

# » Long Term Plan «

*Mahere Roanga*  
2015-25





# Four Principals

of the LTP

Responsible  
Takohanga

Sustainable  
Whakauka

Enabling  
Whakamana

Affordable  
Ka tae ate utu

## Strategic Direction

Vision and Purpose	5
Community Outcomes	6
Priorities for the next ten years	8
Financial Strategy	18
Infrastructure Strategy	34

## Our Work in Detail

Leadership	67
Roads and Footpaths	73
Water Supply	79
Sewage Treatment and Disposal	85
Stormwater Drainage	91
Solid Waste	95
Environmental Sustainability	99
Community Safety	103
District Growth	113
Recreation and Community Services	119
Corporate and District Activities	137
Council Controlled Organisations	145

## Our Costs in Detail

Revenue and Financing Policy	154
Prospective Financial Statements	174
Financial Prudence Benchmarks	190
All About Rates	195
Capital Projects List	202
Statement of Accounting Policies	208

## Decision Making Process

Summary of the Significance and Engagement Policy	220
Building Māori Capacity to Contribute to Council Decision Making	221
Assumptions and Data	224
Audit Report	231

# Our Direction *From the Mayor*

*Nau mai ki te Mahere Roanga 2015-25. E anga whakamua ai ōna tohutohu, tino take me ngā whakaritenga whakapau moni a te Kaunihera mo te tekau tau. E whakaritenga ā mātou ki ngā take matua i ngā hiahia a te hapori. He haakoa a te Kaunihera i ngā hokinga kōrero mai a te hapori, e āwhina ai te Kaunihera i ngā whakaritenga pūmau mo te hapori te painga.*

Welcome to our Long Term Plan. The Long Term Plan 2015-25 sets the Council's direction, priorities, work programme and budgets for the next ten years. This document overviews our key priorities and the decisions we have made on the community's behalf and in response to the feedback we received from our community. We appreciate and value the feedback that we received and it helped us in making some important decisions for and on behalf of our community.

For the most part, this Long Term Plan outlines our 'steady as you go' approach, with a focus on delivering reliable services and infrastructure at an affordable cost to ratepayers. However, we have included some exciting projects to make progress in some carefully selected areas, notably in promoting economic development and investing in activities which will enhance the vibrancy and vitality of the District.

I know that I speak for the whole Council when I say that we are immensely proud of our District. Like many areas, our District faces challenges, but we also have some unique strengths. This Long Term Plan aims to harness those strengths and, in partnership with the community, build towards a sustainable future.

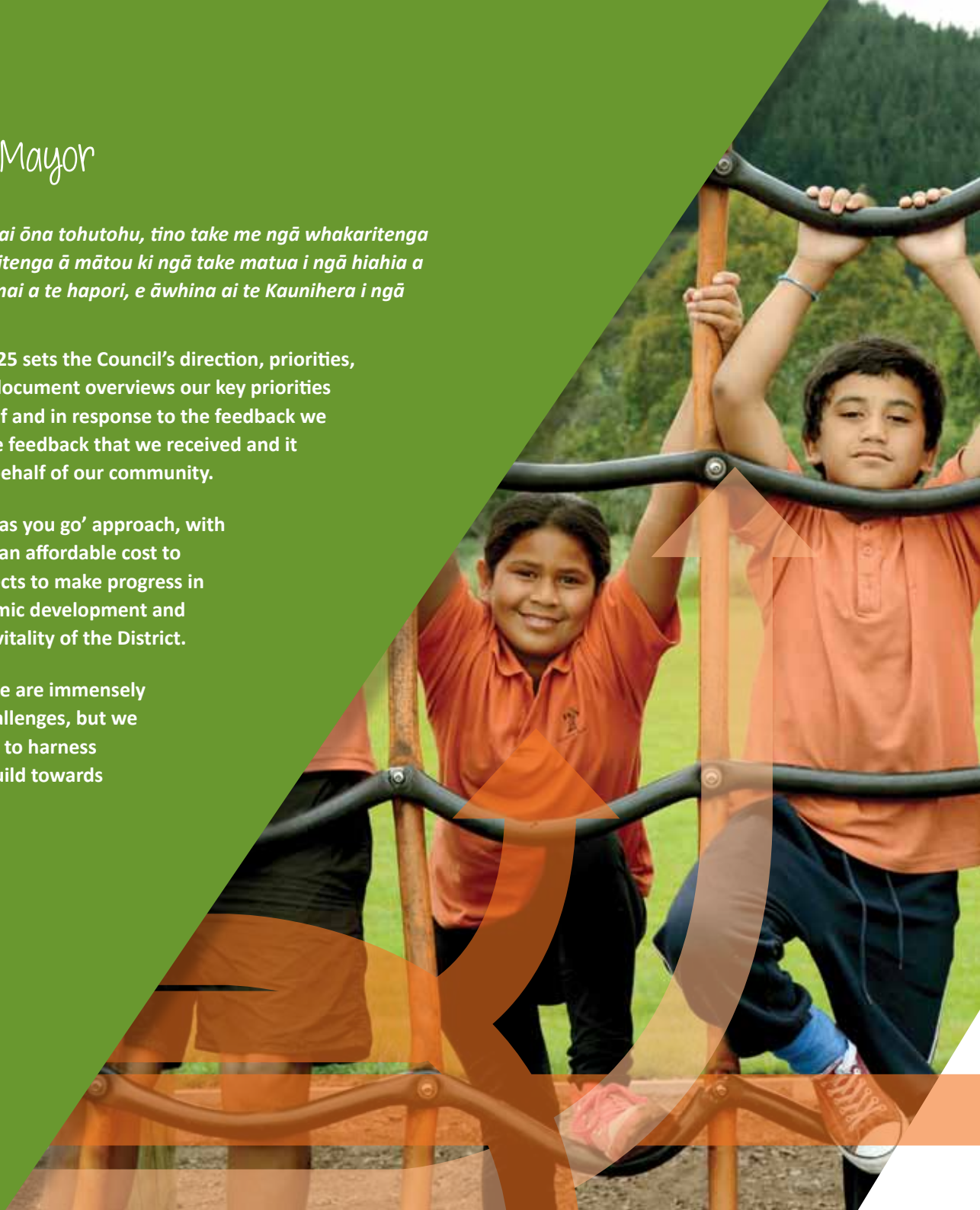
We thank you for your feedback and look forward to working together to achieve our goals.



*Nāku noa nā.*

A stylized, handwritten signature in white ink, consisting of several loops and a long horizontal stroke at the end.

**Tony Bonne**  
MAYOR, WHAKATĀNE DISTRICT





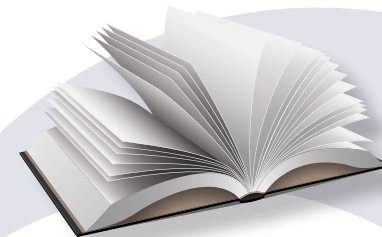


# About the Long Term Plan

*This Long Term Plan affects you, your whānau, your neighbours, even your dog..*

The Whakatāne District Council is responsible for delivering a wide range of essential services and facilities including water supplies, sewage treatment and disposal, solid waste management, roads and footpaths, parks and reserves, libraries, economic development and animal control to name a few.

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



## Long Term Plan (LTP)

The LTP sets out our strategic direction and work programme for the ten years ahead. It outlines the services we will provide, the projects we will undertake, the cost of doing this work, how it will be paid for and how we will measure our performance. The issues we face and the context within which we work are continuously evolving. For this reason, an LTP is produced every three years.



## Annual Report

At the end of each financial year the Council produces an Annual Report. This sets out how we performed for the year compared to what we said we would do. It lets you know what we delivered and analyses whether we met our budgets and performance targets.



## Annual Plan

In each of the years between LTPs, we produce an Annual Plan. Through the Annual Plan we review the budgets and work programme that we planned for the year, according to the LTP. The community will be consulted prior to the Annual Plan's adoption, when a significant or material change is proposed to the what was planned through the LTP.







# STRATEGIC DIRECTION

# Vision and Purpose

The Vision and Purpose guides everything we do at Council. It sets out, at a high level, where we want to be and how we will get there. We identified the Vision and Purpose after careful consideration of the District's key issues.

## Our Vision

To be known as the place of choice for people to live, work and play.

In achieving our vision:

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

## Our Purpose

To lead the Whakatāne District to meet the current and future needs of our community.

As a District Council we will achieve this through:

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





# Community Outcomes

Community Outcomes are a high-level set of desired goals that we aim to achieve. They seek to improve the social, economic, environmental, and cultural well-being of our District, now and for the future. Community Outcomes were developed in consultation with our community and with reference to the issues facing our District and the Council.

The Council uses the Community Outcomes to guide and inform planning process and the setting of priorities. The Community Outcomes also help us focus on a long-term vision for the District.



## EFFECTIVE LEADERSHIP

Striving for our future and well-being

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



## SUSTAINABLE ECONOMIC DEVELOPMENT

Working in partnership

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



## COMMUNITY NEEDS

A caring community

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





## VALUING OUR ENVIRONMENT

Sustaining for future generations

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



## QUALITY SERVICES

Excellent value for money

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



## RELIABLE AND AFFORDABLE INFRASTRUCTURE

Meeting current and future needs

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



# Priorities for the next ten years

## Introduction

This section of the LTP sets out our priorities for the coming ten years. For most of our activities, we will not make significant changes to the levels of service that we provide, unless this can be achieved at little or no cost to ratepayers.

That being said, for some activities we will achieve some carefully selected service improvements that are important for our future and help to grow the vibrancy and vitality of our District.

We have sought to balance these priorities through the following four key focus areas for the LTP:

1. Delivering quality core services
2. Working together to meet the needs of our communities
3. Encouraging communities and businesses to thrive
4. Keeping rates affordable.

## Principles guiding our LTP

The development of our LTP and priorities for the next ten years, have been guided by a set of overarching principles. The principles endeavour to deliver a LTP which is Responsible, Sustainable, Affordable and Enabling, as set out below:

- **Responsible:** We will work together with the community to prioritise essential core services and manage our assets in a financially prudent way.
- **Sustainable:** We will manage our assets and activities in a way that does not compromise our ability to provide quality, affordable services to the community now and in the future.
- **Enabling:** We will take opportunities to encourage and support activities which will grow the vibrancy, vitality and prosperity of our District.
- **Affordable:** We will be responsive and sensitive to the issue of rates affordability across the District.



## Your feedback has helped to shape this plan

As part of the development of our LTP we worked with our user groups, stakeholders, businesses, iwi and the wider community to determine our priorities and decide which key projects should be included.

Public consultation on 'The Big Decisions' facing the Council in developing the LTP, was open from 12 March to 13 April 2015. As part of this process, 14,500 copies of the Consultation Document were distributed throughout our District accompanied by an awareness campaign involving radio, newspaper, social media, public signage and more. We listened to your feedback at our open days, public meetings, and hearings and we read through every submission that was received. In total 267 submissions were made on the draft LTP with 47 submitters speaking to their submissions at the hearings.

Through this process you told us what you liked and did not like about the proposals that we were looking to include in our LTP and you provided insight into the things you consider are important for the future of our District. We acknowledge the passion of our communities for the future of our District, and the time and effort taken to engage into this process.

The feedback provided has been valuable to us in finalising a plan that reflects and balances the various priorities of our communities.

## We listened to your feedback

A number of additional projects and changes have been made to our LTP following consultation. As a result, the final LTP will differ slightly from the proposals set out in our Consultation Document. We have made these additions and changes carefully, in such a way that the overall impact on rates is relatively neutral.

Some of the changes from the Consultation Document to the final LTP include:

- Advancing the replacement of the Whakatāne Commercial Wharf
- Providing funding towards the development of a Whakatāne heritage hikoi/cultural trail
- Providing funding for a project to upgrade and improve the Wairaka Centennial Park
- Providing funding to improve the Whakatāne Aquatic Centre including (amongst other improvements) installation of a UV water treatment filter
- Providing funding to establish a new Environment and Heritage grants fund
- Providing funding and support to open the Edgumbe College pool to the public during summer months
- Providing funding to improve beach and dune storm water outlets in Ōhope
- Providing funding towards the collaborative development of an Eastern Bay of Plenty Cycle Trails Strategy
- Providing funding support towards the Whakatāne Summer Arts Festival
- Providing funding to extend infrastructure services to Mill Road to support industry development and job creation.



# Hikawekawe i ngā kounga whakarato

## I. Delivering quality core services

Maintaining and, where necessary, improving our assets so that we can continue to provide quality core services in an affordable and sustainable way is one of our key priorities.

The need to renew or replace assets that the Council already owns and operates will be a major driver of costs over the coming ten years. The renewal of core network infrastructure - roads, stormwater drainage, water supply, and sewage treatment and disposal - is expected to cost around \$89.60 million over the course of the LTP. Renewal of non-network infrastructure such as halls, wharves, playgrounds, and others is expected to cost a further \$43.47 million. In total, the need to renew or replace assets accounts for 15% of all spending or 60% of capital expenditure over the next ten years. We are also intending to upgrade some of our core service assets to protect our community and the environment and in response to community demand and growth. The Council's Infrastructure Strategy, later in this chapter, sets out the key infrastructure projects planned for the next 30 years.

Cost to renew or replace existing assets	\$133.1 million
Cost for new or expanded assets to provide for growth	\$8.5 million
Cost for new or improved assets to deliver a better service	\$80.1 million
<b>TOTAL COST to deliver &amp; maintain assets 2015-25</b>	<b>\$221.7 million</b>

### ***Costs of keeping our assets maintained***

- \$60.91 million: Maintaining roads and footpaths
- \$29.05 million: Replacing and renewing recreation and community facilities
- \$19.10 million: Replacing and renewing sewerage treatment and disposal infrastructure (six sewerage schemes)
- \$9.07 million: Maintaining water supply schemes (ten water supply schemes)
- \$12.51 million: Earthquake strengthening the Civic Centre building and renewing Council service buildings, assets and technology systems
- \$2.46 million: Other.

## IMPROVING CORE SERVICES TO ENSURE THEY ARE MEETING OUR NEEDS

### IMPROVING STORMWATER SYSTEMS

A programme of work is included within the LTP to continue to increase the capacity of stormwater systems in Ōhope and Whakatāne. Over the next ten years the total cost of stormwater improvement projects is expected at just over \$15 million.

### IMPROVING TRANSPORTATION NETWORKS

While the predominant focus of the transportation activity over the coming ten years will be on the management and maintenance of existing assets, the LTP does include a number of improvement projects to increase road safety and to minimise the flood risk to key routes. The Council is also looking to progressively replace street lights with LED technology which will reduce energy usage and ultimately pay for itself through reduced operating costs.

### ENSURING SECURITY OF WATER SUPPLY TO WHAKATĀNE AND ŌHOPE

The Whakatāne River provides the water source for the Whakatāne and Ōhope water supply scheme.

This source is vulnerable at times as a result of salt water intrusion during low river flows, and reduced water quality from extreme rainfall events. The LTP includes a project in years 2017-20 to increase the storage capacity for the Whakatāne Ōhope Scheme to help manage supply during vulnerable times. Council is also continuing to investigate the option of connecting to the Paul Road bore as an alternative source for emergency water supply, but works have not been programmed at this time.

### IMPLEMENTING THE FIRST STAGES OF THE PLAINS WATER SUPPLY STRATEGY

Development of a new water supply bore at Paul Road and pipe connections extending to Awakeri and Edgecumbe has begun and will continue into the 2015/16 year. Further work is underway on the financial and economic viability of the Draft Plains 50 Year Strategy.

