



DECISION MAKING PROCESS



Decision Making Process

The Council has several tools to assist it through the decision making process. Some of which are included in this chapter.

Significance and Engagement Policy

The Significance and Engagement Policy guides the Council when making decisions. It helps make clear how important (significant) a decision or matter is and therefore how much community consultation is appropriate. A summary of this policy is included here. The full policy is available on our website.

Māori Capacity to Contribute to Council Decision Making

The Council serves all communities in the District and wishes to be as inclusive as possible. As part of this we have a legal responsibility to build Māori capacity to contribute to Council decision making. What the Council currently does and how we intend to develop this further is set out in this section.

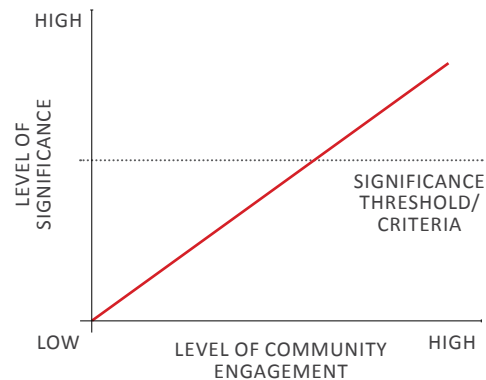
Assumptions and Data

The Assumptions and Data section sets out the high level background data used in the development of this LTP. It sets out what we think may happen over the next ten years, the level of uncertainty associated with this, the risk this may pose to the Council and how we intend to mitigate the risk.

Summary of the Significance and Engagement Policy

This Policy guides the Council in making its decisions. The aim of this Policy is to set out when the Council will undertake consultation and engage with the community before making its final decision, and how far this engagement will go. This includes how the Council will determine the level of importance associated with a matter (the significance) and how much community engagement is needed to make a good decision.

This is a legislatively required policy. The full policy can be found on our website (www.whakatane.govt.nz/documents/policies-and-bylaws/policies-a-z#S).



Significance

The Policy sets out a number of thresholds and criteria to help determine the level of significance of a proposal, decision or matter.

To determine if a proposal or decision is significant the Council will make judgements about the likely impact of that proposal or decision on:

- a. The District
- b. The persons who are likely to be particularly affected by, or interested in, the proposal or decision; and
- c. The cost to, or the capacity of, the Council to perform its role and carry out its activities, now and in the future.

Engagement

The Council will give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter, for all decisions. However, the level of community engagement that is directly undertaken will vary. Generally, the higher the level of significance the greater the level of community engagement sought.

For some decisions the process of engagement is identified in law. Where we have discretion as to whether and how we consult on our proposals, engagement levels and potential tools, related to the significance of the issue, are indicated in our policy.



Building Māori Capacity to Contribute to Council Decision Making

Over the past year Council have given real consideration to how we foster Māori capacity to contribute to decision-making, improving relationships and communication with Māori and developing staff cultural capability and awareness.

The Local Government Act 2002 (LGA) states that a local authority must:

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

The LTP must set out any steps that the local authority intends to take, having undertaken the considerations as above, to foster the development of Māori capacity to contribute to decision-making processes for the local authority over the period covered by that plan.

What are we doing now?

IWI CHAIRS FORUM


The newly established Iwi Chairs Forum had its inaugural meeting in May 2014. The Iwi Chairs Forum was established in recognition of the changing Māori environment in particular with six of the seven Iwi achieving comprehensive settlements. This relationship is developed on the understanding of equality and sincerity with all engagement being approached with moral fairness, integrity, honesty and open-mindedness.

The Iwi Chairs Forum is made up of Iwi Chairs of Post-Settlement Governance Entities or Iwi who have achieved mandate to negotiate historical

grievances with the Crown on their Iwi's behalf. The Whakatāne District Council Mayor is also a member of the Iwi Chairs Forum. The Iwi and Council Chief Executives attend the meetings to provide advice only.

The purpose of the Iwi Chairs Forum is to:

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



The Iwi Chairs Forum is not an independent Committee of Council which is an approach supported by Iwi Chair members to enable prompt progress without the restrictions of legislative processes. This does not inhibit the ability of the Iwi Chairs Forum to submit to Council plans, policies or strategies.

