on the expected growth patterns and locations.

**Significant investment decision – Expiring consents. Carry out all necessary analysis, science, consultation and engagement to support robust consent applications?**

**Date decisions required:** 2024 onwards.

**Key options for decisions**

Option(s)	Positive Implications	Negative implications	Cost scale of option
Do not apply for consent renewals.	<ul style="list-style-type: none"> <li>• Low cost</li> </ul>	<ul style="list-style-type: none"> <li>• This course of action is bordering on reckless.</li> </ul>	Low

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

		<ul style="list-style-type: none"> <li>Regional Council actions may follow.</li> </ul>	
Apply for S124 consent renewals – basic level.	<ul style="list-style-type: none"> <li>Low cost</li> </ul>	<ul style="list-style-type: none"> <li>S92 requests for further information would follow.</li> <li>There is a risk that the consenting authority would return the applications as insufficient S104(6).</li> <li>Regional Council actions may follow.</li> </ul>	Low
Prepare and lodge “best-practice standard” consent applications.  <b>This option is the preferred and most likely scenario.</b>	<ul style="list-style-type: none"> <li>A credible application will be provided for serious consideration.</li> <li>An improvement plan will be prepared and considered.</li> </ul>	<ul style="list-style-type: none"> <li>The lack of time bound actions will make it difficult to issue consents.</li> <li>Moderate cost.</li> </ul>	Moderate

Council needs to obtain new drinking water abstraction consents as well as new wastewater consents, with a number of existing consents expiring in 2026. Robust, evidence-based applications are required to allow consenting authority review and consideration. Obtaining these consents will result in updated consent conditions and upgrades to meet new compliance and legislative requirements. This includes Council giving effect to Te Mana o te Wai when implementing the National Policy Statement for Freshwater Management 2020 (NPS-FM).

Te Mana o te Wai refers to the vital importance of water. When managing freshwater, it ensures the health and well-being of the water is protected and human health needs are provided for before enabling other uses of water.

Bay of Plenty Regional Council agreed in February 2024 to defer regional NPSFM limit setting from December 2024 to December 2025. The new government has indicated that it will review the current NPSFM (2020) and make changes to this by 2027, this will include reviewing Te Mana o Te Wai included in the NPS.

Once limits are set through NPSFM specific discharge limits will likely be placed on the Wastewater consents that WDC hold.

As part of obtaining new consents for both wastewater and water supply, updated consent conditions and upgrades will need to occur. This includes Council giving effect to Te Mana o te Wai when implementing the National Policy Statement for Freshwater Management 2020 (NPS-FM).

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

Te Mana o te Wai refers to the vital importance of water. When managing freshwater, it ensures the health and well-being of the water is protected and human health needs are provided for before enabling other uses of water.

Bay of Plenty Regional council agreed in February 2024 to defer regional NPSFM limit setting from December 2024 to December 2025.

The new government has indicated that it will review the current NPSFM (2020) and make changes to this by 2027, this will include reviewing Te Mana o Te Wai included in the NPS.

Once limits are set through NPSFM specific discharge limits will likely be placed on the Wastewater consents that WDC hold.

**Significant investment decisions – Expiring consents. Include new wastewater consent related cost allowances for physical works in Y1-Y10 of the LTP?**

Ordinarily, freshly issued consent conditions outline and require a series of upgrade steps. For a wastewater discharge consent these would apply to gaseous, solid and liquid discharges and might include:

- Implementation timetable for the offered physical works.
- Environmental Management Plans.
- Inspections.
- Maintenance.
- Monitoring.
- Notifications.
- Signage.
- Complaints process.
- Review requirements.
- Consent performance review committees/structures.
- Linkages back to the “promises” in the consent application

It is expected that it will be difficult to progress consent applications beyond a certain point without budget to implement these requirements.

**Date decisions required:** 2024 onwards.



**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

**Key options for decisions**

Option(s)	Positive Implications	Negative implications	Cost scale of option
Include new wastewater consent related cost allowances for physical works in Y1-Y10 of the LTP.	<ul style="list-style-type: none"> <li>This option would ordinarily be used.</li> <li>Consent application processing and issuance would be more straightforward.</li> </ul>	<ul style="list-style-type: none"> <li>This course of action is not possible given Council’s financial position.</li> <li>Will make consent processing more straightforward.</li> </ul>	Extremely high
Do not include new wastewater consent related cost allowances for physical works in Y1-Y10 of the LTP.  <b>This option is the preferred and most likely scenario.</b>	<ul style="list-style-type: none"> <li>Low cost.</li> <li>Can be modified as time passes, and further information becomes available in relation to the consent application and financial implications.</li> </ul>	<ul style="list-style-type: none"> <li>Will make consent processing difficult.</li> </ul>	Low

**Significant investment decision – Implement short term upgrades to carry plant performance through until implementation of future consent condition related works?**

**Date decisions required:** 2025/26.

**Key options for decisions**

Option(s)	Positive Implications	Negative implications	Cost scale of option
Retain current infrastructure without upgrades.	<ul style="list-style-type: none"> <li>Lower cost</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing challenges to meet current discharge requirements.</li> <li>Likely Odour issues</li> <li>Regulator may become assertive – abatement/infringement etc.</li> </ul>	Low
Implement limited upgrades to extent plant performance.	<ul style="list-style-type: none"> <li>Cost to be between low and moderate.</li> </ul>	<ul style="list-style-type: none"> <li>No improvement compared to current situation</li> </ul>	Low

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<b>This option is the preferred and most likely scenario.</b>	<ul style="list-style-type: none"> <li>Demonstrates resolve to make environmental investment.</li> </ul>		
Implement upgrades to improve plant performance.	<ul style="list-style-type: none"> <li>Quality of discharges may improve</li> </ul>	<ul style="list-style-type: none"> <li>Moderate cost, possibly for little observed benefit.</li> <li>May result in over-capitalising end-of-life assets.</li> </ul>	Moderate

**Significant projects / programmes**

Key projects that will occur over the course of this strategy include:

Project/ programme	Project type	Years 1-3 (\$,000)	Years 4-10 (\$,000)	Years 11-20 (\$,000)	Years 21-30 (\$,000)
Wastewater RMA consenting (excludes physical works) <i>(uninflated)</i>	<ul style="list-style-type: none"> <li>Level of service</li> </ul>	\$5,000	\$300	\$280	\$2,619
Drinking water RMA consenting (excludes physical works) <i>(uninflated)</i>	<ul style="list-style-type: none"> <li>Level of service</li> </ul>	\$870	\$100	\$206	\$856
Wastewater treatment plant interim upgrades <i>(uninflated)</i>	<ul style="list-style-type: none"> <li>Level of service</li> </ul>	\$537	\$762	\$5,175	\$673
Boundary backflow prevention <i>(uninflated)</i>	Level of service	\$1,514	Nil	Nil	Nil

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

**Challenge 4: Meeting the demand of future growth**

Forecasts from Statistics New Zealand following the 2013 Census indicated that the population of Whakatane would increase slightly before declining steadily in the medium to long term. Instead, since 2016 the reverse has happened. Whakatāne District has experienced moderate population growth.

The population of Whakatāne District is expected to continue growing over the longer term due to the natural increase and migration. The table below shows predicted population trends for the district.

Year	2018	2022	2023	2024	2025	2026	2027	2034	2053
<b>Source</b>	Census	<a href="#">NZ Stats (Subnational Population TA)</a>						MR Cagney	
<b>Population</b>	35,700	38,500	38,800	39,227	39,658	40,094	40,534	42,574	46,020
<b>+/- % p.a.</b>	1.78%	-2.28%	0.78%	1.10%	1.10%	1.10%	1.10%	0.53%	0.66%
<b>AR Rating Units</b>	15,800	17,039	17,081	17,269	17,459	17,651	17,845	18,742	19,011
<b>LTP/AP Rating Assessments</b>	14,764	15,922	16,046	16,080	16,257	16,435	16,616	17,452	17,702

The district is understood to be experiencing a housing shortage at present. Anecdotal reports indicate that the number of building consents being issued is currently in decline. Factors such as this interact with the pure population numbers to affect dwelling supply.

Current infrastructure services the current population base and determined locations. Infill and greenfield development (including the location of new greenfield development) place different demands on existing infrastructure. Catering for growth requires investment in upgrades and extensions to existing infrastructure as well as the provision of new infrastructure to service new development areas.

The National Policy Statement on Urban Development (NPS-UD) requires that land is zoned, and that infrastructure is provided for such development and costs to be recouped where possible. This has financial implications for the Council due to new infrastructure needing to be constructed before costs can be recouped, either through rates or development and/or financial contributions.

Council is yet to identify specific locations for future development. However, the Council is currently working with our regional partners on an Eastern Bay of Plenty Spatial Plan which will identify locations within the district and wider sub-region to be considered for future development. This work will be completed in mid-2025.

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

On its own the spatial plan will not dictate where growth must occur. At best it can guide growth and make it easier for it to occur in specified urban growth areas and potentially more challenging for it to occur in an ad-hoc manner is less favoured areas. The intervention mechanism for this to be put into effect is the District Plan. It needs to undergo a comprehensive review ending in 2027-28. The incorporation of the spatial plan initiatives can occur as part of this process.

Because of the lack of current locational signals for growth it can and does occur wherever the market chooses for it to occur. For this reason, critical infrastructure constraints have not been identified. Accordingly, each separate development proposal must be assessed on its own merits with its own impacts on infrastructure. Macro level impacts (say treatment plant capacity issues) are not captured via current RMA processes for growth. Once the spatial plan work and associated District Plan review are in place Council will be better positioned to steer growth and to potentially capture more of the costs that growth triggers via development or financial contributions.

Accordingly, this Infrastructure Strategy contains few discrete projects attributable to growth pressures.

**Supporting Council strategies and plans**

- **Whakatāne District Plan** provides a rulebook guiding development in the district.
- **Eastern Bay of Plenty Spatial Plan** (in development – due mid 2025) will set out a comprehensive long-term strategy for the future growth and development of Whakatāne and immediate neighbours Opotiki & Kawerau.
- **District Plan Review** (to be developed – notification forecast for 2027/28). This is required by statute. It will also be required to implement or *give teeth* to the spatial plan.
- **Transport System Programme (to be developed)** in the form of a programme business case (PBC), covering the transport response to enable the spatial plan outputs. The PBC will provide a programme of identified new transport investments, projects and their expected timeframes for delivery, based on the expected growth patterns and locations.

**Significant investment decision – New Wastewater Scheme at Matatā?**

The Council has been investigating options to implement a new reticulated wastewater scheme for the Matatā community over a number of years. The scheme will help mitigate health and environmental risks from current practices, support whānau, hapū and iwi aspirations for environmental protection and increase the security and resilience of the system. Continued work has been undertaken to consider options that are fit for purpose.

**Date decisions required:** 2024 - 2027.

**Key options for decisions**

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Option(s)	Positive Implications	Negative implications	Cost scale of option
Continue with the current wastewater system operations and practices in Matatā i.e. septic tanks.	<ul style="list-style-type: none"> <li>Lower capital costs.</li> </ul>	<ul style="list-style-type: none"> <li>Increased public health and environmental risks.</li> <li>Won't meet Bay of Plenty Regional Council regulations and compliance.</li> <li>Cultural sensitivities with the operations and management of wastewater.</li> <li>Won't support any future growth opportunities (if appropriate).</li> </ul>	Low
Implement a new solution to manage and dispose of wastewater in Matatā.  <b>This option is the preferred and most likely scenario.</b>	<ul style="list-style-type: none"> <li>Increased resilience in the system.</li> <li>Decreased environmental and public health incidents and risks.</li> <li>Support cultural sensitivities with the operations and management of wastewater.</li> <li>Meet Bay of Plenty Regional Council new standards and regulations.</li> <li>Allow for future growth opportunities, if relevant.</li> </ul>	<ul style="list-style-type: none"> <li>Considerable capital cost.</li> </ul>	High

**Significant investment decision – Significant upgrade of Johnson Road Drinking Water Scheme?**

Date decisions required: 2026.

**Key options for decisions**

Option(s)	Positive Implications	Negative implications	Cost scale of option
Renewal Johnson Road drinking water scheme assets in near term Y1-Y3	<ul style="list-style-type: none"> <li>Provides greater operational flexibility.</li> <li>Greater reliability</li> </ul>	<ul style="list-style-type: none"> <li>Medium capital cost.</li> <li>Could deliver assets to early before operational requirements are fully</li> </ul>	Medium

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		understood and scoped.	
Upgrade Johnson Road drinking water scheme assets in medium term Y4-Y10  <b>This option is the preferred and most likely scenario.</b>	Allows time to bed-in the new Braemar treatment plant.  Will provide greater reliability and flexibility - albeit slightly delayed.	Medium capital cost	Medium
Do not upgrade Johnson Road drinking water scheme assets	Low capital cost	Higher opex costs likely.  More reactive maintenance and outages.  Less flexibility.	Low

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

**Significant investment decision – Significant upgrade of Coastlands Watermains?**

**Date decisions required:** 2026.

**Key options for decisions**

Option(s)	Positive Implications	Negative implications	Cost scale of option
Upgrade Coastlands watermains in near term Y1-Y3	Provides greater operational flexibility.  Greater reliability	Medium capital cost.  Could deliver assets too early before operational requirements are fully understood and scoped.	Low
Upgrade Coastlands watermains in medium term Y4-Y10  <b>This option is the preferred and most likely scenario.</b>	Will provide greater reliability and flexibility - albeit slightly delayed.	Medium capital cost	Low
Do not upgrade Coastlands watermains	Low capital cost	Higher opex costs likely.  More reactive maintenance and outages.  Less flexibility.	Low

**Significant investment decision – Upgrade Keepa Road?**

Keepa Road is located on the edge of the Whakatāne urban area and is the main access to the business and residential growth areas of Coastlands and Piripai. It will also support the new Boat Harbour Development on the Whakatāne riverfront. Keepa Road requires investment to upgrade the road’s overall network function and capacity to support the district’s growth.

**Date decisions required:** 2024 - 2026.

**Key options for decisions**

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

Option(s)	Positive Implications	Negative implications	Cost scale of option
Continue with current levels of service for maintenance and operations programme on strategically identified transport corridors.	<ul style="list-style-type: none"> <li>• Low capital cost.</li> </ul>	<ul style="list-style-type: none"> <li>• Decreased Level of service as use increases resulting in increased safety, resilience, congestion and efficiency issues.</li> <li>• Increased impacts on operations and maintenance of key strategic routes.</li> <li>• Does not plan or cater for projected growth.</li> </ul>	Low
Increase levels of service including improvements, maintenance and operations on strategically identified transport corridors.  <b>This option is the preferred and most likely scenario.</b>	<ul style="list-style-type: none"> <li>• Caters to and plans for projected growth.</li> <li>• Ensures efficient movement of people and goods within and through Whakatāne.</li> <li>• Meets the NZ Transport Agency Waka Kotahi classification standards and customer levels of service.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in capital cost.</li> </ul>	Medium

**Significant investment decision – Transport planning to enable growth?**

Council is undertaking three transport planning activities in the first 3 years of the Long term Plan 2024-34 to support development and delivery of the Eastern Bay of Plenty Spatial Plan. These include Transport System Programme, Modelling and further investigation for a Second River Crossing. These transport planning activities will lead into growth related transport improvements, progressively rolled out over the next 30 years, aligned with growth.

The current bridge into Whakatāne town continues to be of high community interest because of peak congestion and vulnerability to natural hazards. The existing Landing Road bridge is a Waka Kotahi asset as part of the state highway network. However, an additional bridge, would likely be a new local road asset. Waka Kotahi may co-invest into an additional bridge as they do with our general transport assets. This requires the formation of the business case to support the need for this significant investment. An estimated cost for the additional bridge and associated roading infrastructure to provide connection with the bridge has been included within the 30year budgets for reference. However, the cost and timing of this key investment will be further updated through the business case process.

**Date decisions required:** 2024 - 2026.

**Key options for decisions**



**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

Option(s)	Positive Implications	Negative implications	Cost scale of option
Do not undertake transport planning and respond to growth reactively	<ul style="list-style-type: none"> <li>No cost implications.</li> </ul>	<ul style="list-style-type: none"> <li>Reactive approach to growth management resulting in unaligned infrastructure to support growth.</li> <li>Increased overall costs and increased uncertainty in future investments.</li> <li>Likely increases in safety risks, emissions and other transport problems, due to reactive approach.</li> </ul>	Low
Undertake transport planning activities to support growth planning.  <b>This option is the preferred and most likely scenario.</b>	<ul style="list-style-type: none"> <li>Enables a methodological response to anticipated growth.</li> <li>Increases ability to implement measures at the optimal time to enable, rather than react to growth.</li> <li>Provides the evidence cases to attract national funding opportunities.</li> <li>Enables, informed decision making for investment values and timing in growth related infrastructure.</li> <li>Increases ability to support a safe, efficient and lower emission transport system</li> </ul>	<ul style="list-style-type: none"> <li>Minor cost implications.</li> </ul>	Low

**Significant projects / programmes**

Project/ programme	Project type	Years 1-3 (\$000)	Years 4-10(\$000)	Years 11-20 (\$000)	Years 21-30 (\$000)
Matata Wastewater Scheme ( <i>uninflated</i> )	<ul style="list-style-type: none"> <li>Level of service/growth</li> </ul>	\$14,041	\$22,210	\$750	\$750
Johnson Road drinking water upgrades ( <i>uninflated</i> )	<ul style="list-style-type: none"> <li>Upgrade/growth</li> </ul>	\$202	\$4,720	\$327	\$223
Coastlands watermain upgrade ( <i>uninflated</i> )	<ul style="list-style-type: none"> <li>Level of Service/growth</li> </ul>	\$0	\$2,350	\$2,500	\$0

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

Keepa Road upgrade <i>(uninflated)</i>	<ul style="list-style-type: none"> <li>• Growth</li> </ul>	\$4,800	\$6,570	\$0	\$0
Transport Planning <i>(uninflated)</i>					
<ul style="list-style-type: none"> <li>• Transport System Programme</li> <li>• Modelling</li> <li>• Second River Crossing</li> </ul>	<ul style="list-style-type: none"> <li>• Planning</li> </ul>	\$1,150	\$0	\$0	\$0
Transport System Business Case Implementation Including Second River Crossing <i>(uninflated)</i>	<ul style="list-style-type: none"> <li>• Level of service</li> <li>• Growth</li> </ul>	\$0	\$15,700	\$166,400	\$38,000

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)****Challenge 5: Improving resilience and responding to climate change****Introduction to challenge 5**

Our communities expect certain levels of service from Council-provided services, many of which have a strong health and safety focus. Protecting public health and keeping people safe is a high priority for the Council. We recognise that new processes and procedures will need to be developed to fully deal with known issues such as saline source water, arsenic contamination and possible cyanobacterial contamination. The Council's storage of treated drinking water is considered to be less than desirable in terms of volume, offering less than 24 hours supply.

Improving the safety of road users is a Council priority. Some of the Council's main arterial roads are poorly aligned, have out-of-context curves and widths that are no longer appropriate for the amount of traffic they carry. Together with poor driver behaviour, these factors have resulted in an increase in the district's predicted and actual crash risk. Regular road safety inspections are undertaken on all the district's roads, with identified safety deficiencies assessed, costed and prioritised.

Climate change is already affecting our communities with impacts expected to increase in magnitude and extent over time. Climate change risks are likely to be significant in parts of the Whakatāne District, such as inundation and erosion risk to our coastal areas. Large parts of the district are low-lying and susceptible to flooding, while periods of drought and extreme temperatures are also impacting our three waters operations.

In addition to climate change, natural disasters and events also pose a serious challenge for the Whakatāne District and often result in significant ongoing costs. Council needs to ensure our infrastructure networks can withstand these events and don't fail. As much of the Rangitāiki Plains is low-lying, changes to groundwater levels could have a significant impact on Council's transport and three waters infrastructure and assets.

**Supporting Council strategies and plans**

- **Climate Change Strategy** provides clear direction, including a range of action plans that identify initial actions the Council is committed to undertaking over the short-term, medium-term and long-term to increase the resilience of our transport and three waters infrastructure against the potential impacts of climate change.
- **Climate Change Adaptation Plan** will build on the Climate Change Strategy and identify communities and Council infrastructure at highest risk from climate change, prioritise risk and identify appropriate community-led adaptation plans and works required to Council's infrastructure. This will inform the Infrastructure Strategy 2024-54.

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

- **Comprehensive stormwater catchment strategy** outlines the best options and techniques for the future management of stormwater. It also supports Council’s Comprehensive Stormwater Consent processes with Bay of Plenty Regional Council.
- **Water loss, Pressure and Demand Management Strategy** to reduce levels of leakage and demand.
- **Inflow and Infiltration Reduction Strategy** to economically target a reduction in the levels of wet weather flows.
- **Transport System Programme (to be developed)** in the form of a programme business case (PBC), covering the transport response to enable the spatial plan outputs. The PBC will provide a programme of identified new transport investments, projects and their expected timeframes for delivery, based on the expected growth patterns and locations.

**Significant investment decision – Improve Edgecumbe gravity drainage system?**

Date decisions required: 2024 – onwards.

**Key options for decisions**

Option(s)	Positive Implications	Negative implications	Cost scale of option
Invest in Edgecumbe drainage system upgrade in near term Y1-Y10.	Improved stormwater drainage performance. Wastewater network less prone to overflows.	Moderate cost. May result in stranded assets due to climate change.	Medium
Invest in Edgecumbe drainage system upgrade in medium term Y4-Y20  <b>This option is the preferred and most likely scenario.</b>	Improved stormwater drainage performance. Wastewater network less prone to overflows.	Moderate cost. May result in stranded assets due to climate change.  Delayed benefits realisation.	Medium
Do not invest in Edgecumbe drainage system upgrade	Low cost No potentially stranded assets.	Poor performance of wastewater and stormwater drainage systems.	Low

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

		Resource consent breaches.	
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At Ruatoki the Whakatane river has changed course in the vicinity of the bore that supplies source water for the scheme. The riverbed has now effectively moved to engulf the bore at high-level events. Turbidity issues occur potentially rendering the UV system ineffective. This occurs multiple times per year. In such instances staff are unable to adhere to the water safety plan. Emergency measures are taken to address the situation. A new site for a new bore is required. Depending on the bore site a new treatment plant may also be required.

**Significant investment decision – Improve Ruatoki drinking water scheme?**

**Date decisions required:** 2024.

**Key options for decisions**

Option(s)	Positive Implications	Negative implications	Cost scale of option
Invest in Ruatoki drinking water scheme upgrade in near term Y1-Y10.  <b>This option is the preferred and most likely scenario.</b>	Improved system resilience.  Less emergency intervention required.  Ability to adhere to water safety plan.	It may be necessary to purchase some land for a bore and/or treatment plant.	Low
Invest in Ruatoki drinking water scheme upgrade in medium term Y4-Y20	Expenditure is delayed.	Council is not able to comply with the water safety plan at present.  Water of poor quality (and potentially contaminated with pollutants) enters the scheme.	Low
Do not invest in Ruatoki drinking water scheme.	Expenditure is avoided.	An ongoing poor level of service for scheme customers.	Low

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

		<p>Council is not able to comply with the water safety plan at present.</p> <p>Water of poor quality (and potentially contaminated with pollutants enters the scheme.</p>	
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**Significant investment decision – Commit budget to deal with unforeseen, emergency reactive recovery works – three waters?**

Climate change and its consequences is making Council’s three waters assets at greater risk of damage when events occur.

**Date decisions required:** 2024 – onwards.

**Key options for decisions**

Option(s)	Positive Implications	Negative implications	Cost scale of option
<p>Allocate budget for emergency, unforeseen reactive works.</p> <p><b>This option is the preferred and most likely scenario.</b></p>	<p>Council is positioned to carry out prompt, efficient recovery works.</p>	<p>Medium cost.</p> <p>In some years funds may not be required. Inefficient use of (unused) budget</p>	<p>Medium</p>
<p>Do not allocate budget for emergency, unforeseen reactive works.</p>	<p>Lower cost.</p>	<p>Time may be spent determining options and course of action in the wake of weather events.</p> <p>Due to delayed response Council may appear slow-moving.</p>	<p>High</p>

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

**Significant investment decision – Improve risk and resilience to cope with roading flooding events?**

Date decisions required: 2024 – onwards.

**Key options for decisions**

Option(s)	Positive Implications	Negative implications	Cost scale of option
Do nothing	No additional capital cost.	<ul style="list-style-type: none"> <li>• Re-occurring flooding of key access routes, resulting in frequent road closures.</li> <li>• Impacts on communities to access key services (food, health, work, education)</li> <li>• On-going operational costs to respond to flood events, road closures and impact on the roading asset (pavement and surfacing)</li> </ul>	Low
Undertake resilience improvements on identified routes (Tāneatua and Rūātoki), undertake further resilience focused transport planning to identify and prioritise other resilience improvements across the transport network. <b>This option is the preferred and most likely scenario.</b>	<ul style="list-style-type: none"> <li>• Basic access to key services is retained during severe weather events.</li> <li>• Transport Planning work allows proactive and methodical approach to resilience improvements, enabling better value for money and timed investments.</li> </ul>	<ul style="list-style-type: none"> <li>• Considerable capital cost and transport planning cost.</li> </ul>	High

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

**Significant investment decision – Improving mode shift in our urban areas?**

As Whakatāne grows, moving people differently from private vehicles to alternative modes (public transport, cycling, walking, micro-mobility) has become increasingly important for the district, especially within and connecting our town centres and communities.

Implementing the Active Whakatāne Strategy is a key Council priority to help create a healthier, more active community, achieve our climate change targets and increase the safety of non-vehicle users getting around our district.

**Date decisions required:** On-going 2024-34 (and beyond)

**Key options for decisions**

Option(s)	Positive Implications	Negative implications	Cost scale of option
Continue with primarily roading improvement-related interventions that prioritises vehicles.	<ul style="list-style-type: none"> <li>No additional costs.</li> </ul>	<ul style="list-style-type: none"> <li>Not aligned with government direction and priorities around mode shift, emission reduction and alternative transport choice.</li> <li>Increased congestion on key transport corridors as more people drive.</li> <li>Increased costs to operate and maintain the transport system over time.</li> </ul>	Low
Increase transport options and choice within the Whakatāne District.  <b>This option is the preferred and most likely scenario.</b>	<ul style="list-style-type: none"> <li>Aligns with local and government direction and priorities.</li> <li>Supports and plans for growth-related travel.</li> <li>Increases community’s choice and options to access and be able to live, learn, work and play</li> </ul>	<ul style="list-style-type: none"> <li>Capital investment required.</li> </ul>	Medium



**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)****Significant projects / programmes**

Project/ programme	Project type	Years 1-3 (\$000)	Years 4-10 (\$000)	Years 11-20 (\$000)	Years 21-30 (\$000)
Otumahi drinking water storage <i>(uninflated)</i>	Levels of service	\$7,625	\$6,243	Nil	Nil
Edgecumbe stormwater, inflow & infiltration <i>(uninflated)</i>	Levels of service	\$966	\$2,227	\$5,737	\$739
Emergency, unforeseen, reactive works – 3 Waters <i>(uninflated)</i>	Levels of service	\$1,770	\$4,130	\$8,200	\$8,200
Ruatoki drinking water <i>(uninflated)</i>	Levels of service	\$3,855			
Tāneatua and Rūātoki network resilience improvements. <i>(uninflated)</i>	<ul style="list-style-type: none"> <li>Levels of service</li> </ul>	\$3,260	\$2,000	\$0	\$0
Transport Planning Network Resilience Programme Business Case and expected future implementation costs <i>(uninflated)</i>	<ul style="list-style-type: none"> <li>Levels of service</li> </ul>	\$500	\$8,400	\$12,000	\$12,000
Active Whakatāne implementation <i>(uninflated)</i>	<ul style="list-style-type: none"> <li>Levels of service</li> <li>Growth</li> </ul>	\$1,370	\$8,400	\$12,000	\$12,000

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)****Part C: Infrastructure Activities Summary****Drinking Water Supply****Overview of this activity**

Council is responsible for the abstraction, treatment, storage, distribution and management of the district's drinking water supply, where a community drinking water supply scheme exists.

This activity provides safe, reliable and sustainable drinking water. This currently includes provision of 13,493 water connections to the district's 18,893 properties for domestic, industrial, commercial and agricultural use. Water is also provided for urban firefighting requirements. With large areas of our district being rural and, in some cases, isolated, many households have independent systems supplying their own needs.

Further information about this Activity, including level of service performance measures, can be found in the 'Our Groups of Activities' section of this Long Term Plan.

**Key focus**

Maintaining the supply of drinking water and adhering to legislation, consents and other regulations.

**Summary context**

There are ten different drinking water supply schemes across the district (Whakatāne/Ōhope, Otumahi/Edgecumbe, Rangitāiki Plains, Tāneatua, Murupara, Matatā, Waimana, Rūātoki, and Te Mahoe).

**Asset condition**

The condition of the piped drinking water supply network has been largely assessed. This amounts to between 92% and 100% of the asset (having been assessed) depending on asset type. The results of the assessment are shown below in Table 1. Between 6% and 17% falls into the poor or very poor category depending on the different asset types.

Inspection of this non-gravity asset is relatively difficult, hence there is a lower degree of confidence in this condition assessment. This is in comparison to the gravity drainage assets where internal CCTV inspection is possible.

As it is a pressure network, its performance is less forgiving compared to the gravity assets. Leaks or their effects can often be observed relatively quickly. Within the district a large proportion of supplies are metered. This assists greatly with leak detection – particularly leaks on private property.

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

A renewal program is deployed year-on-year to renew aged or inferior assets and to cope with the demands placed on the system. A feature of the system is that while the quality of the asset itself may be adequate, there are difficulties with the water sources at times. These are primarily saline intrusion, farm runoff and potential cyanobacteria presence in source waters. Over time interventions are proposed to address these issues.

In 2020, the Council carried out a condition assessment and seismic assessment of all the critical reservoirs in the district including four timber reservoirs. The visual condition assessment was undertaken in accordance with the Visual Assessment Manual guidelines provided by the New Zealand Water and Wastes Association, and the seismic resilience assessment was undertaken in accordance with NZS 3106: 2009 – Design of Liquid Storage Structures. The five reservoirs at Melville Place have since been removed and the remaining condition data is shown in Table 2 below.

In 2020, the Council also carried out a condition assessment of drinking water mains, incorporating information about forecast remaining life and pipe material. The assessment was based on actual pipe sample data from both the Council pipe network and within the region, as well as deterioration modelling. The desktop assessment is being used to prepare asset condition assessment programs for piped assets. The results of the exercise are shown below. Overall assessment of pump stations and treatment plants is difficult as components typically vary in condition across the spectrum.

**Drinking Water supply reticulation asset condition profile (in metres)**

Asset Type	Very good (1)	Good (2)	Moderate (3)	Poor (4)	Very poor (5)	Unknown Condition	Total
Trunk Mains (metres)	36,755	13,000	39,418	15,508	15	1,148	<b>105,844</b>
Other Mains (metres)	102,568	17,558	36,950	34,243	916	12,002	<b>204,238</b>
Service lines (metres)	62,223	4,730	7,425	5,668	663	6,872	<b>87,582</b>
Reservoirs (each)	1	2	8	8	0	4	<b>23</b>
Pump Stations (each)	10	6	1	2	1	0	<b>20</b>
Bore Pumps (each site)	3	1	7	0	1	0	<b>12</b>
Treatment Plants (each)	4	3	1	1	0	0	<b>8</b>

**Table 1 - Drinking Water supply asset condition profile**

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

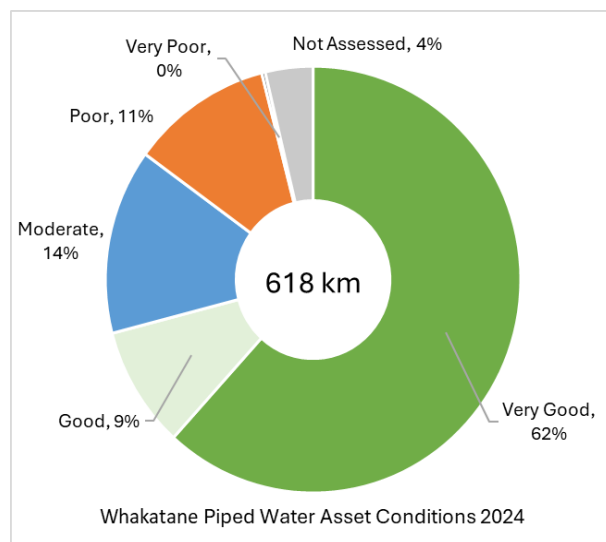


Figure 2 – Drinking water piped assets condition ratings.

**Critical Assets**

The selection criteria for drinking water supply critical assets include size and functionality of assets as set out in the table below. Further work in developing site-specific criticality is required, Council is in the process of improving the criticality criteria assessment of assets with most appropriate industry practices, and will include assets located in areas where disruptions would have a high economic impact, assets supplying customers including critical users, and assets that will have a significant environmental impact in case of failure.

Critical asset selection criteria

Asset Type	Description of criteria	Base Approach Rating
Pipes	<ul style="list-style-type: none"> <li>✓ Less than 100mmØ</li> <li>✓ 100mmØ to 300mmØ</li> <li>✓ Greater than 300mmØ</li> <li>✓ All falling and rising mains to and from sources, reservoirs and pump stations</li> <li>✓ Pipes that are important to supply critical customers.</li> <li>✓ Single pipes serving more than 1,000 customers.</li> </ul>	<p>Low (1)</p> <p>Medium (3)</p> <p>High (5)</p> <p>High (5)</p> <p>High (5)</p>

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

	✓ Potential pipe failures which may cause significant social, environmental or economic impact	High (5) High (5)
Valves	Valves located along the critical water mains. All other valves	High (5) Low (1)
Water pump stations	Drinking water pump stations without resilience (i.e. backup alternative power supply) Drinking water pump stations with resilience (i.e. backup alternative power supply)	High (5) Medium (3)
Water reservoirs	Active drinking water reservoirs Decommissioned / unused water reservoirs	High (5) Medium (3)
Water treatment plants	All drinking water treatment plants	High (5)

Table - Critical asset selection criteria – drinking water

**Asset renewal**

Asset renewal programmes are prepared following a number of criteria, including:

- The base life of the assets – from the asset management system
- The maintenance history and expenditure – from the asset management system and Council’s request for service (RFS) system
- The condition assessment of assets – routine inspections, pipe sampling, visual inspection, etc.
- Applying a risks-based approach – criticality of the asset, public safety.
- External factors such as:
  - Natural disaster events
  - Opportunistic working with other council department programmes i.e. transportation renewal programme, places and open spaces
  - Third-party works within the same asset corridor i.e. telecommunications, power
  - Regulatory requirements (i.e. safety improvement)
  - Construction and installation defects. Renewal prior to end-of-life but out of warranty period. This is becoming more common i.e. water meter renewals.
  - Aggressive soils / environment etc.

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

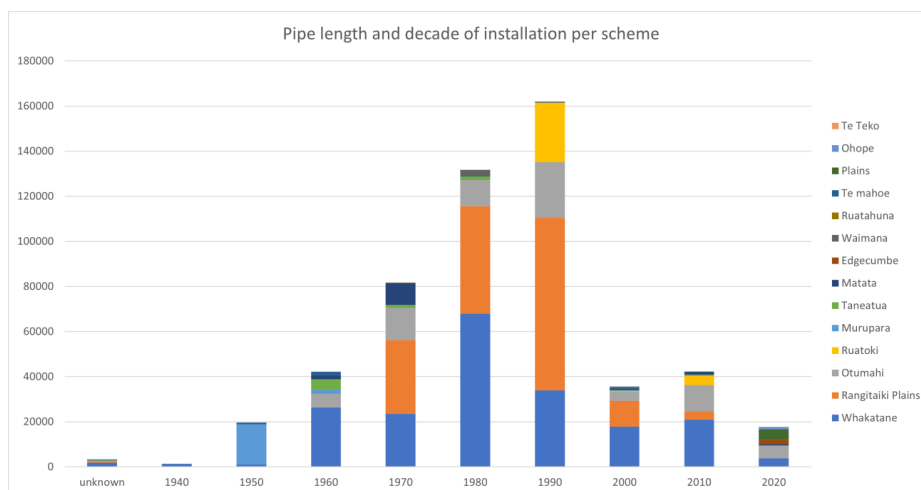
**Asset summary**

Asset data confidence and asset reliability information have been developed for various asset classes and are detailed within the drinking water supply asset management plan.