### CONSTRUCTING A RETICULATED SEWERAGE SYSTEM IN MATATĀ

A resource consent and notices of requirement for the development of a sewerage treatment plant and land disposal field for Matatā were granted by Independent Commissioners in 2014. Subsequently, following appeals to the Environment Court in 2015,

an interim decision was released that sought further information for the Court to be able to grant consent to the Land Application Field. However, the site for the proposed treatment plant was declined. The Council is now considering further options, and has retained the budget in the LTP to progress the project subject to confirmation of a favourable alternative site being identified, funding being confirmed by other parties, and resource consent being obtained.

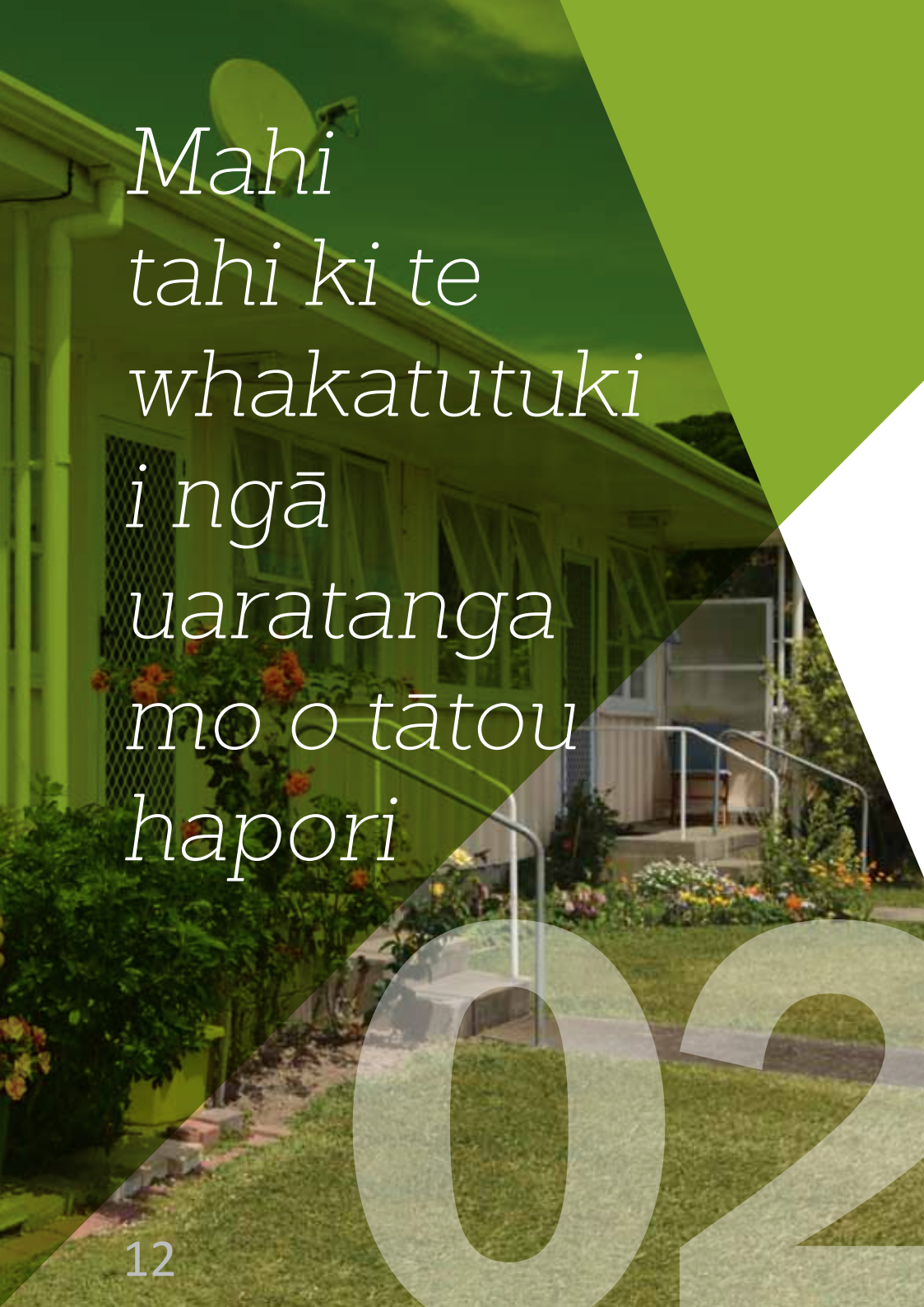
### RENEWING RESOURCE CONSENTS FOR SEWAGE TREATMENT PLANTS

The resource consents for all our sewerage treatment plants will progressively expire over the coming ten years. The LTP provides for the renewal of these resource consents, including improving the quality of discharge where appropriate.

### CHANGING THE WAY WE MANAGE SOLID WASTE

Over the course of this LTP we will be investigating changes to the way we manage solid waste in the District. This follows changes to Central Government guidance.





*Mahi  
tahi ki te  
whakatutuki  
i ngā  
uaratanga  
mo o tātou  
hapori*

## 2. Working together to meet the needs of our communities

Balancing the things that the community want from our services and facilities, against the cost of delivering improvements is not always easy. The challenge for the Council is about finding the right balance, and about continuously finding ways to do things better, smarter and more efficiently.

Working in partnership with our community, stakeholder groups, iwi, Central Government departments, neighbouring councils and others, present significant opportunities to deliver better outcomes for our District.

Over the next ten years, we will progress some carefully considered projects and service improvements to enhance the vibrancy and vitality of our District and the quality of life that it offers.

## FEATURE PROJECTS

### **REDEVELOPING THE WHAKATĀNE & DISTRICT WAR MEMORIAL HALL**

The Whakatāne and District War Memorial Hall is well used but lacks the facilities and appeal to cater to some major events and conferences. The interior is outdated and earthquake strengthening work is required to parts of the building.

This LTP includes a project to redevelop the Hall into a modern, flexible facility catering for events, conferences, indoor-sports and theatre activities. This project will be subject to further consultation on a preferred scope and design with stakeholders, community groups and the public and would be contingent upon securing a substantial portion of funding from sources other than rates.

### **REDEVELOPING THE WHAKATĀNE MUSEUM AND RESEARCH CENTRE**

The Museum display at the successful Te kōputu a te whanga a Toi – Whakatāne Library and Exhibition Centre – holds only a tiny fraction of our full collection (currently valued at over \$13 million). The Museum building on Boon Street, Whakatāne, continues to operate as our centre for storing, processing and allowing access to a collection of national and international significance. However, this facility has a number of deficiencies, most importantly it does not meet national standards for the storage and preservation of museum collections.

This LTP includes a project to redevelop and extend our Museum and Research Centre in the 2016/17 year so that we can adequately manage, protect, preserve and provide access to our collections. The project is subject to securing major support from funding partners including Central Government and others.

### **TRANSFERRING PENSIONER HOUSING TO A COMMUNITY HOUSING PROVIDER**

The Council currently owns 79 pensioner housing units. During 2014 we undertook a review of our social housing to ensure that our tenants are receiving the best possible service to meet their needs. This was initially triggered by changes in legislation and the availability of Central Government funding. We have worked closely with stakeholder groups and undertaken public consultation through this LTP to develop a proposal for the future of these units.

In the 2015/16 year we intend to transfer the pensioner housing units to an approved Community Housing Provider (CHP) to ensure the provision of a better service to tenants. We believe that transferring ownership of the units to an approved CHP will ensure that current and future tenants will benefit from affordable rents and a high quality service. The transfer of the units will only progress if the Council is confident that it will be in the best interests of tenants and the wider community. The Council has undertaken a thorough process, led by a Social Housing Sub-committee comprised of community stakeholders and Council elected members, to identify an appropriate provider.

## EXAMPLES OF SMALLER PROJECTS AND INITIATIVES INCLUDED IN THE LTP

- Constructing the Gorge Road shared use walk and cycle way
- Undertaking a joint study with Ngāti Manawa into the redesign of the Murupara business area.
- Delivering road safety campaigns across the Eastern Bay of Plenty
- Developing a fenced dog park and training area in Whakatāne
- Partnering with Edgecumbe College to open their pool to the public over summer months
- Developing an Eastern Bay of Plenty Cycle Trails Strategy with other Councils
- Working with Te Rūnanga o Ngāti Awa to develop a Whakatāne heritage hikoi/cultural trail
- Working with other agencies to ensure we are ready to respond to civil defence emergencies when required
- Expanding and operating our CCTV camera network
- Providing Community Grants, Community Board Discretionary Funds and the newly established Environmental Heritage Fund to support community projects and initiatives.

# 3. Encouraging communities and businesses to thrive

We all want to live in a prosperous District where everyone has an opportunity to benefit from a strong local economy. Our District offers some considerable opportunities for economic development and growth including a superb climate and sunshine hours, strong agricultural and forestry sectors, comparatively low property costs, under-utilised tourism resources, excellent lifestyle appeal, and the passion and resource of iwi. These are some of the points of difference that will help to create a diverse and vibrant District economy that attracts people and business investment to our District.

Our residents and regular visitors know what our District has to offer and increasingly this is being recognised by others. The challenge we face is how to make the most of this potential. The Council is committed to playing a key role in economic development, but success will require wide community support and involvement.

Through this LTP we will strengthen our commitment to economic development and growth. By working in partnership with the community and other stakeholders, we can create an environment where communities and business thrive.

## INCREASING OUR FOCUS ON ATTRACTING JOBS INVESTMENT AND PEOPLE TO THE DISTRICT

### **FUNDING FOR ECONOMIC DEVELOPMENT AND GROWTH**

To help our communities and businesses thrive, we have recently completed an economic development plan in conjunction with the Grow Whakatāne Advisory Board. The plan aims to encourage and attract more jobs, investment and events to the District to create prosperous communities and opportunities for current and future residents. To support the strategy, this LTP has increased the level of funding for economic development and growth by \$250,000 per annum (or 43% on the 2014/15 year). This additional funding will allow greater economic development and growth facilitation, including events support, marketing, promotional campaigns, and land-use investigations to support residential and industrial growth.

### **SUPPORTING RESIDENTIAL AND INDUSTRIAL DEVELOPMENT OPTIONS**

Through this LTP we will continue to support options for residential and industrial development. These have the potential to provide a significant economic stimulus to the District.

Of note, opportunities for development of land at Bunyan Road, Piripai for retirement and residential development, and at Huna/Shaw Road for residential development, are pending finalisation of the District Plan review process.

There is also currently strong interest in the development of industry at Mill Road, Whakatāne. While the land is already zoned for light industry in this area, infrastructure works are planned through this LTP to support development.

*Akiaki i ngā hapori me ngā pākihi e puawai ana*



## IMPROVING HARBOUR FACILITIES AND ACCESS

Our port and harbour facilities make a large contribution to the District's recreational and commercial appeal. Our LTP includes a number of projects, as summarised below, to cater for the increasing use and demand for these facilities, and to help maximise their potential. The majority of these projects will be funded through the Harbour Fund.

### WHAKATĀNE WHARF REPAIRS AND INCREASED BERTHAGE

Alongside an increased demand for berths in the Whakatāne Harbour the, existing Whakatāne Commercial Wharf has a number of sections that are around 100 years old and in poor condition. This LTP includes projects to both replace the existing Commercial Wharf and to extend the Quay Street Wharf. These projects will be managed in conjunction with one-another taking care to minimise the disruption to harbour users. The Quay Street Wharf extension project also supports the Ōpōtiki aquaculture development, which requires berths.

### IMPLEMENTING THE PORT ŌHOPE CONCEPT PLAN AND REPAIRING ŌHOPE WHARF

Through this LTP we will undertake the staged implementation of the Port Ōhope Concept Plan over five years, from 2017-21. This Plan aims to conserve the natural features of the Port Ōhope area, while enhancing the Port's facilities and adjacent reserves for commercial and recreational users. It includes

features such as improved parking, harbour access, and retail space, new picnic areas and walkways and extensive re-vegetation. The Port Ōhope Concept Plan is available for viewing on the Council website. Alongside this project, the Ōhope Wharf is also in need of repair. Strengthening and structural repair works are scheduled for the 2017/18 year.

### MAINTAINING HARBOUR ACCESS THROUGH DREDGING

Over the previous two summers, harbour access has been maintained through a combination of land and sea based dredging methods. This approach has proven to be reasonably successful in minimising the number of harbour access disruptions for commercial and recreational users. Through this LTP, we will continue to focus on dredging for the maintenance of harbour access and will improve access for the land based dredging operations by strengthening the Eastern training wall.

### IMPROVING WAIRAKA CENTENNIAL PARK

The LTP includes a project to redevelop the Wairaka Centennial Park (the area immediately to the east of the Muriwai Drive boat ramp facility). The concept has been developed through consultation with key stakeholders and interest groups and includes, amongst other features, barbeque facilities, a safe swimming area with jumping platform, slides, a tidal pool, splash pads and walking and cycling facilities. As well as providing improved recreational facilities, the project is expected to address safety concerns with the shared use of the area by boaties and swimmers.



# 4. Keeping rates affordable

Affordability is a fundamental driver in the 2015-25 LTP. While rates contribute towards the delivery of many essential community services and facilities, they can be a significant cost for some members of the community and therefore need to be kept to an affordable level. At the same time, we also need to provide sufficient scope within budgets to ensure that services and facilities are delivered sustainably and to ensure that our District retains its vibrancy and vitality.

In the interests of affordability we have thought hard about how restrictive our budgeting should be and about how rates are distributed across various sectors of the community.

## RATES INCREASES FOR THE NEXT TEN YEARS

The following table provides a forecast of the expected average movements in rates over the coming ten years. It should be noted that these are the average rates increases across the District with actual increases (and in some cases decreases) varying from property to property.

YEAR	FORECAST AVERAGE RATES INCREASE
2015/16	3.21%
2016/17	3.84%
2017/18	3.55%
2018/19	2.36%
2019/20	3.41%
2020/21	3.51%
2021/22	1.30%
2022/23	2.07%
2023/24	3.30%
2024/25	3.31%

The 'Our Costs in Detail' chapter of this document includes our Revenue and Financing Policy which sets out how our activities are funded. The chapter also includes a section called 'All About Rates' which provides further detail about the different categories of rates and examples of how rates will impact different properties across the District.

Our 'Financial Strategy' is included later in this chapter and sets out our approach to financial management in more detail.



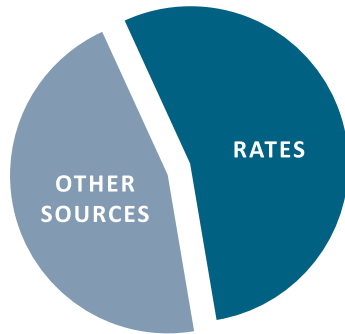
### 1. OUR BUDGET SETTING PROCESS IMPACTS RATES AFFORDABILITY:

As we developed the LTP we made choices about the projects and services that we will deliver and others that do not make the cut. The amount that we spend and how we spread these costs over time (such as through loan funding) has a direct impact on what rates will be.

To help keep rates affordable:

- We will continue to deliver most services at the current level, unless we can make improvements with minimal cost to ratepayers.
- We will look for opportunities to deliver services in a more productive or innovative way to either improve services for the same cost, or deliver the same service at a lower cost.
- We will fund depreciation over a longer term to provide more certainty and stability to ratepayers by levelling out costs over a longer period of time.

*Ka tāea te utu o ngā reiti*

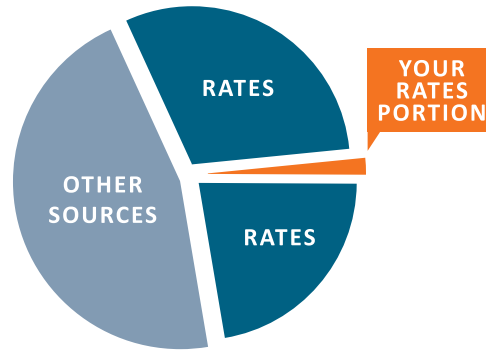


**2. THE AMOUNT OF FUNDING WE ARE ABLE TO GET FROM OTHER SOURCES IMPACTS RATES AFFORDABILITY:**

Not all of Council’s spending is paid for by rates. In fact, about 30-35% comes from other sources in any given year. We work hard to get as much funding as we can from external sources like the Ministry of Health, NZ Transport Agency, the Lotteries Commission, local partnerships and others. Working in partnership for more effective and efficient outcomes is a key focus in our LTP.