TUMUAKI KI TE TUMUAKI

This is a Chief Executive to Chief Executive relationship where Council and Iwi are able to discuss projects or plans specific to that Iwi. The purpose is to maintain enduring relationships and provide relevant information to provide opportunities to contribute to decision-making at the earliest possible stage. Information from this meeting is fed back by the Whakatāne District Council Chief Executive to relevant staff for immediate action and response.

CULTURAL TRAINING WĀNANGA (WORKSHOP)

Cultural development is an integral component for staff to be able to effectively and meaningfully give effect to their obligations to Māori under various legislations. A wānanga (workshop) has been developed with a purpose to bring about an awareness of our District's Māori landscape and cultural practices to improve the way in which we engage with our Māori communities. The wānanga focuses on:

- Iwi backgrounds
- The Treaty and Settlements
- Engagement in Practice
- The meaning of Kaitiakitanga
- Our obligations to Māori under the LGA and RMA
- Cultural Protocols.

What have we achieved?

- Māori policy, objectives and methods of implementation in the Operative Whakatāne District Plan and Proposed Whakatāne District Plan.
- Contracted cultural support to assist the organisation with Māori cultural ceremonies, engagement with Māori and Māori translation of corporate documents and promotional material.
- Employment of a part-time Māori Policy Analyst to provide a high level of advice and support; and develop initiatives to improve Māori capacity to contribute to Council decision-making.
- Council participation in the annual Te Konohete Kapa Haka event in partnership with the Bay of Plenty Regional Council.
- Continue to provide opportunities for staff to be involved in cultural activities and engagement with Māori communities through Māori language week.



What we can improve on?

COUNCIL POLICIES AND PLANS

We undertake many capital works projects each year and develop strategic plans and policies. We are committed to meaningful and ongoing consultation in advance of projects commencing. While the planned (capital expenditure) programme is provided to Iwi at the beginning of each year, we will look to cast the net wider through the development of a Māori Contacts database.

THE TREATY OF WAITANGI

The current Government aim to settle all Treaty of Waitangi claims by 2017. The Whakatāne District has seen six of the seven Iwi achieve comprehensive settlements with the Crown. This has led to Statutory Acknowledgements being formalised and a requirement to consider the effects of a Resource Consent application in, adjacent to, or directly affecting a Statutory Acknowledgement Area.

While our standard practice is to forward a summary of any applications received for resource consents to Iwi authorities, a review of all Statutory Acknowledgements will be undertaken to ensure we are meeting our obligations to each Iwi and implement processes for continued monitoring.

What do we hope to achieve?

IMPROVED ACCESS TO INFORMATION

While we currently have an Iwi contacts list, it is important to also identify other Māori groups such as Land Trusts and Hapū to assist staff as part of consultation processes.

Our Geographic Information System (GIS) has the ability to produce information such as contact details, boundaries, wāhi tapu sites, marae and more. Māori information held on the system is very minor and requires development and improvement.

As well as looking into a more robust system to hold Māori contacts information, a concentrated effort will be made on building on the information we currently have to assist staff as part of the processes for consultation under the RMA 1991 in respect to all issues affecting Māori, whilst respecting any confidential information that has been provided to us.

CULTURAL TRAINING PACKAGES

The development of individual training packages both ongoing and through the staff induction process, will help to improve staff cultural knowledge to be able to give effect to their legislative responsibilities. The sessions and workshops outlined in the Cultural Training Wānanga will be developed into individual training packages. These will be delivered annually in particular for new staff and current staff who require a refresher course.

Equally important is training for the District's Māori communities to fully understand Council processes to be able to contribute to decision-making. The Māori Policy Analyst will work closely with departments to develop Local Government information for Māori communities.



Assumptions and Data

The preparation of our work plan and budgets for the next ten years is based on a number of assumptions. While these assumptions may not happen exactly as we predict, we need to plan our costs and activities based on the most likely scenario. The actual events may differ substantially from these assumptions. If this occurs the result may be a significant change in costs and our work plan.