**Asset age**

The indicative age of the assets is shown below; also showing the associated scheme. This displays a relatively young asset with peak installation during the 1990s – 30 years ago.

2023 data (excluding laterals)



**Infrastructure level of service (LoS) – Drinking Water Supply**

There is a significant suite of measures used to score the level of service delivered by drinking water supply schemes. These include absence of bacteria and protozoa, turbidity, UV intensity, chlorine availability, data integrity, complaints, customer satisfaction, responsiveness to callouts, issue resolution times, water consumption, percentage water loss.

The level of service material below has been sourced from the 22-23 Annual Report. As can be seen it is quite challenging to meet **all of the measures for all of the schemes/plants for all of the time**. For the most recent reporting year Council does not meet many of the measures.

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

Meeting some of the not met measures does not require additional investment while some measures will require additional investment in order to meet the required standard.

The two largest sources of risk to the community are the Ruatoki and Murupara schemes. Significant capital investment is shown in the early years of the LTP to lift the level of service for these schemes. Other non-compliance is considered to be less critical, and improvements are continually underway based on available budget.

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

**Performance measures (how we will measure our service delivery)**

The regulatory framework for drinking water transitioned in the 2022/23 year from the Drinking-water Standards (Revised 2018) (DWSNZ 2018) to the Drinking Water Quality Assurance Rules (DWQAR), which came into effect on 14 November 2022. Compliance against both requirements was independently assessed and verified by Wai Comply.

The first two performance measures below are mandated by the Department of Internal Affairs which we are required to report against in this Annual Report. There are currently no mandated performance measures pertaining to the new DWQAR and as such the results below are against the DWSNZ 2018 for the full financial year.

The extent to which Council's drinking water supplies comply with Part 4 of the Drinking Water Standards (bacteria compliance criteria) (M).



Note: Please refer to the table on the next page for a breakdown of compliance by scheme.

The extent to which Council's drinking water supplies comply with Part 5 of the Drinking Water Standards (protozoal compliance criteria) (M)



Note: Please refer to the table on the next page for a breakdown of compliance by scheme.

The bacterial compliance criteria (part 4) in the former DWSNZ 2018 applied to water leaving the treatment plants and water in the distribution zones. Water leaving the treatment plants was assessed against one of five criteria based on the type of disinfection employed. Water in the distribution zones was monitored for the presence of E. coli and met the bacterial compliance criteria when the number of samples in which E. coli was found was equal to or less than the allowable exceedances listed in the DWSNZ. Taumata Arowai is notified if any samples are positive for E. coli.

The protozoal compliance criteria (part 5) in the former DWSNZ 2018 were assessed at the treatment plants. A scheme was determined to achieve protozoal compliance if all treatment plants supplying the scheme during the reporting period met the criteria. Protozoal treatment of water is typically achieved through filtration and/or ultraviolet (UV) disinfection. However, if treatment is interrupted during the reporting period (for example due to power outages or flood events that cause periodic high turbidity issues), compliance with the protozoal criteria will not be met. As such, some Council schemes did not meet the part 5 criteria. To ensure a safe drinking water supply if treatment is interrupted, all Council water supplies are monitored with alarm systems which alert staff or automatically shut down the water supply if necessary for cases of high turbidity or low levels of free available chlorine equivalent (FACE).

**LEGEND** ● Not comparable against target ● Achieved ● Not achieved | Target value indication

(M) – This performance measure is mandatory for all Councils to report on, set under the 'Non-Financial Performance Measures Rules 2013' in accordance with section 261b of the Local Government Act 2002.



**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

**Council’s drinking water supplies compliance**

Wai Comply Limited completed an independent assessment of the performance of Whakatāne District Council as a “water supplier” for the period of 1 July 2022 – 30 June 2023. The assessment was undertaken against the standards and regulatory framework outlined in the below table.

**Performance standard and general criteria**

Period	Performance standard(s)	General assessment criteria
July to December 2022	Drinking Water Standards for New Zealand 2005 (Revised 2018) (DWSNZ 2018)	Section 4 Bacterial Compliance Criteria Section 5 Protozoal Compliance Criteria
January to June 2023	Drinking Water Quality Assurance Rules 2022 (DWQAR)	General Rule G17 T1, T2 & T3 Bacterial Rules T1, T2 & T3 Protozoal Rules D1, D2 & D3 Bacterial Rules
	Water Services (Drinking Water Standards for New Zealand) Regulations 2022 (DWSNZ 2022)	E. coli maximum acceptable value (MAV)

**Assessment summary**

Water Supply Scheme	Section and Component	DWSNZ 2018 Jul-Dec 2022	DWQAR outcome Jan-Jun 2023	E. coli review outcome Jan-Jun 2023
Whakatāne	Bacterial criteria • 1 treatment plant • 2 zones	<b>Met</b>	<b>Met</b>	<b>Met</b>
	Protozoa criteria • 1 treatment plant	<b>Met</b>	<b>Met</b>	<b>N/A</b>
Matatā	Bacterial criteria • 1 treatment plant • 2 zones	<b>Met</b>	<b>Not met</b> No UV disinfection was in place for several days in March 2023 due to a major treatment plant upgrade. Treatment plant chlorine rules were not met on one or more days during the audit period. No online UVT monitoring was in place during the audit period.	<b>Met</b>
	Protozoa criteria • 1 treatment plant	<b>Not met</b> Low UV intensity event in July 2022.	<b>Not met</b> No UV disinfection was in place for several days due to a major treatment plant upgrade. No online UVT monitoring was in place during the audit period.	<b>N/A</b>
Murupara	Bacterial criteria • 1 treatment plant • 1 zone	<b>Met</b>	<b>Not met</b> No bacterial treatment option was in place, zone residual disinfection rules not met during the audit period.	<b>Not met</b> E. coli detected at multiple locations on the 8th and 9th of February 2023, and the 28th of February.
	Protozoa criteria • 1 treatment plant	<b>Not met</b> No recognised protozoa barrier in place during the audit period.	<b>Not met</b> No recognised protozoa barrier in place during the audit period.	<b>N/A</b>

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

Water Supply Scheme	Section and Component	DWSNZ 2018 Jul-Dec 2022	DWQAR outcome Jan-Jun 2023	<i>E. coli</i> review outcome Jan-Jun 2023
Otumahi	Bacterial criteria <ul style="list-style-type: none"> <li>1 treatment plant</li> <li>1 zone</li> </ul>	<b>Met</b>	<b>Not met</b> Low chlorine event in April 2023 and high turbidity across several days in April 2023 that were suspected to be a monitoring equipment issue.	<b>Met</b>
	Protozoa criteria <ul style="list-style-type: none"> <li>2 treatment plants</li> </ul>	<b>Met</b>	<b>Not met</b> Paul Road Treatment Plant: no DWQAR-recognised protozoa barrier in place during the audit period. Te Teko Treatment Plant: no online UVT monitoring was in place during the audit period.	<b>N/A</b>
Rangitāiki Plains	Bacterial criteria <ul style="list-style-type: none"> <li>2 treatment plants</li> <li>1 zone</li> </ul>	<b>Not met</b> Johnson Road Treatment Plant: data loss event 8 and 9 September 2022.	<b>Not met</b> Braemar Treatment Plant and the Johnson Road Treatment Plant: treatment plant DWQAR chlorine rules were not met on one or more days during the audit period.	<b>Met</b>
	Protozoa criteria <ul style="list-style-type: none"> <li>2 treatment plants</li> </ul>	<b>Not met</b> Braemar Treatment Plant and the Johnson Road Treatment Plant: no protozoa barrier in place during the audit period.	<b>Not met</b> Braemar Treatment Plant and the Johnson Road Treatment Plant: no DWQAR-recognised protozoa barrier in place during the audit period.	<b>N/A</b>
Rūātoki	Bacterial criteria <ul style="list-style-type: none"> <li>1 treatment plant</li> <li>1 zone</li> </ul>	<b>Not met</b> The maximum interval between <i>E. coli</i> samples exceeded the requirement each month between July and November 2022.	<b>Not met</b> Multiple days during the audit period, usually associated with events where poor-quality source water overwhelmed the treatment plant processes, affecting chlorine and UV disinfection rules, no online UVT monitoring was in place during the audit period.	<b>Met</b>
	Protozoa criteria <ul style="list-style-type: none"> <li>1 treatment plant</li> </ul>	<b>Not met</b> Multiple days during the audit period, usually associated with events where poor-quality (high turbidity) source water overwhelmed the treatment plant processes.	<b>Not met</b> Multiple days during the audit period, usually associated with events where poor-quality (high turbidity) source water overwhelmed the treatment plant processes, no online UVT monitoring was in place during the audit period.	<b>N/A</b>

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

Water Supply Scheme	Section and Component	DWSNZ 2018 Jul-Dec 2022	DWQAR outcome Jan-Jun 2023	E. coli review outcome Jan-Jun 2023
Tāneatua	Bacterial criteria <ul style="list-style-type: none"> <li>1 treatment plant</li> <li>1 zone</li> </ul>	<b>Not met</b> High turbidity and low UV intensity events between July and November 2022.	<b>Not met</b> Low chlorine event in June 2023.	<b>Met</b>
	Protozoa criteria <ul style="list-style-type: none"> <li>1 treatment plant</li> </ul>	<b>Not met</b> High turbidity and low UV intensity events between July and November 2022.	<b>Not met</b> No online UVT monitoring was in place during the audit period.	<b>N/A</b>
Te Mahoe	Bacterial criteria <ul style="list-style-type: none"> <li>1 treatment plant</li> <li>1 zone</li> </ul>	<b>Met</b>	<b>Met</b>	<b>Met</b>
	Protozoa criteria <ul style="list-style-type: none"> <li>1 treatment plant</li> </ul>	<b>Met</b>	<b>Not met</b> No DWQAR-recognised protozoa barrier in place during the audit period.	<b>N/A</b>
Waimana	Bacterial criteria <ul style="list-style-type: none"> <li>1 treatment plant</li> <li>1 zone</li> </ul>	<b>Met</b>	<b>Met</b>	<b>Met</b>
	Protozoa criteria <ul style="list-style-type: none"> <li>1 treatment plant</li> </ul>	<b>Met</b>	<b>Not met</b> No online UVT monitoring was in place during the audit period.	<b>N/A</b>

**E. coli transgressions in Murupara during 2022/23**

Samples collected from the Murupara distribution zone on 8 February 2023 tested positive for E. coli. There were further E. coli transgressions in samples collected on 9 February 2023. The Council issued a boil water notice and began dosing with sodium hypochlorite. Daily sampling was carried out from 10 to 23 February, returning to the usual frequency after no further positive results were obtained. A water tanker was provided as an alternative supply to the community.

On 28 February 2023, a positive E. coli result of 1 MPN/100mL was detected in a sample collected from the Murupara distribution zone. The system was dosed with sodium hypochlorite and daily sampling was carried out on 1, 2 and 3 March 2023. Sampling returned to the usual frequency after no further positive results were obtained.

**Upgrades during 2022/23**

During 2022/23, the Awakaponga drinking water treatment plant (which supplies Matata township) was upgraded including the installation of an upgraded UV treatment system and chlorine contact tank.

The Braemar Spring drinking water treatment plant was upgraded with a new plant to include UV treatment and arsenic removal using an adsorptive media process in addition to chlorination.

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

Planned future upgrades include installation of UVT sensors where required and installation of UV treatment at Te Mahoe and Paul Road drinking water treatment plants. Council is investigating alternative water sources for the Ruatoki supply. Consultation is underway with iwi and the community in Murupara regarding drinking water treatment options for the Murupara supply.

6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)

**Performance measures (how we will measure our service delivery)**

The total number of complaints per 1,000 connects, received by the Council about any of the following:

- Drinking water clarity
- Drinking water taste
- Drinking water odour
- Drinking water pressure of flow
- Continuity of supply
- The Council's response to any of these issues (M)



*Note: The 2022 and 2021 previous year results have been restated from 6.33 and N/A\* to better align with the DIA performance measure guidelines. This change in calculation has seen Council include complaints where we have found no problem on inspection of the complaint, and calculate the number of connections by rating system. Total number of connections as of 1 July 2022 was 13,360.*

*\*The method of restatement has enabled a comparative to be completed for 2021.*

*The processes used by the Council and its afterhours call centre service did not allow all calls to be recorded and classified as required by the Non-Financial Performance Measures Rules 2013. Although Council has recorded the number of planned and unplanned shutdowns to water supply, it has not recorded the number of calls received in relation to these shutdowns. In respect of calls received by the afterhours call centre service, Council were not able to determine the volume of calls received, nor the classification in respect of events with multiple calls.*

Satisfaction with the water supply and quality of drinking water (supplied by Council).

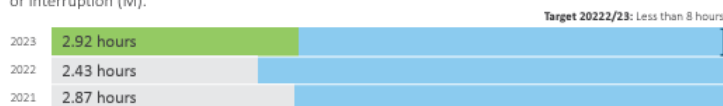


Note: Margin of error 4%.

Median response time to attend urgent callouts for areas supplied by Council, from the time that the local authority receives notification to the time that the service personnel reach the site (M).



Median response time to resolve urgent callouts for areas supplied by Council, from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (M).



**LEGEND** ● Not comparable against target ● Achieved ● Not achieved | Target value indication

*(M) – This performance measure is mandatory for all Councils to report on, set under the 'Non-Financial Performance Measures Rules 2013' in accordance with section 261b of the Local Government Act 2002.*

6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)

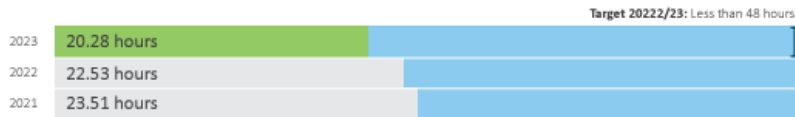
How we performed *Ā mātau mahi*

Performance measures (how we will measure our service delivery)

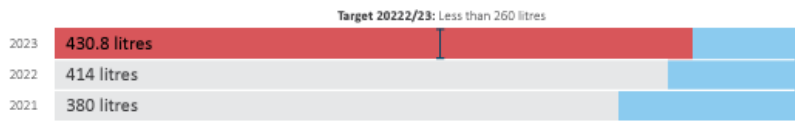
Median response time to attend non-urgent callouts for areas supplied by Council, from the time that the local authority receives notification to the time that service personnel reach the site (M).



Median response time to resolve non-urgent callouts for areas supplied by Council, from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (M).



Average consumption of drinking water per day per resident in the district for metered areas supplied by Council (M).



*Note: A number of factors can contribute to council not meeting the target, including properties with internal leaks. As council is continuing to install water meters throughout the district a number of newly metered properties have shown to have previously undetected internal leaks. Meters are installed on properties in both urban and rural area and a number of farm connections are high water users.*

Average consumption of drinking water per day per resident in the district for unmetered areas supplied by Council (M)

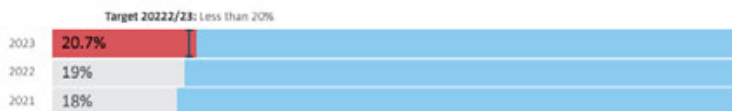


6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)

How we performed *Ā mātau mahi*

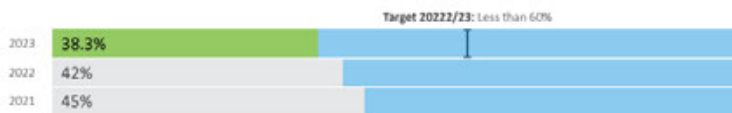
Performance measures (how we will measure our service delivery)

Percentage of real water loss from Council-networked reticulation system for metered schemes based on the standard International Water Association (IWA) water balance (M).



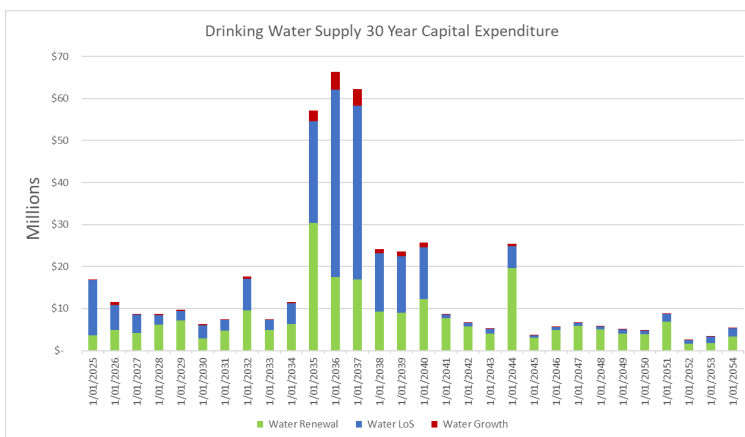
Note: Percentage of metered properties for water systems within the Whakatāne district: Whakatāne & Ōhōpe 100%; Plains 100%; Murupara 5%; Ōwāteki 100%; Tāneatua 94%; Mataitā 9%; Waimāna 100%; Te Mahoe 100%. Council staff have been trained to undertake water loss data analysis based on industry best practice, utilising the International Water Association (IWA) methodology, Benchloss New Zealand software and Water NZ Waterloss Guidelines. Real water losses are dependent upon the size of a water supply system, water pressure, total length of pipes and whether metered or unmetered. Metered supplies use the recorded production volume and the consumption volume of water, with adjustments made for expected unavoidable water losses. Small, unmetered water supplies are calculated using minimum night flow assessment reduced by the estimated nighttime consumption. At times Council engages third-party consultants to review and validate Council data and processes.

Percentage of real water loss from Council-networked reticulation system for unmetered schemes (M).



Capital expenditure

The chart below shows the capital expenditure for the Drinking Water Supply Activity during the 30 year period.



**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

**Stormwater**

**Overview of this activity**

This activity helps to protect people and property from the impacts of stormwater run-off and flooding. It includes collection, conveyance and limited treatment of stormwater run-off.

Further information about this Group of Activities, including level of service performance measures, can be found in the ‘Our Groups of Activities’ section of this Long Term Plan.

**Key focus**

The key focus is to manage runoff and stormwater volumes to deal with significant rainfall events. An increasing urbanised and impermeable district places more and more demand on the existing infrastructure. Climate change increases event intensity and frequency.

**Summary context**

There are eight stormwater schemes covering 1,700 hectares of land and 78% of the population in the district.

Stormwater Assets	Unit	Quantity (source: 2024 AMS)
Connections	each	644
Main	km	101
Open Channel	km	21
Pump Stations	each	23
Resource Consents	Each	38

**Asset condition**

The condition of the piped stormwater network has been largely assessed. This amounts approx. 80% of the asset (having been assessed). The results of the assessment are shown in the below table. Approx. 10% falls into the poor or very poor category.

A CCTV inspection programme is underway to verify the condition of the gravity drainage elements of the network. While relatively young by Aotearoa New Zealand standards, portions of the network are now ‘mature’. The 1970s was the decade with the greatest installation length.



**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

The network generally delivers as per expectations – it accepts stormwater and conveys it away. A characteristic of the stormwater system for the towns of Whakatāne and Edgecumbe is that they are protected by stopbanks from the Whakatāne and Rangitāiki rivers. The stopbanks incorporate a series of floodgates and pumps. These protective flood schemes are generally under the control of the BOP Regional Council. To ensure the successful interface between District and Regional schemes and assets it is necessary to ensure very close operational linkages between the two organisations. Previous flood events have tested these linkages, generally with very positive outcomes.

The table below shows the condition profile for piped assets following an exercise into asset condition. Note that in 2019, the Council carried out a condition assessment and capacity assessment of all the critical stormwater pump stations in the district. The results of that assessment are not reflected on the table at this time.

**Stormwater supply asset condition profile**

Asset Type	Very good (1)	Good (2)	Moderate (3)	Poor (4)	Very poor (5)	Unknown Condition	Total
Gravity mains (metres)	15,453	23,141	32,203	9,413	0	19,417	99,627
Rising mains (metres)	287	540	28	0	0	611	1,466
Drains/channels (metres)	103	0	0	80	0	20,855	21,038
Pump Stations (each)	0	0	0	0	0	19	19
Ponds / storage (each)	0	0	0	0	0	12	12
Floodgates (site)	0	0	0	0	0	45	45

**Table - Stormwater linear asset condition profile**

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

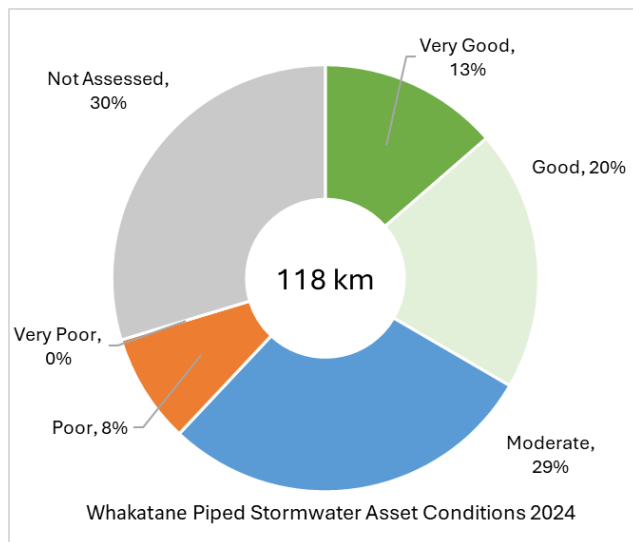


Figure – Stormwater piped assets condition ratings.

**Critical Assets**

The selection criteria for stormwater critical assets include size and functionality of assets as set out in Table below. In the future it may be possible to also add criteria for significant environmental impact or significant, specific vulnerability.

Critical asset selection criteria

Asset Type	Description of criteria	Base Approach Rating
Pipes	<ul style="list-style-type: none"> <li>✓ Less than 150mmØ</li> <li>✓ 150mmØ to 600mmØ</li> <li>✓ Greater than 600mmØ</li> </ul>	Low (1) Medium (3) High (5)
Open drains/ channels, stream and watercourse banks	Minor drains/channels Medium drains/channels, minor stream and watercourse banks Large drains/channels, all other stream and watercourse banks	Low (1) Medium (3) High (5)

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

Stormwater outlets	Stormwater outlet to 'dry' stream/watercourse Stormwater outlet to 'wet' stream/watercourse	Low (1) High (5)
Storage pond/ retention dams	Dry Wet	Low (1) High (5)
Manholes	Manholes on critical pipes (pipes greater than 600mmØ) All other manholes	High (5) Low (1)
Floodgates	Floodgates at 'dry' locations Floodgates at 'wet' locations	Low (1) High (5)
Pump stations	All	High (5)

Table - Critical asset selection criteria - stormwater

**Asset renewal**

Stormwater drainage assets differ from drinking and wastewater assets in that they are predominately concrete. Concrete is generally robust with a long lifespan. The manholes, junctions and sump connections are often of very poor quality however requiring more frequent renewal. The open drain network requires ongoing maintenance rather than traditional renewal. Floodgates and pumping facilities require both frequent inspection and maintenance and renewal.

Asset renewal programmes are prepared following a number of criteria, including:

- The base life of the assets – from the asset management system
- The maintenance history and expenditure – from the asset management system and Council's request for service (RFS) system
- The condition assessment of assets – routine inspections, pipe sampling, CCTV assessment, visual inspection, etc.
- Applying a risks-based approach – criticality of the asset, public safety.
- External factors such as:
  - Natural disaster events
  - Opportunistic working with other council department programmes i.e. transportation renewal programme, places and open spaces
  - Third-party works i.e. Bay of Plenty Regional Council, telecommunications, power
  - Regulatory requirements (i.e. safety improvement)
  - Construction and installation defects.
  - Aggressive soils / environment etc.

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

**Asset summary**

Asset data confidence and asset reliability information have been developed for various asset classes and are detailed within the stormwater asset management plan.

**Asset Age**

The indicative age of the assets is shown below; also showing the associated scheme. As can be seen the peak decade for stormwater installation was the 1970s. This places it midway between the drinking water asset (youngest) and the wastewater asset (oldest). The middle child.

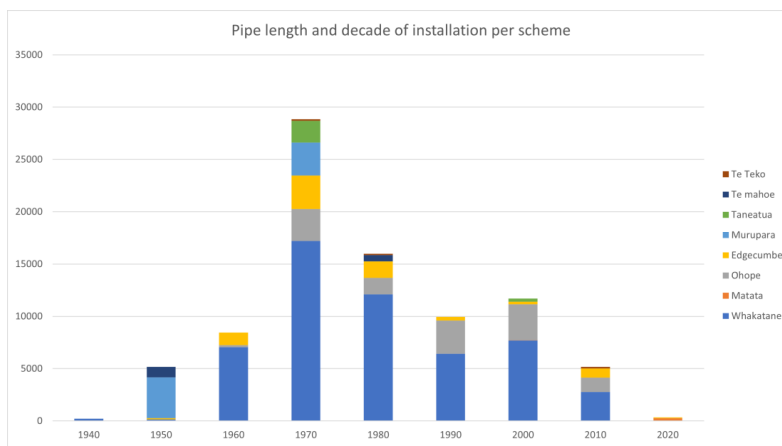


Table X – Age profile of piped stormwater asset

**Infrastructure level of service (LoS) – Stormwater**

There is a suite of measures used to score the level of service delivered by storm water schemes. These include flooding events, habitable floors flooded, complaints, customer satisfaction, responsiveness to callouts, issue resolution times, infringement/enforcement/conviction events.

The level of service material below has been sourced from the 22-23 Annual Report. As can be seen all measures were achieved for 2022/23. Aiding this level of compliance is the fact that the district managed to substantially avoid events such as cyclone Gabrielle during the year.

6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)

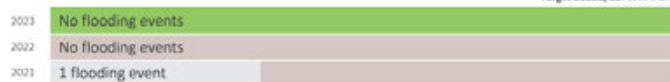
The material below has been sourced from the 22-23 Annual Report

How we performed *Ā mātau mahi*

Performance measures (how we will measure our service delivery)

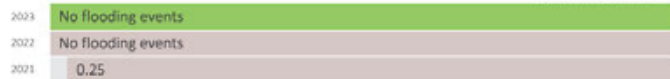
Number of flooding events\* in the district.

Target 2022/23: Less than 3



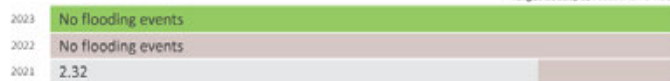
For each flooding event\*, the number of habitable floors affected (per 1,000 properties connected to the Council's stormwater system) (M).

Target 2022/23: Less than 10



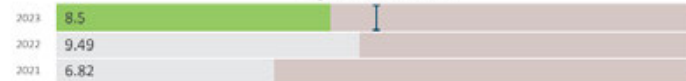
Median response time to attend a flooding event\* (M).

Target 2022/23: Less than 3 hours



The number of complaints received about the performance of the stormwater system, expressed per 1,000 properties connected to the Council's stormwater system (M).

Target 2022/23: Less than 10



Note: The 2022 and 2021 previous year results have been restated from 11.57 and 2.03 to better align with the DIA performance measure guidelines. This change in calculation has seen Council include complaints where we have found no problem on inspection of the complaint, and calculate the number of connections by rating system. The number of properties connecting to the stormwater system as of 1 July 2022 was 10,435.

The process used by the Council's afterhours call centre service did not allow all calls to be recorded and classified as required by the Non-Financial Performance Measures Rules 2013. In respect of calls received by the afterhours call centre service, Council were not able to determine the volume of calls received, nor the classification in respect of events with multiple calls.

LEGEND Not comparable against target (grey circle) Achieved (green circle) Not achieved (red circle) Target value indication (blue vertical line)

(M) - This performance measure is mandatory for all Councils to report on, set under the Non-Financial Performance Measures Rules 2013 in accordance with section 26.1b of the Local Government Act 2002.

\*The DIA requires results for these measures to be presented according to the following definitions:

'Flooding event' - an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor. 'Stormwater system' - the pipes and infrastructure (excluding roads) that collect and manage rainwater run-off from the point of connection to the point of discharge.

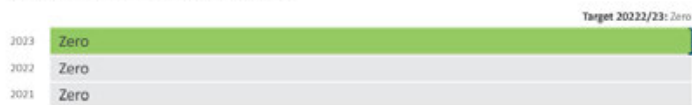
Figure – Stormwater Performance Measures - Extracted from WDC 22-23 Annual Report

6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)

How we performed *Ā mātau mahi*

Performance measures (how we will measure our service delivery)

Number of infringement notices received by the Council in relation to the resource consents for discharge from our stormwater system (M).



Number of enforcement orders received by the Council in relation to the resource consents for discharge from our stormwater system (M).



Number of convictions received by the Council in relation to the resource consents for discharge from our stormwater system (M).

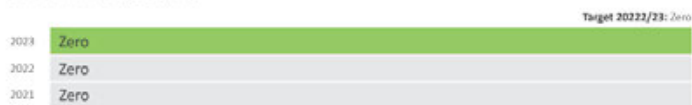
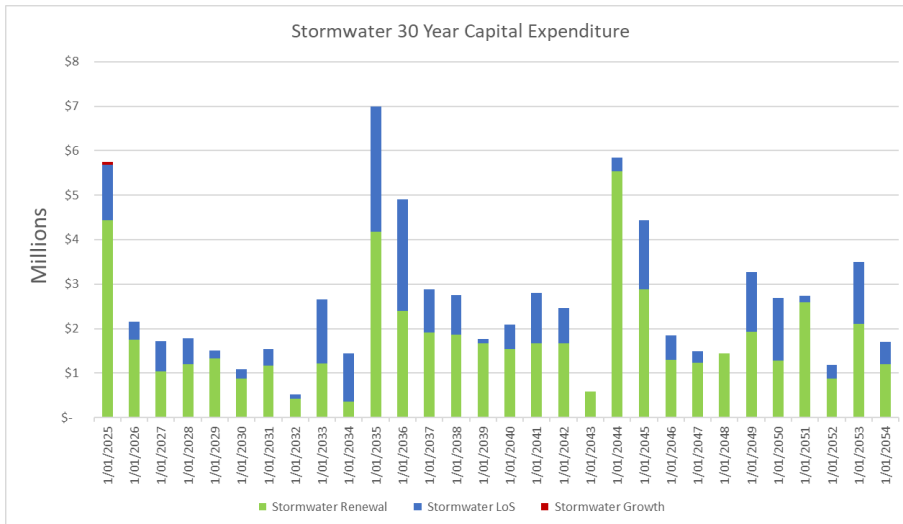


Figure – Stormwater Performance Measures - Extracted from WDC 22-23 Annual Report

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

**Capital expenditure**

The chart below shows the capital expenditure for the Stormwater Activity during the 30-year period.



**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)****Wastewater****Overview of this activity**

Council is responsible for the collection, conveyance, treatment and disposal of wastewater, where a community wastewater scheme exists.

This activity collects, treats and disposes of wastewater in a safe and sustainable way that protects public health and doesn't compromise ecosystems.

Further information about this Activity, including level of service performance measures, can be found in the 'Our Groups of Activities' section of this Long Term Plan.

**Key focus**

Maintaining the current system, expanding schemes to other communities and renewing resource consents.

**Summary context**

There are six wastewater schemes covering with 8992 customer connections covering 1,690 hectares of land which provide wastewater services within the urban and residential areas of Whakatāne, Edgecumbe, Tāneatua, Ōhope, Te Mahoe and Murupara.

**Asset condition**

The condition of the piped wastewater network has been largely assessed. This amounts to between 95% and 100% of the asset (having been assessed) depending on asset type. The results of the assessment are shown below in Table X. Between zero and 14% falls into the poor or very poor category depending on the different asset types.

The network generally delivers as per expectations – it accepts wastewater and conveys it away. Treatment plants are variants of simple oxidation ponds, have not been condition assessed and are nearing the end of their consented lives. Treatment plant upgrades are typically structured around consenting processes for the various waste streams – liquid, solid and odour.

In 2020, the Council also carried out a desktop condition assessment of wastewater piped assets (mains only) based on the remaining useful life and pipe material. The assessment was based on actual pipe sample data from both Council pipe network and within the region as well as deterioration modelling. The assessment is being used by the Council to prepare asset condition assessment programs for piped assets.



**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

Asset Type	Very good (1)	Good (2)	Moderate (3)	Poor (4)	Very poor (5)	Unknown Condition	Total
Gravity mains (metres)	43,321	57,794	72,881	23,651	307	10,268	<b>206,788</b>
Outfall (metres)	52	2,199	2,664	800	0	5	<b>5,720</b>
Rising mains (metres)	19,166	9,748	5,194	835		2,224	<b>37,167</b>
Pump Stations (each)						55	<b>55</b>
Treatment Plants (each)						6	<b>6</b>

Table – Wastewater asset condition profile

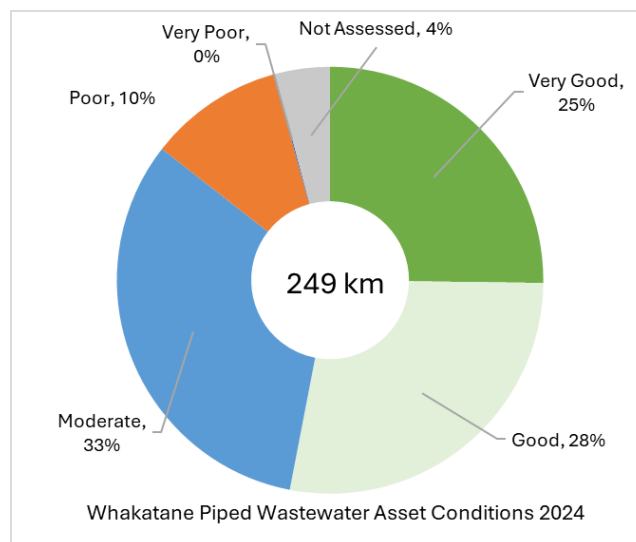


Figure – Wastewater piped assets condition ratings.

**Critical Assets**

The selection criteria for wastewater critical assets include size and functionality of assets as set out in the table below. In the future it may be possible to also add criteria for significant environmental impact or significant, specific vulnerability.

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

Critical asset selection criteria

Asset Type	Description of criteria	Base Approach Rating
Pipes	<ul style="list-style-type: none"> <li>✓ Less than 250mmØ</li> <li>✓ 250mmØ to 375mmØ</li> <li>✓ Greater than 370mmØ</li> <li>✓ All rising mains</li> <li>✓ Outfall mains</li> <li>✓ Potential pipe failures which may cause significant social, environmental or economic impact</li> </ul>	<p>Low (1)</p> <p>Medium (3)</p> <p>High (5)</p> <p>High (5)</p> <p>High (5)</p> <p>High (5)</p>
Treatment plants/oxidation ponds	All	High (5)
Manholes	<p>Manholes on critical pipes (pipes greater than 375mmØ)</p> <p>All other manholes</p>	<p>High (5)</p> <p>Low (1)</p>
Pump stations	<p>Wastewater pump stations without resilience (i.e. backup alternative power supply, by-pass pumping arrangement)</p> <p>Wastewater pump stations with resilience (i.e. backup alternative power supply, by-pass pumping arrangement)</p>	<p>High (5)</p> <p>Medium (3)</p>

**Asset renewal**

Asset renewal programmes are prepared following a number of criteria, including:

- The base life of the assets – from the asset management system
- The maintenance history and expenditure – from the asset management system and Council’s request for service (RFS) system
- The condition assessment of assets – routine inspections, pipe sampling, CCTV assessment, visual inspection, etc.
- Applying a risks-based approach – criticality of the asset, public safety.
- External factors such as:
  - Natural disaster events
  - Opportunistic working with other council department programmes i.e. transportation renewal programme, places and open spaces
  - Third-party works i.e. Bay of Plenty Regional Council. telecommunications, power
  - Regulatory requirements (i.e. safety improvement)
  - Construction and installation defects.
  - Aggressive soils / environment etc.