To help keep rates affordable:

- We have included limits in our Financial Strategy to ensure that we continue to source a certain portion of funding from external (non-ratepayer) sources.
- For a number of key projects, we will only proceed on the basis that a certain amount of external (non-ratepayer) funding has been secured.
- A number of asset sales may be realised over the term of this LTP, Council’s policy will be to use any proceeds to offset debt.
- We will look to maximise benefit from the Harbour Fund, but continue to manage this for long term sustainability.



**3. OUR SYSTEM OF RATING IMPACTS RATES AFFORDABILITY:**

In our District we have 15,732 rateable properties. Our “rates requirement” is divided amongst these properties and the amount of rates charged is different for each property. These differences are based on a balance between the capital value of the property, and on the services those property owners can access or are likely to benefit from. Our rating philosophy and rating system determines what that balance is.

To help keep rates affordable:

- We have set conservative limits for rates increases and will keep budgets well within those limits.
- We have made some minor changes to our rating system and our rating philosophy maintains a strong focus on affordability.
- We have a number of rates remission and postponement policies to provide rates relief in some selected circumstances.



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

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

To help keep rates affordable:

- We will continue the disciplined approach to day-to-day financial management which has resulted in rating surpluses over the past three years.
- We will always try to accommodate unexpected costs within existing budgets to avoid or minimise any budget overruns.
- While unforeseeable events, such as storms, are difficult to plan for, we have set aside some reserves to help meet the costs of emergency response and reinstatement work.



# » Financial Strategy

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

## Introduction

This Financial Strategy is central to the development of the Council's LTP 2015-25. It sets out the Council's approach to managing its finances for the next decade, including the key financial parameters guiding the development of our LTP, including limits on rates increases and debt. It also illustrates the overall financial implications of the Council's operations over the ten years covered by the LTP 2015-25.

This Financial Strategy provides a review and update of the Financial Strategy developed as part of the 2012-22 LTP. The preparation of a Financial Strategy is a requirement under section 101(a) of the Local Government Act 2002.

## Background

The Whakatāne District Council's operating costs are currently just over \$57 million a year. Around two-thirds of this spending is paid for through rates income, with the average household currently contributing around \$47 per week.

This funding enables the Council to deliver a wide range of activities and services that people use and rely on every day. In total, the Council delivers 30 different activities, which are supported by internal activities such as Human Resources, Customer Services and Finance. The Council is also a shareholder in three Council Controlled Organisations, which allow us to receive or deliver services in partnership with other shareholders. The Council is one of the larger employers in the Eastern Bay of Plenty, employing approximately 190 full-time equivalent staff.

The Whakatāne District Council has a healthy balance sheet and is in a stable financial position. Debt is managed at relatively low levels compared to other local government or commercial organisations and our levels of rates are not dissimilar to other similar sized territorial local authorities. Our portfolio of activities and services includes the management of over \$695 million worth of community assets, compared to total liabilities of \$65 million.

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

## Principles

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

## Objectives

This Financial Strategy promises to deliver more of the same, in terms of our current 'conservative', 'disciplined' and 'no surprises' approach to financial management. Long-term financial sustainability and the affordability of rates will continue to be at the forefront of our 2015-25 LTP and Financial Strategy. This includes the continuation of the conservative limits for rates increases and debt that were set through the previous LTP. The increased discipline around day-to-day financial management, which has resulted in rating surpluses over the past three years, will continue to be applied.

We have thought hard about how restrictive our budgeting should be, given that we need to ensure that our decisions about affordability do not unfairly burden ratepayers in the future, and that our services and assets are sustained for future generations. We also need to provide sufficient scope within

budgets to allow progress to be made towards improved outcomes for the community and ensure that our District retains its viability and vibrancy. These outcomes support the priorities of our LTP which are:

- Delivering quality core services
- Working together to meet the needs of the community
- Encouraging communities and businesses to thrive
- Keeping rates affordable.

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

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

### **Whilst**

- III. Maintaining rates at an affordable level,
- IV. Maintaining our overall debt at around the current level, and
- V. Manage our finances responsibly and minimising financial risk.

## OBJECTIVE I:

### ***Ensuring resource is available to sustainably manage assets and services***

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

- Ensuring that we pay our fair share of asset maintenance and renewal now – not overpaying to subsidise future ratepayers but also not underpaying, which would see future ratepayers unfairly burdened by large costs.
- Planning for the expected ‘hump’ in water supply and wastewater system renewal costs which is expected to start from 2025, as indicated by our Infrastructure Strategy.
- Providing additional funding to ensure the continued financial viability of the Whakatāne Airport.
- Taking a 30+ year view towards asset renewals and depreciation funding, to ensure that reserves are available to maintain our assets in the future.

## OBJECTIVE II:

### ***Retaining capacity to add value to our services and facilities***

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

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

## OBJECTIVE III:

### ***Maintaining rates at an affordable level***

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

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



## OBJECTIVE IV:

### ***Maintaining overall debt at around the current level***

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

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

## OBJECTIVE V:

### ***Managing our finances responsibly and minimising financial risk***

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

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

## Operating an unbalanced budget

Under the Local Government Act 2002, local authorities are required to set balanced budgets - where operating revenue is equal to expenditure. Council's may operate an unbalanced budget only where this can be shown to be financially prudent.

The Council intends not to operate a balanced budget for five of the ten years covered by the LTP. This means that there is an operating deficit in each of these years, and an overall deficit of approximately \$9.6 million. The primary reason for the unbalanced budget is due to the Council's approach to funding depreciation based on an assessment of the renewal programme over a 30 year period, rather than funding renewals as they are required. This approach will provide more certainty to ratepayers by evening out renewal costs over a longer period of time while retaining the necessary financial capacity to maintain assets as required. We will also continue our approach of not fully funding depreciation on some assets so that ratepayers aren't being rated for assets that Council does not intend to replace.

Given the strength of the Council's financial position and the detailed assessments that have been made of the anticipated renewals programme, the Council is confident that a high degree of financial sustainability will be retained on an on-going basis.

# Expenditure

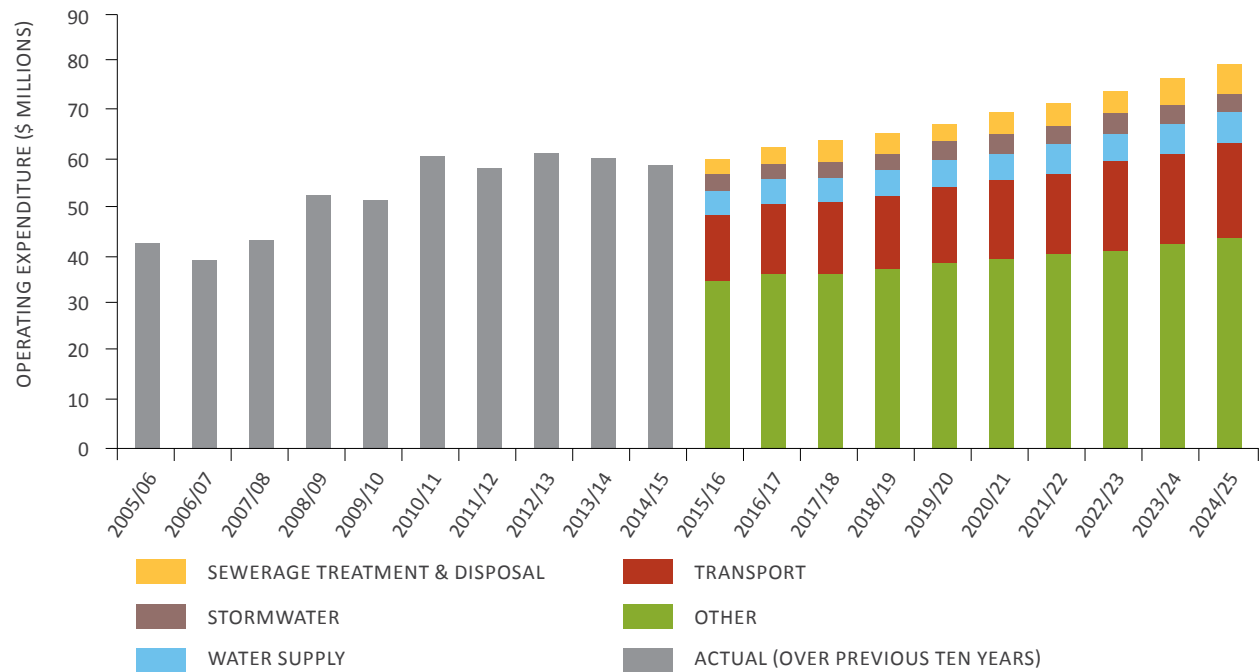
## 1. OPERATING EXPENDITURE OVER TEN YEARS

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

The following graph shows our total operating expenditure over the last ten years and what we are planning for the next ten years. As shown in the graph, a large proportion of our operating expenditure is related to the four core network infrastructure activities including Roads and Footpaths, Water Supply, Stormwater Drainage and Sewage Treatment and Disposal. Together, these account for 43.8% of our operating expenditure over the life of the LTP.

The graph shows that the Council’s total operating expenditure is set to increase progressively from \$59.67 million in 2015/16 to \$79.86 million by 2024/25. While inflation is a major driver of this increase, there are a number of other factors which also influence our operating expenditure. The major drivers and features of expenditure are discussed in section five of this Strategy.

**FIGURE 1: ACTUAL AND FORECAST OPERATING EXPENDITURE 2005-25**

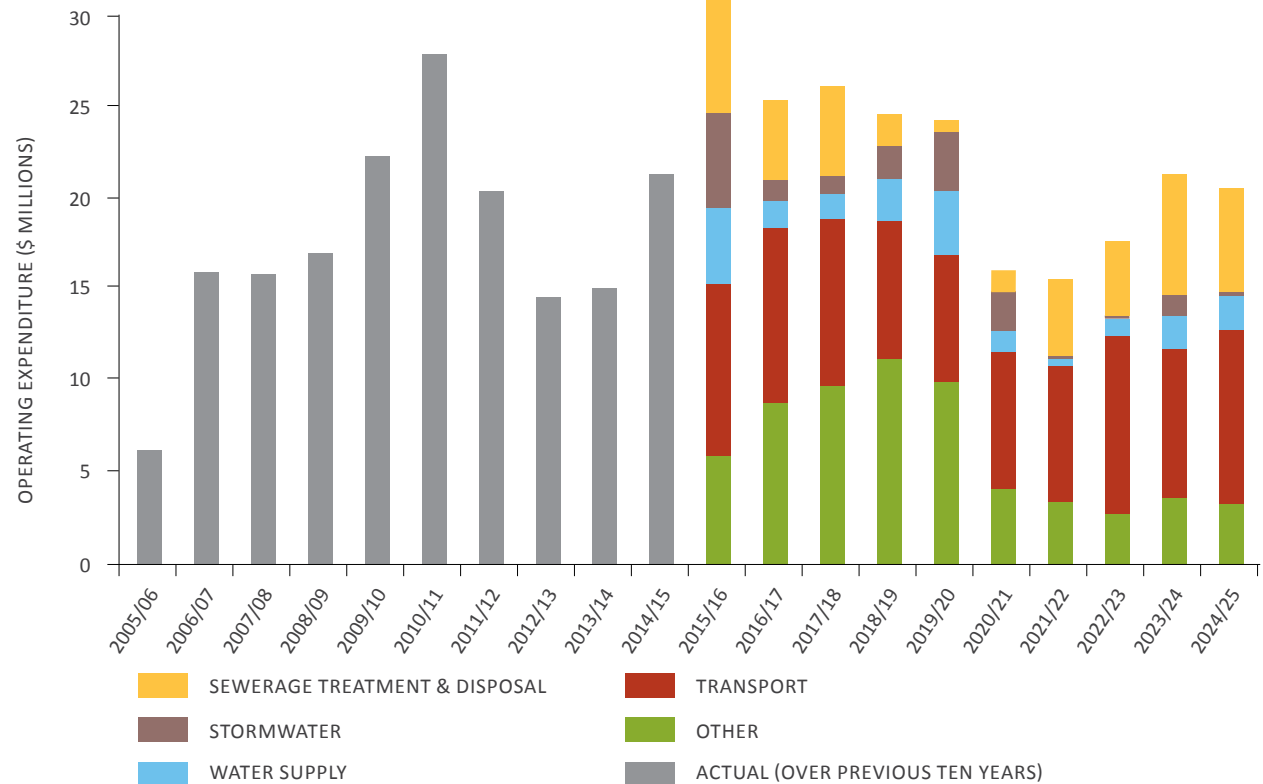


## 2. CAPITAL EXPENDITURE OVER TEN YEARS

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

As shown in the graph, much of our capital expenditure is related to core network infrastructure (Roads and Footpaths, Water Supply, Stormwater Drainage and Sewage Treatment and Disposal). Over the life of the LTP, these account for 72.3% of our capital expenditure.

**FIGURE 2: ACTUAL AND FORECAST CAPITAL EXPENDITURE 2005-25**





### 3. PROPORTION OF CAPITAL EXPENDITURE FOR RENEWALS

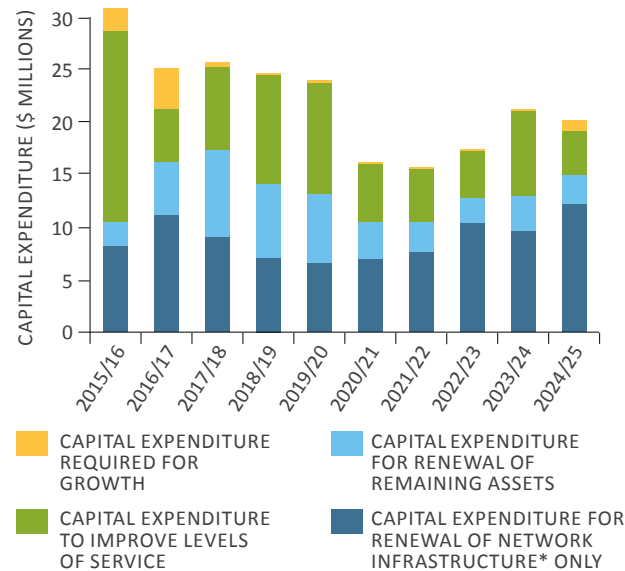
The following graph illustrates our forecast capital expenditure over the coming ten years with the costs categorised as renewals, improvements to levels of service, or growth.

The graph shows that the majority of our capital expenditure is for renewals – the replacement of assets that have reached the end of their lifespans. In particular, the renewal of network infrastructure, including Roads and Footpaths, Stormwater Drainage, Water Supply, and Sewage Treatment and Disposal, accounts for 40.4% of our planned capital expenditure over the course of the LTP. Other renewals (of non-network infrastructure such as halls, public toilets, playgrounds etc.) account for a further 19.6% of our capital expenditure.

Projects required to improve the services we deliver account for 36.1% of capital expenditure over the coming ten years. Examples of key projects include the construction of the Matatā sewerage system; continued improvements to stormwater systems; improving and expanding our harbour assets; redeveloping the Whakatāne and District War Memorial Hall; and upgrading the Whakatāne Museum.

Only minor expenditure is planned for projects needed to expand or extend services as a result of population growth (for example, a water supply system expansion for a new subdivision). This accounts for 3.8% of capital expenditure over the life of the LTP.