The following table gives you the assumptions we have made when preparing the LTP. It also identifies the risks that may affect the Council, the level of the risk and how we intend to mitigate the risk.

There are other assumptions which have been made about the expected lives and future replacement of significant assets. Further information on these assumptions can be found in the 'Our Costs in Detail' chapter.

NUMBER	TITLE	ASSUMPTION	RISK	LEVEL OF UNCERTAINTY	MITIGATING THE RISK
1	Legislative demands on Council	There will continue to be changes to legislation that will affect our work programme.	The risk is that there will be major unexpected changes to the legislation that will cause significant changes to how we operate, what we do, and who pays for things. Changes could have a significant financial impact on the way we operate.	High	We have set our work programme to take into account the expected outcome of legislative changes where possible. Legislative change is often progressed with a long lead in time, allowing Council to respond accordingly.
2	Rating base	The number of properties from which we receive rates is expected to increase by approximately 0.5% annually.	The rateable properties will not increase as expected. This may impact on growth related projects that draw on development contributions.	High	Figures are based on census data and are reviewed regularly. A realistic approach has been taken to ensure the Council does not over burden ratepayers. As a large portion of our rates is based on Capital Value, rather than fixed charges, the change in rating units is not considered material and has not been included in the Financial Statements as a matter of financial prudence.
3	Sale of assets	The planned sale of assets will be realised.	Asset sales do not progress as planned, or result in a lower return than anticipated. It may also impact on the Financial Strategy and Treasury Policy limits	High	The expected income from the sale of assets is based on a prudent and realistic sale price. While the intention is to use returns to reduce debt, this assumption is not included in the Financial Statements as a matter of financial prudence.
4	Natural hazards	Our District is at risk of a range of natural hazards such as earthquakes, flooding, tsunami, debris flows, slips, tornado, fire and volcanic activity. We are unable to make an assumption on the occurrence of such events.	That there will be a disaster event needing emergency works that we cannot afford to fund within our current budget. The potential effect of a disaster on the Council's financial position depends on the scale, duration and location of the event.	High	We limit the impact of natural hazard events by building up contingency funds to pay for storm damage to roading and general disaster response and recovery. Our underground assets are also covered through the Council's insurance. Alongside the Council, Central Government also has a role in disaster recovery and restoration works after natural disasters have happened.
5	Council boundaries, structure and elections	There will be no change in the Council structure, including the Mayor and 10 Councillors. Delivery of Local Government will continue on the basis of current boundaries.	There could be a change in the Council structure during the life of the LTP. The next representation review is scheduled for the 2014/15 year, and then every six years following. Local government amalgamation processes have been undertaken in other regions. Within ten years there may be changes to the boundaries and form of Local Government in the District. There would be associated financial and rating changes as a consequence.	High	Changes to the structure of Council must follow the due process outlined in the Local Electoral Act and allow for public input. The Local Government Commission will make the final decision. Any change to boundaries or the form of local government will have a long lead in time, allowing the Council to respond accordingly.
6	Human Resources	The Council will be able to attract and retain suitably qualified and able staff.	The risk is that the Council will not be able to recruit and retain the right staff. If the risk occurs then increased reliance may be placed on contractors with an impact on costs.	High	Human Resources have implemented recruitment process that focuses on the lifestyle offered by Whakatāne District and ensures that remuneration reflects the market. Development of management and leadership capabilities is being undertaken.