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

**Asset summary**

Asset data confidence and asset reliability information have been developed for various asset classes and are detailed within the wastewater asset management plan.

**Asset Age**

The indicative age of the assets is shown below; also showing the associated scheme. As can be seen the peak decade for wastewater asset installation was the 1960s. This is older than the drinking water or stormwater assets.

2023 wastewater Data:

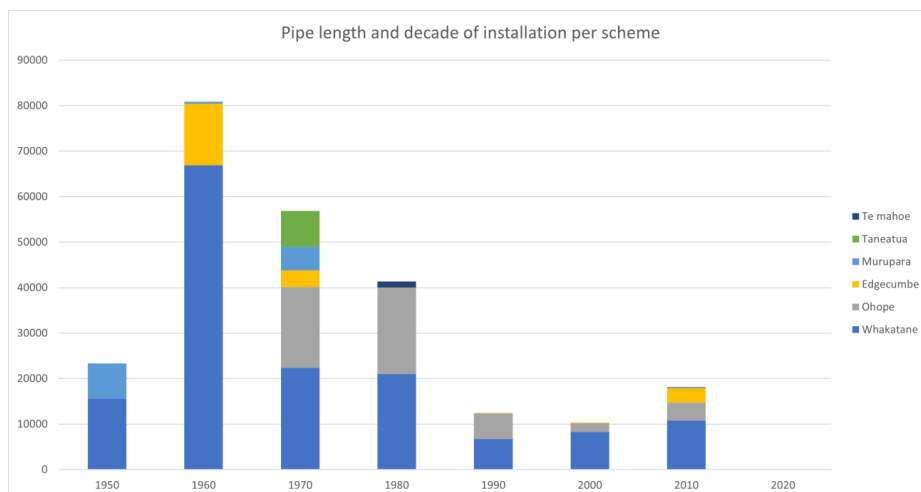


Figure – Age profile of wastewater piped asset.

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

**Infrastructure level of service (LoS) – Wastewater**

There is a suite of measures used to score the level of service delivered by wastewater networks. These include complaints, customer satisfaction, responsiveness to callouts, issue resolution times, dry weather overflows and abatement/infringement/enforcement/conviction events.

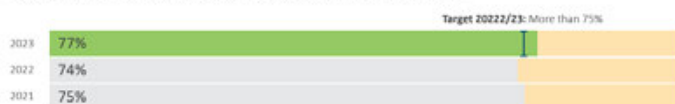
The level of service material below has been sourced from the 22-23 Annual Report. As can be seen all measures were achieved for 2022/23.

Note that adherence to consent conditions is measured outside this framework. For 2022/23 there were instances of not meeting consent conditions.

**How we performed *Ā mātau mahi***

**Performance measures (how we will measure our service delivery)**

Satisfaction with the sewage system for areas supplied by the Council.



Note: Margin of error 4%.

Total number of complaints received per 1,000 connections about any of the following:

- sewage odour
- sewerage system faults
- system blockages
- the Council's response to any of these issues (M).



Note: The 2022 and 2021 previous year results have been restated from 9.42 and N/A\* to better align with the OIA performance measure guidelines. This change in calculation has seen Council include complaints where we have found no problem on inspection of the complaint, and calculate the number of connections by rating system. Total number of connections as of 1 July 2022 was 12,557.

\*The method of restatement has enabled a comparative to be calculated for 2021.

The process used by the Council's afterhours call centre service did not allow all calls to be recorded and classified as required by the Non-Financial Performance Measures Rules 2013.

In respect of calls received by the afterhours call centre service, Council were not able to determine the volume of calls received, nor the classification in respect of events with multiple calls.

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

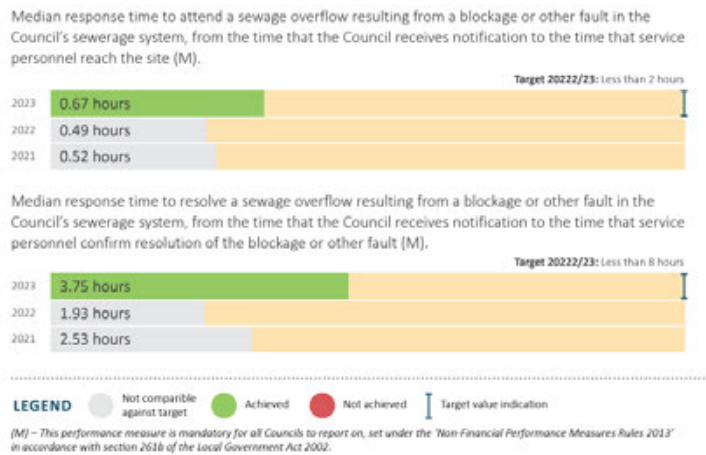


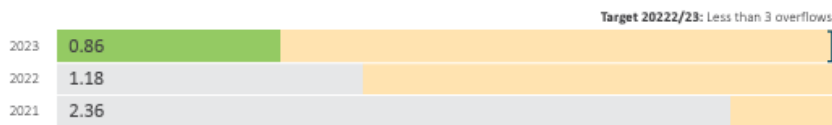
Figure – Wastewater Performance Measures - Extracted from WDC 22-23 Annual Report

6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)

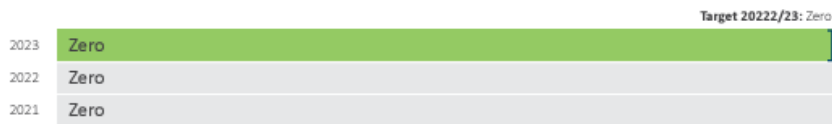
How we performed *Ā mātau mahi*

Performance measures (how we will measure our service delivery)

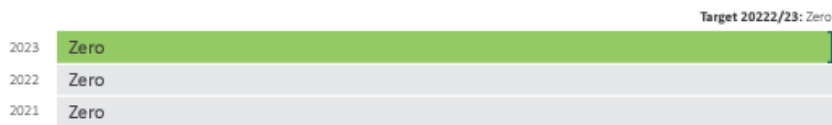
Number of dry weather sewage overflows from the Council's sewerage system per 1,000 connections to that sewerage system (M).



Number of abatement notices received by the Council in relation to the resource consents for discharge from our sewerage systems (M).



Number of infringement notices received by the Council in relation to the resource consents for discharge from our sewerage systems (M).



Number of enforcement orders received by the Council in relation to the resource consents for discharge from our sewerage systems (M).



Number of convictions received by the Council in relation to the resource consents for discharge from our sewerage systems (M)

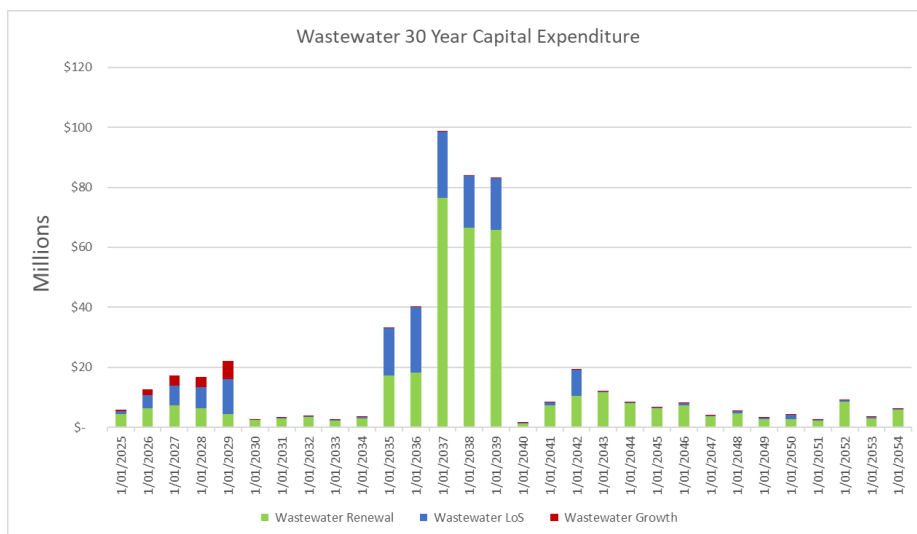


Figure – Wastewater Performance Measures - Extracted from WDC 22-23 Annual Report

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

Capital expenditure

The chart below shows the capital expenditure for the Wastewater Activity during the 30 year period.



**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)****Transport Connections****Overview of this activity**

Council provides and manages a safe, integrated and efficient transport system for Whakatāne including provision for private vehicles, freight, public transport, walking, cycling and pedestrians. Council also manages on-street and off-street parking facilities.

This group of activities aims to provide a safe, reliable and sustainable transport system that is accessible to everyone and caters to a variety of transport choices including increasingly for pedestrians, cyclists and the mobility impaired. We aim to deliver a well-functioning transport system that keeps people and places connected, supports a vibrant economy, and allows for the efficient day-to-day running of communities.

The transport maintenance and renewals programme also gives Council the opportunity to optimise assets, where appropriate, and to support Council's environmental protection and climate change initiatives.

Council works closely with Waka Kotahi NZ Transport Agency on the future planning and investment of the transport system, including the continued monitoring of population growth and development demands.

Further information about this Group of Activities, including level of service performance measures, can be found in the 'Our Groups of Activities' section of this Long Term Plan and within the Transportation Activity Management Plan.

**Key focus**

Continue to manage and operate the transport network while focusing on alternative modes of transport and road safety (Road to Zero) in line with Waka Kotahi NZ Transport Agency priorities.

**Summary context**

The transport system is made up of:



6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)



Critical Assets

Council’s transport system is classified using the Waka Kotahi ‘One Network Framework’ (ONF), in terms of the function-specific roads needed to deliver within the district’s transport system. The ONF also has clear performance measures for each classification that the Council takes into account through asset management planning and investment.

Examples of critical assets being our arterial routes; Thornton Road, Landing Road, Commerce St, Gorge Road, Ōhope Road, Pohutukawa Ave, Wainui Road and supporting state highways.

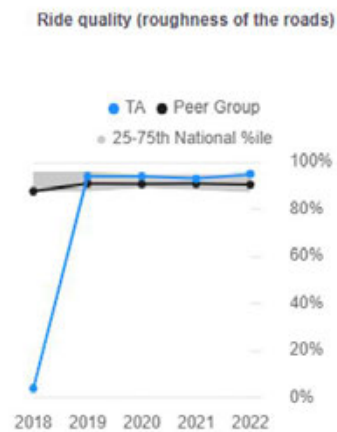
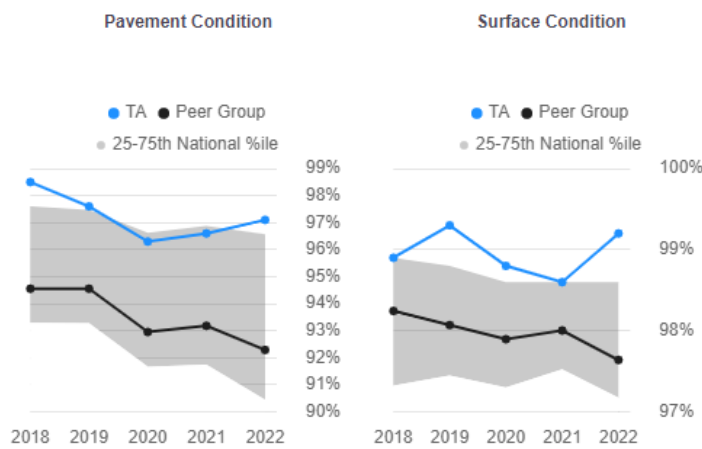
Asset condition

**Pavements and Surfacing: Good**

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

Three principal measures are used to monitor and benchmark pavement and surfacing condition at a network level. These are:

1. Pavement Condition Index. This combines a range of condition and fault data to indicate the overall performance of the structural base layers of the road.
2. Surface Condition Index. This combines a range of condition and fault data to indicate the overall performance of the surfacing layers of the road.
3. Smooth Travel Exposure. This calculates the percentage of travel on smooth roads (defined as road roughness below a prescribed value for different road classes). It is a proxy for user experience.



**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

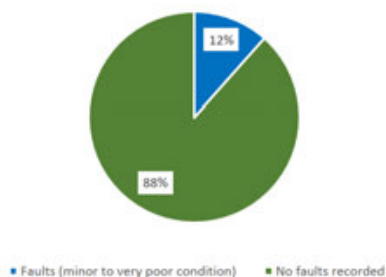
There is an anomaly in the pavement data. PCI and SCI had both shown a declining trend for some years, then in the current year there has been an apparent large improvement. The high speed data indicates a significant improvement in rutting and shoving; however, this does not align with observation of the network which visibly shows increasing rutting and shoving.

Condition rating also shows increasing potholes, edgebreak, and cracking which is consistent with observed changes. A change in rutting and shoving of the extent indicated implies a significant investment in pavement renewals, which has not occurred. Rutting and shoving are a significant component of SCI and PII and has potentially impacted these measures.

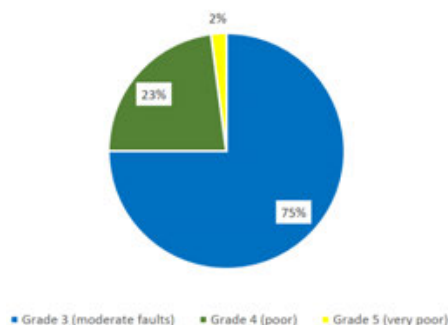
**Footpaths and Cycleways: Good**

- **Indicator:** 88% of footpath sections record no faults. Only 3% of total footpath sections record grade 4 (poor) or 5 (very poor) faults.

Portion of footpath network with faults recorded 2023 survey



Extent of faults recorded



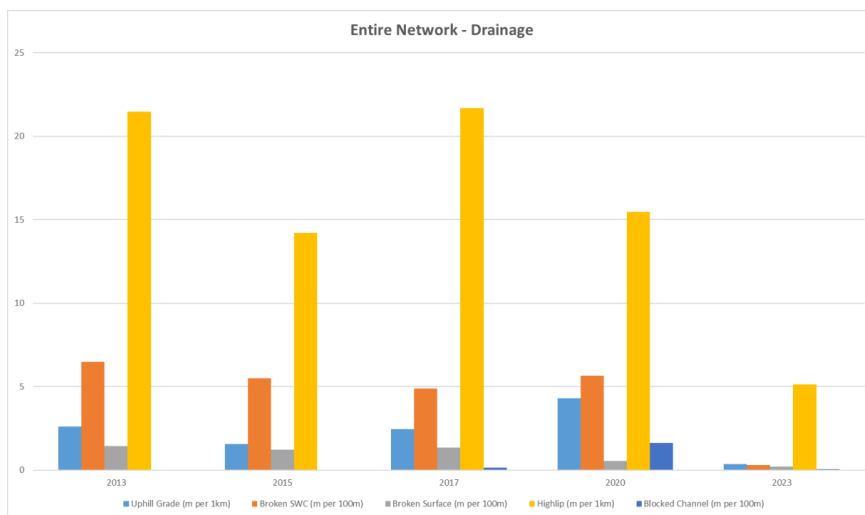
**Bridges and Structures: Good**

- **Indicator:** Three bridges (out of 157 total) posted below class 1 or 50MAX (restricted loading), affecting one percent of the network. Zero bridges require replacing in the 10 year programme.
- **Indicator:** Two retaining walls (out of 287 total) require replacing in the 10-year programme.

**Drainage: Good**

The figure below shows condition rating results for the previous 10 years from full network surveys. The results of an increased focus on drainage maintenance over the previous two LTP periods (2018 – 2024) can be seen.

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**



**Traffic Services: Good**

- **Indicator:** 99 percent of signs rate at grade 3 (good/moderate faults) or better. 95 percent of rails rate at grade 3 (good/ moderate faults) or better
- **Indicator:** Streetlights: Recently completed LED replacement programme for 100 percent of the network.

Rating	Description of Condition
1. Excellent condition	No faults
2. Very good	Minor faults
3. Good	Moderate faults
4. Poor	Significant faults
5. Very Poor	Failed

**Customer levels of service (LoS) – Transport Connections**

The benefits and measures associated with delivery of the transport activity are described in the tables below. This is currently a work in progress with the recent change from the One Network Road Classification (ONRC) Framework to the new One Network Framework (ONF) as per the NZ Transport

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

Agency Waka Kotahi direction. An improvement item is included in our Transport Activity Management Plan, Improvement Plan section, to determine methods for capturing current performance, trend, and benchmarking for these new measures.

**Pavements**

Benefits	Measures	Measure Description	ILM ?	Target	Current Performance	Trend	Benchmarking
Improved environmental performance	9.1.1 Resource Efficiency	Proportion of sustainable & recycled materials	Y	Increasing			
		Waste minimisation	Y	Improving			
	9.1.2 Embodied carbon	Tonnes of CO2 equivalents emitted		Decreasing			
A resilient, future-proofed transport system	4.1.1 Availability of alternative to high risk/impact routes	Percentage of high-risk & high-impact routes with a viable alternative	Y	Increasing			
	4.1.2 Level of service & risk	Percentage of network assessed as having a major or extreme risk rating		Decreasing			
Improved accessibility, connectivity, and travel reliability	5.2.6 Access to key economic and social destinations - all modes	Proportion of population living within travel threshold of economic opportunities by different modes	Y	Increasing			
	5.1.4 Temporal availability - road	Number & duration of resolved road closures		Decreasing			
	2.1.1 Access - perception	Perception of safety & ease of walking & cycling	Y	Improving			
Increased user health and safety	1.1.3 Deaths and serious injuries	Number of deaths & serious injuries	Y	Decreasing			
	1.2.1 Road assessment rating	Infrastructure risk rating		Improving			

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

**Structures**

Benefits	Measures	Measure Description	ILM ?	Target	Current Performance	Trend	Benchmarking
Improved environmental performance	9.1.1 Resource Efficiency	Proportion of sustainable & recycled materials	Y	Increasing			
		Waste minimisation	Y	Improving			
	9.1.2 Embodied carbon	Tonnes of CO2 equivalents emitted		Decreasing			
A resilient, future-proofed transport system	4.1.1 Availability of alternative to high risk/impact routes	Percentage of high-risk & high-impact routes with a viable alternative	Y	Increasing			
	4.1.2 Level of service & risk	Percentage of network assessed as having a major or extreme risk rating		Decreasing			
Improved accessibility, connectivity, and travel reliability	5.2.6 Access to key economic and social destinations - all modes	Proportion of population living within travel threshold of economic opportunities by different modes	Y	Increasing			
	5.1.4 Temporal availability - road	Number & duration of resolved road closures		Decreasing			
	2.1.1 Access - perception	Perception of safety & ease of walking & cycling	Y	Improving			
Increased user health and safety	1.1.3 Deaths and serious injuries	Number of deaths & serious injuries	Y	Decreasing			
	1.2.1 Road assessment rating	Infrastructure risk rating		Improving			

**Drainage**

Benefits	Measures	Measure Description	ILM ?	Target	Current Performance	Trend	Benchmarking
Improved environmental performance	9.1.1 Resource Efficiency	Proportion of sustainable & recycled materials	Y	Increasing			
		Waste minimisation	Y	Improving			
	9.1.2 Embodied carbon	Tonnes of CO2 equivalents emitted		Decreasing			
A resilient, future-proofed transport system	4.1.1 Availability of alternative to high risk/impact routes	Percentage of high-risk & high-impact routes with a viable alternative	Y	Increasing			
	4.1.2 Level of service & risk	Percentage of network assessed as having a major or extreme risk rating		Decreasing			
Improved accessibility, connectivity, and travel reliability	5.1.4 Temporal availability - road	Number & duration of resolved road closures		Decreasing			

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

**Traffic Services**

Benefits	Measures	Measure Description	ILM ?	Target	Current Performance	Trend	Benchmarking
Improved environmental performance	7.2.1 Biodiversity	Roadside wilding trees and pest plants		Improving			
	9.1.1 Resource Efficiency	Proportion of sustainable & recycled materials	Y	Increasing			
		Waste minimisation	Y	Improving			
9.1.2 Embodied carbon	Tonnes of CO2 equivalents emitted	Y	Decreasing				
Improved accessibility, connectivity, and travel reliability	2.1.1 Access - Perception	Perception of safety & ease of walking & cycling	Y	Improving			
	5.2.6 - Access to key economic and social destinations - all modes	Proportion of population within travel threshold	Y	Increasing			
Increased user health and safety	1.1.3 - Deaths and serious injuries	Number of Deaths and serious injuries	Y	Decreasing			
	1.2.1 - Road assessment rating	Infrastructure risk rating		Decreasing			

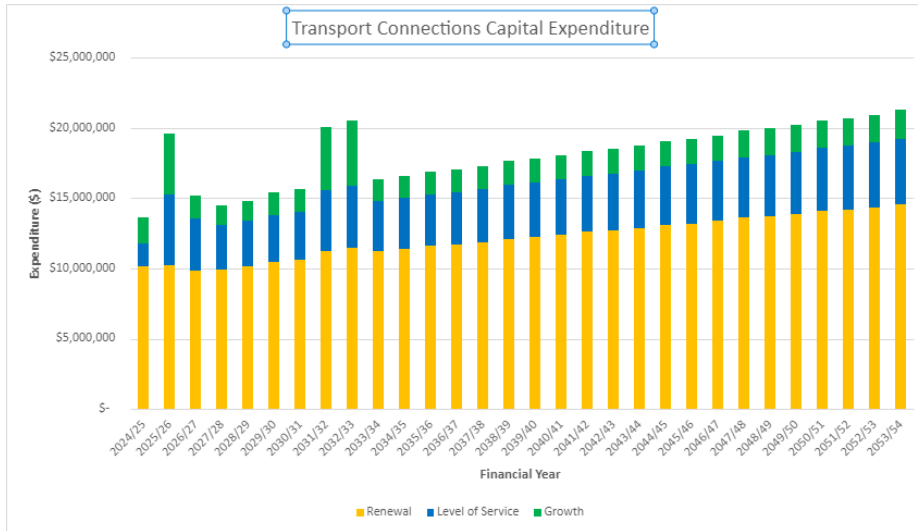
**Footpaths and Active Modes**

Benefits	Measures	Measure Description	ILM ?	Target	Current Performance	Trend	Benchmarking
Improved environmental performance	8.1.1 Greenhouse gas emissions	Tonnes of CO2 equivalents emitted	Y	Improving			
Facilitating economic regeneration & responding to development pressures	10.2.3 Spatial coverage - cycle lanes and paths	Percent completion of the strategic cycling network	Y	Increasing			
Improved accessibility, connectivity, and travel reliability	2.1.1 Access - Perception	Perception of safety & ease of walking & cycling	Y	Improving			
	10.2.1 People - mode share	Number of pedestrians, cyclists, PT boardings and motor vehicles x PPV		Increasing			
Increased user health and safety	1.1.3 - Deaths and serious injuries	Number of Deaths and serious injuries vulnerable users	Y	Decreasing			
	3.1.1 Physical health benefits from active modes	TBA		Improving			

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

**Capital expenditure.**

The chart below shows the capital expenditure for the Transport Activity during the 30 year period.





**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)****Part D: Financial Forecasts****Overall expenditure summary**

This section summarises the total capital and operational expenditure forecast for each infrastructure activity over the next 30 years, as proposed through this strategy. Council has included the four infrastructure activities that require significant investment and delivery including drinking water supply, wastewater, stormwater and transport connections.

This strategy is based on best information available at this time; however, the strategy will be updated in three years alongside the 2027-37 Long Term Plan. Decisions regarding major infrastructure projects will be considered in line with the 'dates decisions required' information within this strategy.

**Balancing the work programme against cost and capacity**

The strategy has a focus on investment in three waters infrastructure, predominantly wastewater and drinking water activities to ensure Council achieves compliance, delivers security and resilience of networks, meets agreed levels of service and standards, plans for increased demand through population growth and development and manages the impact on our environment.

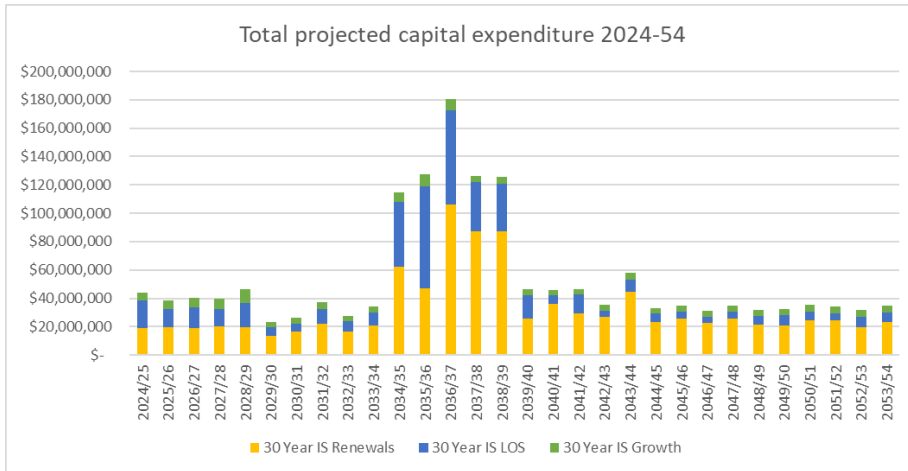
Over the next 30 years, there are a number of significant challenges and decisions required to deliver the overall plan. Addressing all of these challenges will require significant planning and investment. Council will need to ensure that we balance affordability with the delivery of essential services and prioritise critical improvements that will enhance the district and help achieve our vision and communities' aspirations.

Ensuring that Council is able to deliver on the programme of works is another key consideration. Council is taking steps to develop and deliver an achievable work program. This includes prioritising the work programme, sequencing projects, building capacity within Council, managing our project pipeline, having a long-term view of rates and debt, and staying flexible.

**Total projected capital expenditure 2024-2054**

This graph shows the expected expenditure year-on-year up to 2054 by the main cost driver for projects (asset renewal, Level of service change or growth).

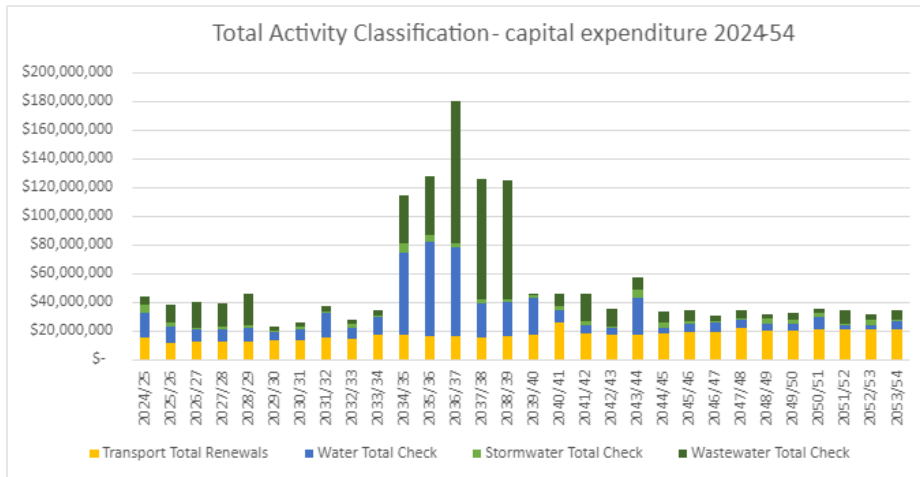
**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**



**Projected infrastructure capital expenditure by activity classification 2024-2054**

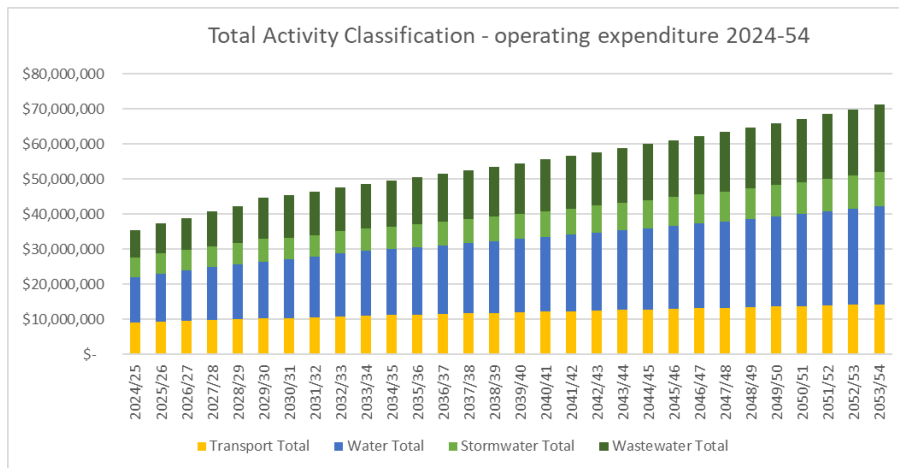
This graph shows expected capital expenditure year-on-year up to 2054 by infrastructure activity area classification (i.e. for transport, water, wastewater, and stormwater).

6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)



Projected operational expenditure by activity classification 2024-2054.

This graph shows expected operating expenditure year-on-year up to 2054 by infrastructure activity area classification (i.e. for transport, water, wastewater, and stormwater).



**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

**Significant assumptions**

The Infrastructure Strategy has been prepared using the following assumptions, which are consistent with the significant forecasting assumptions for the Long Term Plan 2024-34.

**Draft Significant Forecasting Assumptions: Long Term Plan 2024-34**

In order to prepare a work plan and budget for the next ten years, we need to make a number of assumptions. While things might not happen as we have assumed, we need to plan our costs and activities based on what we think is the most likely scenario. Over the next ten years, actual events may differ substantially from these assumptions. If this occurs, the result may be a significant change in costs and our work plan. This document lists the assumptions that we have made to inform the development of the Long Term Plan 2024-34. It also identifies the level of uncertainty and risk associated with the assumption we have made, and how we are mitigating the risk. In addition to the assumptions below, we have also made some assumptions about the expected lives and future replacement of significant assets. Further information on these assumptions can be found as part of the draft LONG TERM PLAN Financial Information.

*Pandemic*

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential Effect on the financial estimates (if assumption is incorrect)
<p><b>Pandemic</b></p> <p>We make this assumption because in the recent past the COVID-19 pandemic has significantly disrupted our district, communities, economy, and Council service delivery. The disruption and the need for subsequent response and recovery has</p>	<p>For the purposes of planning and budgeting our work over the next ten years, we have made the assumption that a pandemic will not result in significant disruptions that would impact our ability to provide our services.</p> <p>We have not forecast any additional demand for Council services and facilities as a direct result of a pandemic. We have also not forecast any reduction in revenue resulting from a pandemic.</p> <p>There continues to be the possibility that future pandemic events could impact our ability to access the materials or labour we need for key projects. We have assumed that we will be able to deliver the projects set in the Long Term Plan, but this would need to be assessed on a project by project basis at the time of any future developments.</p> <p>The cost of rates for the community continues to be a key consideration through the development of the Long Term Plan, particularly given the economic implications of COVID-19.</p>	<p>Medium</p>	<p>High</p>

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

substantial financial implications for Council.			
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*People, where they live and what they will need*

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential Effect on the financial estimates (if assumption is incorrect)																																				
<p><b>Population Growth</b></p> <p>Population projections impact both the supply (rating base) and the demand for Council services.</p> <p>Population projections will affect things like how we fund the replacement of long term assets, how we manage future debt and rates, and what infrastructure we need to invest in.</p>	<p>The assumption for this Long Term Plan is that the population of the District will continue to grow as set out below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Year</th> <th style="width: 85%;">Population</th> </tr> </thead> <tbody> <tr><td>2022</td><td>38,500</td></tr> <tr><td>2023</td><td>38,800</td></tr> <tr><td>2024</td><td>39,230</td></tr> <tr><td>2025</td><td>39,665</td></tr> <tr><td>2026</td><td>40,105</td></tr> <tr><td>2027</td><td>40,550</td></tr> <tr><td>2028</td><td>41,000</td></tr> <tr><td>2029</td><td>41,276</td></tr> <tr><td>2030</td><td>41,554</td></tr> <tr><td>2031</td><td>41,834</td></tr> <tr><td>2032</td><td>42,116</td></tr> <tr><td>2033</td><td>42,400</td></tr> <tr><td>2034</td><td>42,618</td></tr> <tr><td>2038</td><td>43,500</td></tr> <tr><td>2043</td><td>44,500</td></tr> <tr><td>2048</td><td>45,300</td></tr> <tr><td>2053</td><td>46,020</td></tr> </tbody> </table> <p>Source : for 2022 and 23 : <a href="#">Subnational population estimates (TA SA2), by age and sex, at 30 June 1996-2023 (2023 boundaries) (stats.govt.nz)</a></p> <p>Source for 2024 onwards- Population Forecast – MR Cagney EBOP housing needs research. - 'Medium' assessed projections have been used. (with extrapolation for years between reference points)</p>	Year	Population	2022	38,500	2023	38,800	2024	39,230	2025	39,665	2026	40,105	2027	40,550	2028	41,000	2029	41,276	2030	41,554	2031	41,834	2032	42,116	2033	42,400	2034	42,618	2038	43,500	2043	44,500	2048	45,300	2053	46,020	Low	Low
Year	Population																																						
2022	38,500																																						
2023	38,800																																						
2024	39,230																																						
2025	39,665																																						
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2043	44,500																																						
2048	45,300																																						
2053	46,020																																						

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential Effect on the financial estimates (if assumption is incorrect)
<p><b>Population Age</b> We make this assumption because age might influence people’s ability to afford rates. The age of our community will also determine the types of services we need to provide.</p>	<p>The assumption for this Long Term Plan is that the median age of the overall population in the District will continue to rise.</p> <p>It is expected that the percentage of older people overall in our District will continue to increase while the percentage of people in the younger cohorts will decline. People aged 65+ are expected to make up 30% of the population by 2043.</p> <p>Implications of an ageing population include a changing demand for Council services, labour availability, changing housing needs and demand on health services and aged cared facilities.</p> <p>In contrast, the median age of Maori (who comprise nearly 50% of the population) is 26.3 years compared to 39.8 years for the total population. The largest cohort of Maori is aged 14 years and below which has implications for housing demand.</p>	Low	Low

*Climate Change and Natural Hazards*

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential Effect on the financial estimates (if assumption is incorrect)
<p><b>Climate Change (adaptation &amp; mitigation)</b> We make this assumption because climate change represents a threat to a range of Council infrastructure, and the wellbeing of our communities.</p>	<p>The assumption for the LONG TERM PLAN is that climate change will occur in line with the Intergovernmental Panel on Climate Change (IPCC) ‘Representative Concentration Pathways (RCP) 8.5 scenario.’</p> <p>This scenario is set out in the IPCC’s <a href="#">Climate Change 2014 Synthesis Report</a>, and represents ‘business as usual,’ with greenhouse gas emissions continuing at current rates. In this scenario, in the Bay of Plenty, mean temperature is projected to increase by 0.5-1.0°C by 2040 under RCP 8.5, except autumn is projected to warm by 1.0-1.5°C. By 2090, under RCP8.5 warming is projected to be around 2.5-3.0°C for most of the region at the annual scale (with some isolated areas projecting 3.0-3.5°C of warming, and eastern areas projecting 1.5-2.5°C of warming).<sup>1</sup></p>	Low	High

<sup>1</sup> NIWA, 2019, *Climate change projections and impacts for the Bay of Plenty Region* <<https://atlas.boprc.govt.nz/api/v1/edms/document/A3434328/content>> accessed 18/02/2021