**FIGURE 3: FORECAST CAPITAL EXPENDITURE FOR ASSET RENEWALS 2015-25**



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

### 4. FUNDING CAPITAL EXPENDITURE OVER TIME

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

Loans are used to fund new assets. Repaying loans over time means that current and future ratepayers contribute to the cost of the asset over its lifetime. External funding such as subsidies and grants are also often a major funding source of new assets. Information about our debt levels and limits can be found later in this Strategy.

Depreciation reserves are funds that we set aside from year to year to meet the costs of renewing an asset as it nears the end of its lifespan, ensuring that we can continue to deliver the service it provides. As with loans, this means that both current and future ratepayers are making a contribution to the asset over its lifetime. Under this LTP, we have calculated our need for depreciation funds on infrastructural assets over 30 years, whereas previously, this has been calculated over 25 years. Setting aside funds for infrastructure renewal over a longer period of time increasingly equalises the costs making them more affordable and predictable for ratepayers. It also aligns with the 30-year timeframe of our Infrastructure Strategy.

## 5. MAJOR DRIVERS AND FEATURES OF EXPENDITURE

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

### **5.1. Delivering most services at the current level**

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

### **5.2. Maintaining reliable infrastructure**

A large portion of our capital expenditure is focused on asset renewals which will support the continued delivery of services at the current level. Renewals projects are those which replace existing assets when they are nearing the end of their lifespan, but do not increase or improve the service provided. The renewal of core network infrastructure, including Transport Networks, Stormwater Drainage, Water

Supply and Sewage Treatment and Disposal, is expected to cost around \$89.60 million over the course of the LTP. Other renewals (of non-network infrastructure such as halls, wharves, playgrounds etc.) account for a further \$43.47 million.

Our 30 year Infrastructure Strategy - included later in this chapter, and Asset Management Plans - available on our website, set out what is required to manage and maintain our assets over the coming ten years of our LTP and beyond.

### **5.3. Providing for specific growth areas**

Our District population is forecast to be stable over the next ten years. The need to expand or improve services to cater for an expanding population, or significant changes in land use, is therefore not expected to be a major driver of costs in the 2015-25 LTP. However, there are expected to be areas of growth in Whakatāne and Ōhope and the LTP proposes to include provision for infrastructure needs in those areas.

### **5.4. Improving and enhancing selected services**

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

Hall into a modern multisport venue; and to upgrade the Museum to modern standards.

### **5.5. Continuing to advance committed projects**

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

This includes continuing our commitment to increase the capacity of stormwater systems in Edgecumbe, Ōhope and Whakatāne, including a project (amongst others) to control stormwater in the upper Wainui te Whara stream catchment. Over the next ten years, the total cost of stormwater improvement projects is expected to be just over \$15 million.

The project to build a new fully reticulated sewerage system in Matatā is also ongoing. This was expected to be completed in 2017 at a total project cost of \$13.2 million (\$4.4 million through this LTP in 2015/16) with a substantial contribution for the project coming in previous years by way of grants from the Ministry of Health (\$6.7 million) and the Bay of Plenty Regional Council (\$1.88 million). With an appeal against the project being upheld through the Environment Court the Council is now considering further options. Budget has been retained in the LTP to progress the project, subject to confirmation of a favourable option.

### **5.6. Saving costs through reduced projects and services**

In the interests of rates affordability, a number of projects and service improvements have been revised and are not intended to be included in our LTP 2015-25. While Council is currently upgrading the water supplies to Awakeri and Edgumbe, further implementation of the Draft Plains 50 Year Strategy is subject to the completion of further work on the financial and economic viability of this project. The Council currently does not fund road seal extensions or power undergrounding and it is proposed that this approach should be continued unless there are clear economic benefits.

We will also need to review and possibly reduce the service we provide for solid waste services to offset cost increases that are anticipated with future waste management contracts. This will be considered and consulted with the public when more information is available. As the information is not yet at hand, the budgets in our LTP are based on the current costs.

### **5.7. Servicing debt**

The Council's current debt level is conservative for an organisation of our size and as such, servicing of debt is not a major driver of costs in our LTP. Just over 11% of the income received from rates is currently used to repay interest. This Financial Strategy sets limits that support our intention to hold debt and debt repayments at the current levels. Information about our current debt levels and limits can be found later in this strategy.

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

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

The Council will initially attempt to meet any costs from within existing budgets and where available, from insurances and external subsidies. As part of our budgets, we hold two reserve funds to help meet the cost of responding to natural hazard damage. The first covers the relatively common costs of storm damage to roading and is projected to have a balance of \$1.08 million as at 30 June 2015. The second, a general Disaster Recovery Reserve, is for events that are not covered by the Storm Damage Roothing reserve or other funding sources such as insurances. This has a projected balance of \$298,000 as at 30 June 2015. Our LTP budgets do not include further contributions to these reserves. This approach will be reconsidered if a significant portion of these funds has to be used.

### **5.9. Inflation**

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



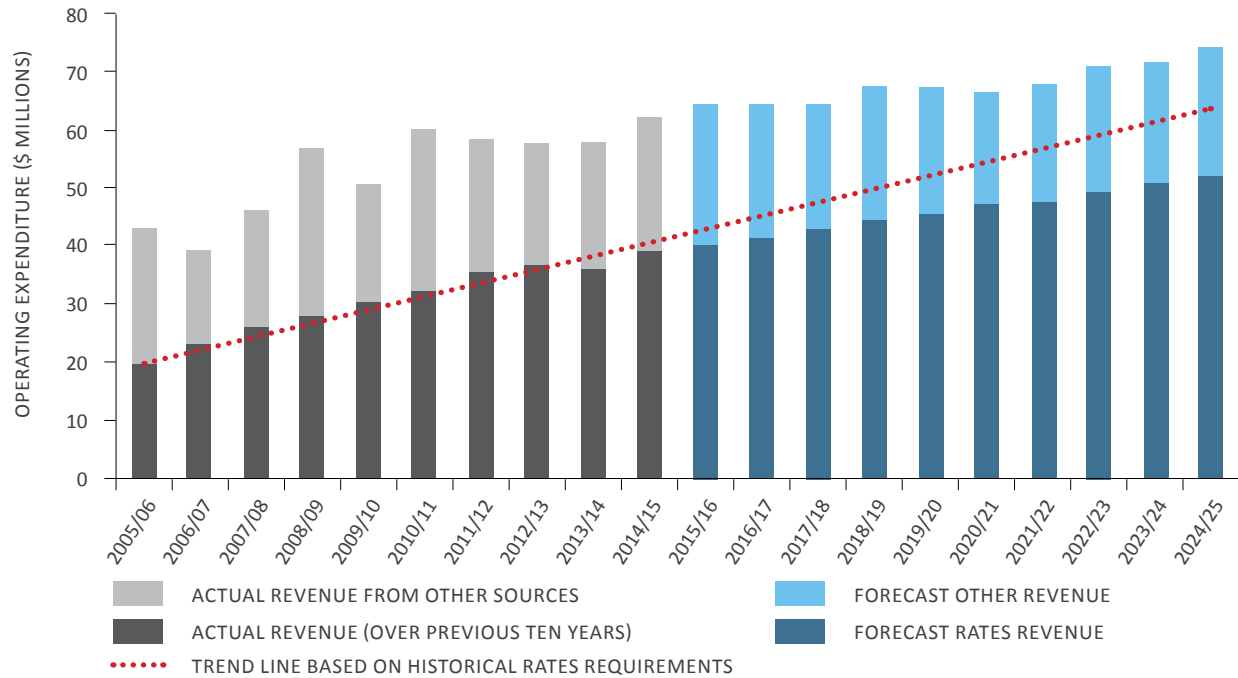
# Income

## 6. SOURCES OF REVENUE

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

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

**FIGURE 4: ACTUAL AND FORECAST SOURCES OF OPERATING REVENUE 2005-25**





## 7. MAJOR DRIVERS AND FEATURES OF REVENUE

### **7.1. Affordability of rates**

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

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

Secondly, Council has also considered affordability through the distribution of the rates to different sectors of the community. This involves careful

consideration of how the Council's costs are to be divided given that ratepayers do not all pay the same. The distribution of the rates requirement is determined through our Revenue and Financing Policy and rating system both of which have been reviewed as part of our process of developing the LTP. Following these reviews we have made some minor changes to our rating system as summarised below. Our Revenue and Financing Policy is available later in this document.

- The use of general rates to fund Matatā Disaster Mitigation stormwater costs will increase from 75% to 100% to be phased in over three years.
- Economic Development will continue to be funded 70% through the general rate and 30% as a targeted 'District Growth' rate to the commercial/ Industrial sector. Differentials will be applied to the District Growth rate to increase the portion of this rate targeting Whakatāne urban properties.
- The funding philosophy for Events and Tourism has been amended to indicate a greater benefit of these activities to the private rather than the public sector.
- A sewerage rate for Matatā will be implemented from 2017, subject to completion of the Matatā sewage system.

### **7.2. Availability of external funding**

Accessing external funding allows us to deliver projects and services that we might not be able to afford otherwise. The budgets we have set through the LTP rely on significant levels of external funding, in particular from partnerships with the New Zealand Transport Agency (NZTA) and the Ministry of Health, but also from many other sources. The amount of external funding in our LTP budgets has been set at realistic levels, based on the best information currently available. However, achieving that budgeted funding is ultimately dependent on the policies and priorities of our funding providers, which may be subject to change. If anticipated levels of external funding are not realised, this may affect the delivery of some Council projects and services.

### **7.3. Asset sales**

The Council is proposing to sell a number of assets over the course of this LTP. The purpose of these asset sales is either to help achieve strategic priorities, or because the assets are surplus to the Council's long term strategic needs. Notable proposals include the sale of land at Bunyan Road, Piripai to facilitate residential/retirement village development and the transfer of Pensioner Housing to a registered Community Housing Provider. Income from these and other minor asset sales is expected to



return approximately \$8.5 million.

The Council intends to apply income gained from asset sales to retire debt, which would otherwise need to be funded (over time) by ratepayers. With returns from the transfer of Pensioner Housing units expected in the 2015/16 year, these funds will be applied to repay the Museum loan (approximately \$1 million, drawdown in 2017 and 2018), the Whakatāne and District War Memorial Hall redevelopment (balance of available funds in 2018/19/20) and the District Plan Review.

However, where the timing and details of sales cannot be accurately estimated, the retirement of debt has not been applied to our budget assumptions. The LTP budget recognises and provides for income from these asset sales, but this is set aside as a separate investment to accrue interest. This conservative approach is being applied to ensure that the rating requirement is not understated should the asset sales be delayed.

#### **7.4. Development contributions**

Development contributions are fees charged to developers at the time of obtaining a development-related resource consent, building consent or authorisation for service connection. The principle underlying development contributions is that the

developer should meet the costs attributable to the growth they are creating. Our Development Contributions Policy was reviewed alongside the development of this Financial Strategy, in part driven by recent legislative changes. The changes to the Policy have resulted in the reduction of some of the development contributions that we charge. The Development Contributions Policy is available from Council offices and on the Council's website.

#### **7.5. Harbour fund**

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

The Harbour Endowment Fund is of great benefit to the District because it allows the Council to undertake some projects at little or no cost to ratepayers. It is also used to fund the maintenance of assets that were developed through the Harbour Fund. The rules around the Harbour Fund, set

through legislation, mean that any income derived from leases or the sale of assets, must be invested back into the maintenance or improvement of the harbour or harbour properties. The Harbour Fund may be used for non-Ports and Harbour activities only to the amount of operating surplus available in the Ports and Harbour activity in any given year, or, with express approval from the Minister of Local Government. The Council will also continue to use the Harbour Fund for internal borrowing. Our LTP 2015-25 operates within these required parameters.

#### **7.6. Investments**

Under legislation, our Financial Strategy is required to disclose any objectives for holding and managing investments and equity securities and any targets for those. Council's investment holdings and equity securities are minimal and these are not expected to make any significant return over the course of the 2015-25 LTP. The Council has an Investment Policy in place setting out its approach to managing any Investments. The Investment Policy is available for reference from Council offices and on the Council's website.



## 8. LIMITS ON RATES

### 8.1. Limits on rates increases

The Council will continue the current limits on rates increases over the course of the 2015-25 LTP. This will limit rates increases to inflation (based on the Local Government Cost Index or LGCI) plus two percent.

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

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

**FIGURE 5(A): HISTORICAL AND FORECAST LIMITS ON RATES 2005-25 (INCLUDING INFLATION)**

		TOTAL RATES INCREASE OVER PREVIOUS YEAR	LIMIT ON TOTAL RATES INCREASE (LGCI + 2%)*
actual	2005/06	13.90%	-
	2006/07	6.41%	-
	2007/08	12.24%	-
	2008/09	8.92%	-
	2009/10	7.32%	-
	2010/11	8.42%	-
	2011/12	7.95%	-
	2012/13	5.69%	5.79%
	2013/14	2.49%	5.46%
	2014/15	2.95%	5.17%
forecast	2015/16	3.21%	4.24%
	2016/17	3.84%	4.45%
	2017/18	3.55%	4.53%
	2018/19	2.36%	4.61%
	2019/20	3.41%	4.75%
	2020/21	3.51%	4.90%
	2021/22	1.30%	5.04%
	2022/23	2.07%	5.19%
	2023/24	3.30%	5.36%
	2024/25	3.31%	5.53%

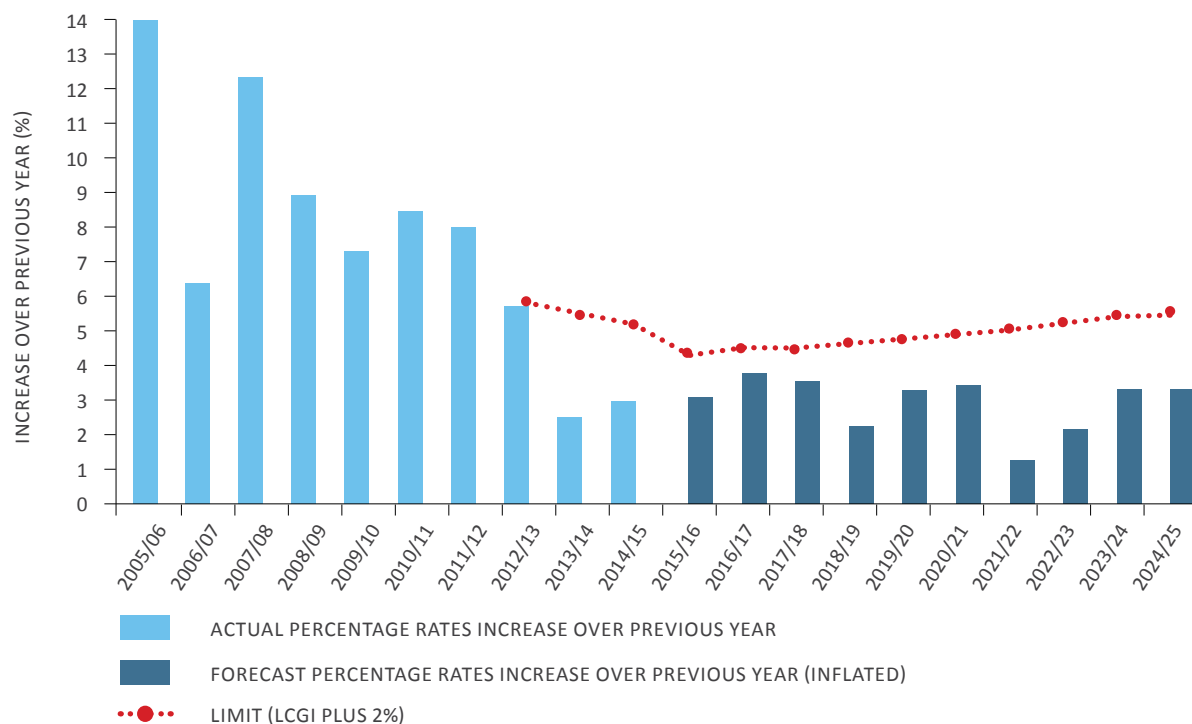
### What is the LGCI?