NUMBER	TITLE	ASSUMPTION	RISK	LEVEL OF UNCERTAINTY	MITIGATING THE RISK
7	Availability of contractors	We will be able to find skilled contractors to undertake the work we require, to the agreed standards, deadlines and cost.	The risk is that there will be a shortage of contractors, or that contractors will not deliver to the agreed standards and specification within the agreed time. If the risk occurs, it could result in an increase in the price of the project and may impact on the completion of projects and therefore levels of service.	Medium	We have a procurement manual which ensures we have robust contracts. Our contracts outline what we expect to receive from our contractors. If the work is not completed to the agreed standards and specifications then we have legal rights.
8	Population growth forecasting	Population growth across our District is expected to reflect the population projections provided by the National Institute of Demographic and Economic Analysis (NIDEA), The University of Waikato. (See table one)	Where actual growth differs substantially from the assumption, growth related projects and work programmes will need to be adjusted.	Medium	Particular allowance has been made to plan for growth in specific areas. The Council will monitor population increases through census information and the availability of residential land. The Council will look at measures to encourage growth.
9	Potential social changes	An aging population (table two) will put added pressures on specific services. The socio-economic structure of our District will not change significantly. The population proportion of Māori will increase and this may place added importance on working with iwi organisations.	Where social change differs substantially from expectations the projects and work programmes may need to be adjusted to better cater for community expectations and affordability.	Medium	The Council will monitor demographic changes through census information and other economic indicators.
10	Environmental issues	Our District is susceptible to many environmental processes, such as erosion, sediment build up, beach formation/destruction. Climate change is likely to impact on various activities of the Council.	These natural processes may occur at a faster than anticipated rate with a greater impact on infrastructure and services than expected. Our District may experience effects of climate change in the short term.	Medium	The District Plan includes provisions to protect against coastal hazards. The Council will monitor the latest research in this area.
11	Funding from other sources	External funding will be secured for projects, where indicated.	Changes to the criteria or level of funding available may change, resulting in less or no money being available for our projects. If this is the case, the relevant project will not be progressed or will need to be adjusted to meet the Council's ability to pay. This may impact on future levels of service.	Medium	We will continue to seek subsidies for projects where available. However, where funding becomes unavailable, we will reassess the viability of the project before progressing.
12	Borrowing and expected interest rates	We will continue to loan fund at varying rates of interest. Expected interest rates are outlined in table three.	In the future, interest rates may be higher than forecast.	Medium	The Council has a Liability Management Policy which contains strategies to protect ratepayers against significant fluctuations.
13	Renewability or otherwise of external funding	We will be able to negotiate favourable borrowing terms, for new projects.	We will be unable to get new loans with reasonable terms to pay for approved projects or to repay old loans that are maturing.	Medium	The Council has a Liability Management Policy which contains strategies to protect ratepayers against significant fluctuations.
14	Cost factors / Inflation	We use best estimates to predict what costs will be in the future, including inflation expectations. See table four.	The actual price of inputs and outputs will not increase at the rate assumed.	Medium	BERL price change estimates have been used to prepare the prospective financial statements. These are an industry recognised measure.
15	Revaluation of assets	We accurately estimate the value of our assets, for revaluation purposes. See table five.	There may be a big difference between how much we thought the asset would be worth and how much it is actually revalued at. This may be due to better information about the asset being available.	Medium	The Council frequently revalues its assets in accordance with its Significant Accounting Policies and uses a weighted average of BERL price adjustors (table four).