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential Effect on the financial estimates (if assumption is incorrect)
	For more information about how climate change is likely to impact the Bay of Plenty, refer to ' <a href="#">Climate change projections and impacts for the Bay of Plenty Region.</a> '		
<p><b>Occurrence of natural hazards</b></p> <p>We make this assumption because historically natural hazard events have substantially impacted our district and communities. For Council, substantial events disrupt service delivery and work programmes, while generating new unplanned costs for response and recovery.</p>	<p>The assumption under this long term plan is that we will likely continue to face a similar, if not increased number and intensity of natural hazards than we have over the past decade. This said, as they are difficult to predict we have not assumed any natural disasters will occur in the course of this Long-term Plan. No specific funding of a natural disaster response and recovery reserve has been provided for in the financial projections cover by the 10 years of this long term plan. Some minor annual funding is set aside for storm damaged roading.</p>	Medium	High

*The Council's Mandate and Direction*

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential Effect on the financial estimates (if assumption is incorrect)
<p><b>Purpose, structure and functions of local government sector</b></p> <p>We make this assumption because no substantive policy decisions about the future structure, roles,</p>	<p>The assumption is that the purpose, structure and functions of the Local Government Sector will remain as they are.</p> <p>The Future for Local Government review (FFLG) identified how our system of local democracy needs to evolve over the next 30 years, to improve the well-being of New Zealand communities and the environment, and actively embody the treaty partnership.</p> <p>The change in government following the 2023 general elections has resulted in the repeals to substantial reforms programmes that were underway.</p> <p>Within the next ten years covered by our LONG TERM PLAN there are aspects of our service delivery that certainly could change as our role</p>	Low	Medium

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential Effect on the financial estimates (if assumption is incorrect)
functions or funding of the sector have been implemented following the Future For Local Government review (FFLG).	and obligations could change. We assume the status quo because we have no visibility or certainty on this (except some direction for 3 Waters and RMA).		
<p><b>Water Services Reform Programme</b></p> <p>Following a change in government in the 2023 general elections, the three waters reforms progressed by the previous government are being repealed. The impact of this (and assumption for this LONG TERM PLAN) is that the Long Term Plan will have to fully reinstate responsibility, planning and funding for three waters. This replaces the previous assumption that Council would retain waters services for 'up to' a two years period only.</p>	<p>The Long Term Plan will be prepared on the basis that Council retains 'ongoing' service delivery, planning and funding responsibilities for three waters. This includes across the ten year period of the Long Term Plan and 30 years of the infrastructure strategy.</p> <p>Legislation has come into effect 17 February 2024 to repeal the three waters reform legislation. Further legislation is expected in mid 2024 and 2025 providing details around streamlined requirements for establishing CCO's, structural finance tools to support financial sustainability and further regulatory changes. Assumption is that these changes will not impact LTP24-34 in years 1-3 substantially &amp; we will incorporate changes in LTP27-37.</p>	Medium	High



**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential Effect on the financial estimates (if assumption is incorrect)
<p><b>National Waste Initiatives</b></p> <p>We make this assumption because several national waste initiatives are being progressed, including the New Zealand Waste Strategy which aims to reduce emissions from waste and embed circular systems that will focus on reusing and reducing waste and litter.</p>	<p>The assumption for the Long Term Plan is that Local Government will work with Central Government to implement the strategy and the process to develop an action and investment plan. No new legislation is likely to be passed by the time the 2024-34 Long Term Plan is implemented.</p> <p>The assumption is that in relation to recycling -in the district, changes will be made to the recycling collected (prior to the Long Term Plan implementation) and Council will be implementing kerbside food waste collection and processing during the term of the LONG TERM PLAN.</p>	<p>Low</p>	<p>Low</p>
<p><b>Resource Management Act</b></p> <p>We make this assumption because Council has received a letter in early 2024 from the Minister Responsible for RMA Reform, Hon Chris Bishop, advising us of the Government’s planned RMA reforms. These reforms follow on from the repeal of the Natural and Built Environment Act and the Spatial Planning Act in late 2023.</p>	<p>The assumption for this Long Term Plan is this activity will remain with Council and that the Resource Management Act (RMA) will be amended to introduce a permanent fast-track consenting process for locally, regionally and national significant infrastructure projects. Following this amendment work will begin on the new resource management laws based on the enjoyment of property rights.</p> <p>There will also be changes to the National Policy Statement for Freshwater Management (NPS-FM) including changes to the hierarchy of obligations in the short term and a review and replacement of the NPS-FM later in the parliamentary term.</p> <p>The timing of the reforms and the scope of the interim changes to the RMA and NPS-FM are such that we do not anticipate that significant changes will need to be made to the Long Term Plan. The interim changes relate to the application of the NPS-FM which has greater implications for regional rather than district councils, while the RMA fast-track consenting changes relates to the process by which certain applications are assessed.</p> <p>The costs and timings of Council activities are not expected to be significantly affected by these. Longer term the replacement of the RMA with new resource management laws based on the enjoyment of property rights may require future amendments to the Long Term Plan however these are not likely to occur until after 2027 and can therefore be included in a future Long Term Plan.</p>	<p>Low</p>	<p>Low</p>

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential Effect on the financial estimates (if assumption is incorrect)
<p><b>Uses of Strategic Property</b></p> <p>We make this assumption because the way in which we use strategic property could materially impact our projected revenue, expenditure and asset portfolio.</p>	<p>The assumption for this Long Term Plan is that that the Property Policy, which outlines strategic property and the relevant decision making criteria, will be applied when considering whether to acquire, develop or divest of strategic property.</p>	<p>Medium</p>	<p>Low</p>

*Revenue streams*

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential Effect on the financial estimates (if assumption is incorrect)
<p><b>Rating base</b></p> <p>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 assumption for the Long Term Plan is that the rating base will increase as reflecting in the table below.</p> <p>The table shows the projected rating units for each year of the Long Term Plan. Rating unit projections</p>	<p>Low</p>	<p>Medium</p>

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential Effect on the financial estimates (if assumption is incorrect)																												
	<table border="1"> <thead> <tr> <th data-bbox="582 694 678 719">Year</th> <th data-bbox="678 694 919 719">Rating units</th> </tr> </thead> <tbody> <tr><td data-bbox="582 719 678 770">2022</td><td data-bbox="678 719 919 770">17,039</td></tr> <tr><td data-bbox="582 770 678 822">2023</td><td data-bbox="678 770 919 822">17,081</td></tr> <tr><td data-bbox="582 822 678 873">2024</td><td data-bbox="678 822 919 873">17,308</td></tr> <tr><td data-bbox="582 873 678 925">2025</td><td data-bbox="678 873 919 925">17,538</td></tr> <tr><td data-bbox="582 925 678 976">2026</td><td data-bbox="678 925 919 976">17,771</td></tr> <tr><td data-bbox="582 976 678 1028">2027</td><td data-bbox="678 976 919 1028">17,975</td></tr> <tr><td data-bbox="582 1028 678 1079">2028</td><td data-bbox="678 1028 919 1079">18,181</td></tr> <tr><td data-bbox="582 1079 678 1131">2029</td><td data-bbox="678 1079 919 1131">18,303</td></tr> <tr><td data-bbox="582 1131 678 1182">2030</td><td data-bbox="678 1131 919 1182">18,426</td></tr> <tr><td data-bbox="582 1182 678 1234">2031</td><td data-bbox="678 1182 919 1234">18,549</td></tr> <tr><td data-bbox="582 1234 678 1285">2032</td><td data-bbox="678 1234 919 1285">18,674</td></tr> <tr><td data-bbox="582 1285 678 1337">2033</td><td data-bbox="678 1285 919 1337">18,799</td></tr> <tr><td data-bbox="582 1337 678 1388">2034</td><td data-bbox="678 1337 919 1388">18,898</td></tr> </tbody> </table>	Year	Rating units	2022	17,039	2023	17,081	2024	17,308	2025	17,538	2026	17,771	2027	17,975	2028	18,181	2029	18,303	2030	18,426	2031	18,549	2032	18,674	2033	18,799	2034	18,898		
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<p><b>Rating revenue realisation</b> We make this assumption because rates is the most substantial and consistent portion of revenue to fund Council services. The realisation of revenue may be impacted by levels of affordability and/or willingness to pay</p>	<p>The assumption in this Long Term Plan is that rates arrears and defaults will be in keeping with historical levels experienced in recent years.</p> <p>Much of the local government sector throughout NZ is facing the need to increase rates revenue more than historical levels, and these increases may persist over a number of years. Alongside this, inflationary cost related to other goods and services is impacted communities as are increasing mortgage interest rates. The economy is also entering a weak cycle at the time of drafting this Long Term Plan and unemployment levels (across New Zealand) are expected to rise. The combined risk is lower discretionary income for homeowners, landowners and</p>	Medium	Medium																												

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential Effect on the financial estimates (if assumption is incorrect)
	business owners. Alongside this risk is a longer term trend of overall aging in our population structure – this will result a greater portion of older population on fixed incomes. The risk is that rates costs become more challenging to meet for some property owners and we may see a greater level of rate payments in arrears/default. In other cases there may be arrears arising from a political rather than affordability position.		
<b>External funding / Subsidies</b> It is mandatory for us to make an assumption concerning sources of funds for the future replacement of significant assets and key projects.	The assumption for the Long Term Plan is that external funding/subsidies will be secured where these have been budgeted for. 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).  Substantial amount of subsidies are relating to our transport connection group of activity. We are assuming that Waka Kotahi funding assistance rates will be at 65 %.	Low	Low
<b>Revenue from fees and charges</b> We make this assumption because revenue from Fees and Charges has an ongoing impact on council budget especially when cost is not fully recovered.	The assumption for the LONG TERM PLAN is that fees and charges will be established in line with a new revenue and finance policy with a broad intent to shift from rate subsidy to a more cost recovery model.  Inflation and market rates will be considered to reflect true cost.	Low	Low
<b>Development contributions</b> We make this assumption because the Council uses development contributions to recover from developers a fair, equitable, portion of costs of capital expenditure needed to service growth.	The assumption for the Long Term Plan is that revenue from development contributions will be in line with the budget and the Development Contributions Policy.	Low	Medium

*Renewal of assets*

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Financial risk (if assumption is incorrect)
<p><b>Lifecycle of assets</b> This is a mandatory assumption under the Local Government Act.</p>	<p>The assumption is that the lifecycle of assets is as stated in the Statement of Accounting Policies in the 'Our Finances' section of this Long Term Plan, and that asset lifecycles will align with forecast and be used as the basis of depreciation.</p>	High	Medium
<p><b>Revaluation of Assets</b> This is a mandatory assumption under the Local Government Act</p>	<p>The assumption for the Long Term Plan is that revaluations will be in line with projections, and reflect ongoing assumed levels of inflation in capital costs.</p> <p>All operational assets including land, buildings, library, museum, roading and three waters infrastructure assets are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from their fair value, and at least every three years. Other assets like forestry, investment property and non-current assets held for sale as well as the derivative financial instruments are revalued annually.</p> <p>Fair value is the amount at which asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.</p>	Low	Low
<p><b>Funded depreciation / Revaluations</b> This is a mandatory assumption under the Local Government Act as a source of funding asset replacement.</p>	<p>The assumption for the Long Term Plan is that depreciation is based on correct values, and aligned to the lifecycle of assets and periodic revaluations.</p>	Medium	Medium
<p><b>Future Replacements of assets (related to below)</b> We make this assumption because we must be able to demonstrate</p>	<p>The assumption for the Long Term Plan is that assets will be replaced at the end of their useful life (based on condition and/or performance) with a 'like-for-like' equivalent except where noted in Long Term Plan.</p>	Medium	Medium

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Financial risk (if assumption is incorrect)
that we have budgeted costs prudently.			
<b>Project costs (related to above)</b> We make this assumption because we must be able to demonstrate that we have budgeted costs prudently.	The assumption for the Long Term Plan is that costs of projects and replacements have been accurately budgeted where not like for like (similar to above).	Medium	Medium
<b>Reserve levels</b> We make this assumption because if funds are not available, other mechanisms of funding must be explored, for example drawing down debt. These are not budgeted.	The assumption for the Long Term Plan is that will be managed over the ten year timeframe of the Long Term Plan and that by 2034 funding of depreciation through depreciation reserves will be sufficient to meet the renewal costs of assets. During the year where it is other indicated in our financial statement that reserves are not available is assumed that the drawing down of debt will temporarily support the cost of renewal of assets.	Medium	Medium

*Borrowing costs and inflation*

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Financial risk (if assumption is incorrect)																						
<b>Interest Rates</b> We make this assumption because this will affect the level of rates required to	The assumption for the Long Term Plan is that interest rates will be provided by PWC Treasury. <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th></th> <th>2025</th> <th>2026</th> <th>2027</th> <th>2028</th> <th>2029</th> <th>2030</th> <th>2031</th> <th>2032</th> <th>2033</th> <th>2034</th> </tr> </thead> <tbody> <tr> <td>Interest</td> <td>5.22</td> <td>4.95</td> <td>4.79</td> <td>4.92</td> <td>5.33</td> <td>5.45</td> <td>5.58</td> <td>5.73</td> <td>5.84</td> <td>5.94</td> </tr> </tbody> </table>		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Interest	5.22	4.95	4.79	4.92	5.33	5.45	5.58	5.73	5.84	5.94	High	High
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034															
Interest	5.22	4.95	4.79	4.92	5.33	5.45	5.58	5.73	5.84	5.94															

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Financial risk (if assumption is incorrect)																																																																		
service debt (and ROI).																																																																					
<p><b>Credit rating</b> We make this assumption because becoming rated is being considered, and should let Council borrow at more favourable rates, and affect the level of rates required to service debt.</p>	<p>The assumption for the Long Term Plan is that the Council will obtain a credit rating. The credit rating outcome will be known by the end of the 2024 financial year or early in the 2025 year. The LONG TERM PLAN interest expense will be calculated on the assumption that the Council is credit rated. This will affect the cost of all debt uplifted from the 2025 financial year onwards.</p>	Low	High																																																																		
<p><b>Inflation</b> We make this assumption because inflation impacts the community's ability to pay and Council's forecast expenditure.</p>	<p>There is more sensitivity to the uncertainty around inflation levels following recent economic conditions. It is assumed that inflation will be in line with BERL's 'mid' scenario, in the BERL Local Government Cost Adjustor Forecasts. The uncertainty around inflation levels is reflected in BERL releasing more than one scenario for the first time. As part of the review of financial assumptions following the release of the BERL Local Government Adjustor Forecasts we will seek to include comparatives of other council assumptions, and other economic updates such as those provided through LGFA for assumption testing.</p> <table border="1" data-bbox="347 1328 1090 1574"> <thead> <tr> <th></th> <th>2025</th> <th>2026</th> <th>2027</th> <th>2028</th> <th>2029</th> <th>2030</th> <th>2031</th> <th>2032</th> <th>2033</th> <th>2034</th> </tr> </thead> <tbody> <tr> <td>Water</td> <td>3.6</td> <td>2.5</td> <td>2.7</td> <td>2.6</td> <td>2.5</td> <td>2.3</td> <td>2.3</td> <td>2.2</td> <td>2.1</td> <td>2.1</td> </tr> <tr> <td>Roadin g</td> <td>2.9</td> <td>2.0</td> <td>2.3</td> <td>2.3</td> <td>2.2</td> <td>2.1</td> <td>2.0</td> <td>2.0</td> <td>2.0</td> <td>1.9</td> </tr> <tr> <td>Propert y</td> <td>2.3</td> <td>1.9</td> <td>2.0</td> <td>1.8</td> <td>1.8</td> <td>1.7</td> <td>1.7</td> <td>1.6</td> <td>1.6</td> <td>1.6</td> </tr> <tr> <td>Staff</td> <td>2.4</td> <td>2.2</td> <td>2.1</td> <td>2.1</td> <td>2.0</td> <td>1.9</td> <td>1.9</td> <td>1.9</td> <td>1.8</td> <td>1.8</td> </tr> <tr> <td>Other</td> <td>2.4</td> <td>2.1</td> <td>2.1</td> <td>2.0</td> <td>1.9</td> <td>1.9</td> <td>1.8</td> <td>1.8</td> <td>1.8</td> <td>1.7</td> </tr> </tbody> </table>		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Water	3.6	2.5	2.7	2.6	2.5	2.3	2.3	2.2	2.1	2.1	Roadin g	2.9	2.0	2.3	2.3	2.2	2.1	2.0	2.0	2.0	1.9	Propert y	2.3	1.9	2.0	1.8	1.8	1.7	1.7	1.6	1.6	1.6	Staff	2.4	2.2	2.1	2.1	2.0	1.9	1.9	1.9	1.8	1.8	Other	2.4	2.1	2.1	2.0	1.9	1.9	1.8	1.8	1.8	1.7	High	High
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034																																																											
Water	3.6	2.5	2.7	2.6	2.5	2.3	2.3	2.2	2.1	2.1																																																											
Roadin g	2.9	2.0	2.3	2.3	2.2	2.1	2.0	2.0	2.0	1.9																																																											
Propert y	2.3	1.9	2.0	1.8	1.8	1.7	1.7	1.6	1.6	1.6																																																											
Staff	2.4	2.2	2.1	2.1	2.0	1.9	1.9	1.9	1.8	1.8																																																											
Other	2.4	2.1	2.1	2.0	1.9	1.9	1.8	1.8	1.8	1.7																																																											

Service delivery

**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**

Assumption type and why we make it	Assumption	Level of uncertainty	Financial risk (if assumption is incorrect)
<p><b>Level of Service</b> We make this assumption because this will impact forecast expenditure.</p>	<p>The assumption for the Long Term Plan is that existing service delivery methods and levels of service will continue unless specified. While it is likely that some of our service delivery may look different over the period of the Long Term Plan, we can only budget for known changes.</p>	Low	Medium
<p><b>Staff and contractors</b> We make this assumption because staff and contractor availability impacts our ability to deliver our work programme.</p>	<p>The assumption for the Long Term Plan is that due a shortage in labour market, the Council will competing with other workplaces to attract workforces and this will need to be factored in the Long Term Plan work programme to ensure council can continue to attract staff and contractors.</p>	Low	Low

Ends



**6.2.2 Appendix 2 - Draft Infrastructure Strategy 2024-54(Cont.)**



WHAKATĀNE DISTRICT COUNCIL  
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Phone: 07 306 0500  
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SERVICE CENTRE MURUPARA  
Pine Drive, Murupara  
Phone: 07 366 5896

[whakatane.govt.nz/ltp](http://whakatane.govt.nz/ltp)



**WHAKATĀNE**  
District Council  
*Kia Whakatāne au i ahau*

**6.2.3 Appendix 3 - Draft Significant Forecasting Assumptions 2024-34**

**6.2.3 Appendix 3 - Draft Significant Forecasting Assumptions 2024-34**

6.2.3 Appendix 3 - Draft Significant Forecasting Assumptions 2024-34(Cont.)



# Draft Significant Forecasting Assumptions 2024-34

## *Te tuhinga hukihuki Mahi Matapae 2024-34*

Long Term Plan 2024-34 - Consultation  
*Te Mahere Pae Tawhiti 2024-34 - He Uiuinga*



6.2.3 Appendix 3 - Draft Significant Forecasting Assumptions 2024-34(Cont.)

## Draft Significant Forecasting Assumptions: Long Term Plan 2024-34

In order to prepare a work plan and budget for the next ten years, we need to make a number of assumptions. While things might not happen as we have assumed, we need to plan our costs and activities based on what we think is the most likely scenario. Over the next ten years, actual events may differ substantially from these assumptions. If this occurs, the result may be a significant change in costs and our work plan. This document lists the assumptions that we have made to inform the development of the Long Term Plan 2024-34. It also identifies the level of uncertainty and risk associated with the assumption we have made, and how we are mitigating the risk. In addition to the assumptions below, we have also made some assumptions about the expected lives and future replacement of significant assets. Further information on these assumptions can be found as part of the draft Long Term Plan Financial Information.

*Pandemic*

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential effect on the financial estimates (if assumption is incorrect)
<p><b>Pandemic</b></p> <p>We make this assumption because in the recent past the COVID-19 pandemic has significantly disrupted our district, communities, economy, and Council service delivery. The disruption and the need for subsequent response and recovery has substantial financial implications for Council.</p>	<p>For the purposes of planning and budgeting our work over the next ten years, we have made the assumption that a pandemic will not result in significant disruptions that would impact our ability to provide our services.</p> <p>We have not forecast any additional demand for Council services and facilities as a direct result of a pandemic. We have also not forecast any reduction in revenue resulting from a pandemic.</p> <p>There continues to be the possibility that future pandemic events could impact our ability to access the materials or labour we need for key projects. We have assumed that we will be able to deliver the projects set in the Long Term Plan, but this would need to be assessed on a project by project basis at the time of any future developments.</p> <p>The cost of rates for the community continues to be a key consideration through the development of the Long Term Plan, particularly given the economic implications of COVID-19.</p>	<p>Medium</p>	<p>High</p>

6.2.3 Appendix 3 - Draft Significant Forecasting Assumptions 2024-34(Cont.)

*People, where they live and what they will need*

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential Effect on the financial estimates (if assumption is incorrect)																																				
<p><b>Population Growth</b></p> <p>Population projections impact both the supply (rating base) and the demand for Council services.</p> <p>Population projections will affect things like how we fund the replacement of long term assets, how we manage future debt and rates, and what infrastructure we need to invest in.</p>	<p>The assumption for this Long Term Plan is that the population of the District will continue to grow as set out below:</p> <table border="1" data-bbox="715 848 1178 1507"> <thead> <tr> <th>Year</th> <th>Population</th> </tr> </thead> <tbody> <tr><td>2022</td><td>38,500</td></tr> <tr><td>2023</td><td>38,800</td></tr> <tr><td>2024</td><td>39,230</td></tr> <tr><td>2025</td><td>39,665</td></tr> <tr><td>2026</td><td>40,105</td></tr> <tr><td>2027</td><td>40,550</td></tr> <tr><td>2028</td><td>41,000</td></tr> <tr><td>2029</td><td>41,276</td></tr> <tr><td>2030</td><td>41,554</td></tr> <tr><td>2031</td><td>41,834</td></tr> <tr><td>2032</td><td>42,116</td></tr> <tr><td>2033</td><td>42,400</td></tr> <tr><td>2034</td><td>42,618</td></tr> <tr><td>2038</td><td>43,500</td></tr> <tr><td>2043</td><td>44,500</td></tr> <tr><td>2048</td><td>45,300</td></tr> <tr><td>2053</td><td>46,020</td></tr> </tbody> </table> <p>Source : for 2022 and 23: <a href="#">Subnational population estimates (TA, SA2), by age and sex, at 30 June 1996-2023 (2023 boundaries) (stats.govt.nz)</a></p>	Year	Population	2022	38,500	2023	38,800	2024	39,230	2025	39,665	2026	40,105	2027	40,550	2028	41,000	2029	41,276	2030	41,554	2031	41,834	2032	42,116	2033	42,400	2034	42,618	2038	43,500	2043	44,500	2048	45,300	2053	46,020	<p>Low</p>	<p>Medium</p>
Year	Population																																						
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2053	46,020																																						

6.2.3 Appendix 3 - Draft Significant Forecasting Assumptions 2024-34(Cont.)

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential Effect on the financial estimates (if assumption is incorrect)
	Source for 2024 onwards- Population Forecast – MR Cagney EBOP housing needs research. - 'Medium' assessed projections have been used. (with extrapolation for years between reference points)		

6.2.3 Appendix 3 - Draft Significant Forecasting Assumptions 2024-34(Cont.)

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential Effect on the financial estimates (if assumption is incorrect)
<p><b>Population Age</b></p> <p>We make this assumption because age might influence people’s ability to afford rates. The age of our community will also determine the types of services we need to provide.</p>	<p>The assumption for the Long Term Plan is that the median age of the overall population in the District will continue to rise.</p> <p>It is expected that the percentage of older people overall in our District will continue to increase while the percentage of people in the younger cohorts will decline. People aged 65+ are expected to make up 30% of the population by 2043.</p> <p>Implications of an ageing population include a changing demand for Council services, labour availability, changing housing needs and demand on health services and aged cared facilities.</p> <p>In contrast, the median age of Māori (who comprise nearly 50% of the population) is 26.3 years compared to 39.8 years for the total population. The largest cohort of Māori is aged 14 years and below which has implications for housing demand.</p>	Low	Low

*Climate Change and Natural Hazards*

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential Effect on the financial estimates (if assumption is incorrect)
<p><b>Climate Change (adaptation &amp; mitigation)</b></p> <p>We make this assumption because climate change represents a threat to a range</p>	<p>The assumption for the Long Term Plan is that climate change will occur in line with the Intergovernmental Panel on Climate Change (IPCC) ‘Representative Concentration Pathways (RCP) 8.5 scenario.’</p> <p>This scenario is set out in the IPCC’s <a href="#">Climate Change 2014 Synthesis Report</a>, and represents ‘business as usual,’ with greenhouse gas emissions continuing at current</p>	Low	High

6.2.3 Appendix 3 - Draft Significant Forecasting Assumptions 2024-34(Cont.)

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential Effect on the financial estimates (if assumption is incorrect)
of Council infrastructure, and the wellbeing of our communities.	<p>rates. In this scenario, In the Bay of Plenty, mean temperature is projected to increase by 0.5-1.0°C by 2040 under RCP 8.5, except autumn is projected to warm by 1.0-1.5°C. By 2090, under RCP8.5 warming is projected to be around 2.5-3.0°C for most of the region at the annual scale (with some isolated areas projecting 3.0-3.5°C of warming, and eastern areas projecting 1.5-2.5°C of warming).<sup>1</sup></p> <p>For more information about how climate change is likely to impact the Bay of Plenty, refer to '<a href="#">Climate change projections and impacts for the Bay of Plenty Region.</a>'</p>	Medium	High
<p><b>Occurrence of natural hazards</b></p> <p>We make this assumption because historically natural hazard events have substantially impacted our district and communities. For Council, substantial events disrupt service delivery and work programmes, while generating new unplanned costs for response and recovery.</p>	<p>The assumption under the Long Term Plan is that we will likely continue to face a similar, if not increased number and intensity of natural hazards than we have over the past decade. This said, as they are difficult to predict we have not assumed any natural disasters will occur in the course of the Long Term Plan. No specific funding of a natural disaster response and recovery reserve has been provided for in the financial projections covered by the 10 years of the Long Term Plan. Some minor annual funding is set aside for storm damaged roading.</p>	Medium	High

<sup>1</sup> NIWA, 2019, *Climate change projections and impacts for the Bay of Plenty Region* < <https://atlas.boprc.govt.nz/api/v1/edms/document/A3434328/content> > accessed 18/02/2021



6.2.3 Appendix 3 - Draft Significant Forecasting Assumptions 2024-34(Cont.)

*The Council's Mandate and Direction*

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential Effect on the financial estimates (if assumption is incorrect)
<p><b>Purpose, structure and functions of local government sector</b></p> <p>We make this assumption because no substantive policy decisions about the future structure, roles, functions or funding of the sector have been implemented following the Future For Local Government review (FFLG).</p>	<p>The assumption is that the purpose, structure and functions of the Local Government Sector will remain as they are.</p> <p>The Future for Local Government review (FFLG) identified how our system of local democracy needs to evolve over the next 30 years, to improve the well-being of New Zealand communities and the environment, and actively embody the treaty partnership.</p> <p>The change in government following the 2023 general election has resulted in the repeals to substantial reforms programmes that were underway.</p> <p>Within the next ten years covered by our Long Term Plan there are aspects of our service delivery that certainly could change as our role and obligations could change. We assume the status quo because we have no visibility or certainty on this (except some direction for 3 Waters and RMA).</p>	<p>Low</p>	<p>Medium</p>
<p><b>Water Services Reform Programme</b></p> <p>Following a change in government in the 2023 general election, the three waters reforms progressed by the previous government are being repealed. The impact of this (and assumption for this Long Term Plan) is that the Long Term Plan will have to fully reinstate responsibility, planning and funding for three waters. This replaces the previous assumption that</p>	<p>The Long Term Plan will be prepared on the basis that Council retains 'ongoing' service delivery, planning and funding responsibilities for three waters. This includes across the ten-year period of the Long Term Plan and 30 years of the infrastructure strategy.</p> <p>Legislation has come into effect 17 February 2024 to repeal the three waters reform legislation. Further legislation is expected in mid-2024 and 2025 providing details around streamlined requirements for establishing CCO's, structural finance tools to support financial sustainability and further regulatory changes. The assumption is that these changes will not impact LTP24-34 in years 1-3 substantially and we will incorporate changes in LTP27-37.</p>	<p>Medium</p>	<p>High</p>

6.2.3 Appendix 3 - Draft Significant Forecasting Assumptions 2024-34(Cont.)

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential Effect on the financial estimates (if assumption is incorrect)
Council would retain waters services for 'up to' a two years period only.			
<p><b>National Waste Initiatives</b></p> <p>We make this assumption because several national waste initiatives are being progressed, including the New Zealand Waste Strategy which aims to reduce emissions from waste and embed circular systems that will focus on reusing and reducing waste and litter.</p>	<p>The assumption for the Long Term Plan is that Local Government will work with Central Government to implement the strategy and the process to develop an action and investment plan. No new legislation is likely to be passed by the time the 2024-34 Long Term Plan is implemented.</p> <p>The assumption is that in relation to recycling -in the district, changes will be made to the recycling collected (prior to the Long Term Plan implementation) and Council will be implementing kerbside food waste collection and processing during the term of the Long Term Plan.</p>	Low	Low
<p><b>Resource Management Act</b></p> <p>We make this assumption because Council has received a letter in early 2024 from the Minister Responsible for RMA Reform, Hon Chris Bishop, advising us of the Government's planned RMA reforms. These reforms follow on from the repeal of the Natural and Built Environment Act and the Spatial Planning Act in late 2023.</p>	<p>The assumption for this Long Term Plan is this activity will remain with Council and that the Resource Management Act (RMA) will be amended to introduce a permanent fast-track consenting process for locally, regionally and national significant infrastructure projects. Following this amendment work will begin on the new resource management laws based on the enjoyment of property rights.</p> <p>There will also be changes to the National Policy Statement for Freshwater Management (NPS-FM) including changes to the hierarchy of obligations in the short term and a review and replacement of the NPS-FM later in the parliamentary term.</p> <p>The timing of the reforms and the scope of the interim changes to the RMA and NPS-FM are such that we do not anticipate that significant changes will need to be made to the Long Term Plan. The interim changes relate to the application of the NPS-FM which has greater implications for regional rather than district councils, while the RMA fast-track consenting changes relates to the process by which certain applications are assessed.</p> <p>The costs and timings of Council activities are not expected to be significantly affected by these. Longer term the replacement of the RMA with new resource management laws</p>	Low	Low

6.2.3 Appendix 3 - Draft Significant Forecasting Assumptions 2024-34(Cont.)

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential Effect on the financial estimates (if assumption is incorrect)
	based on the enjoyment of property rights may require future amendments to the Long Term Plan however these are not likely to occur until after 2027 and can therefore be included in a future Long Term Plan.		

Revenue streams

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential Effect on the financial estimates (if assumption is incorrect)
<p><b>Rating base</b> 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 assumption for the Long Term Plan is that the rating base will increase as reflecting in the table below.</p> <p>The table shows the projected rating units for each year of the Long Term Plan. Rating unit projections</p>	Low	Medium

6.2.3 Appendix 3 - Draft Significant Forecasting Assumptions 2024-34(Cont.)

Assumption type and why we make it	Assumption for this Long Term Plan		Level of uncertainty	Potential Effect on the financial estimates (if assumption is incorrect)																													
		<table border="1"> <thead> <tr> <th>Year</th> <th>Rating units</th> </tr> </thead> <tbody> <tr><td>2022</td><td>17,039</td></tr> <tr><td>2023</td><td>17,081</td></tr> <tr><td>2024</td><td>17,308</td></tr> <tr><td>2025</td><td>17,538</td></tr> <tr><td>2026</td><td>17,771</td></tr> <tr><td>2027</td><td>17,975</td></tr> <tr><td>2028</td><td>18,181</td></tr> <tr><td>2029</td><td>18,303</td></tr> <tr><td>2030</td><td>18,426</td></tr> <tr><td>2031</td><td>18,549</td></tr> <tr><td>2032</td><td>18,674</td></tr> <tr><td>2033</td><td>18,799</td></tr> <tr><td>2034</td><td>18,898</td></tr> </tbody> </table>	Year	Rating units	2022	17,039	2023	17,081	2024	17,308	2025	17,538	2026	17,771	2027	17,975	2028	18,181	2029	18,303	2030	18,426	2031	18,549	2032	18,674	2033	18,799	2034	18,898			
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6.2.3 Appendix 3 - Draft Significant Forecasting Assumptions 2024-34(Cont.)