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

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

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

**FIGURE 5(B): HISTORICAL AND FORECAST LIMITS ON RATES 2005-25 (INCLUDING INFLATION)**



**FIGURE 6: LIMITS ON RATES AS A PROPORTION OF TOTAL OPERATING REVENUE 2015-25 (INCLUDING INFLATION)**

	OPERATING REVENUE (\$MILLIONS)	RATES REVENUE* (\$MILLIONS)	RATIO: (LIMIT = 80%)
2015/16	64.45	39.94	62%
2016/17	64.53	41.47	64%
2017/18	64.43	42.94	67%
2018/19	67.7	43.95	65%
2019/20	67.46	45.46	67%
2020/21	66.49	47.05	71%
2021/22	68.03	47.67	70%
2022/23	71.02	48.65	69%
2023/24	71.73	50.25	70%
2024/25	74.81	51.91	69%

\*Excludes penalties

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

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

The Council will limit rates to a maximum of 80% of total operating revenue. This means we will need to continue to secure at least 20% of our revenue requirement from sources other than rates. Figure 6 sets out forecast levels of operating revenue against the 80% limit. This indicates that over the ten years of the LTP 2015-25 we expect to remain well within the set limit.



## 9. BORROWING AND DEBT

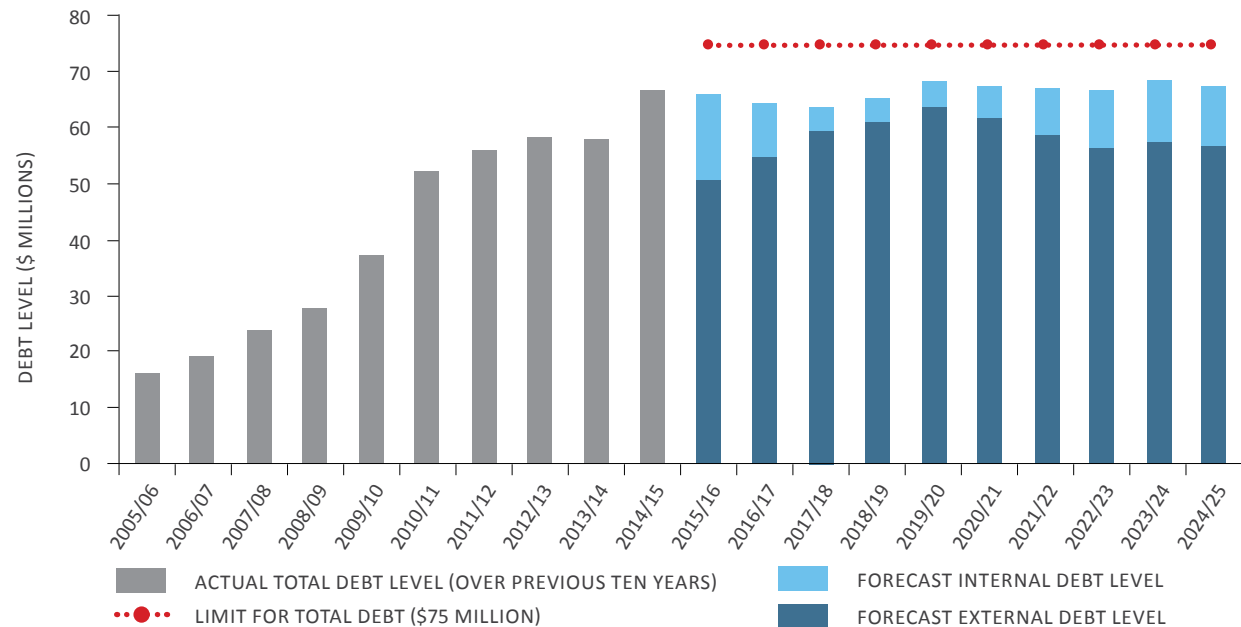
We use loan funding to spread asset costs over current and future ratepayers. Borrowing to pay for assets with a long life, for example 25-50 years (rather than just increasing rates to cover the full cost of an asset), means that those who benefit from the service provided, now and in the future, will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

As at 30 June 2014, our external debt (owed to banks and the Local Government Funding Agency) was \$45.5 million or around \$2,741 per rating unit. This is consistent with or favourable to the debt levels of many similar sized local government authorities around New Zealand. On top of this external debt, like most other councils, we also borrow from our own reserves, which are being held for other specific purposes, but are not yet required. When we include internal borrowings, our total debt, as at 30 June 2014, was \$57.9 million.

### 9.1. Limits for debt

Over the course of the 2015-25 LTP, we intend to maintain our debt at around the current level. This will mean only taking on new debt as we repay existing debt. To achieve this outcome, careful consideration has been given to prioritising and scheduling planned capital projects. To support the objective of maintaining debt at the current levels, we are also retaining our previous debt limit. As shown in the following graph, this will see the limit for total debt (including internal and external debt) held at the current level of \$75 million over the life of the 2015-25 LTP.

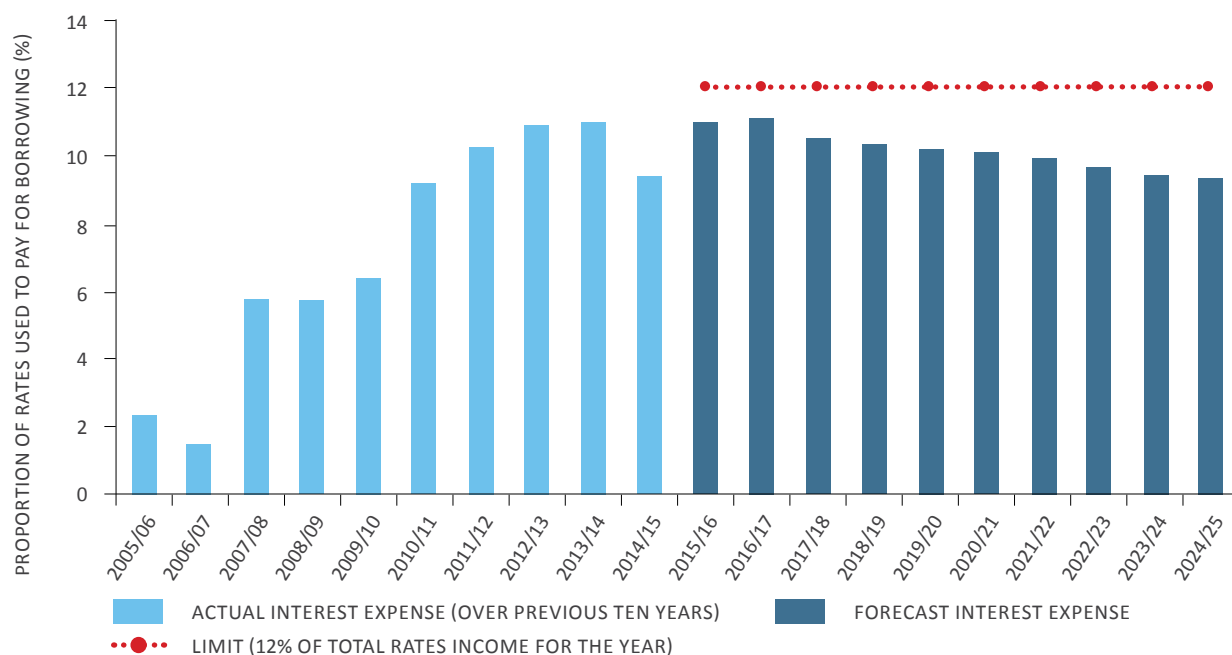
**FIGURE 7: LIMIT FOR TOTAL DEBT 2005-2025**



## 9.2. Limits for interest costs met from rates

To provide further certainty to ratepayers, we have set limits on the amount of rates revenue used to meet interest costs. This is because it is debt repayments, rather than our overall level of borrowing, that affects ratepayers from year to year. This will see the interest expense of our borrowing limited to 12% of total rates income. The following graph shows the proportion of rates required to repay debt over the past ten years and the forecast level over the life of the 2015-25 LTP.

**FIGURE 8: LIMIT ON INTEREST EXPENSE AS A PROPORTION OF RATES REVENUE 2005-25**



## 9.3. Borrowing from the Local Government Funding Agency

The Whakatāne District Council has been a shareholder in the Local Government Funding Agency (LGFA) since 2012. The LGFA is a partnership of participating local government authorities which has enabled borrowing at more secure and favourable rates than those provided by banks. Over the course of the 2015-25 LTP, we will reassess the favourability of the borrowing options available, as loans mature.

## 9.4. Policy on securities for borrowing

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





# Infrastructure Strategy

## PURPOSE

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

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

The Infrastructure Strategy has been developed to scope and prioritise key, long-term infrastructure issues, and outline how the Council proposes to address those issues. That information also informs the rest of the LTP.

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

***NOTE: All financial figures in the Infrastructure Strategy take into account expected inflation.***

## PLANNING FOR THE LONG-TERM - THE NEXT 30 YEARS

Many of Council’s infrastructure assets have a very long life. For example, water pipes have an expected life of 60-100 years. There is therefore a long planning horizon for initial provision and renewal, both of which can present cost peaks that are best planned for well in advance. This Infrastructure Strategy provides the long-term perspective required to assess whether there are hidden investment gaps, or affordability issues, beyond the ten-year planning horizon provided in the LTP 2015-25.

While the Council delivers services utilising a range of different infrastructure services, this Infrastructure Strategy focuses on the following four core infrastructure services:

- Water Supply
- Sewage Treatment and Disposal
- Stormwater Drainage
- Roads and Footpaths.

Infrastructure assets cannot be planned for in isolation, because issues that shape our community can also influence the management of our infrastructure. Significant issues may include:

demographic changes which affect the ability of the community to pay for infrastructure; growth or decline in population in particular areas within the District; natural hazards and climate change.

## INFORMATION SUPPORTING THE DEVELOPMENT OF THIS STRATEGY

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

- Asset Management Plans - provide an outline of the asset management works required to prudently manage infrastructure and deliver essential services to the community.
- Financial Strategy - outlines the financial context in which the Council is operating and the financial implications of the projects planned through this Strategy.
- LTP 2015-25. While this strategy has a 30-year planning horizon, the projects planned for the first ten years are included in other sections of the LTP.

- Proposed Whakatāne District Plan (PWDP) - identifies areas where new or upgraded infrastructure will be required to cater for growth in the District over the next ten years. The decisions on the PWDP are expected in September 2015.
- Whakatāne and Plains Water Supply Strategy – May 2014 by Alan Bickers – a report commissioned by the Council on these two water schemes.
- Draft Plains 50 Year Strategy Study – September 2014 by Opus International Consultants Ltd – this is a draft Strategy only and has not been adopted by the Council.
- Eastern Bay of Plenty Spatial Plan – being developed in conjunction with neighbouring Councils and the Bay of Plenty Regional Council, the spatial plan will predict and coordinate the future development changes in the region and the impact these changes will have on various resources, including infrastructure requirements over the next 30 – 50 years.

## KEY PRINCIPLES UNDERLYING THIS STRATEGY

The Council has identified four key principles for the development of the LTP 2015-25. These principles balance the various needs of the community and flow throughout the LTP, including the Financial Strategy and the projects outlined in this Infrastructure Strategy.

### RESPONSIBLE

We will work with the community to prioritise core services and prudent infrastructure management which will meet their needs.

### SUSTAINABLE

We will undertake good stewardship of our assets and services, managing these in a way that does not compromise our ability to provide quality, affordable services to the community in the future.

### AFFORDABLE

We will be responsive and sensitive to the issue of rates affordability across the District, in particular when making decisions about infrastructure investments and funding mechanisms.

### ENABLING

We will provide the infrastructure required to support and enable growth and prosperity in our District and work with others towards this goal.

## CORE OUTCOMES FOR THE LTP 2015-25

The Council has identified four key outcomes for the development of the LTP 2015-25. These outcomes underlie the priorities and projects the Council is proposing to carry out over the next 30 years and form the basis of both the LTP 2015-25 and Council's Financial Strategy. They reflect the balance the Council must endeavour to achieve between focusing on the basics and providing value-added services for our community, at an affordable cost. The projects

outlined through this Infrastructure Strategy have been planned in order to help achieve these key outcomes. The Council's primary planned responses to these outcomes are as follows:

#### **a. Delivering quality core services**

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

#### **b. Encouraging communities and businesses to thrive**

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

#### **c. Working together to meet the community's needs**

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

#### **d. Rates affordability**

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

## KEY ISSUES IDENTIFIED THROUGH THIS STRATEGY

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

1. Much of the Council's core infrastructure is ageing and the Council has a large number of renewals planned over the next 30 years;
2. New legislation leading to stricter environmental controls, which the Council must adhere to, while also endeavouring to improve community health and safety;
3. Our District is prone to natural hazards, requiring works to mitigate the risk to our community;
4. Increases required to some of the levels of service we provide to ensure a reliable service;
5. Growth in certain areas of the District will put increased pressure on some of our infrastructure;
6. Overall, the District is predicted to experience a fairly static, ageing population, which may have an impact our ability to provide added value services.

## PLANNING ASSUMPTIONS

A broad range of factors influencing Council's long-term planning are discussed later in this LTP. The high level assumptions that are particularly relevant to this Infrastructure Strategy are categorised below and include:

### NATURAL ENVIRONMENT

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

### SERVICE DELIVERY

- When renewing resource consents, the majority of consent conditions will remain the same, except where outlined in this Strategy.
- Infrastructure needed for growth-related development will be paid for by development contributions or financial contributions.
- We will continue to deliver our services to the community in the same way.
- In the event of a disaster, we will be able to continue delivering essential services to the community.

- Life-cycle assumptions for our significant infrastructure are defined through the Significant Accounting Policies found in the 'Our Costs in Detail' chapter of this LTP.

### POPULATION

Population growth across our District is expected to reflect the population projections provided by the National Institute of Demographic and Economic Analysis (NIDEA), University of Waikato.

An ageing population will put added pressures on specific services.

- The socio-economic structure of our District will not change significantly.
- The number of properties from which we receive rates income is expected to increase by approximately 0.5% annually.
- The population in any one area of the District will not decline so rapidly over the coming 30 years that significant alternative planning solutions will be required.

### LAND USE

- Demand for additional residential properties will be mainly focused around Whakatāne and Ōhope.
- Assumptions about residentially-zoned land are based on the Proposed District Plan.
- Capacity for residential land will be sufficient for the next 30 years.

- Land-use elsewhere in the District is assumed to maintain the status quo.
- Demand for industrial land will be consistent with the Proposed Whakatāne District Plan.

## ECONOMIC ENVIRONMENT

- 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 1,560 jobs in the District by 2025 with an increase in levels of employment, personal wealth and, potentially, population growth.
- It is assumed that economic development in Kawerau and Ōpōtiki are likely to have a positive impact on Whakatāne’s economy.
- We partner with the New Zealand Transport Agency for the operation and upkeep of our local road network. An assumption is made on the level of financial assistance NZTA provides for that activity. NZTA has confirmed that, following their national review of Funding Assistance Rates, the Financially Assisted Roding (FAR) Rate for Whakatāne District Council local roads shall change from the current 53%, up to 64%, rising at a rate of 1% per year from 2016/17. NZTA have also advised that the district’s Special Purpose roads, which currently receive 100% FAR will remain in place for the years 2015-18, after which it will reduce by 5% each year until 2024/25, when it reaches the base FAR of 64.