NUMBER	TITLE	ASSUMPTION	RISK	LEVEL OF UNCERTAINTY	MITIGATING THE RISK
16	Project Management	Projects will be run within cost, quality and the timeframes specified.	That projects will be delayed due to things we can't predict or have cost or quality changes from that planned.	Medium	A comprehensive Project Execution Plan template is used across the Council and contingencies built into project plans. The Executive provide oversight to ensure projects are appropriately managed.
17	Environmental consent requirements	When renewing resource consents, the majority of consent conditions will remain the same.	Renewed consents could include tougher environmental conditions than expected, or could fail to be granted.	Medium	Where there is an anticipated change in resource consent conditions, the Council will budget accordingly.
18	Funding growth related development	Income received from development contributions is sufficient to fund growth related infrastructure, as per the Development Contributions Policy.	Development Contributions do not cover the cost of growth related infrastructure because there is less growth than expected or changes to the zoning of land in the Proposed District Plan are not progressed through decisions.	Medium	The Development Contributions Policy is based on the NIDEA growth projections, census data and the Proposed District Plan. The Policy uses Household Equivalent Unit (HEU) projections and these are not the same as rating base projections, due to their differing natures and uses.
19	Service delivery options	We will continue to deliver our services to the community in the same way.	We will not be able to take advantage of more efficient and effective methods of delivering services because we are unable to exit the current method of service delivery.	Medium	The Council will pursue shared service options through BoPLASS and other methods, such as Public/Private Partnerships. The Council will carry out periodic service delivery reviews to assess options.
20	Preliminary cost estimates	Costs listed for some projects are initial estimates based on information available at the time. To allow for variations between our expected cost of a project, and the actual cost of a project, we allow for a contingency in our budgets. This may range between 10% for fully scoped projects up to 30% for projects in concept or preliminary design.	Should any project increase in costs significantly beyond our estimates, it may have an impact on the rates requirement.	Medium	Cost estimates are updated annually, when detailed design has been completed and when further information is available.
21	NZTA subsidies	We get subsidies from the NZ Transport Agency for the operation and upkeep of the local road network in the District. An assumption is made on the level of financial assistance that we will get. See table six.	That the Financial Assistance Rate (FAR) will be adjusted downward or that policy priorities change and affect the availability of some subsidies.	Medium	The roading programme would be reviewed and potentially adjusted, if required, as a result of unexpected changes in FARs.
22	Creation and realisation of investments, reserves and assets	We will continue to own investments and reserves in line with our current practice, unless stated in the LTP. The capital expenditure programme in the LTP represents new assets we are going to create.	Should we sell any assets to lower rates, the sale would only have a short term positive impact on rates.	Medium	The Council's 'Policy on Utilising the Proceeds from the Sale of Non-Operational Assets' sets out where proceeds should be applied.
23	Business continuity planning	We are able to continue operating to deliver essential services to the community in the event of a disaster.	If the Council's ability to function is severely disrupted in the event of a disaster affecting the District, we will be unable to provide the essential services.	Medium	Business Continuity Plans are being developed for core departments. Business Continuity and Disaster Recovery projects are underway to develop solutions.
24	Relationships with external bodies	The Council will maintain good relationships with several external bodies, including Iwi, other Territorial Authorities and Central Government departments. The Council will continue to explore and collaborate with external partners where it is deemed suitable.	A lack of desire for collaboration may make cooperation difficult or unlikely. This could mean that the Council are unable to take advantage of potential efficiency savings or lose the support of important partners.	Medium	Regular communication between the Council and external bodies can mitigate the risks. The Council will build on the success of previous projects to look for further cooperation and develop relationships further. The Eastern Bay of Plenty Joint Committee, along with the Council's role in the Iwi Chairs Forum, plays an essential role in mitigating this risk.

NUMBER	TITLE	ASSUMPTION	RISK	LEVEL OF UNCERTAINTY	MITIGATING THE RISK
25	Community buy-in	That the community will continue to support projects committed to through the LTP.	The community may no longer support a project after it has commenced. This may lead to the continuation of a project with little community backing, or the cancellation of a project with the associated costs not having created any benefits.	Medium	The risk can be mitigated by the formulation and implementation of a comprehensive Communication Plan. Similarly thorough community engagement through the LTP and alongside projects is needed.
26	Economic Growth	Economic growth in the Whakatāne District is expected to follow the medium 'Reality Check' projections, as outlined by BERL Economics in "Bay of Plenty - Alternative Population Projections" (May 2015). This predicts the generation of around 1560 jobs in the District by 2025 with an increase in levels of employment, personal wealth and potentially encouraging population growth. It is assumed that economic developments in Kawerau and Ōpōtiki are likely to have an impact on Whakatāne's economic situation.	If economic growth does not proceed as expected, related infrastructure projects and work programmes may need to be amended.	Medium	The Council will continue to monitor progress and research on the topic to inform work plans. The Council will investigate projects to enable and facilitate economic growth.
27	Land use	Demand for residential properties will be mainly focused around Whakatāne and Ōhope. Capacity for residential land will be sufficient for the next 30 years. Land-use elsewhere in the District is assumed to maintain the status-quo.	Infrastructure may be expanded or developed for residential growth that does not materialise. Demand for a certain type or location of property may out-strip the available land and therefore act as a limitation on growth. There is a risk that some changes in land-use elsewhere may place an unforeseen burden on Council infrastructure. This may particularly be the case with forestry to dairy conversions.	Medium	The proposed District Plan provides appropriately zoned land to enable future demand to be met. Changes to land use in the District will be monitored to inform work plans.
28	Lifecycle of assets	Our assets' lifecycle will be as long as we have estimated. These are covered in our Statement of Accounting Policies, in "Our Costs in Detail".	If an asset fails before its estimated lifetime, additional funding will be required to cover the cost of a replacement.	Low	Assets' residual lives are reviewed and adjusted if appropriate, at the end of each financial year.
29	Sources of funds for the future replacement of significant assets	The sources of funds for the replacement of assets are outlined in the Revenue and Financing Policy.	That a funding source is no longer available.	Low	The Council reviews its work plan annually and the Revenue and Financing Policy every three years, alongside the LTP.