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential Effect on the financial estimates (if assumption is incorrect)
<p><b>Rating revenue realisation</b> We make this assumption because rates are the most substantial and consistent portion of revenue to fund Council services. The realisation of revenue may be impacted by levels of affordability and/or willingness to pay</p>	<p>The assumption in this Long Term Plan is that rates arrears and defaults will be in keeping with historical levels experienced in recent years.</p> <p>Much of the local government sector throughout NZ is facing the need to increase rates revenue more than historical levels, and these increases may persist over a number of years. Alongside this, inflationary cost related to other goods and services is impacting communities, as are increasing mortgage interest rates. The economy is also entering a weak cycle at the time of drafting this Long Term Plan and unemployment levels (across New Zealand) are expected to rise. The combined risk is lower discretionary income for homeowners, landowners and business owners. Alongside this risk is a longer-term trend of overall aging in our population structure – this will result a greater proportion of older population on fixed incomes. The risk is that rates costs become more challenging to meet for some property owners and we may see a greater level of rate payments in arrears/default. In other cases there may be arrears arising from a political rather than affordability position.</p>	Medium	Medium
<p><b>External funding / Subsidies</b> It is mandatory for us to make an assumption concerning sources of funds for the future replacement of significant assets and key projects.</p>	<p>The assumption for the Long Term Plan is that external funding/subsidies will be secured where these have been budgeted for. 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>A significant portion of subsidies relate to our transport connection activities. The assumption is that Waka Kotahi funding assistance rates will be at 65%.</p>	Low	Low
<p><b>Revenue from fees and charges</b> We make this assumption because revenue from fees and charges has an ongoing impact on Council’s budget,</p>	<p>The assumption for the Long Term Plan is that fees and charges will be established in line with a new Revenue and Finance Policy with a broad intent to shift from rate subsidy to a more cost recovery-based model.</p> <p>Inflation and market rates will be considered to reflect true cost.</p>	Low	Low

6.2.3 Appendix 3 - Draft Significant Forecasting Assumptions 2024-34(Cont.)

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential Effect on the financial estimates (if assumption is incorrect)
especially when cost is not fully recovered.			
<p><b>Development contributions</b></p> <p>We make this assumption because Council use development contributions to recover from developers a fair, equitable, portion of costs of capital expenditure needed to service growth.</p>	<p>The assumption for the Long Term Plan is that revenue from development contributions will be in line with the budget and the Development Contributions Policy.</p>	Low	Medium
<p><b>Investments and Harbour Endowment Property</b></p> <p>It is mandatory for us to make an assumption concerning sources of funds for the future replacement of significant assets.</p>	<p>The assumption for the Long Term Plan is that Council continue to receive income similar to the LTP21/31 from Council’s harbour lease properties and other properties with commercial leases.</p>	Medium	Medium

6.2.3 Appendix 3 - Draft Significant Forecasting Assumptions 2024-34(Cont.)

*Renewal of assets*

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Financial risk (if assumption is incorrect)
<p><b>Lifecycle of assets</b> This is a mandatory assumption under the Local Government Act.</p>	<p>The assumption is that the lifecycle of assets is as stated in the Statement of Accounting Policies in the 'Our Finances' section of this Long Term Plan, and that asset lifecycles will align with forecast and be used as the basis of depreciation.</p>	<p>High</p>	<p>Medium</p>
<p><b>Revaluation of assets</b> This is a mandatory assumption under the Local Government Act.</p>	<p>The assumption for the Long Term Plan is that revaluations will be in line with projections, and reflect ongoing assumed levels of inflation in capital costs.</p> <p>All operational assets including land, buildings, library, museum, roading and three waters infrastructure assets are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from their fair value, and at least every three years. Other assets like forestry, investment property and non-current assets held for sale as well as the derivative financial instruments are revalued annually.</p> <p>Fair value is the amount at which asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.</p>	<p>Low</p>	<p>Low</p>
<p><b>Funded depreciation / revaluations</b> This is a mandatory assumption under the Local Government Act as a source of funding asset replacement.</p>	<p>The assumption for the Long Term Plan is that depreciation is based on correct values, and aligned to the lifecycle of assets and periodic revaluations.</p>	<p>Medium</p>	<p>Medium</p>
<p><b>Future replacements of assets (related to below)</b> We make this assumption because we must be able to demonstrate that we have budgeted costs prudently.</p>	<p>The assumption for the Long Term Plan is that assets will be replaced at the end of their useful life (based on condition and/or performance) with a 'like-for-like' equivalent except where noted in Long Term Plan.</p>	<p>Medium</p>	<p>Medium</p>

6.2.3 Appendix 3 - Draft Significant Forecasting Assumptions 2024-34(Cont.)

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Financial risk (if assumption is incorrect)
<p><b>Project costs (related to above)</b></p> <p>We make this assumption because we must be able to demonstrate that we have budgeted costs prudently.</p>	The assumption for the Long Term Plan is that costs of projects and replacements have been accurately budgeted where not like for like (similar to above).	Medium	Medium
<p><b>Reserve levels</b></p> <p>We make this assumption because if funds are not available, other mechanisms of funding must be explored, for example drawing down debt. These are not budgeted.</p>	The assumption for the Long Term Plan is that reserves will be managed over the ten year timeframe of the Long Term Plan, and that by 2034 funding of depreciation through depreciation reserves will be sufficient to meet the renewal costs of assets. During the year where it is otherwise indicated in our financial statement that reserves are not available it is assumed that the drawing down of debt will temporarily support the cost of renewal of assets.	Medium	Medium

*Borrowing costs and inflation*

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Financial risk (if assumption is incorrect)																						
<p><b>Interest Rates</b></p> <p>We make this assumption because this will affect the level of rates required to service debt (and ROI).</p>	<p>The assumption for the Long Term Plan is that interest rates will be provided by PWC Treasury.</p> <table border="1"> <thead> <tr> <th></th> <th>2025</th> <th>2026</th> <th>2027</th> <th>2028</th> <th>2029</th> <th>2030</th> <th>2031</th> <th>2032</th> <th>2033</th> <th>2034</th> </tr> </thead> <tbody> <tr> <td>Interest</td> <td>5.22</td> <td>4.95</td> <td>4.79</td> <td>4.92</td> <td>5.33</td> <td>5.45</td> <td>5.58</td> <td>5.73</td> <td>5.84</td> <td>5.94</td> </tr> </tbody> </table>		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Interest	5.22	4.95	4.79	4.92	5.33	5.45	5.58	5.73	5.84	5.94	High	High
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034															
Interest	5.22	4.95	4.79	4.92	5.33	5.45	5.58	5.73	5.84	5.94															
<p><b>Credit rating</b></p> <p>We make this assumption because</p>	<p>The assumption for the Long Term Plan is that the Council will obtain a credit rating.</p> <p>The credit rating outcome will be known by the end of the 2024 financial year or early in the 2025 year. The Long Term Plan interest expense will be calculated on the assumption that the</p>	Low	High																						



6.2.3 Appendix 3 - Draft Significant Forecasting Assumptions 2024-34(Cont.)

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Financial risk (if assumption is incorrect)																																																																		
<p>becoming rated is being considered, and should let Council borrow at more favourable rates, and affect the level of rates required to service debt.</p>	<p>Council is credit rated. This will affect the cost of all debt uplifted from the 2025 financial year onwards.</p>																																																																				
<p><b>Inflation</b> We make this assumption because inflation impacts the community's ability to pay and Council's forecast expenditure.</p>	<p>There is more sensitivity to the uncertainty around inflation levels following recent economic conditions. It is assumed that inflation will be in line with BERL's 'mid' scenario, in the BERL Local Government Cost Adjustor Forecasts. The uncertainty around inflation levels is reflected in BERL releasing more than one scenario for the first time. As part of the review of financial assumptions following the release of the BERL Local Government Adjustor Forecasts we will seek to include comparatives of other council assumptions, and other economic updates such as those provided through LGFA for assumption testing.</p> <table border="1" data-bbox="641 1209 1656 1411"> <thead> <tr> <th></th> <th>2025</th> <th>2026</th> <th>2027</th> <th>2028</th> <th>2029</th> <th>2030</th> <th>2031</th> <th>2032</th> <th>2033</th> <th>2034</th> </tr> </thead> <tbody> <tr> <td>Water</td> <td>3.6</td> <td>2.5</td> <td>2.7</td> <td>2.6</td> <td>2.5</td> <td>2.3</td> <td>2.3</td> <td>2.2</td> <td>2.1</td> <td>2.1</td> </tr> <tr> <td>Roading</td> <td>2.9</td> <td>2.0</td> <td>2.3</td> <td>2.3</td> <td>2.2</td> <td>2.1</td> <td>2.0</td> <td>2.0</td> <td>2.0</td> <td>1.9</td> </tr> <tr> <td>Property</td> <td>2.3</td> <td>1.9</td> <td>2.0</td> <td>1.8</td> <td>1.8</td> <td>1.7</td> <td>1.7</td> <td>1.6</td> <td>1.6</td> <td>1.6</td> </tr> <tr> <td>Staff</td> <td>2.4</td> <td>2.2</td> <td>2.1</td> <td>2.1</td> <td>2.0</td> <td>1.9</td> <td>1.9</td> <td>1.9</td> <td>1.8</td> <td>1.8</td> </tr> <tr> <td>Other</td> <td>2.4</td> <td>2.1</td> <td>2.1</td> <td>2.0</td> <td>1.9</td> <td>1.9</td> <td>1.8</td> <td>1.8</td> <td>1.8</td> <td>1.7</td> </tr> </tbody> </table>		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Water	3.6	2.5	2.7	2.6	2.5	2.3	2.3	2.2	2.1	2.1	Roading	2.9	2.0	2.3	2.3	2.2	2.1	2.0	2.0	2.0	1.9	Property	2.3	1.9	2.0	1.8	1.8	1.7	1.7	1.6	1.6	1.6	Staff	2.4	2.2	2.1	2.1	2.0	1.9	1.9	1.9	1.8	1.8	Other	2.4	2.1	2.1	2.0	1.9	1.9	1.8	1.8	1.8	1.7	High	High
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034																																																											
Water	3.6	2.5	2.7	2.6	2.5	2.3	2.3	2.2	2.1	2.1																																																											
Roading	2.9	2.0	2.3	2.3	2.2	2.1	2.0	2.0	2.0	1.9																																																											
Property	2.3	1.9	2.0	1.8	1.8	1.7	1.7	1.6	1.6	1.6																																																											
Staff	2.4	2.2	2.1	2.1	2.0	1.9	1.9	1.9	1.8	1.8																																																											
Other	2.4	2.1	2.1	2.0	1.9	1.9	1.8	1.8	1.8	1.7																																																											

Service delivery

**6.2.3 Appendix 3 - Draft Significant Forecasting Assumptions 2024-34(Cont.)**

Assumption type and why we make it	Assumption	Level of uncertainty	Financial risk (if assumption is incorrect)
<p><b>Level of Service</b> We make this assumption because this will impact forecast expenditure.</p>	<p>The assumption for the Long Term Plan is that existing service delivery methods and levels of service will continue unless specified. While it is likely that some of our service delivery may look different over the period of the Long Term Plan, we can only budget for known changes.</p>	Low	Medium
<p><b>Staff and contractors</b> We make this assumption because staff and contractor availability impacts our ability to deliver our work programme.</p>	<p>The assumption for the Long Term Plan is that due a shortage in parts of the labour market, the Council will compete with other workplaces to attract workforces and this will need to be factored in the Long Term Plan work programme to ensure council can continue to attract staff and contractors.</p>	Low	Low

6.2.3 Appendix 3 - Draft Significant Forecasting Assumptions 2024-34(Cont.)

WHAKATĀNE DISTRICT COUNCIL      SERVICE CENTRE MURUPARA

14 Commerce Street, Whakatāne 3120      Pine Drive, Murupara  
Private Bag 1002, Whakatāne 3158      Phone: 07 366 5896

Email: [info@whakatane.govt.nz](mailto:info@whakatane.govt.nz)  
Phone: 07 306 0500  
Website: [whakatane.govt.nz](http://whakatane.govt.nz)

**[whakatane.govt.nz/ltp](http://whakatane.govt.nz/ltp)**

**WHAKATĀNE**  
District Council  
*Kia Whakatāne au i ahau*

**6.2.4 Appendix 4 - Draft Groups of Activities**

**6.2.4 Appendix 4 - Draft Groups of Activities**

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)



## Draft Groups of Activities Summaries

*Te tuhinga hukihuki Whakarāpopototanga  
o ngā mahi a ngā rōpū Kaunihera 2024-34*

Long Term Plan 2024-34 - Consultation  
*Te Mahere Pae Tawhiti 2024-34 - He Uiuinga*

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

# Democracy

## ACTIVITIES IN THIS GROUP

- Governance
- Community Support/Grants
- Community Boards.

## CONTRIBUTION TO COMMUNITY OUTCOMES



Strong, connected, interdependent, diverse communities.



Constructively and collaboratively engaging with whānau, hapū and iwi

## WHAT WE DO AND HOW WE DO IT

This group of activities provides open, effective and accountable governance for the Whakatāne District and supports connected and inclusive leadership for our communities. Council is committed to partnering with and supporting the aspirations of, whānau, hapū and iwi. We acknowledge the value of doing this and the resulting positive outcomes for all communities. We work with the Elected Members, its committees and sub-committees, community boards, local interest groups, stakeholder groups, the general public, central government, neighbouring councils and others because it helps us keep in touch with the priorities of our communities and because it presents significant opportunities to deliver better outcomes for the district.

## ALIGNMENT WITH STRATEGIC PRIORITIES



Enhancing the safety, wellbeing, and vibrancy of communities - *Me mātua whakanui i te marutau, te oranga, me te whitawhita o ngā hapori*

- Support our smaller and remote communities to plan for their future - what changes should occur in the area and when, all across the district. And invest in making these changes happen.



Strengthening relationships with iwi, hapū and whānau - *Me mātua whakawhanake i ngā kōtuituinga ā-iwi, ā-hapū, ā-whānau anō hoki*

- Enable iwi participation in planning, decision-making and reflect cultural aspirations through the projects we deliver (e.g. financial support, capability, design).

## CHALLENGES

- Effectively engaging with our remote communities to better enable them to participate in our Annual and Long Term Plan processes
- Affecting Te Tiriti o Waitangi obligations to include Māori in decision-making

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

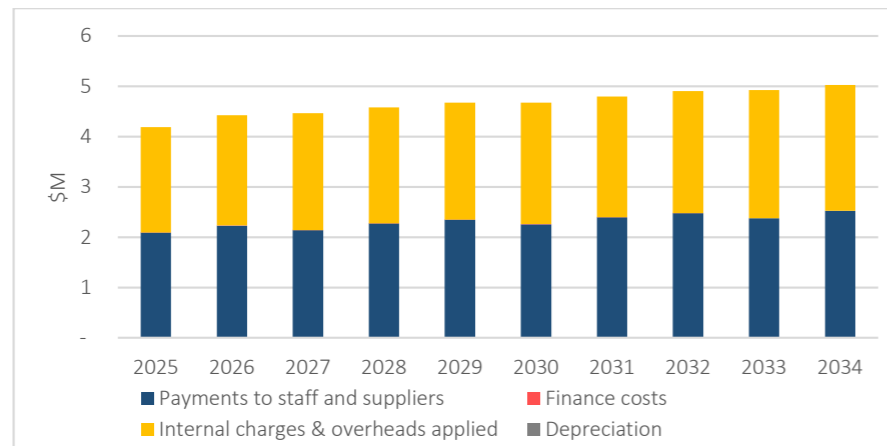


**KEY FINANCIAL SUMMARY**

**Capital expenditure**

Total capital expenditure  
over the 10 years 2024-34 **\$Nil**

**Operating expenditure**



Total operating expenditure  
over the 10 years 2024-34 **\$46.7 million**



6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

### Prospective funding impact statement – Democracy

AP 2024	(\$000) for the years ending 30 June	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>OPERATIONAL</b>											
<b>Sources of operating income</b>											
2,710	General rates, uniform annual general charges, rates penalties	3,836	4,050	4,062	4,173	4,269	4,246	4,370	4,471	4,455	4,557
383	Targeted rates	489	501	527	525	532	550	549	560	583	577
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and charges	-	-	-	-	-	-	-	-	-	-
-	Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-
3	Local authorities fuel tax, fines, infringement fees, and other receipts	3	3	3	3	3	3	4	4	4	4
3,096	<b>Total sources of operating funding (A)</b>	4,328	4,554	4,592	4,701	4,804	4,800	4,922	5,034	5,042	5,138
<b>Applications of operating funding</b>											
1,930	Payments to staff and suppliers	2,090	2,229	2,137	2,272	2,349	2,257	2,398	2,477	2,379	2,527
2	Finance costs	2	2	2	1	1	1	1	0	-	-
1,403	Internal charges & overheads applied	2,097	2,191	2,325	2,303	2,327	2,416	2,397	2,430	2,547	2,501
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
3,336	<b>Total applications of operating funding (B)</b>	4,189	4,422	4,464	4,577	4,677	4,674	4,796	4,907	4,926	5,028
(240)	<b>Surplus (deficit) of operating funding (A-B)</b>	139	132	128	124	127	126	126	127	116	110
<b>CAPITAL</b>											
<b>Sources of capital funding</b>											
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
(6)	Increase (decrease) in debt	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	-	-
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
(6)	<b>Total sources of capital funding (C)</b>	(6)	(6)	(6)	(6)	(6)	(6)	(6)	(6)	-	-
<b>Applications of capital funding</b>											
Capital expenditure											
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
-	- to improve level of service	-	-	-	-	-	-	-	-	-	-
-	- to replace existing assets	-	-	-	-	-	-	-	-	-	-
(246)	Increase (decrease) in reserves	134	127	123	119	121	120	121	121	116	110
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
(246)	<b>Total applications of capital funding (D)</b>	134	127	123	119	121	120	121	121	116	110
240	<b>Surplus (deficit) of capital funding (C-D)</b>	(139)	(132)	(128)	(124)	(127)	(126)	(126)	(127)	(116)	(110)
-	<b>Funding balance ((A-B) + (C-D))</b>	-	-	-	-	-	-	-	-	-	-



6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

## Arts and Culture

### ACTIVITIES IN THIS GROUP

- Libraries and Galleries
- Museums and Archives

### WHAT WE DO AND HOW WE DO IT

This group of activities provides and maintains a range of services, spaces and facilities for community use, recreation and amenity. As a district with a deep history of arts and culture, it's important that Council continues to provide activities and spaces that enhance this, and in turn, improve the quality of life for our residents and visitors, and celebrate our beautiful district and its people, both past and present.

### CONTRIBUTION TO COMMUNITY OUTCOMES



**Strong, connected, interdependent, diverse communities**



**Constructively and collaboratively engaging with whānau, hapū and iwi**

### ALIGNMENT WITH STRATEGIC PRIORITIES



Enhancing the safety, wellbeing, and vibrancy of communities - *Me mātua whakanui i te marutau, te oranga, me te whitawhita o ngā hapori*

- Invest wisely in recreation, events, and the arts to have a broader range of 'things to do' (especially for our youth).



Strengthening relationships with iwi, hapū and whānau - *Me mātua whakawhanake i ngā kōtuituinga ā-iwi, ā-hapū, ā-whānau anō hoki*

- Work with iwi, hapū and whānau, to improve equity and wellbeing outcomes.

### CHALLENGES

- Finding and retaining staff that reflect the diversity of our communities
- Managing community expectations of services against available funding

### KEY PROJECTS

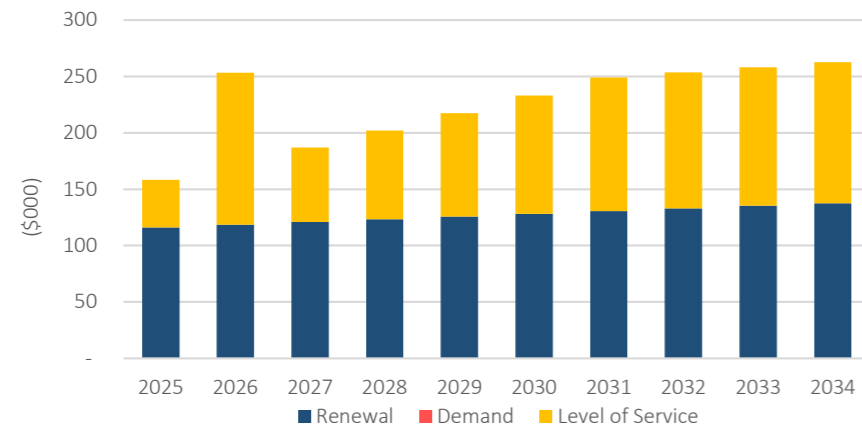
- Improvements to our library collections
- Delivering our Arts, Culture and Creativity Strategy
- Digital Studio at the Museum

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)



**KEY FINANCIAL SUMMARY**

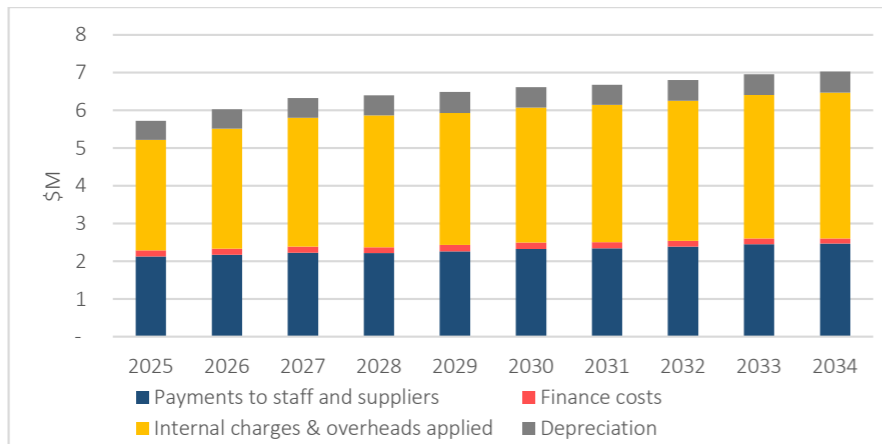
**Capital expenditure**



Total capital expenditure over the 10 years 2024-34

**\$2.3 million**

**Operating expenditure**



Total operating expenditure over the 10 years 2024-34

**\$65.0 million**



6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

## Prospective funding impact statement – Arts and Culture

AP 2024	(\$000) for the years ending 30 June	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>OPERATIONAL</b>											
<b>Sources of operating income</b>											
4,198	General rates, uniform annual general charges, rates penalties	5,446	5,736	6,079	6,300	6,452	6,639	6,724	6,864	7,026	7,095
-	Targeted rates	-	-	-	-	-	-	-	-	-	-
12	Subsidies and grants for operating purposes	13	13	13	13	14	14	14	14	15	15
11	Fees and charges	11	11	11	11	12	12	12	6	6	7
-	Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-
55	Local authorities fuel tax, fines, infringement fees, and other receipts	25	25	26	26	27	27	28	28	29	29
4,277	<b>Total sources of operating funding (A)</b>	<b>5,494</b>	<b>5,786</b>	<b>6,129</b>	<b>6,352</b>	<b>6,504</b>	<b>6,692</b>	<b>6,778</b>	<b>6,913</b>	<b>7,076</b>	<b>7,146</b>
<b>Applications of operating funding</b>											
1,884	Payments to staff and suppliers	2,121	2,170	2,228	2,212	2,259	2,327	2,341	2,384	2,454	2,467
154	Finance costs	167	162	159	160	169	166	161	157	149	141
2,300	Internal charges & overheads applied	2,931	3,184	3,420	3,494	3,504	3,580	3,640	3,716	3,804	3,863
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
4,338	<b>Total applications of operating funding (B)</b>	<b>5,219</b>	<b>5,516</b>	<b>5,806</b>	<b>5,866</b>	<b>5,932</b>	<b>6,073</b>	<b>6,142</b>	<b>6,257</b>	<b>6,408</b>	<b>6,471</b>
(61)	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>275</b>	<b>269</b>	<b>323</b>	<b>486</b>	<b>573</b>	<b>619</b>	<b>636</b>	<b>656</b>	<b>669</b>	<b>675</b>
<b>CAPITAL</b>											
<b>Sources of capital funding</b>											
446	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
(56)	Increase (decrease) in debt	62	101	(22)	(62)	(100)	(143)	(143)	(157)	(171)	(188)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
390	<b>Total sources of capital funding (C)</b>	<b>62</b>	<b>101</b>	<b>(22)</b>	<b>(62)</b>	<b>(100)</b>	<b>(143)</b>	<b>(143)</b>	<b>(157)</b>	<b>(171)</b>	<b>(188)</b>
<b>Applications of capital funding</b>											
Capital expenditure											
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
16	- to improve level of service	42	135	66	79	92	105	119	121	123	125
124	- to replace existing assets	116	119	121	123	126	128	131	133	135	138
(257)	Increase (decrease) in reserves	179	117	113	222	255	243	243	246	239	225
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
329	<b>Total applications of capital funding (D)</b>	<b>337</b>	<b>371</b>	<b>301</b>	<b>424</b>	<b>473</b>	<b>476</b>	<b>493</b>	<b>500</b>	<b>497</b>	<b>488</b>
61	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(275)</b>	<b>(269)</b>	<b>(323)</b>	<b>(486)</b>	<b>(573)</b>	<b>(619)</b>	<b>(636)</b>	<b>(656)</b>	<b>(669)</b>	<b>(675)</b>
-	<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

## District Partnerships

### ACTIVITIES IN THIS GROUP

- Māori Relationships
- Community Development
- Road Safety

### CONTRIBUTION TO COMMUNITY OUTCOMES



Strong, connected, interdependent, diverse communities



Constructively and collaboratively engaging with whānau, hapū and iwi

### CHALLENGES

- Capacity to respond to community wellbeing issues
- Attracting funding for projects of scale

### WHAT WE DO AND HOW WE DO IT

This group of activities collectively advances the Whakatāne District towards greater fairness, equity, and inclusivity, and puts communities at the heart of decision-making. Community Development stands as a pillar ensuring Council fulfils its social wellbeing obligations while empowering communities to articulate and achieve their aspirations effectively. Community and Road Safety fosters a culture of participation and responsible social behaviour and road use to protect pedestrians, cyclists, and motorists. Māori Relationships have a critical role to play in ensuring Council can effectively manage meaningful relationships with Māori communities across the district. This activity fosters cultural pride, preserves traditions, and supports community-led initiatives. By acknowledging and respecting honouring Te Tiriti o Waitangi - the Treaty of Waitangi it ensures Council enhances social cohesion, contributing to a harmonious, culturally rich community where Māori voices are valued, and shared aspirations are prioritised in the development and implementation of policies and services. This also ensures cultural capacity and capability across the organisation.

### ALIGNMENT WITH STRATEGIC PRIORITIES



Enhancing the safety, wellbeing, and vibrancy of communities - *Me mātua whakanui i te marutau, te oranga, me te whitawhita o ngā hapori*

- Support our smaller and remote communities to plan for their future– what changes should occur in the area and when, all across the district. And invest in making these changes happen.
- Work with other agencies and community organisations to focus on social wellbeing outcomes (such as health, homelessness, and safety).
- Increase safety for people moving around the district (e.g. Community Safety Cameras, good lighting, multi-modal transport, accessibility for people with disabilities).



Strengthening relationships with iwi, hapū and whānau - *Me mātua whakawhanake i ngā kōtuituinga ā-iwi, ā-hapū, ā-whānau anō hoki*

- Implement strategies and programmes designed to enhance staff and councillor capability and capacity to effectively partner with iwi, hapū and whānau.
- Enable iwi participation in planning, decision-making and reflect cultural aspirations through the projects we deliver (e.g. financial support, capability, design).
- Work alongside Māori landowners to support and enable development of Māori land.
- Work with iwi, hapū and whānau, to improve equity and wellbeing outcomes.

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)



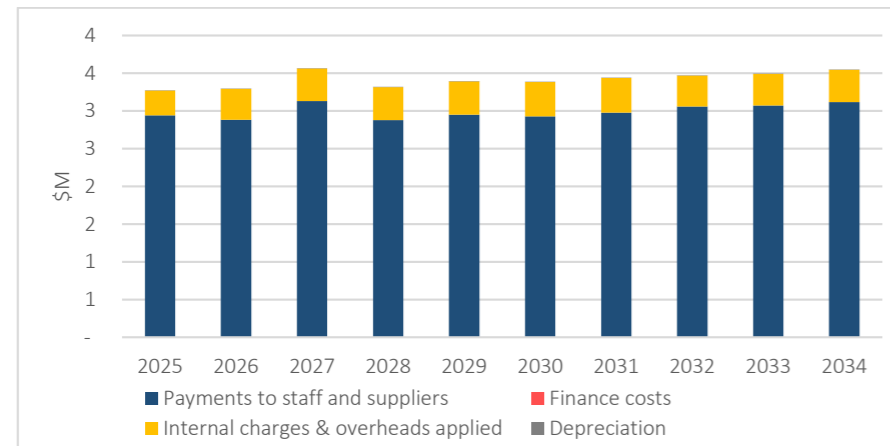
**KEY FINANCIAL SUMMARY**

**Capital expenditure**

Total capital expenditure over the 10 years 2024-34

**\$110 thousand**

**Operating expenditure**



Total operating expenditure over the 10 years 2024-34

**\$34.2 million**

**KEY PERFORMANCE INDICATOR**

DIA Mandatory measure:

Measure For the years ending 30 June:	TARGET - year 1 (2025)	TARGET - year 2 (2026)	TARGET - year 3 (2027)	TARGET - year 4 + (2028+)
The change from the previous year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.	Fewer crashes than the previous year	Fewer crashes than the previous year	Fewer crashes than the previous year	Fewer crashes than the previous year



6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

### Prospective funding impact statement – District Partnerships

AP 2024	(\$000) for the years ending 30 June	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>OPERATIONAL</b>											
<b>Sources of operating income</b>											
527	General rates, uniform annual general charges, rates penalties	2,145	2,780	3,031	2,788	2,849	2,822	2,858	2,912	2,917	2,949
-	Targeted rates	-	-	-	-	-	-	-	-	-	-
1,331	Subsidies and grants for operating purposes	939	300	311	324	337	350	364	338	353	368
-	Fees and charges	-	-	-	-	-	-	-	-	-	-
182	Interest and dividends from investments	182	186	190	172	176	179	182	186	189	193
32	Local authorities fuel tax, fines, infringement fees, and other receipts	26	27	28	28	29	29	30	30	31	31
2,072	<b>Total sources of operating funding (A)</b>	<b>3,292</b>	<b>3,293</b>	<b>3,560</b>	<b>3,313</b>	<b>3,390</b>	<b>3,381</b>	<b>3,434</b>	<b>3,466</b>	<b>3,490</b>	<b>3,540</b>
<b>Applications of operating funding</b>											
2,286	Payments to staff and suppliers	2,941	2,885	3,131	2,878	2,949	2,928	2,976	3,060	3,071	3,119
-	Finance costs	-	-	-	-	-	-	-	-	-	-
313	Internal charges & overheads applied	329	409	430	437	443	454	460	408	421	425
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
2,598	<b>Total applications of operating funding (B)</b>	<b>3,270</b>	<b>3,294</b>	<b>3,561</b>	<b>3,315</b>	<b>3,392</b>	<b>3,383</b>	<b>3,436</b>	<b>3,468</b>	<b>3,492</b>	<b>3,544</b>
(526)	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>22</b>	<b>(1)</b>	<b>(1)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(4)</b>
<b>CAPITAL</b>											
<b>Sources of capital funding</b>											
22	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
-	Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
22	<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>											
Capital expenditure											
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
-	- to improve level of service	-	-	-	-	-	-	-	-	-	-
22	- to replace existing assets	106	-	-	-	-	-	-	-	-	-
(526)	Increase (decrease) in reserves	(84)	(1)	(1)	(2)	(2)	(2)	(2)	(2)	(2)	(4)
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
(505)	<b>Total applications of capital funding (D)</b>	<b>22</b>	<b>(1)</b>	<b>(1)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(2)</b>	<b>(4)</b>
526	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(22)</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>4</b>
-	<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)



# Aquatic Centres

**ACTIVITY IN THIS GROUP**

- Aquatic Centres

**WHAT WE DO AND HOW WE DO IT**

Providing opportunities to improve the well-being of our communities is a large part of what we do at Council. Because of this, it's important Council provides the public with safe and affordable places to swim and gym, allowing our community to focus on looking after their health and well-being, as well as developing their swimming skills. It also assists with delivering other recreational- based programs within the Whakatāne District.

**CONTRIBUTION TO COMMUNITY OUTCOMES**



Strong, connected, interdependent, diverse communities

**ALIGNMENT WITH STRATEGIC PRIORITIES**



Enhancing the safety, wellbeing, and vibrancy of communities -*Me mātua whakanui i te marutau, te oranga, me te whitawhita o ngā hapori*

- Invest wisely in recreation, events, and the arts to have a broader range of 'things to do' (especially for our youth).

**CHALLENGES**

- Finding the right staffing levels to balance safety with keeping our centres affordable places to visit
- Increased operating costs

**KEY PROJECTS**

- Replacing the air handling units at Whakatane Aquatic Centre
- Updates to our changing rooms, pool covers and lining of our pools
- Energy Efficiency Improvements

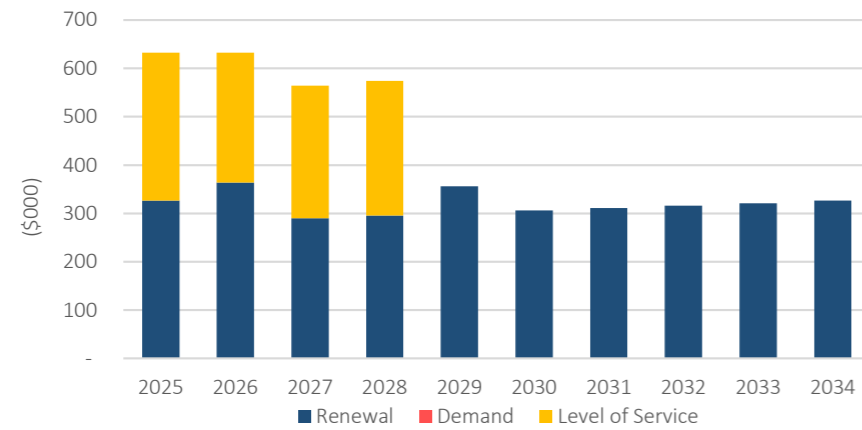


6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)



**KEY FINANCIAL SUMMARY**

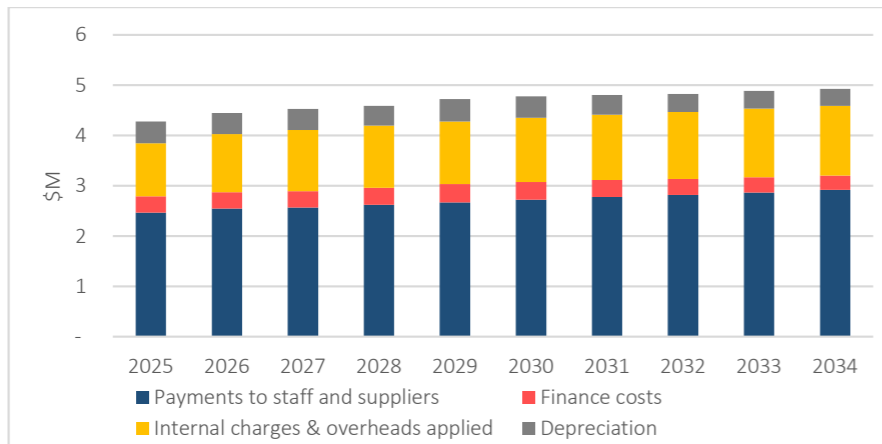
**Capital expenditure**



Total capital expenditure over the 10 years 2024-34

**\$4.3 million**

**Operating expenditure**



Total operating expenditure over the 10 years 2024-34

**\$46.8 million**





6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

### Prospective funding impact statement – Aquatic Centres

AP 2024	(\$000) for the years ending 30 June	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>OPERATIONAL</b>											
<b>Sources of operating income</b>											
2,065	General rates, uniform annual general charges, rates penalties	2,985	3,323	3,500	3,651	3,887	4,037	4,065	4,088	4,151	4,196
-	Targeted rates	-	-	-	-	-	-	-	-	-	-
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
1,190	Fees and charges	1,105	1,046	1,067	1,086	1,105	1,124	1,143	1,161	1,180	1,199
-	Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-
-	Local authorities fuel tax, fines, infringement fees, and other receipts	0	0	0	0	0	0	0	-	-	-
3,255	<b>Total sources of operating funding (A)</b>	4,089	4,368	4,567	4,737	4,992	5,161	5,208	5,249	5,331	5,395
<b>Applications of operating funding</b>											
2,303	Payments to staff and suppliers	2,465	2,547	2,565	2,618	2,671	2,723	2,776	2,816	2,868	2,922
266	Finance costs	324	327	329	344	361	351	337	321	301	279
892	Internal charges & overheads applied	1,055	1,151	1,217	1,231	1,246	1,278	1,300	1,330	1,368	1,389
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
3,461	<b>Total applications of operating funding (B)</b>	3,844	4,025	4,112	4,194	4,278	4,352	4,412	4,467	4,537	4,590
(206)	<b>Surplus (deficit) of operating funding (A-B)</b>	245	343	455	544	714	809	796	782	794	805
<b>CAPITAL</b>											
<b>Sources of capital funding</b>											
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
438	Increase (decrease) in debt	483	327	214	103	(288)	(405)	(425)	(446)	(470)	(495)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
438	<b>Total sources of capital funding (C)</b>	483	327	214	103	(288)	(405)	(425)	(446)	(470)	(495)
<b>Applications of capital funding</b>											
Capital expenditure											
76	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
175	- to improve level of service	306	268	274	279	-	-	-	-	-	-
577	- to replace existing assets	327	364	290	295	356	306	311	316	321	326
(597)	Increase (decrease) in reserves	97	38	105	73	70	98	60	20	3	(16)
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
232	<b>Total applications of capital funding (D)</b>	729	671	669	647	426	404	371	336	324	310
206	<b>Surplus (deficit) of capital funding (C-D)</b>	(245)	(343)	(455)	(544)	(714)	(809)	(796)	(782)	(794)	(805)
-	<b>Funding balance ((A-B) + (C-D))</b>	-	-	-	-	-	-	-	-	-	-

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

## Events and Tourism

### ACTIVITIES IN THIS GROUP

- Visitor Information
- Marketing and Events

### CONTRIBUTION TO COMMUNITY OUTCOMES



Strong, connected, interdependent, diverse communities



Thriving circular economies

### WHAT WE DO AND HOW WE DO IT

This group of activities provides an important link between visitors and local businesses to improve experiences for visitors to our district. It encourages our visitors to experience the whole district and to stay longer enjoying what the district has to offer. Marketing and events aim to foster and enhance community vibrancy and social wellbeing, and help create a place where people want to visit, live and stay.

### ALIGNMENT WITH STRATEGIC PRIORITIES



Enhancing the safety, wellbeing, and vibrancy of communities - *Me mātua whakanui i te marutau, te oranga, me te whitawhita o ngā hapori*

- Invest wisely in recreation, events, and the arts to have a broader range of 'things to do' (especially for our youth).



Facilitating economic regeneration and responding to development pressures  
*Me mātua whakahaere i te tipuranga o te taiōhanga me ngā tonotono whare*

- Back our economy, in particular the tourism and events sectors, to enable economic and employment growth and attract new business and investment into the District.