## RISK

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

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

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

however assumed that moderate sea level rise will have a limited impact on most of our infrastructure assets.

The Council is also proposing to undertake a number of works through this Infrastructure Strategy that address or respond to the risk posed to our assets by natural disasters. For example, work is being undertaken across a range of our core infrastructure to assess and respond to the risk posed from an earthquake. Additionally, the planned work to increase the stormwater protection that the Council offers, will help to reduce the risk to the Council’s infrastructure from severe flooding events.

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



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

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

Four core infrastructure services are outlined through this strategy:

1. Water Supply
2. Sewage Treatment and Disposal
3. Stormwater Drainage
4. Roading and Footpaths.

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

- Delivering quality core services
- Encouraging communities and businesses to thrive
- Working together to meet the community's needs
- Rates affordability.

## Delivering quality core services

### ISSUE 1 - COUNCIL'S INFRASTRUCTURE IS AGEING

The Council provides core services that are essential for the health, safety and well-being of the community. If those services cease for any reason, the impact can be significant. Providing services that are reliable and not prone to breakage or outages is therefore essential. The Council carefully manages its core infrastructure to extend the life of our assets and gain the greatest value from our investment. We also maintain our assets appropriately and replace them before they start to fail, minimising service disruption. A large number of the Council's core infrastructure assets will be coming to the theoretical end of their useful life within the 30-year period of this Strategy. The Council is currently implementing continuous monitoring programmes of sampling its underground assets in order to ensure that their actual condition and needs and priorities for its renewal are well understood. Nevertheless this means the Council will have to undertake significant renewal works to maintain its current infrastructure networks. The Council funds renewals over a period of time, to help build up renewal reserve funds. This helps to spread the cost of renewals over the wider population that will benefit from the assets involved. Through the LTP 2015-25, the Council's Financial Strategy will extend the period over which renewals are funded from a 25-year average, to a 30-year average. This timeframe will be consistent with the 30-year timeframe in this strategy.

90% of the works planned through this Infrastructure Strategy are to maintain and renew the assets that the Council already owns and operates. Very few projects are required to improve or expand the level of service the Council currently delivers. The total value of the renewals required over the next 30 years equates to \$380.6 million (64.3%). If the Council does not undertake these works, major disruptions could occur as the networks begin to deteriorate. Increased repairs required by ageing infrastructure would mean that the cost of not undertaking renewals would be far greater than the proactive renewals programme planned.

### COUNCIL'S SIGNIFICANT DECISIONS TO ADDRESS THE ISSUE

#### *Renewing our ageing three water assets*

More than 70% of the Council's water supply pipes are over 50 years old and are becoming prone to pipe breaks, causing supply issues and increased maintenance costs over the next 10 to 40 years. Some of the Council's sewerage pipes need replacement within the next 50 years to minimise the risk of service disruption and sewage overflows. As a result, the Council will implement an ongoing asset replacement programme for water and sewerage assets, at an approximate cost of \$104.1 million over the next 30 years.

The Edgecumbe community has experienced issues with its sewerage system since the 1987 earthquake, as a result of damage to the pipe network. This has resulted in groundwater infiltrating the network, including private laterals. The Council is planning

to gradually replace the whole network with a low pressure grinding pump system from 2026 to 2028, at an approximate cost of \$17.7 million over this period.

The Council is planning to install a sewerage scheme in Matatā, utilising a low pressure, on-site grinder pump system. See Issue 2 for more information about this project and the recent Environment Court decision. If the project proceeds as proposed, the grinder pumps and some electrical components theoretically will need replacement after 20 years. The Council is proposing to replace grinder pump and other components on as-needs basis, at an approximate cost of \$0.8 million from 2026 to 2028.

### ***Significant expenditure required for renewals to our roading network***

The Council is required to undertake significant renewals to the roading network over the next 30 years, at a total cost of approximately \$265 million. This includes 22 bridges that will reach the theoretical end of their useful life during that period, road pavements that have varied lifespans and deteriorate over time and drainage systems that are critical to ensuring the road network remains in good condition. The Council will review the condition of its assets on an ongoing basis to ensure that renewals are carried out as required. Not undertaking this renewals programme would lead to a significant deterioration of Council assets.

## ISSUE 2 - ENSURING THE HEALTH AND SAFETY OF THE ENVIRONMENT AND THE COMMUNITY

The Council delivers services which help to ensure the health and safety of residents and maintain the health of the environment. A number of Council activities can have negative environmental impacts. To ensure that we appropriately mitigate environmental impacts, we seek resource consents to operate and deliver environmentally sensitive services. For example, the discharge of treated sewage is closely monitored to ensure it is not detrimentally affecting the environment. A number of such consents are due to expire over the next 30 years and consent renewals may require changes in the way we operate and deliver services. Existing consents are based on the current legislative environment and Regional Policy Statements. Over time, the conditions applying to some consents may become more restrictive. This may require upgrades to Council infrastructure, or new ways of operating and delivering some services. Similarly, the Drinking Water Standards outline specific requirements for the Council's water supplies. These standards can increase over time and the result for the Council can be costly to keep up with.

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

## COUNCIL'S SIGNIFICANT DECISIONS TO ADDRESS THE ISSUE

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

The resource consents to treat and discharge treated sewage into various waterways and sea from the Whakatāne, Ōhope, Edgecumbe, Tāneatua and Murupara sewerage systems will all expire over the next 12 years. It is anticipated that new consents may require upgrades to the current water and sewage treatment systems to achieve higher levels of treatment quality. In some instances, this may require new treatment technology or methods of disposal. Currently, the Council assumes the most likely option for all schemes will be to upgrade the current system to improve discharge quality. Over the next 12 years, approximately \$23.3 million will need to be spent to upgrade sewage treatment systems. The works required will depend on the requirements of the new resource consents and the specific works will not be undertaken until greater certainty exists around the new consent requirements. If the Council does not undertake the required works, this could have an impact on our ability to continue providing these core services.

### ***Improving our service delivery to reduce the impact on the environment***

The Council intends to provide a sewerage scheme in Matatā. The project was proposed to be carried out in 2016-19 at an approximate cost of \$12 million. A resource consent and notices of requirement

for the development of a sewerage treatment plant and land disposal field for Matatā were granted by Independent Commissioners in 2014. Subsequently, following appeals to the Environment Court in 2015, an interim decision was released that sought further information for the Court to be able to grant consent to the Land Application Field. However, the site for the proposed treatment plant was declined. The Council is now considering further options, and has retained the budget in the LTP to progress the project subject to confirmation of a favourable alternative site being identified, funding being confirmed by other parties, and resource consent being obtained. The objective of the project is to help to alleviate the environmental impact associated with the septic tank sewage disposal systems currently used throughout Matatā.

The Edgecumbe, Tāneatua and Murupara water schemes have a very high level of water usage per capita (over 400l/day/person) due to water wastage and leaks in private properties. If water wastage is not controlled, this may result in the exceedance of water abstraction limits under the existing resource consents. All these water schemes are unmetered and there is little incentive to conserve water. The Council is planning to implement a water conservation strategy and public education to encourage reduced water usage. If public education and implementing the water conservation strategy are not successful in reducing water consumption, approximately \$1.1 million will be required to install meters on water connections in these schemes. This project is not currently included in the Council's LTP 2015-25, for reasons of affordability, but will be considered for inclusion through the 2018-28 LTP.

### ***Providing an alternative source of water***

The quality of water supplied on the Plains has been an area of concern for the Council for many years, with no protozoa treatment and with levels of naturally occurring arsenic in the source water from Braemar Spring and the Johnson Road bores exceeding the Drinking Water Standards New Zealand 2005 (revised 2008). While the majority of the water consumed on the Plains is used for agricultural purposes, the Council has been planning to address this issue through the supply of water from an alternative bore in Paul Road, supplying water to Edgecumbe, Awakeri, Thornton and Onepū areas. These works are proposed through the draft Plains 50 Year Strategy. Apart from the supply of water to Edgecumbe, which received MOH funding, the works have not been scheduled through the Council's LTP 2015-25, as the financial viability and economic benefits of the Strategy have yet to be assessed. The regulatory environment is also currently very uncertain, with the National Policy Statement on Freshwater response to be formulated by the Bay of Plenty Regional Council in the next year. If the projects proposed in the draft Plains 50 Year Strategy do not proceed, the current level of service will be maintained on the Plains. Refer to Issue 3 for the discussion on the current and projected future demand on the Plains water scheme.

The Whakatāne and Ōhope water source is vulnerable to saline water intrusion during periods of low river flow, contamination with cyanobacteria, and high turbidity during extreme rainfall events. In recent years, the Council has managed the reduced

supply capability caused by salt water intrusion by imposing water restrictions and installing a temporary emergency intake upstream from the permanent intake. However in the future, climate change may affect abstraction of water from the Whakatāne River. To address this issue in a more permanent manner, the Council has two potential options. One of the options is to supply water from a new bore in the Poroporo area. However, the water quality at this bore is poor, and the Council has not been able to locate any other, feasible groundwater source near to the Whakatāne treatment plant. The other, preferred option is to establish an alternative water source, supplying emergency water from the Paul Road aquifer at an estimated cost of approximately \$6.8 million. This option assumes that the Awakeri area will be supplied from the Paul Road aquifer in the future, as proposed through the draft Plains 50 Year Strategy. Interconnection between the two schemes will provide increased security and flexibility of water supply management in the future. However, the Council has not yet adopted the draft Plains 50 Year Strategy and therefore, these works are not currently scheduled in the LTP 2015-25. The Council has adopted a timetable to consider the future of the Plains Water scheme in conjunction with the Plains Water Supply Advisory Board, major stakeholders such as Federated Farmers, Fonterra, the Rangitāiki River Forum, the Bay of Plenty Regional Council and the community. This project will be reconsidered through the LTP 2018-28.

Not completing the work to provide an alternative water source for Whakatāne from Paul Road will result in increased risk to supply security for the

Whakatāne and Ōhope water supplies in the long term. The Council will continue to utilise the long-term temporary emergency intake and consumption reduction measures when required, until a decision is made on this project.

Other water sources in the District also require minor works to maintain water supply quality. In Murupara, the installation of a chlorination plant at a cost of approximately \$200,000 would help to alleviate the potential health risk from this currently un-chlorinated source. However, this project will only be completed if the community agrees and the Council is able to secure funding from the Ministry of Health. This project is currently scheduled for the 2020/21 year.

### ***Reduce energy consumption through installation of efficient street lighting technology***

Street lighting accounts for a considerable percentage of the Council's annual electricity consumption. LED street lighting technology is developing rapidly and can provide energy savings up to 50%, compared to existing lighting systems. LED lights are also expected to last at least 2-3 times longer than current technology. The Council is planning to replace existing (high pressure sodium and metal-halide) streetlights with LED lighting. The cost budgeted for this upgrade is in the order of \$2 million and will be subject to a full business case being produced. This project is scheduled to be carried out during 2016-18.

### ***Minimising the risk posed on our roads***

The Council has a roading network of more than 900kms, spanning the whole District. Some of Council's main arterial roads suffer from alignment issues, out of context curves and widths that are no-longer appropriate for the increased traffic carried. Together with poor driver behaviour, these factors have resulted in an increase in the predicted and actual crash risk. Key affected roads are Thornton Road and Wainui Road (part of our Coastal Arterial Route). Sections of Thornton Road and Wainui Road requiring realignment have been identified in the Coastal Arterial Route Study and improvements have been scheduled in the 2015-25 LTP. Further investigation needs to be undertaken to identify the safety deficiencies on the District's southern route. The estimated cost of curve improvement works on the Coastal Arterial Route is \$2 million, funded from 2020-30. Seal widening works on Thornton and Wainui Road have an estimated cost of \$2.6 million, funded from 2018-30.

In addition, regular road safety inspections are undertaken on all the District's roads, with all identified safety deficiencies assessed, costed and prioritised. The Council has budgeted \$72 million over 30 years, to address minor resilience and safety improvements. Progression of these projects, together with continued road safety education and programmes and working with other agencies such as New Zealand Transport Agency, the Police and ACC, will contribute to the reduction of the District's collective crash risk over time and will ensure we continue to act consistently with 'Safer Journeys', Central Government's road safety strategy to 2020.

## ISSUE 3 - RISK POSED BY NATURAL HAZARDS

A wide range of natural occurrences in the Bay of Plenty have the potential to be natural hazards. Flooding, volcanic eruption, large earthquakes, tsunami and extreme weather events are all classified as 'higher priority' natural hazards in the Bay of Plenty Proposed Regional Policy Statement. These are all relevant to the Whakatāne District and can have a significant impact on infrastructure assets, management and the delivery of service. Damage to assets can affect the ability of the Council to provide a continuous service to the community, for example earthquakes can affect the structural integrity of Council assets, and the Whakatāne District is located in an area prone to earthquake activity. Alongside the infrastructure responses that the Council is planning to carry out, we also have a selection of financial tools in place to help us respond in the case of an emergency, and minimise the impact on ratepayers at the time. More about these funding policies can be found in the Council's Financial Strategy.

Over the past decade, the Whakatāne District has been subjected to numerous heavy rain events resulting in widespread surface and river flooding. Major events in recent years have included the Whakatāne River overtopping the stop bank at Awatapu in 2004, heavy rain causing the Matatā debris flows in 2005 and widespread surface flooding of District roads, slips and damage to infrastructure and homes throughout the district between 2010 to 2012. The area has also suffered from a number of intense rainfall events that have resulted in



widespread flash flooding within the Whakatāne Township and Ōhope. These include the event of June 2010, where more than 75mm of rain fell in a single hour, and more recently the event on Good Friday 2014, where more than 60mm of rain fell in less than 45 minutes. In both events a number of properties in Whakatāne and Ōhope were damaged as a result and required extensive repair.

Conclusive evidence, both nationally and internationally, shows that the climate is changing, resulting in rising sea levels, increases in weather extremes, such as “Weather Bombs” (increased frequency of El Nino conditions), more storms, intense rainfall, flooding and drought, all of which impact on river and sea water and suggests that the District will experience increased frequency of severe weather events. This is backed by amendments to the RMA 1991 which require Councils to consider the effects of climate change. Climate change and its related impacts must be factored in when determining infrastructure requirements. Climate change could result in serious economic, social and environmental impacts affecting the Whakatāne District. The Council will monitor trends in climate change and review the engineering standards and guidelines for climate change related events.

## **COUNCIL’S SIGNIFICANT DECISIONS TO ADDRESS THE ISSUE**

### ***Increasing the capacity of our stormwater systems***

The Council aims to provide protection for the community against flooding at least from a 1 in 50

year Annual Exceedance Probability Event where it is practicable and feasible. However, some areas of the District do not currently have this level of protection, and the Council is planning a series of works over the next 30 years to help move towards that level of protection.

The discharge of stormwater in the Whakatāne catchment mainly relies on pumping water into the Whakatāne River. The North-West quadrant of Edgecumbe experiences flooding during heavy stormwater events due to under capacity pipes, lack of overland flow paths and boundary conditions in adjoining rural drainage schemes where stormwater is discharged to. Most of the pump stations and some pipes in Whakatāne, Ōhope and Edgecumbe are under capacity, causing flooding in several low lying areas. The Council is planning a number of works to try and address the existing and future flooding risk in Whakatāne, Ōhope and Edgecumbe at a cost of approximately \$43.3 million over the next 30 years. This includes a project to control the stormwater in the upper Wainui Te Whara catchment. If these works are not undertaken, then the community will continue to be at the same level of risk from flooding as currently experienced. The frequency and impact of flooding is dependent on the specific weather conditions experienced, which cannot be predicted. However research shows that the District is likely to experience more extreme weather patterns as a result of climate change, the community may experience increased incidence and impacts of flooding in the future. The Council takes into account effects of future climate changes when designing upgrades to stormwater systems in the District.