Supporting data

TABLE 1. PROJECTED BASELINE NUMBERS AND ANNUAL GROWTH RATES WHAKATĀNE DISTRICT 2013-2063

(‘SmartGrowth 2014 Review – Demographic and Employment Projections 2013-2036’; National Institute of Demographic and Economic Analysis, The University of Waikato).

YEAR	POPULATION	ANNUAL GROWTH RATE
2013	34,230	
2014	34,096	-0.4
2015	33,992	-0.3
2016	33,922	-0.2
2017	33,870	-0.2
2018	33,843	-0.1
2019	33,838	0
2020	33,843	0
2021	33,862	0.1
2022	33,884	0.1
2023	33,906	0.1
2024	33,929	0.1
2025	33,940	0
2026	33,933	0
2027	33,912	-0.1
2028	33,874	-0.1
2029	33,815	-0.2
2030	33,739	-0.2
2031	33,649	-0.3
2032	33,545	-0.3
2033	33,408	-0.4
2038	32,198	-0.73
2043	30,345	-1.18
2048	28,239	-1.43

TABLE 2. PROJECTED BASELINE NUMBERS AND CHANGE BY BROAD AGE GROUP, WHAKATĀNE DISTRICT

(‘SmartGrowth 2014 Review – Demographic and Employment Projections 2013-2036’; National Institute of Demographic and Economic Analysis, The University of Waikato).

WHAKATĀNE DISTRICT COUNCIL	2013	2033	2063	PERCENTAGE
				2013
0 – 14	7,740	5,155	2,745	22.6
15 – 39	9,840	6,751	3,590	28.7
40 – 64	11.33	10,264	5,962	33.1
65+	5,320	11,238	10,210	15.5
Total	34,230	33,408	22,507	100
85+	590	653	1,192	1.7
Elderly : Children (Ratio)	0.69	2.18	3.72	

TABLE 3. BORROWING AND EXPECTED INTEREST RATES

2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
5.96	6.01	6.00	5.99	5.95	6.01	6.07	6.10	6.07	6.16

TABLE 4. BERL PRICE CHANGE ESTIMATES – SEPTEMBER 2014 UPDATE

	ROAD	PROPERTY	WATER	ENERGY	STAFF	OTHER	EARTH-MOVING	PIPELINES	PRIVATE SECTOR WAGES
YEAR ENDING	%PA CHANGE								
Jun-12	5.2	3.3	6	15.4	2.3	2.4	4.7	3.1	2.1
Jun-13	1.1	1.7	-2.8	-118	2.1	2.9	2.1	-2.7	1.9
Jun-14	0.7	1.9	-2.1	1.3	1.9	1.8	2.8	-2.5	1.7
Jun-15	0.4	1.9	4.7	4.2	1.6	1.5	1.7	1.8	1.7
Jun-16	1.2	2.2	5.2	3.5	1.8	2.3	1.8	2.1	1.7
Jun-17	1.4	2.4	3.8	3.8	1.9	2.5	2.6	2.5	1.8
Jun-18	2.2	2.5	3	3.9	2	2.6	2.4	2.6	1.9
Jun-19	2.4	2.6	3.2	4.1	2.1	2.7	2	2.8	2
Jun-20	2.5	2.8	3.3	4.3	2.2	2.9	2.1	2.9	2.1
Jun-21	2.7	2.9	3.5	4.5	2.3	3	2.3	3.1	2.1
Jun-22	2.8	3	3.7	4.7	2.4	3.1	2.4	3.2	2.2
Jun-23	3	3.2	3.8	4.9	2.5	3.3	2.5	3.4	2.3
Jun-24	3.1	3.3	4	5.1	2.6	3.4	2.9	3.5	2.4
Jun-25	3.3	3.4	4.2	5.3	2.7	3.6	3.1	3.6	2.5
20 year ave %pa	3.2	2.9	3.5	4.7	2.4	3	3	3	2.2