### CHALLENGES

- Continuing to rebuild the visitor economy following Whakaari and COVID travel restrictions.
- Loss of international visitors

### KEY PROJECTS

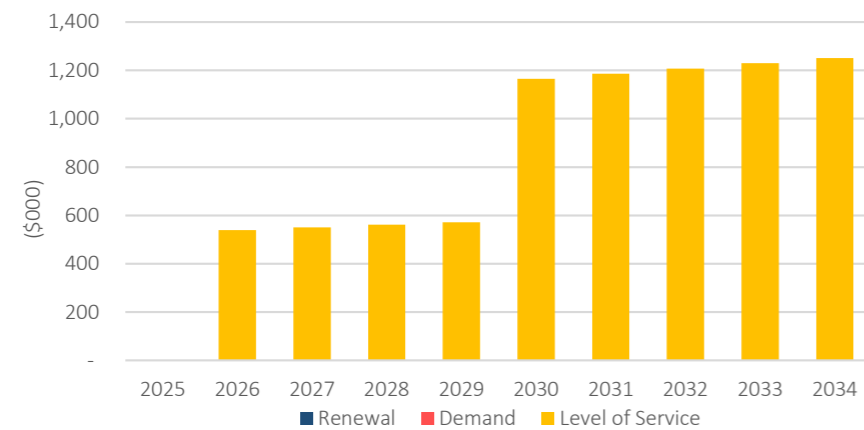
- Recreational cycle trails
- New tourism product development

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)



**KEY FINANCIAL SUMMARY**

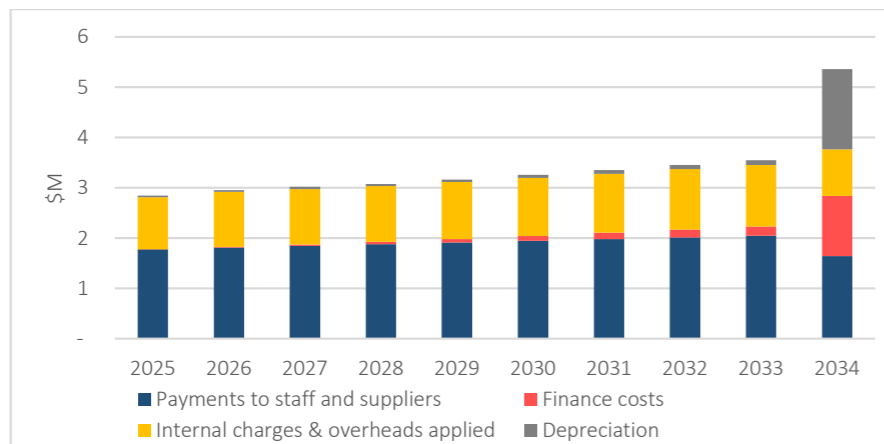
**Capital expenditure**



Total capital expenditure over the 10 years 2024-34

**\$8.3 million**

**Operating expenditure**



Total operating expenditure over the 10 years 2024-34

**\$31.4million**



6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

### Prospective funding impact statement – Events and Tourism

AP 2024	(\$000) for the years ending 30 June	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>OPERATIONAL</b>											
<b>Sources of operating income</b>											
841	General rates, uniform annual general charges, rates penalties	1,095	1,147	1,196	1,337	1,360	1,392	1,423	1,459	1,498	1,526
913	Targeted rates	1,385	1,461	1,514	1,636	1,681	1,733	1,799	1,867	1,940	2,005
131	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
36	Fees and charges	23	24	24	25	25	26	26	27	27	28
-	Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-
26	Local authorities fuel tax, fines, infringement fees, and other receipts	21	22	22	22	23	23	24	24	25	25
1,946	<b>Total sources of operating funding (A)</b>	<b>2,525</b>	<b>2,653</b>	<b>2,757</b>	<b>3,020</b>	<b>3,089</b>	<b>3,174</b>	<b>3,271</b>	<b>3,377</b>	<b>3,489</b>	<b>3,584</b>
<b>Applications of operating funding</b>											
1,632	Payments to staff and suppliers	1,705	1,773	1,809	1,843	1,877	1,911	1,944	1,978	2,012	2,045
-	Finance costs	-	6	18	31	47	68	97	127	157	187
724	Internal charges & overheads applied	964	1,035	1,092	1,098	1,111	1,137	1,153	1,174	1,204	1,219
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
2,356	<b>Total applications of operating funding (B)</b>	<b>2,669</b>	<b>2,814</b>	<b>2,918</b>	<b>2,973</b>	<b>3,035</b>	<b>3,116</b>	<b>3,194</b>	<b>3,280</b>	<b>3,374</b>	<b>3,451</b>
(410)	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(145)</b>	<b>(161)</b>	<b>(162)</b>	<b>48</b>	<b>54</b>	<b>58</b>	<b>77</b>	<b>97</b>	<b>116</b>	<b>132</b>
<b>CAPITAL</b>											
<b>Sources of capital funding</b>											
-	Subsidies and grants for capital expenditure	-	269	275	281	286	583	593	604	615	625
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
-	Increase (decrease) in debt	-	269	270	270	270	561	561	560	560	558
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>539</b>	<b>545</b>	<b>550</b>	<b>556</b>	<b>1,144</b>	<b>1,154</b>	<b>1,164</b>	<b>1,175</b>	<b>1,184</b>
<b>Applications of capital funding</b>											
Capital expenditure											
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
-	- to improve level of service	-	539	550	561	572	1,166	1,187	1,208	1,230	1,251
-	- to replace existing assets	-	-	-	-	-	-	-	-	-	-
(410)	Increase (decrease) in reserves	(145)	(161)	(167)	37	38	37	45	53	61	65
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
(410)	<b>Total applications of capital funding (D)</b>	<b>(145)</b>	<b>378</b>	<b>383</b>	<b>598</b>	<b>610</b>	<b>1,202</b>	<b>1,231</b>	<b>1,261</b>	<b>1,290</b>	<b>1,316</b>
410	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>145</b>	<b>161</b>	<b>162</b>	<b>(48)</b>	<b>(54)</b>	<b>(58)</b>	<b>(77)</b>	<b>(97)</b>	<b>(116)</b>	<b>(132)</b>
-	<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

# Economic Development

- ACTIVITIES IN THIS GROUP**
- Economic Development
  - Strategic Property

**CONTRIBUTION TO COMMUNITY OUTCOMES**

-  **Strong, connected, interdependent, diverse communities**
-  **Integrating nature into our decision making**
-  **Thriving circular economies**
-  **Constructively and collaboratively engaging with whanau, hapū and iwi**





- KEY PROJECTS**
- A fund for improvements to Kopeopeo and townships in the wider District
  - Exploring urban design options to integrate the town centre with floodwall height increases

- CHALLENGES**
- Tightening economic conditions affecting business and employment
  - Managing legal risk associated with property

**WHAT WE DO AND HOW WE DO IT**

This group of activities contributes to a thriving district. The Economic Development team aims to stimulate growth and create employment and business opportunities in the Whakatāne District. It focuses on leveraging existing relationships and procurement approaches to attract new business and investment, with particular attention to development opportunities, the Māori economy, and key sectors like tourism, aquaculture, boat building, and agriculture. The Strategic Property team look after all of Council’s commercial and harbour board property and leases, and manages property regeneration and strategic development projects.

**ALIGNMENT WITH STRATEGIC PRIORITIES**

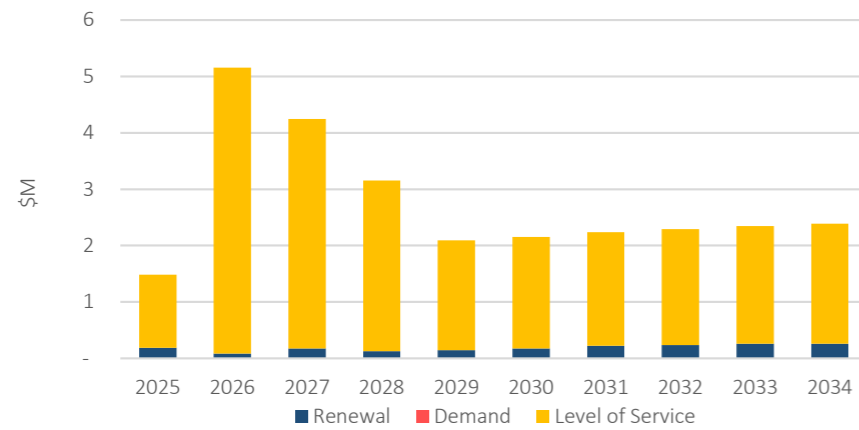
-  Enhancing the safety, wellbeing, and vibrancy of communities - *Me mātua whakanui i te marutau, te oranga, me te whitawhita o ngā hapori*
  - Support our smaller and remote communities to plan for their future - what changes should occur in the area and when, all across the district. And invest in making these changes happen.
-  Facilitating economic regeneration and responding to development pressures  
*Me mātua whakahaere i te tipuranga o te taiōhanga me ngā tonotono whare*
  - Build relationships and partnerships with other Councils, agencies and groups to support and advocate for development and growth
-  Strengthening relationships with iwi, hapū and whānau - *Me mātua whakawhanake i ngā kōtuituinga ā-iwi, ā-hapū, ā-whānau anō hoki*
  - Work with iwi, hapū and whanau, to improve equity and wellbeing outcomes.
-  Building climate change and natural hazard resilience including our infrastructure- *Me mātua whakakaha i te aumangea ki te huringaāhuarangi me ngā tūraru matepā taiao*
  - Partner with at-risk communities about climate change adaptation and what this might mean for them (e.g. those communities which may be impacted by rising sea-levels, flooding)

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)



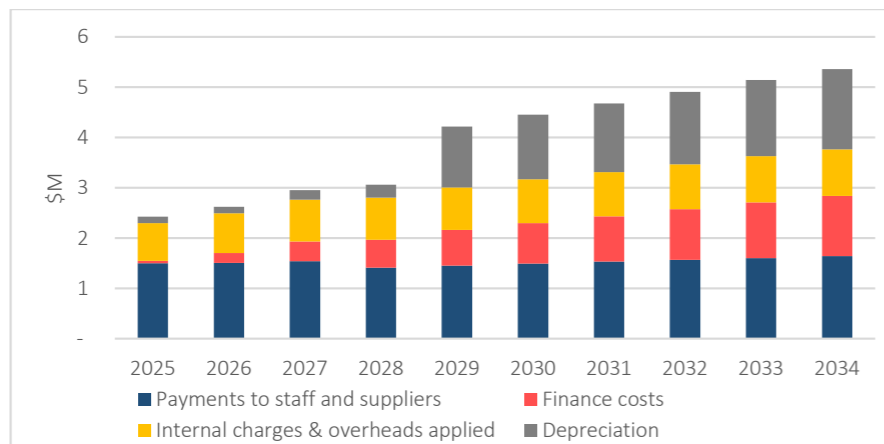
**KEY FINANCIAL SUMMARY**

**Capital expenditure**



Total capital expenditure over the 10 years 2024-34 **\$27.6 million**

**Operating expenditure**



Total operating expenditure over the 10 years 2024-34 **\$39.8 million**

**Prospective funding impact statement – Economic Development**



6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

AP 2024	(\$000) for the years ending 30 June	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>OPERATIONAL</b>											
<b>Sources of operating income</b>											
715	General rates, uniform annual general charges, rates penalties	946	1,024	1,493	1,787	2,977	3,239	3,559	3,813	4,081	4,328
152	Targeted rates	229	238	244	248	252	258	262	266	272	276
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
2,532	Fees and charges	2,534	2,588	2,642	2,695	2,746	2,798	2,849	2,900	2,952	3,002
246	Interest and dividends from investments	319	326	332	340	346	354	359	367	373	380
5	Local authorities fuel tax, fines, infringement fees, and other receipts	5	5	5	5	5	5	5	5	6	6
3,650	<b>Total sources of operating funding (A)</b>	<b>4,033</b>	<b>4,180</b>	<b>4,716</b>	<b>5,075</b>	<b>6,326</b>	<b>6,654</b>	<b>7,033</b>	<b>7,352</b>	<b>7,684</b>	<b>7,993</b>
<b>Applications of operating funding</b>											
1,491	Payments to staff and suppliers	1,500	1,508	1,539	1,412	1,450	1,490	1,530	1,567	1,602	1,640
69	Finance costs	47	192	391	556	711	806	904	1,007	1,104	1,199
558	Internal charges & overheads applied	752	795	831	834	846	872	876	894	924	926
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
2,118	<b>Total applications of operating funding (B)</b>	<b>2,299</b>	<b>2,496</b>	<b>2,761</b>	<b>2,802</b>	<b>3,006</b>	<b>3,169</b>	<b>3,311</b>	<b>3,468</b>	<b>3,631</b>	<b>3,765</b>
1,532	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,734</b>	<b>1,685</b>	<b>1,956</b>	<b>2,272</b>	<b>3,320</b>	<b>3,485</b>	<b>3,722</b>	<b>3,883</b>	<b>4,053</b>	<b>4,227</b>
<b>CAPITAL</b>											
<b>Sources of capital funding</b>											
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
1,742	Increase (decrease) in debt	1,287	5,026	3,926	2,800	1,659	1,651	1,640	1,629	1,621	1,603
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
1,742	<b>Total sources of capital funding (C)</b>	<b>1,287</b>	<b>5,026</b>	<b>3,926</b>	<b>2,800</b>	<b>1,659</b>	<b>1,651</b>	<b>1,640</b>	<b>1,629</b>	<b>1,621</b>	<b>1,603</b>
<b>Applications of capital funding</b>											
<b>Capital expenditure</b>											
35	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
1,762	- to improve level of service	1,300	5,066	4,072	3,031	1,945	1,982	2,017	2,054	2,091	2,126
55	- to replace existing assets	185	88	175	125	147	174	222	239	259	263
1,423	Increase (decrease) in reserves	1,536	1,556	1,634	1,916	2,887	2,980	3,124	3,221	3,325	3,441
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
3,275	<b>Total applications of capital funding (D)</b>	<b>3,022</b>	<b>6,711</b>	<b>5,881</b>	<b>5,072</b>	<b>4,979</b>	<b>5,136</b>	<b>5,363</b>	<b>5,513</b>	<b>5,674</b>	<b>5,830</b>
(1,532)	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,734)</b>	<b>(1,685)</b>	<b>(1,956)</b>	<b>(2,272)</b>	<b>(3,320)</b>	<b>(3,485)</b>	<b>(3,722)</b>	<b>(3,883)</b>	<b>(4,053)</b>	<b>(4,227)</b>
-	<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

# Climate Change and Resilience

**ACTIVITIES IN THIS GROUP**

- Climate Change
- Emergency Management

**WHAT WE DO AND HOW WE DO IT**

This group of activities responds to and provides leadership in climate change mitigation and adaptation strategies. It also prepares our communities for natural events such as floodings, landslides, coastal erosion and inundation, earthquakes and volcanic eruptions.

It has a crucial role to play in preparing for and responding to emergencies as our district is susceptible to many natural hazard risks and has faced a number of natural hazard events in recent history.

## CONTRIBUTION TO COMMUNITY OUTCOMES



Strong, connected, interdependent, diverse communities



Integrating nature into our decision making

**CHALLENGES**

- The availability of resources to meet community demand.
- Strategies such as managed retreat can be complex and expensive to coordinate.

## ALIGNMENT WITH STRATEGIC PRIORITIES



Enhancing the safety, wellbeing, and vibrancy of communities - *Me mātua whakanui i te marutau, te oranga, me te whitawhita o ngā hapori*

- Work with other agencies and community organisations to focus on social wellbeing outcomes (such as health, homelessness, and safety).



Building climate change and natural hazard resilience including our infrastructure- *Me mātua whakakaha i te aumangea ki te huringāhuarangi me ngā tūraru matepā taiao*

- Ensure our key infrastructure (roads and pipes) are resilient to the effects of natural hazards and climate change.
- Partner with at-risk communities about climate change adaptation and what this might mean for them (e.g. those communities which may be impacted by rising sea-levels, flooding).
- Work with communities to ensure the District is well prepared for emergency management.



Shaping a green District - *Kia toitū te rohe*

- Be actively involved in reducing the District's carbon footprint and enabling alternative energies (e.g. solar farms).
- Advocate to central government on environmental issues on behalf of the community (e.g. apply for government funding and represent our local views).
- Ensure Councils decision-making and operations reflect our environmental priorities.



6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)



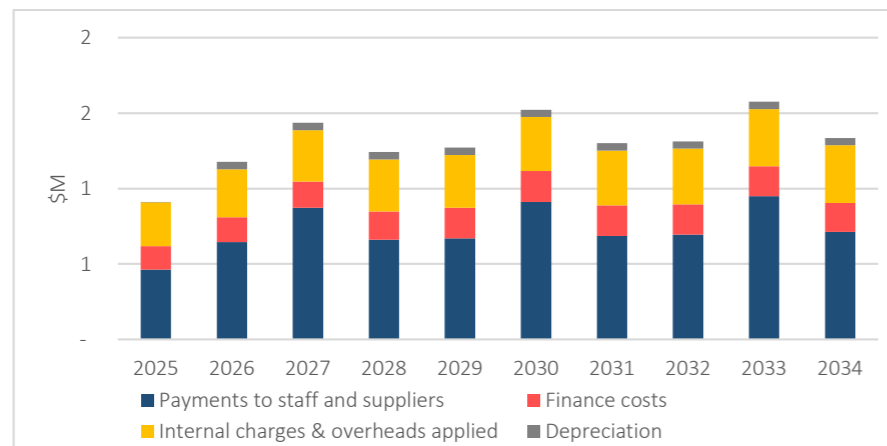
**KEY FINANCIAL SUMMARY**

**Capital expenditure**

Total capital expenditure  
over the 10 years 2024-34

**\$Nil**

**Operating expenditure**



Total operating expenditure  
over the 10 years 2024-34

**\$13.1 million**



6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

### Prospective funding impact statement – Climate Change and Resilience

AP 2024	(\$000) for the years ending 30 June	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>OPERATIONAL</b>											
<b>Sources of operating income</b>											
725	General rates, uniform annual general charges, rates penalties	504	872	1,241	1,157	1,296	1,663	1,446	1,465	1,731	1,498
-	Targeted rates	-	-	-	-	-	-	-	-	-	-
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and charges	-	-	-	-	-	-	-	-	-	-
-	Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
725	<b>Total sources of operating funding (A)</b>	<b>504</b>	<b>872</b>	<b>1,241</b>	<b>1,157</b>	<b>1,296</b>	<b>1,663</b>	<b>1,446</b>	<b>1,465</b>	<b>1,731</b>	<b>1,498</b>
<b>Applications of operating funding</b>											
183	Payments to staff and suppliers	462	645	873	662	670	912	687	695	949	712
117	Finance costs	155	166	173	185	203	204	202	201	197	193
237	Internal charges & overheads applied	292	316	340	346	349	358	362	368	379	382
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
537	<b>Total applications of operating funding (B)</b>	<b>910</b>	<b>1,127</b>	<b>1,386</b>	<b>1,193</b>	<b>1,222</b>	<b>1,473</b>	<b>1,251</b>	<b>1,264</b>	<b>1,526</b>	<b>1,287</b>
188	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(406)</b>	<b>(254)</b>	<b>(145)</b>	<b>(36)</b>	<b>75</b>	<b>190</b>	<b>195</b>	<b>201</b>	<b>206</b>	<b>211</b>
<b>CAPITAL</b>											
<b>Sources of capital funding</b>											
650	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
(251)	Increase (decrease) in debt	439	331	220	109	(1)	(117)	(122)	(127)	(133)	(140)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
399	<b>Total sources of capital funding (C)</b>	<b>439</b>	<b>331</b>	<b>220</b>	<b>109</b>	<b>(1)</b>	<b>(117)</b>	<b>(122)</b>	<b>(127)</b>	<b>(133)</b>	<b>(140)</b>
<b>Applications of capital funding</b>											
Capital expenditure											
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
-	- to improve level of service	-	-	-	-	-	-	-	-	-	-
-	- to replace existing assets	-	-	-	-	-	-	-	-	-	-
(63)	Increase (decrease) in reserves	33	76	75	73	74	73	73	74	73	72
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
587	<b>Total applications of capital funding (D)</b>	<b>33</b>	<b>76</b>	<b>75</b>	<b>73</b>	<b>74</b>	<b>73</b>	<b>73</b>	<b>74</b>	<b>73</b>	<b>72</b>
(188)	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>406</b>	<b>254</b>	<b>145</b>	<b>36</b>	<b>(75)</b>	<b>(190)</b>	<b>(195)</b>	<b>(201)</b>	<b>(206)</b>	<b>(211)</b>
-	<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

# Stormwater

**ACTIVITY IN THIS GROUP**

- Stormwater Drainage

**CONTRIBUTION TO COMMUNITY OUTCOMES**

-  Integrating nature into our decision making
-  Constructively and collaboratively engaging with whānau, hapū and iwi




**KEY PROJECTS**

- Apanui Linear Park
- Ohope network upgrades
- Edgecumbe stormwater study
- Ohope network upgrades
- Edgecumbe stormwater study
- Whakatane western catchment upgrade
- Whakatane pump replacements

**WHAT WE DO AND HOW WE DO IT**

This group of activities helps protect people and property from the impacts of flooding as well as protecting public health from the potentially adverse effects of stormwater run-off. Because stormwater is discharged into streams, rivers and coastal waters, it needs to be as clean as possible. While we do not treat stormwater run-off, we monitor stormwater discharge to ensure it meets the required standards. Alongside our stormwater activity, river stop banks are managed by the Bay of Plenty Regional Council with the similar objective of protection from the impacts of flooding.

**ALIGNMENT WITH STRATEGIC PRIORITIES**

-  Building climate change and natural hazard resilience including our infrastructure  
*Me mātua whakakaha i te aumangea ki te huringaāhuarangi me ngā tūraru matepā taiao*
  - Ensure our key infrastructure (roads and pipes) are resilient to the effects of natural hazards and climate change.
  - Partner with at-risk communities about climate change adaptation and what this might mean for them (e.g. those communities which may be impacted by rising sea-levels, flooding).
-  Shaping a green District - *Kia toitū te rohe*
  - Ensure Councils decision-making and operations reflect our environmental priorities.
-  Strengthening relationships with iwi, hapū and whānau -*Me mātua whakawhanake i ngā kōtuituinga ā-iwi, ā-hapū, ā-whānau anō hoki*
  - Enable iwi participation in planning, decision-making and reflect cultural aspirations through the projects we deliver (e.g. financial support, capability, design).

**CHALLENGES**

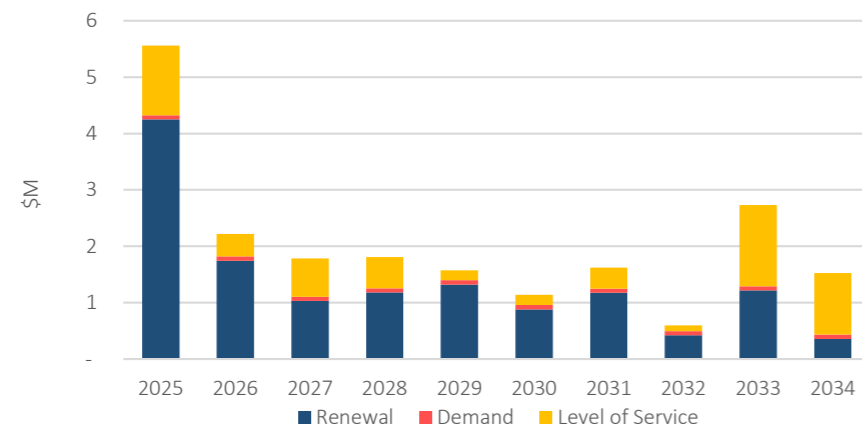
- Ensuring our stormwater systems built in the 50s and 60s are fit for purpose and resilient in more frequent and intense rainfall.



6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

KEY FINANCIAL SUMMARY

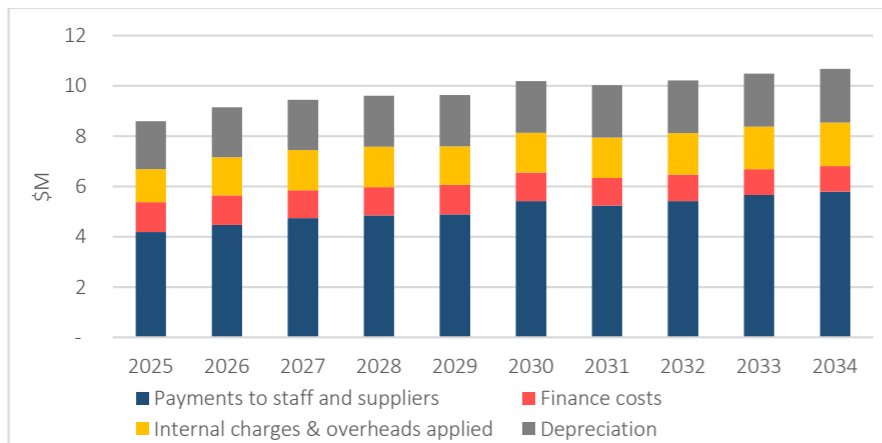
Capital expenditure



Total capital expenditure over the 10 years 2024-34

**\$20.6 million**

Operating expenditure



Total operating expenditure over the 10 years 2024-34

**\$98.0million**

KEY PERFORMANCE INDICATOR

DIA Mandatory measures:

Measure For the years ending 30 June:	TARGET - year 1 (2025)	TARGET - year 2 (2026)	TARGET - year 3 (2027)	TARGET - year 4 + (2028+)
Number of flooding events in the district	Less than 3	Less than 3	Less than 3	Less than 3
For each flooding event, the number of habitable floors affected (per 1,000 properties connected to the Council's stormwater system)	Less than 10	Less than 10	Less than 10	Less than 10
The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site	Less than 3 hours	Less than 3 hours	Less than 3 hours	Less than 3 hours
The number of complaints received about the performance of the stormwater system, expressed per 1,000 properties connected to the territorial authority's stormwater system	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	0	0	0	0
Number of infringement notices received by the Council in relation to the resource consents for discharge from our stormwater system	0	0	0	0
Number of enforcement orders received by the Council in relation to the resource consents for discharge from our stormwater system	0	0	0	0
Number of convictions received by the Council in relation to the resource consents for discharge from our stormwater system	0	0	0	0

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

### Prospective funding impact statement – Stormwater

AP 2024	(\$000) for the years ending 30 June	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>OPERATIONAL</b>											
<b>Sources of operating income</b>											
400	General rates, uniform annual general charges, rates penalties	355	350	347	348	354	355	355	356	345	346
4,213	Targeted rates	4,788	5,368	5,718	6,152	6,256	6,733	6,547	6,625	6,697	6,886
620	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and charges	-	-	-	-	-	-	-	-	-	-
2,815	Interest and dividends from investments	3,130	3,387	3,609	3,677	3,675	3,852	3,928	4,068	4,266	4,364
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
8,047	<b>Total sources of operating funding (A)</b>	<b>8,272</b>	<b>9,105</b>	<b>9,674</b>	<b>10,177</b>	<b>10,284</b>	<b>10,940</b>	<b>10,830</b>	<b>11,050</b>	<b>11,308</b>	<b>11,597</b>
<b>Applications of operating funding</b>											
5,236	Payments to staff and suppliers	4,181	4,476	4,740	4,851	4,893	5,423	5,238	5,418	5,656	5,796
1,119	Finance costs	1,190	1,171	1,112	1,119	1,168	1,136	1,101	1,060	1,027	1,014
1,084	Internal charges & overheads applied	1,313	1,513	1,587	1,608	1,527	1,578	1,606	1,639	1,697	1,728
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
7,439	<b>Total applications of operating funding (B)</b>	<b>6,684</b>	<b>7,160</b>	<b>7,440</b>	<b>7,578</b>	<b>7,588</b>	<b>8,137</b>	<b>7,946</b>	<b>8,117</b>	<b>8,380</b>	<b>8,538</b>
609	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,588</b>	<b>1,945</b>	<b>2,234</b>	<b>2,600</b>	<b>2,696</b>	<b>2,803</b>	<b>2,884</b>	<b>2,933</b>	<b>2,928</b>	<b>3,058</b>
<b>CAPITAL</b>											
<b>Sources of capital funding</b>											
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
19	Development and financial contributions	19	19	20	20	21	21	22	22	23	23
6,558	Increase (decrease) in debt	2,249	(462)	(341)	(514)	(1,067)	(1,079)	(1,061)	(1,403)	(53)	(512)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
6,577	<b>Total sources of capital funding (C)</b>	<b>2,268</b>	<b>(442)</b>	<b>(321)</b>	<b>(494)</b>	<b>(1,046)</b>	<b>(1,057)</b>	<b>(1,039)</b>	<b>(1,380)</b>	<b>(31)</b>	<b>(489)</b>
<b>Applications of capital funding</b>											
<b>Capital expenditure</b>											
135	- to meet additional demand	75	11	12	38	3	18	-	-	5	-
3,852	- to improve level of service	1,236	400	679	554	179	183	373	105	1,442	1,091
6,409	- to replace existing assets	4,249	1,746	1,030	1,182	1,322	882	1,174	419	1,216	358
(3,210)	Increase (decrease) in reserves	(1,704)	(655)	191	331	145	662	298	1,028	234	1,120
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
7,186	<b>Total applications of capital funding (D)</b>	<b>3,855</b>	<b>1,502</b>	<b>1,913</b>	<b>2,106</b>	<b>1,650</b>	<b>1,746</b>	<b>1,845</b>	<b>1,552</b>	<b>2,897</b>	<b>2,569</b>
(608)	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,588)</b>	<b>(1,945)</b>	<b>(2,234)</b>	<b>(2,600)</b>	<b>(2,696)</b>	<b>(2,803)</b>	<b>(2,884)</b>	<b>(2,933)</b>	<b>(2,928)</b>	<b>(3,058)</b>
-	<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

# Wastewater

**ACTIVITIES IN THIS GROUP**

- Trade waste
- Waste water

**CONTRIBUTION TO COMMUNITY OUTCOMES**



Integrating nature into our decision making

**WHAT WE DO AND HOW WE DO IT**

This group of activities provides our district with safe, efficient and well-managed wastewater systems which are critical to managing public health and environmental risks in urban environments. We aim to provide services to collect, treat, and dispose of wastewater in a safe and sustainable way that protects public health and doesn't compromise ecosystems.

**ALIGNMENT WITH STRATEGIC PRIORITIES**



Building climate change and natural hazard resilience including our infrastructure

*Me mātua whakakaha i te aumangea ki te huringāhuarangi me ngā tūraru matepā taiao*

- Ensure our key infrastructure (roads and pipes) are resilient to the effects of natural hazards and climate change.
- Partner with at-risk communities about climate change adaptation and what this might mean for them (e.g. those communities which may be impacted by rising sea-levels, flooding).



Shaping a green District - *Kia toitū te rohe*

- Ensure Councils decision-making and operations reflect our environmental priorities.

**CHALLENGES**

- National and global Ability to fund and finance treatment plant upgrades.
- Changes in freshwater policy that shift environmental targets.

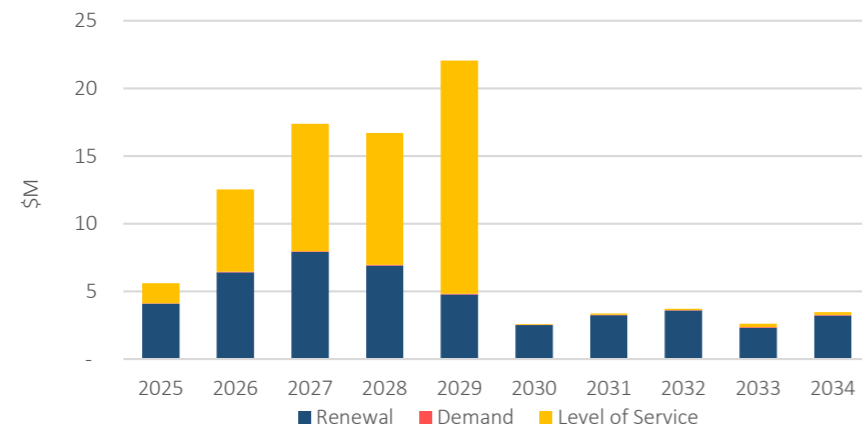
**KEY PROJECTS**

- Sewer network renewals
- Rising main renewal

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

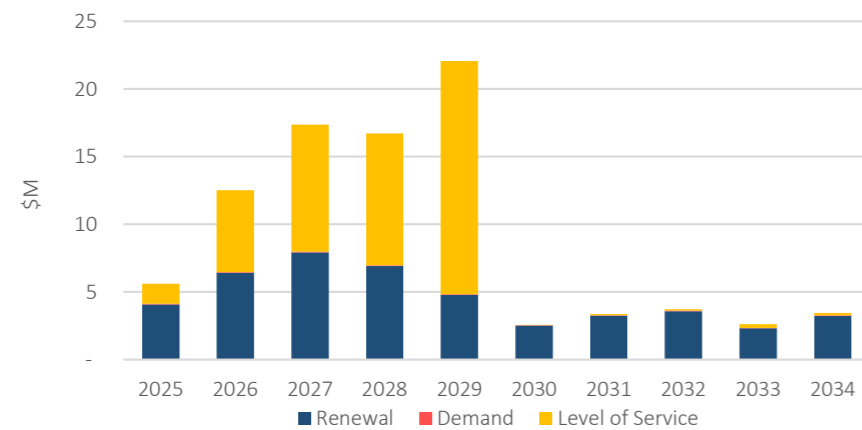
**KEY FINANCIAL SUMMARY**

**Capital expenditure**



Total capital expenditure over the 10 years 2024-34 **\$90.0 million**

**Operating expenditure**



Total operating expenditure over the 10 years 2024-34 **\$106.0 million**

**KEY PERFORMANCE INDICATOR**

DIA Mandatory measures:

Measure For the years ending 30 June:	TARGET - year 1 (2025)	TARGET - year 2 (2026)	TARGET - year 3 (2027)	TARGET - year 4 + (2028+)
Total number of complaints received per 1,000 connections about any of the following: sewage odour sewerage system faults system blockages the Council's response to any of these issues	70%	70%	70%	75%
Median response time to attend a sewage overflow resulting from a blockage or other fault in the Council's sewerage system, from the time that the Council receives notification to the time that service personnel reach the site	Less than 40	Less than 40	Less than 40	Less than 40
Median response time to resolve a sewage overflow resulting from a blockage or other fault in the Council's sewerage system, from the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault	Less than 2 hours	Less than 2 hours	Less than 2 hours	Less than 2 hours
Number of dry weather sewage overflows from the Council's sewerage system per 1,000 connections to that sewerage system	Less than 8	Less than 8	Less than 8	Less than 8
Number of abatement notices received by the Council in relation to the resource consents for discharge from our sewerage systems	Less than 3 overflows	Less than 3 overflows	Less than 3 overflows	Less than 3 overflows
Number of infringement notices received by the Council in relation to the resource consents for discharge from our sewerage systems	0	0	0	0
Number of enforcement orders received by the Council in relation to the resource consents for discharge from our sewerage systems	0	0	0	0
Number of convictions received by the Council in relation to the resource consents for discharge from our sewerage systems	0	0	0	0

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

### Prospective funding impact statement – Wastewater

AP 2024	(\$000) for the years ending 30 June	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>OPERATIONAL</b>											
<b>Sources of operating income</b>											
881	General rates, uniform annual general charges, rates penalties	341	488	849	1,331	1,672	1,692	1,715	1,742	1,763	1,782
5,457	Targeted rates	6,429	7,248	7,723	8,134	8,583	8,912	9,072	9,313	9,568	9,824
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
135	Fees and charges	220	229	241	243	217	224	225	134	139	137
47	Interest and dividends from investments	50	52	53	54	85	87	89	187	191	195
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
6,520	<b>Total sources of operating funding (A)</b>	<b>7,040</b>	<b>8,017</b>	<b>8,866</b>	<b>9,762</b>	<b>10,557</b>	<b>10,915</b>	<b>11,101</b>	<b>11,376</b>	<b>11,661</b>	<b>11,938</b>
<b>Applications of operating funding</b>											
1,269	Payments to staff and suppliers	1,313	1,362	1,415	1,940	2,008	2,077	2,150	2,215	2,282	2,351
646	Finance costs	878	1,104	1,455	1,904	2,289	2,362	2,431	2,508	2,568	2,623
2,215	Internal charges & overheads applied	2,698	2,882	3,042	3,092	3,162	3,270	3,331	3,406	3,527	3,596
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
4,129	<b>Total applications of operating funding (B)</b>	<b>4,889</b>	<b>5,348</b>	<b>5,912</b>	<b>6,936</b>	<b>7,460</b>	<b>7,710</b>	<b>7,913</b>	<b>8,130</b>	<b>8,377</b>	<b>8,570</b>
2,391	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,151</b>	<b>2,669</b>	<b>2,954</b>	<b>2,826</b>	<b>3,098</b>	<b>3,205</b>	<b>3,188</b>	<b>3,246</b>	<b>3,285</b>	<b>3,368</b>
<b>CAPITAL</b>											
<b>Sources of capital funding</b>											
2,471	Subsidies and grants for capital expenditure	-	-	-	1,034	15,679	-	-	-	-	-
97	Development and financial contributions	94	96	99	101	104	106	109	111	114	116
2,886	Increase (decrease) in debt	4,067	7,836	10,030	8,800	958	464	510	481	634	517
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
5,454	<b>Total sources of capital funding (C)</b>	<b>4,161</b>	<b>7,932</b>	<b>10,129</b>	<b>9,936</b>	<b>16,742</b>	<b>570</b>	<b>619</b>	<b>592</b>	<b>748</b>	<b>633</b>
<b>Applications of capital funding</b>											
<b>Capital expenditure</b>											
15	- to meet additional demand	34	100	-	-	67	-	-	-	-	-
3,615	- to improve level of service	1,488	6,073	9,418	9,761	17,248	31	98	100	257	198
3,452	- to replace existing assets	4,085	6,418	7,922	6,919	4,785	2,515	3,234	3,581	2,319	3,225
762	Increase (decrease) in reserves	705	(1,990)	(4,258)	(3,918)	(2,261)	1,229	475	158	1,456	577
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
7,844	<b>Total applications of capital funding (D)</b>	<b>6,312</b>	<b>10,601</b>	<b>13,083</b>	<b>12,762</b>	<b>19,840</b>	<b>3,775</b>	<b>3,807</b>	<b>3,838</b>	<b>4,032</b>	<b>4,001</b>
(2,391)	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,151)</b>	<b>(2,669)</b>	<b>(2,954)</b>	<b>(2,826)</b>	<b>(3,098)</b>	<b>(3,205)</b>	<b>(3,188)</b>	<b>(3,246)</b>	<b>(3,285)</b>	<b>(3,368)</b>
-	<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

# Water Supply

**ACTIVITY IN THIS GROUP**

- Water Supply

**CONTRIBUTION TO COMMUNITY OUTCOMES**



Integrating nature into our decision making



Constructively and collaboratively engaging with whānau, hapū and iwi

**CHALLENGES**

- Reconsenting water lakes

**KEY PROJECTS**

- Otumahi water storage
- Murupara treatment upgrades
- Ruatoki water treatment
- Equalised water network renewals

**WHAT WE DO AND HOW WE DO IT**

This activity provides safe, reliable and sustainable water supply to the district. This currently includes provision to over 12,500 properties for domestic, industrial, commercial and agricultural use. With large areas of our district being rural, and in some cases isolated, many households have independent systems supplying their own needs. Water is also provided for urban firefighting requirements.