### ***Assessing the earthquake risk to our infrastructure***

Under the Building Act, the Council is required to undertake assessments of our infrastructure to assess the risk of damage resulting from an earthquake. The Council is currently embarking on a project to identify, assess and prioritise the Council’s earthquake prone assets including the Council’s bridges and major structures in the District. A response to address this identified risk will be considered through the development of the Council’s LTP 2018-28, following further investigations. At that stage the Council will consider the options associated with this project.

However, a number of the Council’s water supply assets in Ōhope and Waimana have been identified as being vulnerable to the effects of earthquakes. A series of works are planned to address this vulnerability, including replacing the existing timber reservoirs in Ōhope with a 1,200m<sup>3</sup> water reservoir in 2027/28, at an approximate cost of \$1.3 million, and replacing the existing timber water tanks in Waimana with a 150m<sup>3</sup> steel tank in 2019/20, at an approximate cost of \$0.34 million. The alternative option to undertaking these works would be for the Council to continue monitoring and maintain the current level of risk and respond reactively in case of a natural event that affects one of these water sources.

## ISSUE

### 4 - INCREASING THE LEVEL OF SERVICE TO ENSURE A RELIABLE SUPPLY

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

#### **COUNCIL'S SIGNIFICANT DECISIONS TO ADDRESS THE ISSUE**

##### ***Increasing storage to reduce service disruptions***

For the water activities, the ability to continue providing a service in adverse conditions can often be influenced by the level of water storage available. In the Whakatāne-Ōhope water supply, there is insufficient water storage capacity (less than 48 hours of usage stored) and the current number two, concrete reservoir is structurally vulnerable. The Council is planning to replace it with a new concrete reservoir of 4,500m<sup>3</sup> capacity at a cost of approximately \$3.4 million in 2018-20. If reservoir capacity is not increased, risk to the continuation of supply during treatment plant or rising main failures or water source issues would be high.

For sewage treatment and disposal activities the emergency storage in the Whakatāne Town sewerage pump stations is also inadequate, causing increased risk of pump station overflows caused by faults or electrical failures. The installation of emergency storage tanks in critical pump stations is required to reduce the risk of sewage overflows. This will cost approximately \$5.2 million over the next 30 years. If the Council does not carry out the increased storage projects planned, the current level of risk will continue.

##### ***Increasing the level of infrastructure network capacity***

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

The Plains water supply currently provides water to the Braemar, Awakeri, Edgecumbe, Thornton and Onepū areas. There are some issues with this water source not being able to meet current or projected future demand, in particular in the Awakeri area

and other areas outside the original Braemar water supply scheme boundary. The Council has investigated supplying water from the Paul Road water source to the Awakeri, Thornton and as an emergency supply to the Whakatāne-Ōhope water supply areas. This project would provide an equal level of water entitlement to all those users connected to the scheme. These works are proposed to be carried out in six phases under the draft Plains 50 Year Strategy. This project is dependent on further investigations and analysis and the Council has not yet committed to undertaking the projects proposed through the draft Plains 50 Year Strategy. If the projects do not go ahead, the community will continue to see a similar level of service to that currently delivered. Before the Council commits to undertaking this project, further consultation will occur with stakeholders and the community. The project will then be considered for inclusion in the Council's LTP 2018-28 and Infrastructure Strategy 2018-48.

## Encouraging communities and businesses to thrive

### ISSUE 5 - GROWTH IN CERTAIN AREAS ADDS PRESSURE TO THE COUNCIL'S INFRASTRUCTURE

Through the LTP the Council is planning to make the development of a thriving economy and vibrant communities a key priority. This will involve undertaking initiatives throughout our District and working with key partners to enhance the wellbeing of our community. As part of this focus, the Council recognises that working with iwi to support and encourage the aspirational economic goals of Māori will enhance the vitality of our District.

Population change is a key driver of demand for infrastructure. Change includes numerical population growth and decline, as well as changes to population structure, such as the number of persons in each age group and change in the number of households (Household Equivalent Units) and rateable units. The parts of the district that recorded the highest rates of population gain over the latest Census period were Poroporo (8.9%), Coastlands (8.6%), Urewera (5.5%) and Otakiri (4.7%). Coastlands has been an area of growth for some time, experiencing a population gain of 37.3% between the 2001 and 2006 Census periods. It is expected that the population in the main settlements in the Whakatāne District, particularly around the coast, such as

Whakatāne township, Ōhope and Coastlands, will remain reasonably static with pockets of growth. The biggest area of undeveloped, residential-zoned land in the District is Council-owned land at Bunyan Road, Piripai. This represents an opportunity for future residential development, in particular development that caters for the changing needs of our District. This area is likely to experience the greatest residential development over the next 30-year period.

The Proposed Whakatāne District Plan 2013 identifies a number of residential growth areas for the District over the next ten years, concentrated mainly in the coastal areas of Coastlands and Ōhope. These identified growth areas are a mixture of Greenfield sites and higher density residential areas involving newly-zoned residential land, existing residential-zoned areas where new development is anticipated and areas of residential intensification. Based on the Proposed Whakatāne District Plan 2013, growth is anticipated in the following areas:

- a. Shaw/Huna Roads, Coastlands (subject to District Plan review)
- b. Bunyan Road, Piripai
- c. Maraetōtara, Ōhope (subject to District Plan review and plan change)
- d. Kopeopeo (intensification).

Final decisions on the Proposed District Plan, including the proposed re-zoning of these areas where applicable, are expected in September 2015.

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

There is still a risk that demand for certain property types or locations may outstrip the available land and therefore act as a limitation on growth. There is also a risk that some changes in land-use elsewhere may place an unforeseen burden on Council infrastructure. This may particularly be the case with forestry to dairy conversions. To mitigate this risk the Council will continue to monitor development and demand within the District and neighbouring districts, to ensure we are responsive to increased demand. This includes working with other Eastern Bay of Plenty councils to develop a Spatial Plan that predicts future land use changes across the sub-region. In addition, infrastructure may be positioned for residential growth that does not materialise. Again the Council will monitor the progress of development and only proceed with infrastructure development when clear development plans are underway.

## COUNCIL'S SIGNIFICANT DECISIONS TO ADDRESS THE ISSUE

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

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

On top of the recent sale of Council-owned land at Port Ōhohe, which is already under development, the Council is also working with a developer to try and progress a residential development incorporating a retirement village at Bunyan Road, Piripai. When this project advances, it will present a great opportunity for the development of desirable residential real estate close to the Whakatāne township.

Anticipated growth in coastal residential areas will put pressure on the Council's water supply system, requiring upgrades to the Whakatāne water treatment plant in 2030 at a cost of \$1.96 million. Council is also required to undertake upgrades/expansion to the water reticulation network supplying Bunyan Road/Piripai and Shaw/Huna Roads (subject to the outcome

of hearings on the Proposed District Plan) and Ōhohe. These works are scheduled between 2015-25, at a cost of approximately \$1.4 million. All of these works will help meet future demand and firefighting requirements. If development proceeds in the Shaw/Huna Roads area, further works are planned to upgrade the sewerage and stormwater infrastructure to coincide with the start of development, at a cost of \$1.78 million. The majority of these projects are likely to have a component of Development Contributions for their funding. However, for the stormwater works, the preferred option will involve an upgrade to an existing pump station on the Kopeopeo canal at an estimated value of \$932,000. The asset is owned by the Bay of Plenty Regional Council. The cost of this infrastructure would then be met by those developing the land, and a development agreement will be needed to determine how the cost will be equitably shared. In the case that not all the land area is developed at once, the Council is likely to meet the value of the upgrade needed for the balance of the land, until such time as that land is developed.

There is increased demand for light industrial growth, in particular in the Mill Road area. The area is zoned for this purpose, but there is currently insufficient infrastructure available. To address this, the Council is planning to install new sewerage reticulation and a new pump station at Mill Road. These works will cost approximately \$1.24 million in 2015/16. The Council is also planning to upgrade the water supply for Mill Road, at a cost of \$150,000 in 2015/16.


The Council is already experiencing pressure from demand on the Council's Plains Water Supply. This

situation will intensify as demand increases and consequently the Council has been investigating utilising an alternative source to supply the Plains area. Works to address this issue are covered in the draft Plains 50 Year Strategy, discussed earlier in this document, but are not currently included in the LTP 2015-25.

If the Council does not implement any of these expansions to cater for growth, development in the District may be impeded.

Increasing peak hour congestion is being experienced at some of the Whakatāne townships' major intersections, particularly: the Landing Road Bridge roundabout; Landing/Eivers Road roundabout; and the Domain Road/McAlister Street roundabout. Residential development on the western side of the Whakatāne River is also expected to increase these congestion levels further. The Council is monitoring traffic flow levels and will programme improvements as traffic flow capacity approaches intervention levels. The Council is planning to undertake capacity improvements at the Landing Road Bridge roundabout to ensure acceptable traffic flow service levels are provided. The intersection improvements at the Landing Road Bridge roundabout are estimated to cost \$763,000 in 2018/19. This cost is subject to further investigations, including understanding the bridge improvements required by NZTA as part of this project. If further increases in traffic are experienced without this project being undertaken, this will begin to have a more significant negative economic and social impact on the Whakatāne/Coastlands /Ōhohe urban areas.





## Working together to meet the community's needs

### ISSUE 6 - VALUE-ADDING PROJECTS MAY BE UNAFFORDABLE FOR OUR STATIC POPULATION

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

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

#### **COUNCIL'S SIGNIFICANT DECISIONS TO ADDRESS THE ISSUE**

##### ***Develop and maintain key partnerships to enhance community services***

The Council works with several key partners to deliver our core services. NZTA is a critical investment partner, providing investment for a large portion of our roading works. Thanks to this partnership, the Council is able to maintain an effective roading network across the District, and add to the network with new facilities such as cycle paths. The Council is planning, through this Strategy, to look at the earthquake risk of its bridges. Without support from NZTA, such a project would be unaffordable for the community. The Council also works closely with the Ministry of Health (MoH), which enables us to deliver new or improved services to our smaller communities. A number of projects included in this Strategy are reliant on funding from MoH, including a new water bore in Matatā. The project to install a new water bore in Matatā is not currently included

in the 2015-25 LTP. The MoH is also substantially funding the proposed development of a sewerage scheme in Matatā, a project which would not have been financially viable had it not been for the subsidy support. The Matatā Sewerage Scheme is also proposed to be funded by the Bay of Plenty Regional Council through the Regional Infrastructure Fund. Subject to a final project approval, this extra funding will enable us to deliver new infrastructure to the Matatā community that will have positive impacts for the township and the environment, at an affordable level.

##### ***Increased demand for seal extensions***

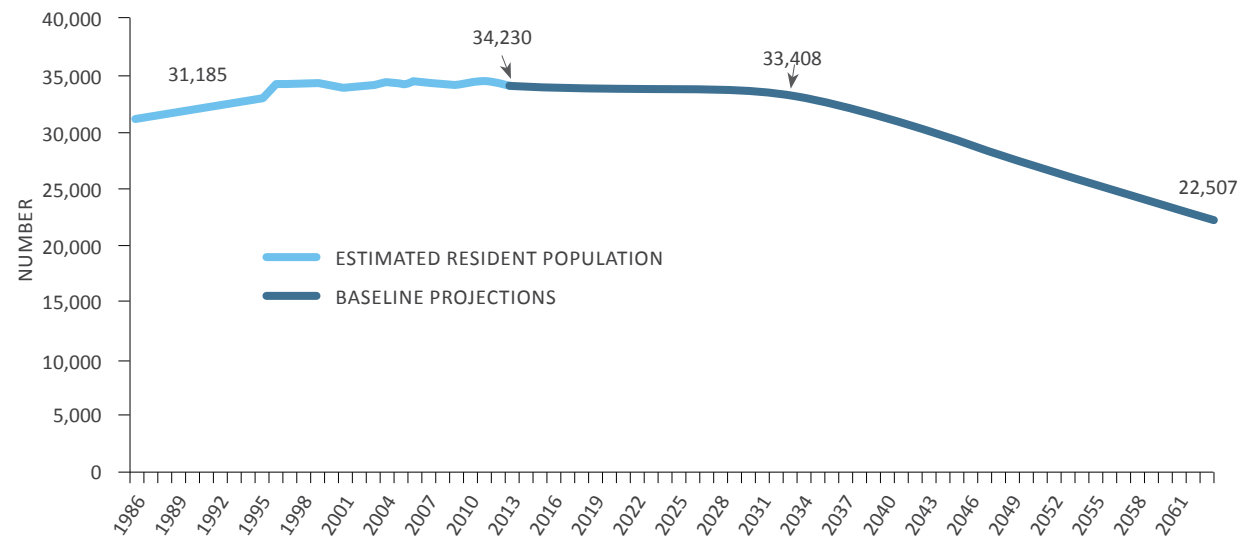
There are 200km of unsealed road remaining in the District and there is an ongoing demand from the rural community who reside on these roads to have them sealed. The Council has, since 2009, decided not to fund further seal extensions, unless a clear economic benefit is proven. However, there may be some instances where property owners who live on an unsealed road, wish to fund the cost of a seal extension. Where this is the case, the Council has signalled that it will work with property owners to facilitate a mutually agreeable solution. This Strategy does not currently include funding for seal extensions, but the Council may consider at some point in the future that there is merit in sealing a limited number of unsealed roads for strategic, safety and route efficiency reasons.

## Rates Affordability

### ISSUE 7 - BALANCING THE COMMUNITY'S DESIRE FOR INCREASED SERVICES WITH THE ABILITY TO PAY, GIVEN A DIMINISHING POPULATION

While growth is expected in Whakatāne and Ōhope, the District as a whole is predicted to experience slight population decline and structural change, which may make the maintenance, upgrading and renewal of existing infrastructure less affordable. At the 2013 Census, Whakatāne District's resident population was 32,691 a decrease of 606 or 1.8% on the 2006 Census figure of 33,297. The population of the Whakatāne District is projected to remain approximately stable until around 2033, experiencing both minor growth and decline until 2029 and falling to approximately 33,408 in 2033 and below 30,000 by 2045 (refer Figure 2). The decline reflects both an accelerated shift from natural increase to natural decline, beginning around 2036, and net migration across the entire period (Jackson, Cameron and Cochrane, 2014).

**FIGURE 2: ESTIMATED RESIDENT POPULATION AND PROJECTED BASELINE POPULATION, WHAKATĀNE DISTRICT<sup>1</sup>**



<sup>1</sup> Source: Jackson N., Cameron, M. and Cochrane, B (2014): 2014 Review of Demographic and Labour Force Projections for the Bay of Plenty Region for the Period 2013-2063. University of Waikato, Hamilton, p 41.