TABLE 5. ASSET REVALUATION DATES

ASSET	FREQUENCY
Investment property	Annually
Forestry	Annually
Land and Building	Three yearly
Museum assets	Three yearly
Library assets	Three yearly
Harbour assets	Three yearly
Water and sewerage	Annually
Roading	Three yearly
Parks	Three yearly
All assets for insurance valuation only	Two yearly

TABLE 6. NZTA ROADING SUBSIDIES

ACTIVITY	NZTA SUBSIDY			
	2014/15	2015/16	2016/17	2017/18
OPEX				
Local Road Maintenance	49%	53%	54%	55%
Emergency works	49+%	53%*	54%*	55%*
Special Purpose Road Maintenance	100%	100%	100%	100%
Non Financially Assisted Road Maintenance	0%	0%	0%	0%
Studies	59%	53%	54%	55%
Road safety/community programmes	64%	64%	64%	64%
Railway Crossing Maintenance	100%	53%	54%	55%
CAPEX RENEWALS				
Local Road Renewals	49%	53%	54%	55%
Special Purpose Road Renewals	100%	100%	100%	100%
Non Financially Assisted Road Renewals	0%	0%	0%	0%
CAPEX IMPROVEMENTS				
Local Road Improvements	59%	53%	54%	55%
Special Purpose Road Improvements	75%	75%	75%	75%
Non Financially Assisted Road Improvements	0%	0%	0%	0%

* The new funding rules mean Councils have to allow for the funding of emergency works within their own Council budgets and NZTA's subsidy will be the same as the general maintenance subsidy. Only if the cumulative value of an emergency events throughout the year exceeds 10% of Councils total maintenance budget, will NZTA provide funding at a higher rate of 20% above the base maintenance rate. However, as the Council's total maintenance programme is around \$8M, the cumulative cost of events would have amount to more than \$800,000 before this higher subsidy will apply.

To the reader

**Independent auditor's report on
Whakatāne District Council's
2015-25 Long-Term Plan**

I am the Auditor-General's appointed auditor for Whakatāne District Council (the Council). Section 94 of the Local Government Act 2002 (the Act) requires an audit report on the Council's long term plan (the plan). I have carried out this audit using the staff and resources of Audit New Zealand. We completed the audit on 30 June 2015.

Opinion

In my opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and coordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 190 to 193 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 and accurately reflect the information drawn from the Council's audited information.



Audit Report

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee complete accuracy of the information in the plan.

Basis of Opinion

We carried out our work in accordance with the Auditor-General's Auditing Standards, relevant international standards and the ethical requirements in those standards.¹

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our audit procedures included assessing whether the:

- Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face over the next 30 years;

¹ The International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and The International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.

- information in the plan is based on materially complete and reliable asset and activity information;
- Council's key plans and policies have been consistently applied in the development of the forecast information;
- assumptions set out within the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted and complies with generally accepted accounting practice in New Zealand;
- rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- relationship between the levels of service, performance measures and forecast financial information has been adequately explained within the plan.

We did not evaluate the security and controls over the publication of the consultation document.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures and other actions relating to the preparation of the plan;

- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

I am responsible for expressing an independent opinion on aspects of the plan, as required by sections 94 and 259C of the Act. I do not express an opinion on the merits of the plan's policy content.

Independence

We have followed the independence requirements of the Auditor-General, which incorporate those of the External Reporting Board. Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.

Clarence Susan, Audit New Zealand
On behalf of the Auditor-General, Tauranga, New Zealand

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WHAKATĀNE
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Kia Whakatāne au i ahau