**ALIGNMENT WITH STRATEGIC PRIORITIES**



Building climate change and natural hazard resilience including our infrastructure  
*Me mātua whakakaha i te aumangea ki te huringaāhuarangi me ngā tūraru matepā taiao*

- Ensure our key infrastructure (roads and pipes) are resilient to the effects of natural hazards and climate change.
- Partner with at-risk communities about climate change adaptation and what this might mean for them (e.g. those communities which may be impacted by rising sea-levels, flooding).



Shaping a green District - *Kia toitū te rohe*

- Ensure Councils decision-making and operations reflect our environmental priorities.



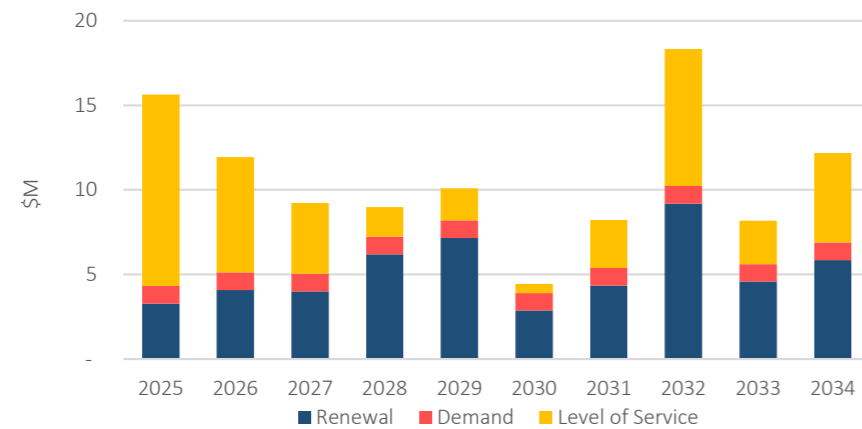
Strengthening relationships with iwi, hapū and whānau -*Me mātua whakawhanake i ngā kōtuituinga ā-iwi, ā-hapū, ā-whānau anō hoki*

- Enable iwi participation in planning, decision-making and reflect cultural aspirations through the projects we deliver (e.g. financial support, capability, design).

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

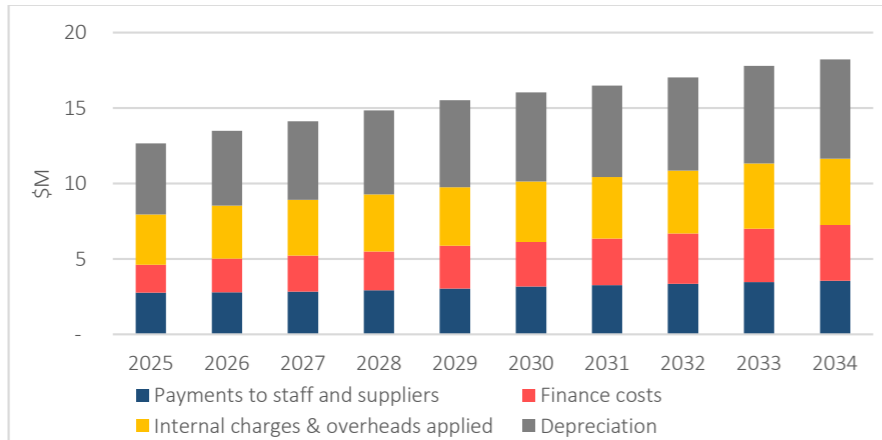
KEY FINANCIAL SUMMARY

Capital expenditure



Total capital expenditure over the 10 years 2024-34 **\$107.2 million**

Operating expenditure



Total operating expenditure over the 10 years 2024-34 **\$156.2 million**

KEY FINANCIAL SUMMARY

DIA Mandatory measures:

Measure For the years ending 30 June:	TARGET - year 1 (2025)	TARGET - year 2 (2026)	TARGET - year 3 (2027)	TARGET - year 4 + (2028+)
The extent to which Council's drinking water supplies comply with Part 4 of the Drinking Water Standards (bacteria compliance criteria)	All schemes	All schemes	All schemes	All schemes
The extent to which Council's drinking water supplies comply with Part 5 of the Drinking Water Standards (protozoal compliance criteria)	8 schemes compliant of 9	8 schemes compliant of 9	8 schemes compliant of 9	8 schemes compliant of 9
Total number of complaints per 1,000 connections, received by the Council about any of the following : (drinking water clarity, drinking water taste, drinking water odour, water pressure or flow continuity of supply, Council's response to any of these issues)	Less than 20	Less than 20	Less than 20	Less than 10
Median response time to attend urgent call-outs for areas supplied by Council from the time that the local authority receives notification to the time that service personnel reach the site	Less than 1 hour	Less than 1 hour	Less than 1 hour	Less than 1 hour
Median response time to resolve urgent call-outs for areas supplied by Council from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	Less than 8 hours	Less than 8 hours	Less than 8 hours	Less than 8 hours
Median response time to attend non-urgent call-outs for areas supplied by Council from the time that the local authority receives notification to the time that service personnel reach the site	Less than 24 hours	Less than 24 hours	Less than 24 hours	Less than 24 hours
Median response time to resolve non-urgent call-outs for areas supplied by Council from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	Less than 48 hours	Less than 48 hours	Less than 48 hours	Less than 48 hours
Average consumption of drinking water per day per resident in the District for metered areas supplied by Council	Less than 450 litres	Less than 450 litres	Less than 450 litres	Less than 400 litres
Average consumption of drinking water per day per resident in the District for unmetered areas supplied by Council	Less than 350 litres	Less than 350 litres	Less than 350 litres	Less than 300 litres
Percentage of real water loss from Council-networked reticulation system for metered schemes based on the standard International Water Association (IWA) water balance	Less than 20%	Less than 20%	Less than 20%	Less than 20%
Percentage of real water loss from council-networked reticulation system for unmetered schemes	Less than 50%	Less than 50%	Less than 50%	Less than 40%

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

### Prospective funding impact statement – Water Supply

AP 2024	(\$000) for the years ending 30 June	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>OPERATIONAL</b>											
<b>Sources of operating income</b>											
-	General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-
8,261	Targeted rates	11,070	12,366	12,995	14,111	15,130	16,099	16,613	17,193	18,112	18,641
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
173	Fees and charges	169	173	177	182	187	191	195	200	204	208
97	Interest and dividends from investments	11	(25)	(26)	(27)	(28)	(28)	(29)	(30)	(31)	(32)
4	Local authorities fuel tax, fines, infringement fees, and other receipts	4	4	5	5	5	5	5	5	5	5
8,536	<b>Total sources of operating funding (A)</b>	11,254	12,518	13,151	14,271	15,293	16,266	16,784	17,368	18,290	18,823
<b>Applications of operating funding</b>											
2,368	Payments to staff and suppliers	2,754	2,797	2,828	2,929	3,030	3,159	3,260	3,355	3,451	3,552
1,640	Finance costs	1,847	2,211	2,381	2,571	2,839	2,954	3,076	3,321	3,547	3,685
2,827	Internal charges & overheads applied	3,354	3,523	3,710	3,776	3,875	4,008	4,084	4,175	4,324	4,411
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
6,834	<b>Total applications of operating funding (B)</b>	7,956	8,531	8,920	9,277	9,744	10,122	10,420	10,852	11,322	11,648
1,702	<b>Surplus (deficit) of operating funding (A-B)</b>	3,298	3,987	4,231	4,995	5,549	6,144	6,364	6,516	6,968	7,175
<b>CAPITAL</b>											
<b>Sources of capital funding</b>											
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
80	Development and financial contributions	78	80	82	84	86	88	90	92	94	96
12,398	Increase (decrease) in debt	12,745	6,795	4,335	1,568	1,183	1,525	1,310	6,662	934	3,560
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
12,477	<b>Total sources of capital funding (C)</b>	12,823	6,874	4,417	1,652	1,269	1,613	1,400	6,754	1,028	3,656
<b>Applications of capital funding</b>											
Capital expenditure											
1,118	- to meet additional demand	1,042	653	466	784	658	2,837	328	377	351	377
9,770	- to improve level of service	11,309	6,807	4,189	1,758	1,902	539	2,829	8,106	2,560	5,281
3,234	- to replace existing assets	3,279	4,090	3,995	6,192	7,154	2,867	4,345	9,182	4,575	5,855
58	Increase (decrease) in reserves	491	(688)	(2)	(2,088)	(2,894)	1,514	262	(4,395)	511	(682)
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
14,179	<b>Total applications of capital funding (D)</b>	16,122	10,862	8,648	6,646	6,819	7,757	7,764	13,270	7,997	10,831
(1,702)	<b>Surplus (deficit) of capital funding (C-D)</b>	(3,298)	(3,987)	(4,231)	(4,995)	(5,549)	(6,144)	(6,364)	(6,516)	(6,968)	(7,175)
-	<b>Funding balance ((A-B) + (C-D))</b>	-	-	-	-	-	-	-	-	-	-

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

## Ports and Harbour

### ACTIVITIES IN THIS GROUP

Harbours: whakatane/Thornton/Ohope  
Whakatāne /Thornton/Ōhope

### WHAT WE DO AND HOW WE DO IT

This group of activities develops the strategy, planning, and management of harbour assets, as well as maintenance to ensure all facilities and assets are safe for public use.

### CONTRIBUTION TO COMMUNITY OUTCOMES



Strong, connected, interdependent,  
diverse communities



Thriving circular economies

### CHALLENGES

- Public health and safety

### ALIGNMENT WITH STRATEGIC PRIORITIES



Enhancing the safety, wellbeing, and vibrancy of communities

*Me mātua whakanui i te marutau,  
te oranga, me te whitawhita o ngā hapori*

- Increase safety for people moving around the District (e.g. Community Safety Cameras, good lighting, multi-modal transport, accessibility for people with disabilities).



Facilitating economic regeneration and responding to development pressures

*Me mātua whakahaere i te tipuranga o te taiōhanga me ngā tonotono whare*

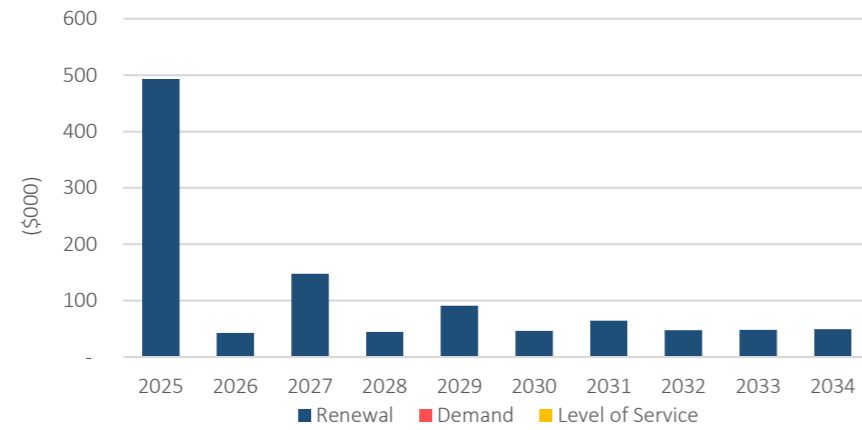
- Back our economy, in particular the tourism and events sectors, to enable economic and employment growth and attract new business and investment into the District.

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)



**KEY FINANCIAL SUMMARY**

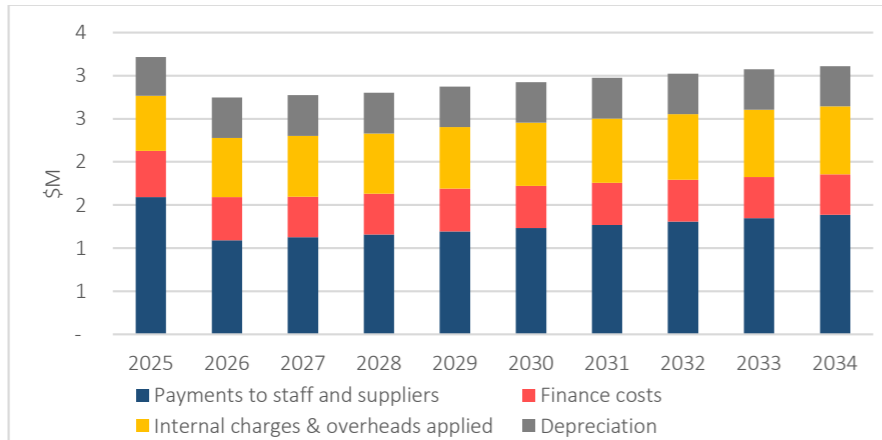
**Capital expenditure**



Total capital expenditure over the 10 years 2024-34

**\$1.1 million**

**Operating expenditure**



Total operating expenditure over the 10 years 2024-34

**\$29.5 million**



6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

### Prospective funding impact statement – Ports and Harbour

AP 2024	(\$000) for the years ending 30 June	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>OPERATIONAL</b>											
<b>Sources of operating income</b>											
-	General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-
-	Targeted rates	-	-	-	-	-	-	-	-	-	-
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
213	Fees and charges	203	121	123	125	128	130	132	134	136	139
-	Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
213	<b>Total sources of operating funding (A)</b>	<b>203</b>	<b>121</b>	<b>123</b>	<b>125</b>	<b>128</b>	<b>130</b>	<b>132</b>	<b>134</b>	<b>136</b>	<b>139</b>
<b>Applications of operating funding</b>											
938	Payments to staff and suppliers	1,591	1,093	1,126	1,160	1,195	1,231	1,269	1,307	1,346	1,388
408	Finance costs	536	498	470	470	495	492	488	485	476	466
373	Internal charges & overheads applied	638	686	706	700	713	732	747	762	784	791
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
1,719	<b>Total applications of operating funding (B)</b>	<b>2,765</b>	<b>2,277</b>	<b>2,302</b>	<b>2,330</b>	<b>2,403</b>	<b>2,455</b>	<b>2,504</b>	<b>2,553</b>	<b>2,607</b>	<b>2,645</b>
(1,506)	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(2,562)</b>	<b>(2,156)</b>	<b>(2,179)</b>	<b>(2,204)</b>	<b>(2,275)</b>	<b>(2,325)</b>	<b>(2,372)</b>	<b>(2,419)</b>	<b>(2,470)</b>	<b>(2,506)</b>
<b>CAPITAL</b>											
<b>Sources of capital funding</b>											
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
4,506	Increase (decrease) in debt	(221)	(240)	(257)	(265)	(266)	(277)	(289)	(301)	(315)	(331)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
4,506	<b>Total sources of capital funding (C)</b>	<b>(221)</b>	<b>(240)</b>	<b>(257)</b>	<b>(265)</b>	<b>(266)</b>	<b>(277)</b>	<b>(289)</b>	<b>(301)</b>	<b>(315)</b>	<b>(331)</b>
<b>Applications of capital funding</b>											
Capital expenditure											
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
540	- to improve level of service	-	-	-	-	-	-	-	-	-	-
484	- to replace existing assets	493	43	148	45	91	46	65	48	48	49
(2,124)	Increase (decrease) in reserves	(3,276)	(2,439)	(2,583)	(2,514)	(2,632)	(2,649)	(2,725)	(2,767)	(2,834)	(2,886)
4,100	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
2,999	<b>Total applications of capital funding (D)</b>	<b>(2,783)</b>	<b>(2,396)</b>	<b>(2,436)</b>	<b>(2,470)</b>	<b>(2,542)</b>	<b>(2,603)</b>	<b>(2,660)</b>	<b>(2,719)</b>	<b>(2,785)</b>	<b>(2,837)</b>
1,506	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>2,562</b>	<b>2,156</b>	<b>2,179</b>	<b>2,204</b>	<b>2,275</b>	<b>2,325</b>	<b>2,372</b>	<b>2,419</b>	<b>2,470</b>	<b>2,506</b>
-	<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

## Parks and Reserves

### ACTIVITIES IN THIS GROUP

- Parks and Reserves
- Gardens
- Cemeteries

### CONTRIBUTION TO COMMUNITY OUTCOMES



Strong, connected, interdependent, diverse communities



Integrating nature into our decision making



Constructively and collaboratively engaging with whānau, hapū and iwi

### CHALLENGES

- Public health and safety
- Vandalism
- Availability of land for a new cemetery

### WHAT WE DO AND HOW WE DO IT

This group of activities provides and maintains spaces and facilities for community use, recreation and amenities, and provides the planning, management and operational services for five Council-owned cemeteries and one crematorium.

Through these activities, we aim to provide spaces that enhance the quality of life and well-being for both our residents and visitors.

### ALIGNMENT WITH STRATEGIC PRIORITIES



Enhancing the safety, wellbeing, and vibrancy of communities - *Me mātua whakanui i te marutau, te oranga, me te whitawhita o ngā hapori*

- Invest wisely in recreation, events, and the arts to have a broader range of 'things to do' (especially for our youth).



Shaping a green District - *Kia toitū te rohe*

- Ensure Councils decision-making and operations reflect our environmental priorities.



Strengthening relationships with iwi, hapū and whānau - *Me mātua whakawhanake i ngā kōtuituinga ā-iwi, ā-hapū, ā-whānau anō hoki*

- Work with iwi, hapū and whānau, to improve equity and wellbeing outcomes.

### KEY PROJECTS

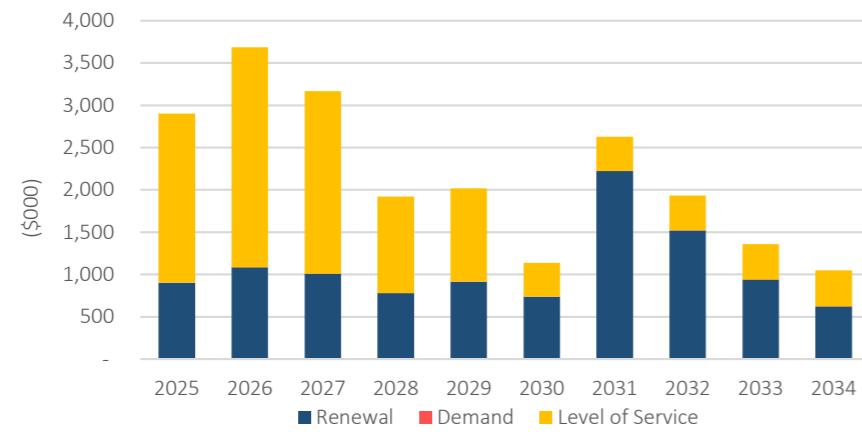
- Awatapu Lagoon Wetland construction
- Cemetery expansion and site development for a new cemetery
- Accessible play spaces

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)



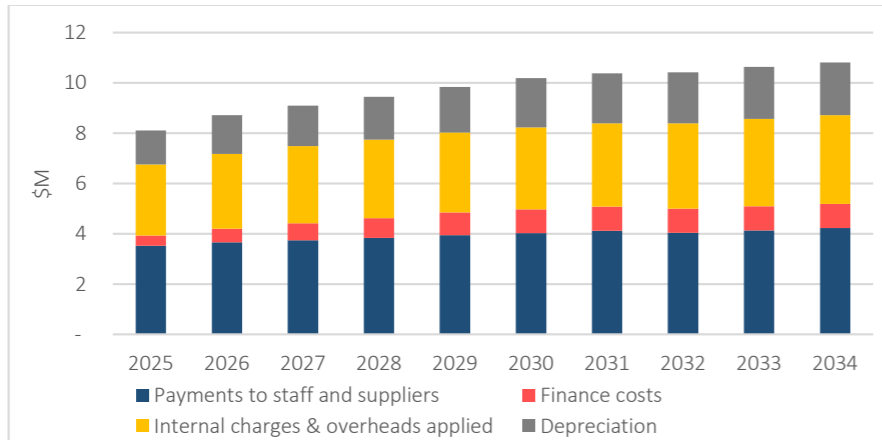
**KEY FINANCIAL SUMMARY**

**Capital expenditure**



Total capital expenditure over the 10 years 2024-34 **\$21.8 million**

**Operating expenditure**



Total operating expenditure over the 10 years 2024-34 **\$97.6million**





6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

## Prospective funding impact statement – Parks and Reserves

AP 2024	(\$000) for the years ending 30 June	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>OPERATIONAL</b>											
<b>Sources of operating income</b>											
4,185	General rates, uniform annual general charges, rates penalties	3,645	4,467	5,262	6,235	7,023	7,771	7,930	7,952	8,119	8,261
-	Targeted rates	-	-	-	-	-	-	-	-	-	-
8	Subsidies and grants for operating purposes	8	8	8	8	8	9	9	9	9	9
521	Fees and charges	521	534	545	555	565	574	584	564	573	582
2,113	Interest and dividends from investments	1,967	2,029	2,070	2,111	2,151	2,191	2,230	2,271	2,310	2,350
54	Local authorities fuel tax, fines, infringement fees, and other receipts	65	67	68	69	70	72	73	66	67	68
<b>6,881</b>	<b>Total sources of operating funding (A)</b>	<b>6,206</b>	<b>7,105</b>	<b>7,953</b>	<b>8,978</b>	<b>9,818</b>	<b>10,616</b>	<b>10,826</b>	<b>10,861</b>	<b>11,078</b>	<b>11,270</b>
<b>Applications of operating funding</b>											
3,491	Payments to staff and suppliers	3,528	3,660	3,742	3,835	3,941	4,026	4,125	4,041	4,126	4,225
281	Finance costs	402	544	672	783	905	943	952	963	964	962
2,801	Internal charges & overheads applied	2,829	2,974	3,066	3,119	3,183	3,260	3,317	3,386	3,472	3,528
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
<b>6,573</b>	<b>Total applications of operating funding (B)</b>	<b>6,759</b>	<b>7,177</b>	<b>7,480</b>	<b>7,738</b>	<b>8,029</b>	<b>8,229</b>	<b>8,395</b>	<b>8,390</b>	<b>8,563</b>	<b>8,715</b>
<b>308</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(553)</b>	<b>(73)</b>	<b>473</b>	<b>1,240</b>	<b>1,788</b>	<b>2,386</b>	<b>2,431</b>	<b>2,471</b>	<b>2,516</b>	<b>2,555</b>
<b>CAPITAL</b>											
<b>Sources of capital funding</b>											
350	Subsidies and grants for capital expenditure	350	81	82	84	85	87	88	89	91	92
129	Development and financial contributions	125	127	130	132	135	137	139	142	144	146
3,978	Increase (decrease) in debt	3,159	3,607	2,728	1,419	944	(209)	(229)	(249)	(273)	(294)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
<b>4,457</b>	<b>Total sources of capital funding (C)</b>	<b>3,634</b>	<b>3,815</b>	<b>2,940</b>	<b>1,635</b>	<b>1,164</b>	<b>15</b>	<b>(1)</b>	<b>(18)</b>	<b>(39)</b>	<b>(56)</b>
<b>Applications of capital funding</b>											
Capital expenditure											
1	- to meet additional demand	1	1	1	1	1	1	1	1	1	1
3,297	- to improve level of service	2,000	2,600	2,159	1,139	1,101	398	405	411	418	425
709	- to replace existing assets	902	1,084	1,009	780	914	737	2,222	1,521	939	622
408	Increase (decrease) in reserves	177	58	244	955	936	1,265	(198)	520	1,119	1,452
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
<b>4,765</b>	<b>Total applications of capital funding (D)</b>	<b>3,081</b>	<b>3,743</b>	<b>3,413</b>	<b>2,875</b>	<b>2,953</b>	<b>2,401</b>	<b>2,430</b>	<b>2,453</b>	<b>2,477</b>	<b>2,500</b>
<b>(308)</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>553</b>	<b>73</b>	<b>(473)</b>	<b>(1,240)</b>	<b>(1,788)</b>	<b>(2,386)</b>	<b>(2,431)</b>	<b>(2,471)</b>	<b>(2,516)</b>	<b>(2,555)</b>
-	<b>Funding balance ((A-B) + (C-D))</b>	-	-	-	-	-	-	-	-	-	-

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)



# Whakatāne Holiday Park

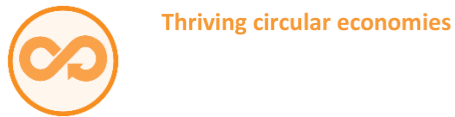
**ACTIVITY IN THIS GROUP**

- Whakatāne Holiday Park

**WHAT WE DO AND HOW WE DO IT**

This activity provides quality accommodation and services at Whakatāne Holiday Park, ensuring visitors have clean and presentable accommodations to be able to explore the Whakatāne region. This activity also has an important role to play in resilience support and planning and can provide emergency accommodation in the event of a disaster.

**CONTRIBUTION TO COMMUNITY OUTCOMES**



ALIGNMENT WITH STRATEGIC PRIORITIES	
	Facilitating economic regeneration and responding to development pressures <i>Me mātua whakahaere i te tipuranga o te taiōhanga me ngā tonotono whare</i> <ul style="list-style-type: none"> <li>➤ Back our economy, in particular the tourism and events sectors, to enable economic and employment growth and attract new business and investment into the District.</li> </ul>

**CHALLENGES**

- Reduction in international tourist market

**KEY PROJECTS**

- Holiday park upgrades and renewals

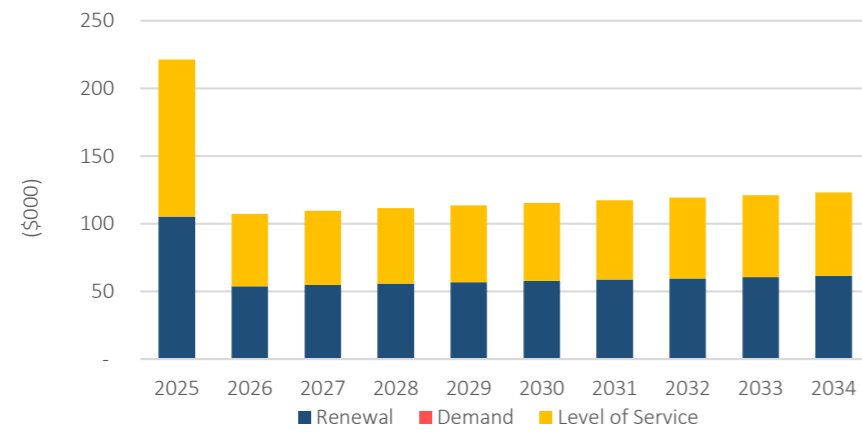


6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)



**KEY FINANCIAL SUMMARY**

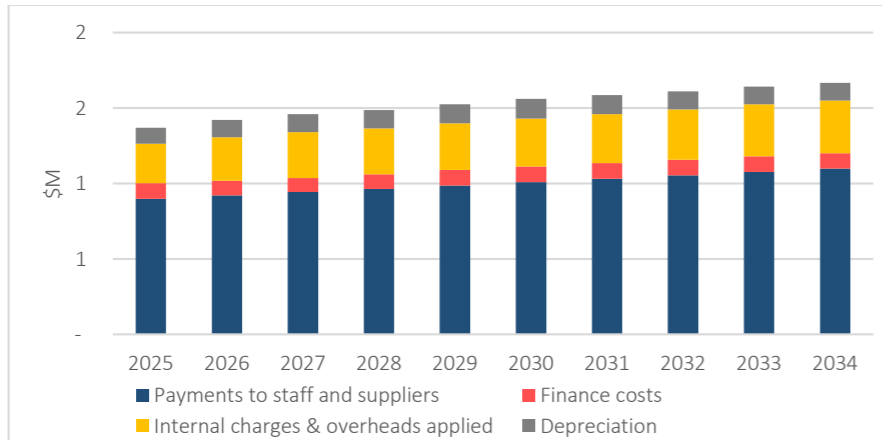
**Capital expenditure**



Total capital expenditure over the 10 years 2024-34

**\$1.3 million**

**Operating expenditure**



Total operating expenditure over the 10 years 2024-34

**\$15.3million**



6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

### Prospective funding impact statement – Holiday Park

AP 2024	(\$000) for the years ending 30 June	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>OPERATIONAL</b>											
<b>Sources of operating income</b>											
-	General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-
-	Targeted rates	-	-	-	-	-	-	-	-	-	-
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
962	Fees and charges	1,138	1,160	1,183	1,204	1,226	1,247	1,268	1,288	1,309	1,330
-	Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
962	<b>Total sources of operating funding (A)</b>	<b>1,138</b>	<b>1,160</b>	<b>1,183</b>	<b>1,204</b>	<b>1,226</b>	<b>1,247</b>	<b>1,268</b>	<b>1,288</b>	<b>1,309</b>	<b>1,330</b>
<b>Applications of operating funding</b>											
851	Payments to staff and suppliers	899	921	943	965	987	1,009	1,032	1,054	1,076	1,098
97	Finance costs	102	98	94	95	102	103	103	104	104	102
166	Internal charges & overheads applied	263	288	304	305	309	319	324	333	345	349
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
1,114	<b>Total applications of operating funding (B)</b>	<b>1,264</b>	<b>1,306</b>	<b>1,340</b>	<b>1,365</b>	<b>1,398</b>	<b>1,431</b>	<b>1,459</b>	<b>1,490</b>	<b>1,524</b>	<b>1,550</b>
(152)	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(126)</b>	<b>(147)</b>	<b>(157)</b>	<b>(160)</b>	<b>(172)</b>	<b>(184)</b>	<b>(191)</b>	<b>(202)</b>	<b>(215)</b>	<b>(220)</b>
<b>CAPITAL</b>											
<b>Sources of capital funding</b>											
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
98	Increase (decrease) in debt	56	(14)	(18)	(21)	(22)	(26)	(29)	(33)	(38)	(43)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
98	<b>Total sources of capital funding (C)</b>	<b>56</b>	<b>(14)</b>	<b>(18)</b>	<b>(21)</b>	<b>(22)</b>	<b>(26)</b>	<b>(29)</b>	<b>(33)</b>	<b>(38)</b>	<b>(43)</b>
<b>Applications of capital funding</b>											
Capital expenditure											
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
120	- to improve level of service	116	54	55	56	57	58	59	60	61	62
180	- to replace existing assets	105	54	55	56	57	58	59	60	61	62
(354)	Increase (decrease) in reserves	(291)	(268)	(285)	(293)	(308)	(325)	(338)	(355)	(375)	(387)
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
(54)	<b>Total applications of capital funding (D)</b>	<b>(70)</b>	<b>(160)</b>	<b>(175)</b>	<b>(181)</b>	<b>(194)</b>	<b>(210)</b>	<b>(221)</b>	<b>(236)</b>	<b>(253)</b>	<b>(264)</b>
152	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>126</b>	<b>147</b>	<b>157</b>	<b>160</b>	<b>172</b>	<b>184</b>	<b>191</b>	<b>202</b>	<b>215</b>	<b>220</b>
-	<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)



# Transport Connections

- ACTIVITIES IN THIS GROUP**
- Parking Enforcement
  - Transport Network Connections
  - Shared Use Pathways

**CONTRIBUTION TO COMMUNITY OUTCOMES**



Strong, connected, interdependent, diverse communities



Integrating nature into our decision making

**CHALLENGES**

- Increasing rate of deterioration due to use and age of our current land transport system.
- Future population growth and the inability of our current system to cater to this.
- Exposure to high impact natural events, potentially exacerbated by climate change.

**WHAT WE DO AND HOW WE DO IT**

This group of activities aims to provide a safe, reliable and sustainable transport system that is accessible to everyone and caters to a variety of transport choices. This includes providing safer and more accessible options for pedestrians, people on bikes and people using mobility devices, alongside motorised vehicles. A well-functioning transport system that keeps people and places connected, supports a vibrant economy and allows for the efficient day-to-day running of our communities.

**ALIGNMENT WITH STRATEGIC PRIORITIES**



Enhancing the safety, wellbeing, and vibrancy of communities - *Me mātua whakanui i te marutau, te oranga, me te whitawhita o ngā hapori*

- Increase safety for people moving around the District (e.g. Community Safety Cameras, good lighting, multi-modal transport, accessibility for people with disabilities)



Building climate change and natural hazard resilience including our infrastructure - *Me mātua whakakaha i te aumangea ki te huringa āhuarangi me ngā tūraru matepā taiao*

- Ensure our key infrastructure (roads and pipes) are resilient to the effects of natural hazards and climate change.



Facilitating economic regeneration and responding to development pressures - *Me mātua whakahaere i te tipuranga o te taiōhanga me ngā tonotono whare*

- Setting direction for where and what type of development should occur using Spatial Planning, District Planning and strategic planning processes for infrastructure, suburban development, and economic growth.

**KEY PROJECTS**

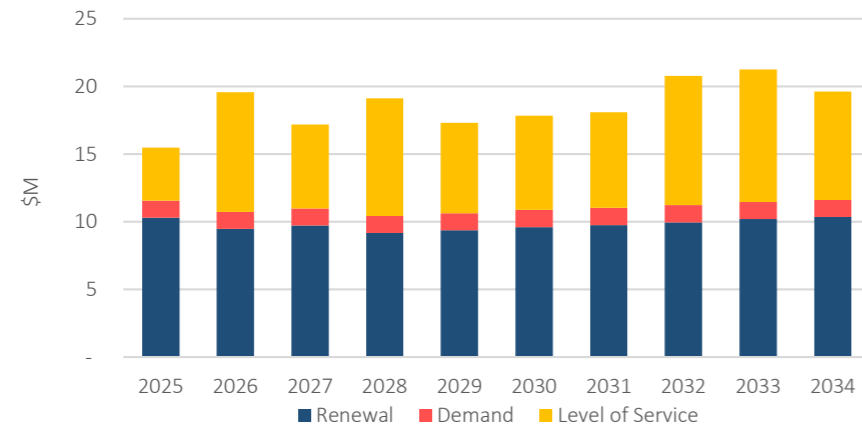
- Resurfacing (chipseal and asphaltic concrete)
- Pavement rehabilitation



6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

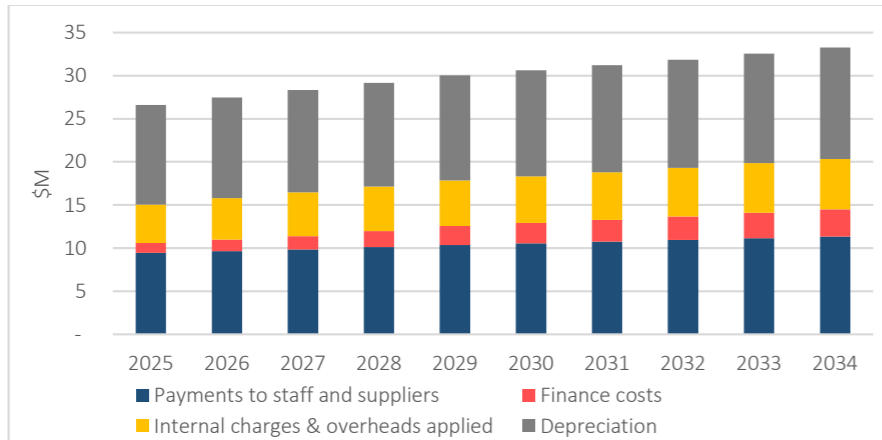
**KEY FINANCIAL SUMMARY**

**Capital expenditure**



Total capital expenditure over the 10 years 2024-34 **\$186.2million**

**Operating expenditure**



Total operating expenditure over the 10 years 2024-34 **\$301.1 million**

**KEY PERFORMANCE INDICATORS**

DIA Mandatory measures:

Measure For the years ending 30 June:	TARGET - year 1 (2025)	TARGET - year 2 (2026)	TARGET - year 3 (2027)	TARGET - year 4 + (2028+)
The average quality of ride on a sealed local road network, measured by percentage of smooth travel exposure	90%	90%	90%	90%
Percentage of sealed local road network that is resurfaced	6-7%	6-7%	6-7%	6-7%
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	95% of all qualifying footpaths achieve a grade of three or less as measured through the three yearly footpath inspections	95% of all qualifying footpaths achieve a grade of three or less as measured through the three yearly footpath inspections	95% of all qualifying footpaths achieve a grade of three or less as measured through the three yearly footpath inspections	95% of all qualifying footpaths achieve a grade of three or less as measured through the three yearly footpath inspections
Percentage of emergency customer service requests relating to roads and footpaths responded to within 2 hours	90%	90%	90%	90%
Percentage of all other customer service requests relating to roads and footpaths responded to within 7 days	95%	95%	95%	95%

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

### Prospective funding impact statement – Transport Connections

AP 2024	(\$000) for the years ending 30 June	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>OPERATIONAL</b>											
<b>Sources of operating income</b>											
(32)	General rates, uniform annual general charges, rates penalties	(44)	(44)	(46)	(47)	(48)	(49)	(50)	(51)	(52)	(53)
6,695	Targeted rates	7,083	8,659	9,957	11,467	13,122	14,600	15,059	15,351	15,906	16,388
4,753	Subsidies and grants for operating purposes	6,081	6,202	6,345	6,491	6,634	6,773	6,908	7,047	7,188	7,324
128	Fees and charges	128	130	133	137	140	143	145	148	151	154
2,345	Interest and dividends from investments	2,230	2,274	2,327	2,380	2,433	2,484	2,533	2,584	2,636	2,686
956	Local authorities fuel tax, fines, infringement fees, and other receipts	912	930	951	973	995	1,015	1,036	1,056	1,078	1,098
14,845	<b>Total sources of operating funding (A)</b>	<b>16,389</b>	<b>18,152</b>	<b>19,668</b>	<b>21,401</b>	<b>23,275</b>	<b>24,966</b>	<b>25,632</b>	<b>26,135</b>	<b>26,907</b>	<b>27,598</b>
<b>Applications of operating funding</b>											
9,467	Payments to staff and suppliers	9,466	9,662	9,831	10,141	10,349	10,553	10,753	10,956	11,160	11,360
932	Finance costs	1,132	1,338	1,559	1,840	2,203	2,378	2,533	2,726	2,936	3,120
3,487	Internal charges & overheads applied	4,436	4,780	5,073	5,177	5,286	5,406	5,513	5,619	5,748	5,855
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
13,887	<b>Total applications of operating funding (B)</b>	<b>15,033</b>	<b>15,780</b>	<b>16,463</b>	<b>17,157</b>	<b>17,839</b>	<b>18,337</b>	<b>18,800</b>	<b>19,301</b>	<b>19,844</b>	<b>20,335</b>
958	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,356</b>	<b>2,371</b>	<b>3,206</b>	<b>4,243</b>	<b>5,436</b>	<b>6,629</b>	<b>6,833</b>	<b>6,835</b>	<b>7,063</b>	<b>7,263</b>
<b>CAPITAL</b>											
<b>Sources of capital funding</b>											
21,004	Subsidies and grants for capital expenditure	10,572	12,643	10,250	13,628	11,049	11,455	11,665	14,974	15,294	13,055
102	Development and financial contributions	97	98	101	103	105	107	110	112	114	116
7,005	Increase (decrease) in debt	4,347	6,943	5,148	5,726	3,222	2,267	2,232	3,541	3,574	2,574
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
28,110	<b>Total sources of capital funding (C)</b>	<b>15,016</b>	<b>19,685</b>	<b>15,499</b>	<b>19,457</b>	<b>14,377</b>	<b>13,830</b>	<b>14,006</b>	<b>18,627</b>	<b>18,982</b>	<b>15,746</b>
<b>Applications of capital funding</b>											
Capital expenditure											
4,625	- to meet additional demand	1,273	2,319	1,094	3,819	1,689	1,845	1,880	4,270	4,357	2,508
16,016	- to improve level of service	3,926	8,830	6,183	8,694	6,672	6,959	7,069	9,562	9,783	8,009
9,548	- to replace existing assets	10,289	9,460	9,716	9,162	9,364	9,602	9,752	9,947	10,190	10,338
(1,120)	Increase (decrease) in reserves	884	1,447	1,710	2,025	2,088	2,053	2,138	1,683	1,715	2,153
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
29,069	<b>Total applications of capital funding (D)</b>	<b>16,372</b>	<b>22,056</b>	<b>18,705</b>	<b>23,701</b>	<b>19,813</b>	<b>20,459</b>	<b>20,839</b>	<b>25,462</b>	<b>26,045</b>	<b>23,008</b>
(958)	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,356)</b>	<b>(2,371)</b>	<b>(3,206)</b>	<b>(4,243)</b>	<b>(5,436)</b>	<b>(6,629)</b>	<b>(6,833)</b>	<b>(6,835)</b>	<b>(7,063)</b>	<b>(7,263)</b>
-	<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

# Building and Resource Management

**ACTIVITIES IN THIS GROUP**

- Building Services
- Resource Consents
- Resource Management Policy.

## CONTRIBUTION TO COMMUNITY OUTCOMES



Strong, connected, interdependent, diverse communities



Integrating nature into our decision making

## CHALLENGES

- Increased scope of building consent exemptions.
- Changing legislation (and a greater focus on monitoring and compliance).

**WHAT WE DO AND HOW WE DO IT**

This group of activities delivers a range of functions that contribute towards the Whakatāne District being a place where people feel safe and are protected from a range of risks to their health and wellbeing. It ensures that buildings and public places are safe and that legal standards are met.

It also helps Council plan for growth in the district through spatial planning, supporting natural hazard resilience and adaptation to climate change, and managing land use development.

## ALIGNMENT WITH STRATEGIC PRIORITIES



Strengthening relationships with iwi, hapū and whānau -*Me mātua whakawhanake i ngā kōtuituinga ā-iwi, ā-hapū, ā-whānau anō hoki*

- Work alongside Māori land owners to support and enable development of Māori land.



Building climate change and natural hazard resilience including our infrastructure -*Me mātua whakakaha i te aumangea ki te huringaāhuarangi me ngā tūraru matepā taiao*

- Ensure the District Plan (rules for how people can build on and develop their land) recognises, manages and mitigates the effects of natural hazards because of climate change. Working around supporting people to navigate these rules.
- Support people to navigate district plan rules and requirements.



Facilitating economic regeneration and responding to development pressures -*Me mātua whakahaere i te tipuranga o te taiōhanga me ngā tonotono whare*

- Setting direction for where and what type of development should occur using Spatial Planning, District Planning and strategic planning processes for infrastructure, suburban development, and economic growth.



6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

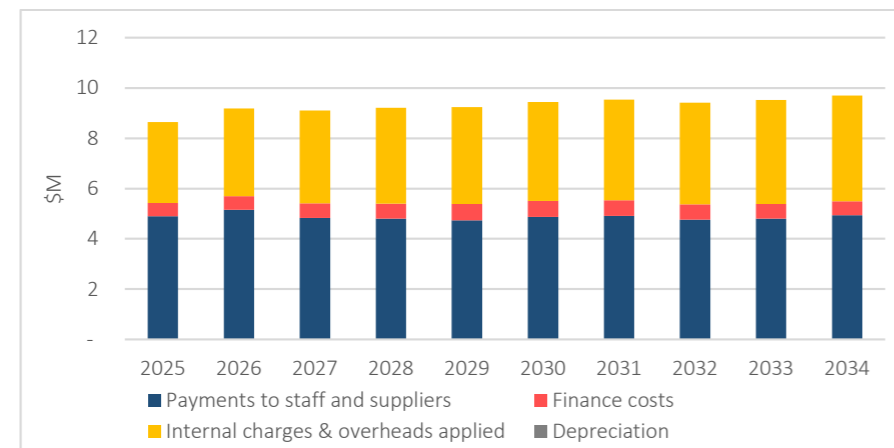


**KEY FINANCIAL SUMMARY**

**Capital expenditure**

Total capital expenditure  
over the 10 years 2024-34 **\$Nil**

**Operating expenditure**



Total operating expenditure  
over the 10 years 2024-34 **\$93.0 million**



6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

### Prospective funding impact statement – Building and Resource Management

AP 2024	(\$000) for the years ending 30 June	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>OPERATIONAL</b>											
<b>Sources of operating income</b>											
4,385	General rates, uniform annual general charges, rates penalties	5,195	5,480	6,030	6,513	6,926	7,286	7,219	7,277	7,248	7,299
-	Targeted rates	-	-	-	-	-	-	-	-	-	-
300	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
1,793	Fees and charges	1,791	1,829	1,868	1,905	1,941	1,978	2,014	2,050	2,087	2,122
-	Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-
955	Local authorities fuel tax, fines, infringement fees, and other receipts	920	939	959	978	997	1,016	1,034	1,052	1,071	1,090
7,432	<b>Total sources of operating funding (A)</b>	<b>7,907</b>	<b>8,249</b>	<b>8,856</b>	<b>9,396</b>	<b>9,864</b>	<b>10,279</b>	<b>10,267</b>	<b>10,379</b>	<b>10,406</b>	<b>10,511</b>
<b>Applications of operating funding</b>											
4,353	Payments to staff and suppliers	4,896	5,152	4,834	4,799	4,734	4,871	4,916	4,768	4,804	4,940
399	Finance costs	525	549	575	607	650	636	619	601	574	548
2,915	Internal charges & overheads applied	3,229	3,490	3,695	3,811	3,851	3,933	3,999	4,051	4,143	4,210
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
7,666	<b>Total applications of operating funding (B)</b>	<b>8,650</b>	<b>9,190</b>	<b>9,104</b>	<b>9,216</b>	<b>9,235</b>	<b>9,440</b>	<b>9,534</b>	<b>9,420</b>	<b>9,521</b>	<b>9,698</b>
(234)	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(743)</b>	<b>(942)</b>	<b>(248)</b>	<b>181</b>	<b>629</b>	<b>839</b>	<b>733</b>	<b>959</b>	<b>885</b>	<b>814</b>
<b>CAPITAL</b>											
<b>Sources of capital funding</b>											
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
(120)	Increase (decrease) in debt	1,106	1,262	562	118	(322)	(538)	(429)	(652)	(590)	(537)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
(120)	<b>Total sources of capital funding (C)</b>	<b>1,106</b>	<b>1,262</b>	<b>562</b>	<b>118</b>	<b>(322)</b>	<b>(538)</b>	<b>(429)</b>	<b>(652)</b>	<b>(590)</b>	<b>(537)</b>
<b>Applications of capital funding</b>											
<b>Capital expenditure</b>											
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
-	- to improve level of service	-	-	-	-	-	-	-	-	-	-
-	- to replace existing assets	-	-	-	-	-	-	-	-	-	-
(354)	Increase (decrease) in reserves	362	320	314	299	307	301	303	307	295	277
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
(354)	<b>Total applications of capital funding (D)</b>	<b>362</b>	<b>320</b>	<b>314</b>	<b>299</b>	<b>307</b>	<b>301</b>	<b>303</b>	<b>307</b>	<b>295</b>	<b>277</b>
234	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>743</b>	<b>942</b>	<b>248</b>	<b>(181)</b>	<b>(629)</b>	<b>(839)</b>	<b>(733)</b>	<b>(959)</b>	<b>(885)</b>	<b>(814)</b>

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)



# Waste Management

- ACTIVITIES IN THIS GROUP**
- Waste Disposal
  - Waste Minimisation.

**CONTRIBUTION TO COMMUNITY OUTCOMES**



Integrating nature into our decision making



Thriving circular economies

**WHAT WE DO AND HOW WE DO IT**

This group of activities is about protecting the health of people and the environment, by providing a reliable kerbside rubbish and recycling collection service and promoting waste minimisation and resource recovery. It helps Council encourage and support the community to reduce, reuse, and recycle through education programmes that support the waste hierarchy, and provide the right infrastructure and services. Waste management must meet the requirements of several pieces of legislation, including the Waste Minimisation Act 2008, the New Zealand Waste Strategy 2010 and the Local Government Act 2002.

**ALIGNMENT WITH STRATEGIC PRIORITIES**



Shaping a green District - *Kia toitū te rohe*

- Ensure Councils decision-making and operations reflect our environmental priorities.
- Provide active leadership to minimise and manage waste to develop a more circular economy.

**CHALLENGES**

- Monitoring and responding to legislative changes.

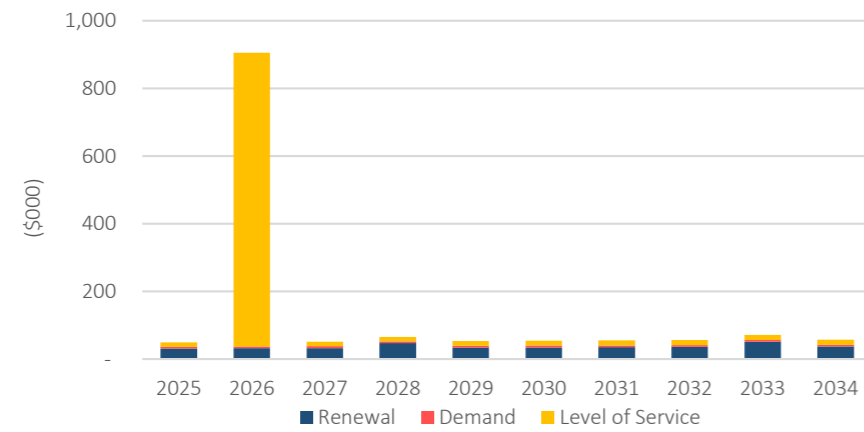


6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)



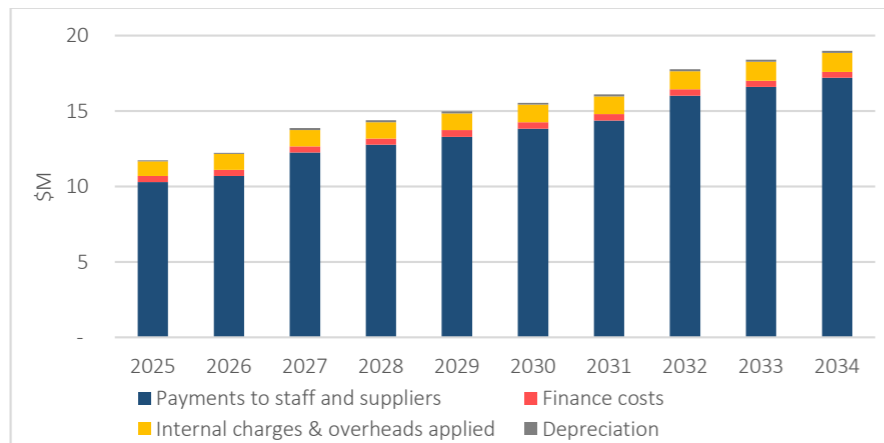
**KEY FINANCIAL SUMMARY**

**Capital expenditure**



Total capital expenditure over the 10 years 2024-34 **\$1.4 million**

**Operating expenditure**



Total operating expenditure over the 10 years 2024-34 **\$154.0 million**



6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

### Prospective funding impact statement – Waste Management

AP 2024	(\$000) for the years ending 30 June	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>OPERATIONAL</b>											
<b>Sources of operating income</b>											
1,701	General rates, uniform annual general charges, rates penalties	2,740	2,753	3,073	3,150	3,139	3,146	3,220	3,344	3,400	3,466
3,751	Targeted rates	6,430	6,795	8,047	8,598	9,191	9,775	10,213	11,716	12,204	12,683
151	Subsidies and grants for operating purposes	440	440	440	440	440	440	440	440	440	440
2,088	Fees and charges	2,412	2,679	2,735	2,790	2,843	2,897	2,949	3,002	3,056	3,108
-	Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
7,690	<b>Total sources of operating funding (A)</b>	<b>12,022</b>	<b>12,667</b>	<b>14,295</b>	<b>14,977</b>	<b>15,613</b>	<b>16,257</b>	<b>16,822</b>	<b>18,502</b>	<b>19,099</b>	<b>19,697</b>
<b>Applications of operating funding</b>											
8,157	Payments to staff and suppliers	10,282	10,700	12,241	12,764	13,289	13,830	14,373	16,017	16,610	17,202
120	Finance costs	404	408	412	418	438	431	424	417	406	393
596	Internal charges & overheads applied	978	1,050	1,086	1,085	1,120	1,156	1,171	1,200	1,243	1,257
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
8,874	<b>Total applications of operating funding (B)</b>	<b>11,665</b>	<b>12,158</b>	<b>13,738</b>	<b>14,266</b>	<b>14,847</b>	<b>15,417</b>	<b>15,969</b>	<b>17,634</b>	<b>18,258</b>	<b>18,852</b>
(1,184)	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>357</b>	<b>509</b>	<b>557</b>	<b>711</b>	<b>766</b>	<b>840</b>	<b>853</b>	<b>867</b>	<b>841</b>	<b>845</b>
<b>CAPITAL</b>											
<b>Sources of capital funding</b>											
403	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
(89)	Increase (decrease) in debt	185	885	(21)	(176)	(233)	(311)	(323)	(336)	(323)	(330)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
315	<b>Total sources of capital funding (C)</b>	<b>185</b>	<b>885</b>	<b>(21)</b>	<b>(176)</b>	<b>(233)</b>	<b>(311)</b>	<b>(323)</b>	<b>(336)</b>	<b>(323)</b>	<b>(330)</b>
<b>Applications of capital funding</b>											
<b>Capital expenditure</b>											
5	- to meet additional demand	5	5	6	6	6	6	6	6	6	6
412	- to improve level of service	13	868	13	14	14	14	14	15	15	15
48	- to replace existing assets	31	32	33	47	34	35	35	36	51	37
(1,335)	Increase (decrease) in reserves	493	488	484	468	479	475	475	475	445	456
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
(869)	<b>Total applications of capital funding (D)</b>	<b>542</b>	<b>1,394</b>	<b>536</b>	<b>534</b>	<b>533</b>	<b>529</b>	<b>530</b>	<b>532</b>	<b>518</b>	<b>514</b>
1,184	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(357)</b>	<b>(509)</b>	<b>(557)</b>	<b>(711)</b>	<b>(766)</b>	<b>(840)</b>	<b>(853)</b>	<b>(867)</b>	<b>(841)</b>	<b>(845)</b>
-	<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)



## Community Regulation

### ACTIVITIES IN THIS GROUP

- Animal Control
- Regulation Monitoring
- Liquor Licensing
- Environmental Health

### WHAT WE DO AND HOW WE DO IT

This group of activities delivers a range of functions that contribute towards the Whakatāne District being a place where people feel safe. Making sure animal control is in place, traffic regulations are enforced, alcohol-related harm is prevented through liquor licensing, and environmental and public health standards are maintained are key requirements that ensure the Whakatāne District is a safe place to visit, live and stay.

### CONTRIBUTION TO COMMUNITY OUTCOMES



Strong, connected, interdependent,  
diverse communities

### ALIGNMENT WITH STRATEGIC PRIORITIES

Enhancing the safety, wellbeing, and vibrancy of communities

*Me mātua whakanui i te marutau,  
te oranga, me te whitawhita o ngā hapori*



- Work with other agencies and community organisations to focus on social wellbeing outcomes (such as health, homelessness, and safety).

### CHALLENGES

- Numbers of unregistered dogs.
- Keeping our staff safe.



6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

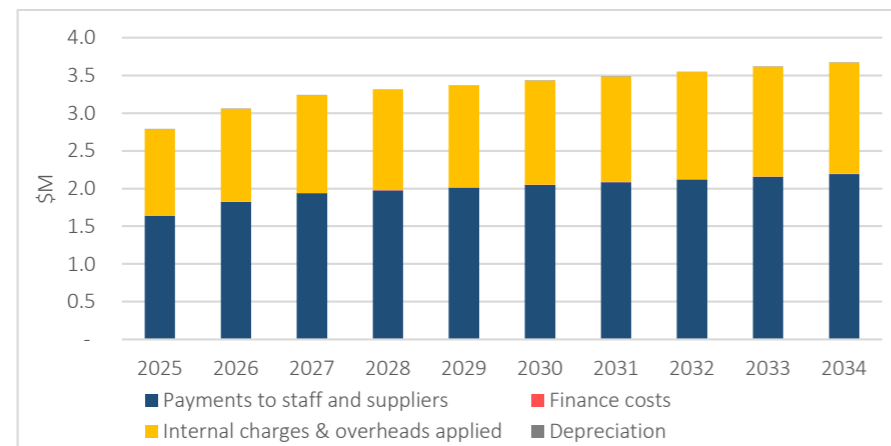
**KEY FINANCIAL SUMMARY**

**Capital expenditure**

Total capital expenditure over the 10 years 2024-34

**\$47.6 thousand**

**Operating expenditure**



Total operating expenditure over the 10 years 2024-34

**\$33.5 million**

**KEY PERFORMANCE INDICATORS**

DIA Mandatory measures:

Measure For the years ending 30 June:	TARGET - year 1 (2025)	TARGET - year 2 (2026)	TARGET - year 3 (2027)	TARGET - year 4 + (2028+)
Percentage of licensed premises inspected at least once per year, excluding special licenses	100%	100%	100%	100%
Percentage of complaints relating to abandoned cars, litter, and general bylaw offences responded to within two working days	90%	90%	90%	90%
Percentage of after-hours excessive noise complaints responded to promptly	90%	90%	90%	90%
Percentage of environmental health complaints (excluding noise) responded to within two working days	90%	90%	90%	90%
Percentage of aggressive/threatening dogs and roaming stock complaints responded to within one hour	90%	90%	90%	90%
Percentage of all other animal control complaints responded to within two working days	90%	90%	90%	90%
Percentage of licensed premises inspected at least once per year, excluding special licenses	100%	100%	100%	100%

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

### Prospective funding impact statement – Community Regulation

AP 2024	(\$000) for the years ending 30 June	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>OPERATIONAL</b>											
<b>Sources of operating income</b>											
996	General rates, uniform annual general charges, rates penalties	1,594	1,789	1,933	1,970	2,000	2,040	2,070	2,102	2,144	2,169
-	Targeted rates	-	-	-	-	-	-	-	-	-	-
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
925	Fees and charges	941	936	956	975	1,011	1,030	1,054	1,073	1,093	1,111
-	Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-
115	Local authorities fuel tax, fines, infringement fees, and other receipts	124	126	129	137	140	142	151	154	156	159
2,036	<b>Total sources of operating funding (A)</b>	<b>2,658</b>	<b>2,852</b>	<b>3,018</b>	<b>3,082</b>	<b>3,150</b>	<b>3,212</b>	<b>3,275</b>	<b>3,329</b>	<b>3,393</b>	<b>3,439</b>
<b>Applications of operating funding</b>											
1,342	Payments to staff and suppliers	1,637	1,824	1,939	1,976	2,013	2,048	2,084	2,121	2,156	2,192
-	Finance costs	1	2	2	2	2	2	2	2	2	2
920	Internal charges & overheads applied	1,149	1,229	1,296	1,330	1,347	1,381	1,400	1,419	1,458	1,475
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
2,262	<b>Total applications of operating funding (B)</b>	<b>2,787</b>	<b>3,056</b>	<b>3,237</b>	<b>3,308</b>	<b>3,362</b>	<b>3,431</b>	<b>3,486</b>	<b>3,541</b>	<b>3,617</b>	<b>3,669</b>
(227)	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(128)</b>	<b>(204)</b>	<b>(219)</b>	<b>(226)</b>	<b>(212)</b>	<b>(220)</b>	<b>(211)</b>	<b>(212)</b>	<b>(223)</b>	<b>(230)</b>
<b>CAPITAL</b>											
<b>Sources of capital funding</b>											
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
-	Increase (decrease) in debt	48	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	<b>Total sources of capital funding (C)</b>	<b>48</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>	<b>(1)</b>
<b>Applications of capital funding</b>											
Capital expenditure											
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
-	- to improve level of service	-	-	-	-	-	-	-	-	-	-
-	- to replace existing assets	48	-	-	-	-	-	-	-	-	-
(227)	Increase (decrease) in reserves	(128)	(205)	(220)	(227)	(213)	(221)	(212)	(213)	(225)	(232)
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
(227)	<b>Total applications of capital funding (D)</b>	<b>(81)</b>	<b>(205)</b>	<b>(220)</b>	<b>(227)</b>	<b>(213)</b>	<b>(221)</b>	<b>(212)</b>	<b>(213)</b>	<b>(225)</b>	<b>(232)</b>
227	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>128</b>	<b>204</b>	<b>219</b>	<b>226</b>	<b>212</b>	<b>220</b>	<b>211</b>	<b>212</b>	<b>223</b>	<b>230</b>
-	<b>Funding balance ((A-B) + (C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)



## Community Facilities

### ACTIVITIES IN THIS GROUP

- Halls
- Public Conveniences

### WHAT WE DO AND HOW WE DO IT

This group of activities provides the community with access to great venues and ensures public conveniences are always available and well-maintained.

### CONTRIBUTION TO COMMUNITY OUTCOMES



Strong, connected, interdependent, diverse communities



Constructively and collaboratively engaging with whānau, hapū and iwi

### ALIGNMENT WITH STRATEGIC PRIORITIES



Enhancing the safety, wellbeing, and vibrancy of communities -*Me mātua whakanui i te marutau, te oranga, me te whitawhita o ngā hapori*

- Invest wisely in recreation, events, and the arts to have a broader range of 'things to do' (especially for our youth).



Strengthening relationships with iwi, hapū and whānau -*Me mātua whakawhanake i ngā kōtuituinga ā-iwi, ā-hapū, ā-whānau anō hoki*

- Work with iwi, hapū and whānau, to improve equity and wellbeing outcomes.
- Enable iwi participation in planning, decision-making and reflect cultural aspirations through the projects we deliver (e.g. financial support, capability, design).

### CHALLENGES

- Maintaining ageing properties and increasing costs of maintenance.
- Vandalism.

### KEY PROJECTS

- Renewal work for our rural and urban halls.
- Rex Morpeth Park and War Memorial Hall redevelopment
- Public Conveniences upgrade programme

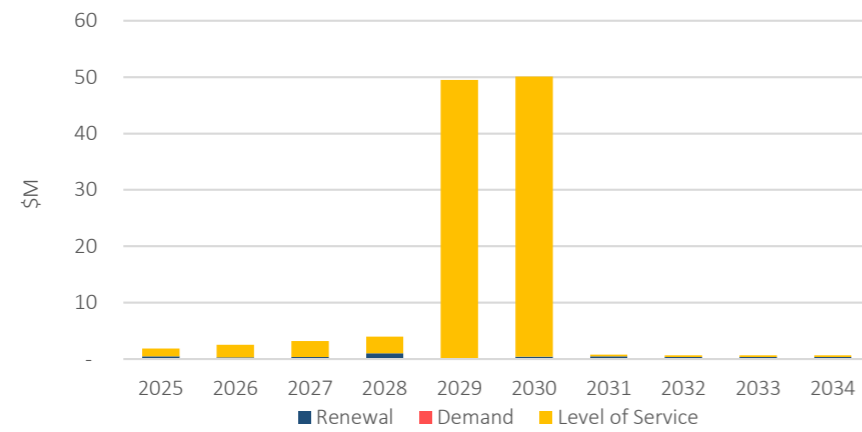


6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)



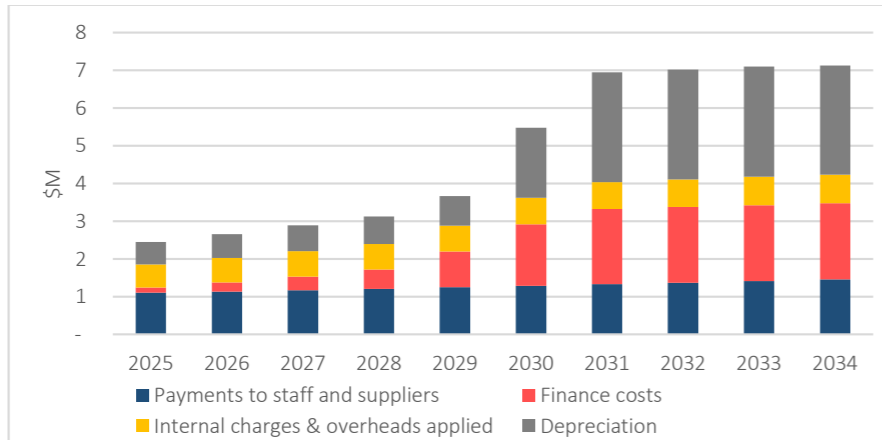
**KEY FINANCIAL SUMMARY**

**Capital expenditure**



Total capital expenditure over the 10 years 2024-34 **\$114.1 million**

**Operating expenditure**



Total operating expenditure over the 10 years 2024-34 **\$48.5 million**



6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

### Prospective funding impact statement – Community Facilities

AP 2024	(\$000) for the years ending 30 June	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>OPERATIONAL</b>											
<b>Sources of operating income</b>											
1,738	General rates, uniform annual general charges, rates penalties	1,457	1,828	2,218	2,813	3,553	4,699	5,417	5,523	5,644	5,715
-	Targeted rates	-	-	-	-	-	-	-	-	-	-
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
126	Fees and charges	122	124	126	129	131	133	136	134	136	138
-	Interest and dividends from investments	-	-	-	-	-	-	-	-	-	-
1	Local authorities fuel tax, fines, infringement fees, and other receipts	1	1	1	1	1	1	1	1	1	1
1,864	<b>Total sources of operating funding (A)</b>	1,579	1,953	2,345	2,943	3,685	4,833	5,553	5,657	5,781	5,854
<b>Applications of operating funding</b>											
935	Payments to staff and suppliers	1,103	1,136	1,172	1,209	1,249	1,289	1,333	1,366	1,412	1,462
58	Finance costs	141	242	361	506	944	1,626	1,988	2,010	2,014	2,012
561	Internal charges & overheads applied	609	649	675	675	688	709	714	729	755	757
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
1,554	<b>Total applications of operating funding (B)</b>	1,852	2,026	2,208	2,390	2,881	3,624	4,035	4,105	4,181	4,230
310	<b>Surplus (deficit) of operating funding (A-B)</b>	(273)	(74)	137	553	804	1,209	1,518	1,552	1,599	1,624
<b>CAPITAL</b>											
<b>Sources of capital funding</b>											
785	Subsidies and grants for capital expenditure	63	-	-	-	24,433	24,848	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
380	Increase (decrease) in debt	1,945	2,602	2,980	2,913	13,744	13,058	(516)	(546)	(582)	(623)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
1,165	<b>Total sources of capital funding (C)</b>	2,008	2,602	2,980	2,913	38,177	37,906	(516)	(546)	(582)	(623)
<b>Applications of capital funding</b>											
Capital expenditure											
11	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
780	- to improve level of service	1,370	2,260	2,831	2,966	49,367	49,697	292	296	301	306
657	- to replace existing assets	510	294	363	1,025	165	397	486	374	380	387
27	Increase (decrease) in reserves	(145)	(26)	(76)	(525)	(10,551)	(10,978)	225	336	336	309
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
1,475	<b>Total applications of capital funding (D)</b>	1,735	2,528	3,118	3,466	38,981	39,116	1,002	1,007	1,018	1,001
(310)	<b>Surplus (deficit) of capital funding (C-D)</b>	273	74	(137)	(553)	(804)	(1,209)	(1,518)	(1,552)	(1,599)	(1,624)
-	<b>Funding balance ((A-B) + (C-D))</b>	-	-	-	-	-	-	-	-	-	-

6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)

# Corporate Services

**ACTIVITIES IN THIS GROUP**

- Corporate Fleet
- Corporate Project Management
- Corporate Property
- Customer Services
- Communications and Engagement
- Executive Support Admin and Exec
- Financial Services
- People and Capability
- Health Safety and Wellbeing
- Information Management
- Procurement and Risk Management
- Strategy and Policy
- Group Eliminations/District Activities

**WHAT WE DO AND HOW WE DO IT**

This group of activities delivers a range of functions and services that support all activities of Council. These are often referred to as our 'internal activities' and includes functions such as financial services, information management, human resources and technology and systems.

Being a Strong resilient Council organisation focused on continuous improvement is critical to deliver our activities and services.



**CHALLENGES**

- Increased compliance obligations
- Attraction and retention of staff in a highly competitive environment
- Digital security
- Supply chain impacts

**KEY PROJECTS**

- Depot Buildings renewals
- Replacement of operational vehicles
- Digital Technology renewals
- Museum upgrade to heating, ventilation and air-conditioning technology

**6.2.4 Appendix 4 - Draft Groups of Activities(Cont.)**



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**[whakatane.govt.nz/ltp](http://whakatane.govt.nz/ltp)**



**WHAKATĀNE**  
District Council  
*Kia Whakatāne au i ahau*