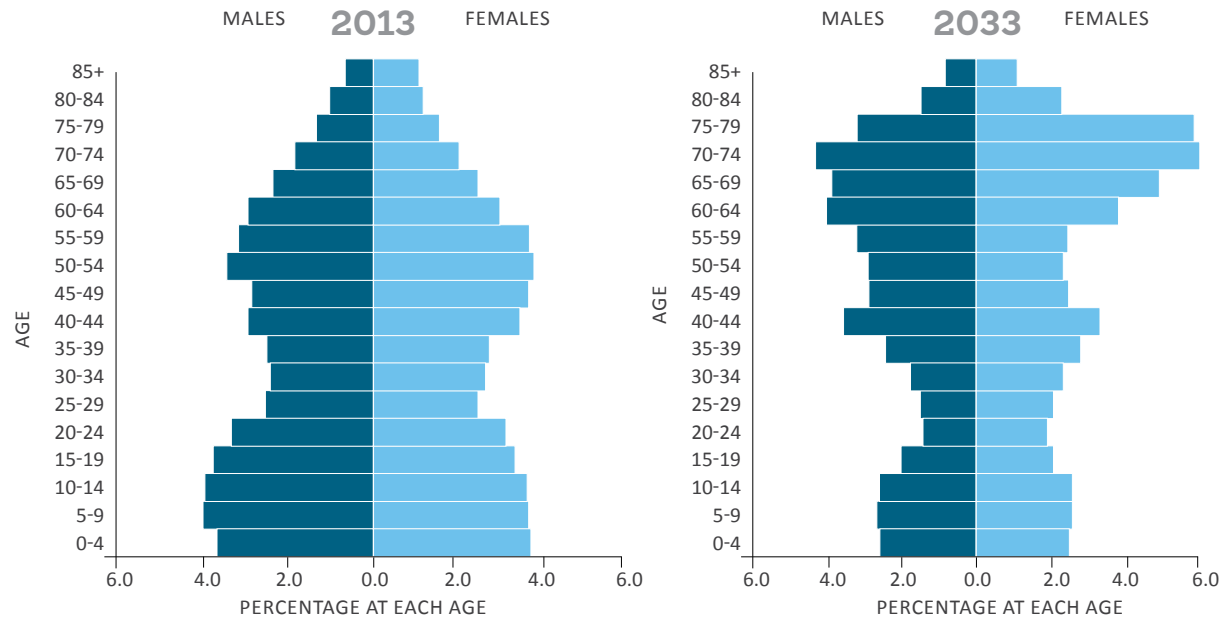
The small rural communities of Te Teko (22%), Orini (11.5%), Murupara (9.8%), Matahina-Minginui (8.8%), Rotomā (7.4%) and Waimana (6.3%) recorded noticeable population declines in the 2013 Census. Similarly, Matahina-Minginui, Waimana and Murupara also experienced population decline between the 2001 and 2006 Census periods. It is expected that these small rural communities will continue to decline over time as the ageing population retires and children move away to seek

employment or further education opportunities. Population decline in some locations may mean that there will be fewer ratepayers to support the cost of infrastructure. While the decline is not currently predicted to reach a point where drastic changes in infrastructure planning are required, the Council will continue to monitor this to ensure that we are positioned to respond if required. As a response, the Council is looking at ways we can reduce or reverse the predicted decline, by enhancing the vibrancy

and economy of our smaller rural communities. For example, the Council is looking to work with iwi to support their development intentions, particularly in the post treaty settlement environment to attract their whānau back to their traditional homes. The Council is also using funding mechanisms to ensure that development in rural communities is not cost-prohibitive. This includes equalising the cost of key services across the District and funding renewals on the basis of a 30-year average, reducing the potential for significant cost peaks in future years.

The Whakatāne District's population is also predicted to age faster than most other areas in the Bay of Plenty. As shown in Figure 3, over one-third of the District's population will be aged 65+ years by 2033 (up from 15.5% in 2013) and by 2063, that proportion is projected to reach 45.4 percent. This is driven primarily by the net migration loss of reproductive age adults and also initial gains at older ages. One of the implications of an ageing population is that more elderly people will be on fixed incomes and therefore will be less able to afford rates increases related to maintaining or building infrastructure. The change in the age profile of the community is also expected to lead to a larger demand for smaller households, more suited to the needs of the elderly population. This has led to the increase in households that the Council's Development Contributions Policy is assuming will occur over the next 30 years. A larger number of smaller houses with fewer occupants per house increases the relevant requirement on Council infrastructure per resident.

**FIGURE 3: AGE-SEX STRUCTURE (PERCENTAGE AT EACH AGE) 2013 AND 2033, WHAKATĀNE DISTRICT<sup>2</sup>**



<sup>2</sup>Source: Jackson N., Cameron, M. and Cochrane, B (2014): 2014 Review of Demographic and Labour Force Projections for the Bay of Plenty Region for the Period 2013-2063. University of Waikato, Hamilton, p 43.

The predicted 30 year static/declining population at a District level and an ageing population with reduced disposable income means that there are challenges in increasing the rating base of the District. Alongside the issues of ageing infrastructure and increasing community expectations already discussed in this Strategy, the Council is under increased pressure to focus on affordability. As part of the development of the 2015-25 LTP, the Council has developed a Financial Strategy that provides the framework for its debt profile and rates income, alongside other key financial considerations. As a core focus for the LTP 2015-25, affordability drives a lot of the decisions around the Council's work plan and levels of service

provision. The Council has identified a series of projects that it would like to undertake to address the issues raised. However, if all of these projects were to be completed within the next ten years, the rates increases required would be unaffordable for the community and debt levels would increase to an unacceptable level.

## COUNCIL'S SIGNIFICANT DECISIONS TO ADDRESS THE ISSUE

### *Prioritising projects, undertaking further investigations and seeking external funding*

There are a number of projects outlined in this Strategy that the Council may wish to complete during the next ten years, but which are not currently scheduled through this LTP 2015-25. This is often for affordability reasons, or due to the need to undertake further investigation. Where possible, the Council will consider alternative opportunities for funding these projects, including utilising Central Government or other external funding, wherever possible. The following projects, which have all been discussed within this Strategy, have not currently been included in the LTP 2015-25, but will be reconsidered through the development of the LTP 2018-28:

- a. Plains Water Supply 50 year Strategy
- b. Edgecumbe Water meters
- c. New Matatā Water Bore
- d. Seal extensions (unless an economic benefit exists).

### *Non-Infrastructure related works to address affordability*

The Council is planning to carry out a wide range of projects and works to address the ongoing sustainability and affordability of its operations. A major focus is addressing the predicted population decline by enhancing the attractiveness of the District as a lifestyle, business and tourism destination. This includes creating development opportunities that address demographic trends. The Council is also looking to encourage communities to collaboratively enhance the vitality of the District. This includes working with iwi, following settlement of their Treaty claims, to understand their visions and aspirations and establish ways that the Council can assist the realisation of their aspirations.

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

## Infrastructure Investment Programme

### TOTAL EXPENDITURE

In addressing the issues identified in the previous section of this Strategy, the Whakatāne District Council expects to spend \$592 million on new or replacement infrastructure between 2015 and 2045. Over the same period, \$1,569 million is expected to be spent on operating costs, including direct costs, depreciation, interest and overhead costs. For the 30-year period involved, these figures are anticipated to apply across the four infrastructure asset activity areas as follows:

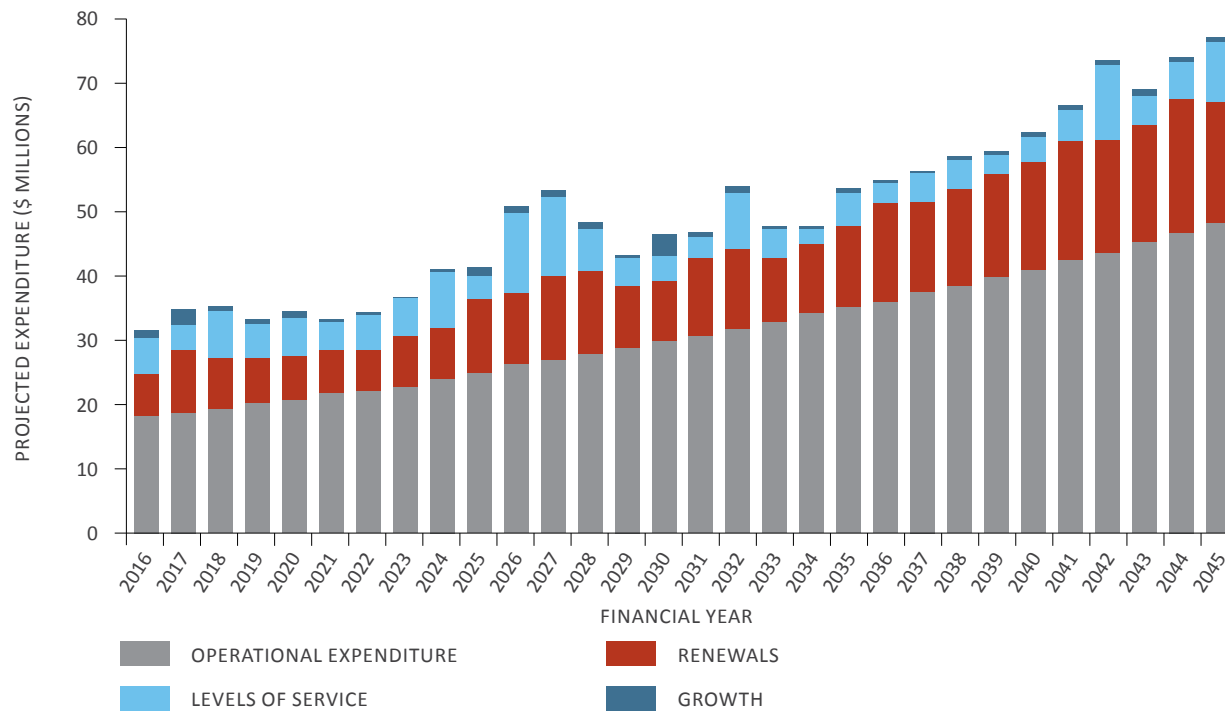
INFRASTRUCTURE ACTIVITY	CAPITAL EXPENDITURE \$	OPERATIONAL EXPENDITURE \$
Sewage Treatment & Disposal	89,182,650	272,466,505
Water Supply	80,092,724	316,346,989
Stormwater Drainage	50,868,776	172,035,402
Roading and Footpaths	371,930,859	807,882,097
<b>TOTAL</b>	<b>592,075,009</b>	<b>1,568,730,933</b>



## OPERATIONAL AND CAPITAL EXPENDITURE HIGHLIGHTS

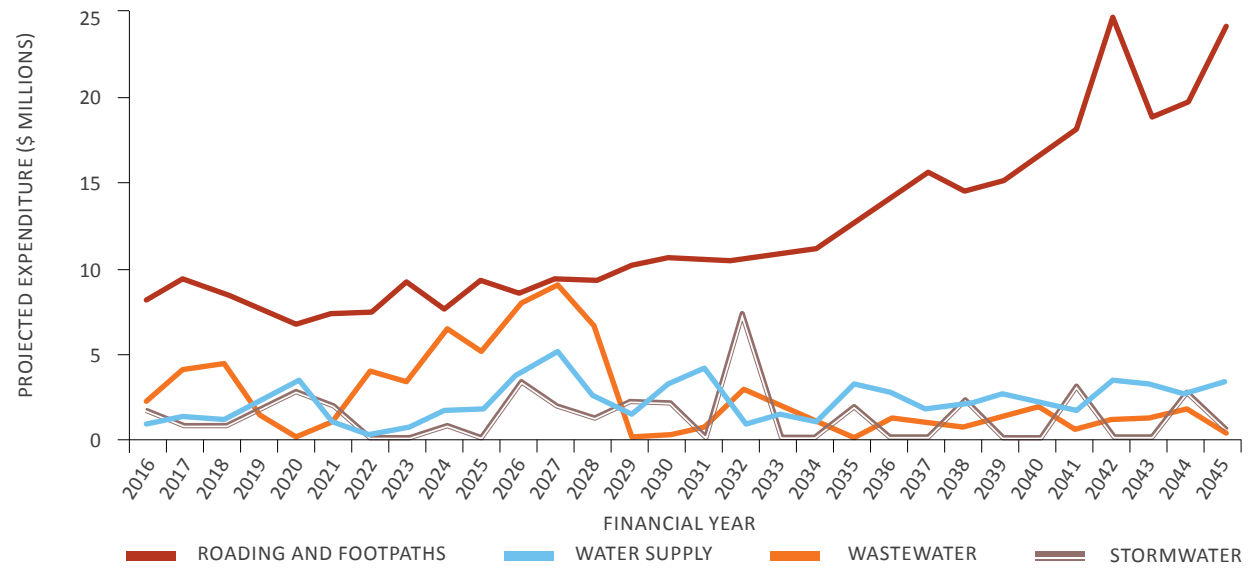
Figures 4 and 5 show the expected expenditure year-on-year up to 2045, by driver (growth, asset renewal or level of service change) and by infrastructure activity area classification. Figure 6 shows the expected operational expenditure including direct costs, depreciation, interest, and overhead costs projections by activity for the period 2016-2045.

**FIGURE 4: WHAKATĀNE DISTRICT INFRASTRUCTURE EXPENDITURE PROJECTIONS 2015-45**

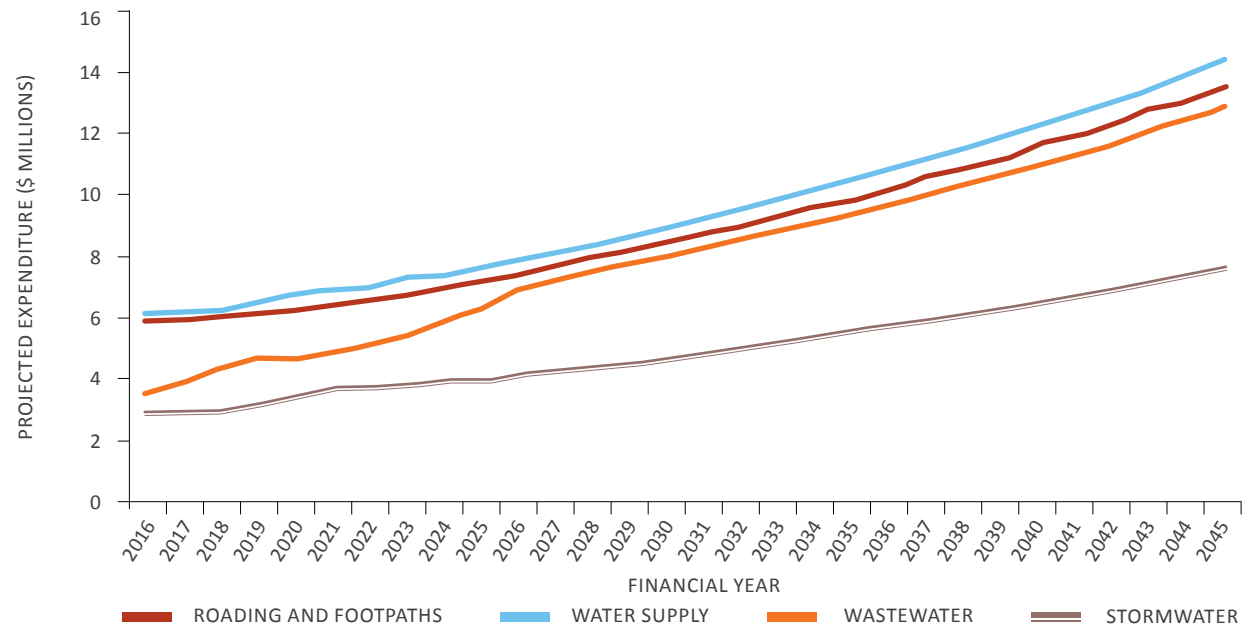




**FIGURE 5: PROJECTED  
INFRASTRUCTURE  
EXPENDITURE 2015-45 (BY  
INFRASTRUCTURE ACTIVITY  
AREA CLASSIFICATION)**



**FIGURE 6: WHAKATĀNE  
DISTRICT INFRASTRUCTURE  
OPERATIONAL EXPENDITURE  
PROJECTIONS BY ACTIVITY  
2015-45**



This proposed expenditure is consistent with historical trends. Further information of previous operational and capital expenditure can be found in the Council’s Annual Reports on the Council’s website.

## COUNCIL ASSET BASE

The Council manages a significant asset portfolio. The table below outlines the value of these assets for Roothing, Water, Stormwater and Sewerage, as at 30 June 2014.

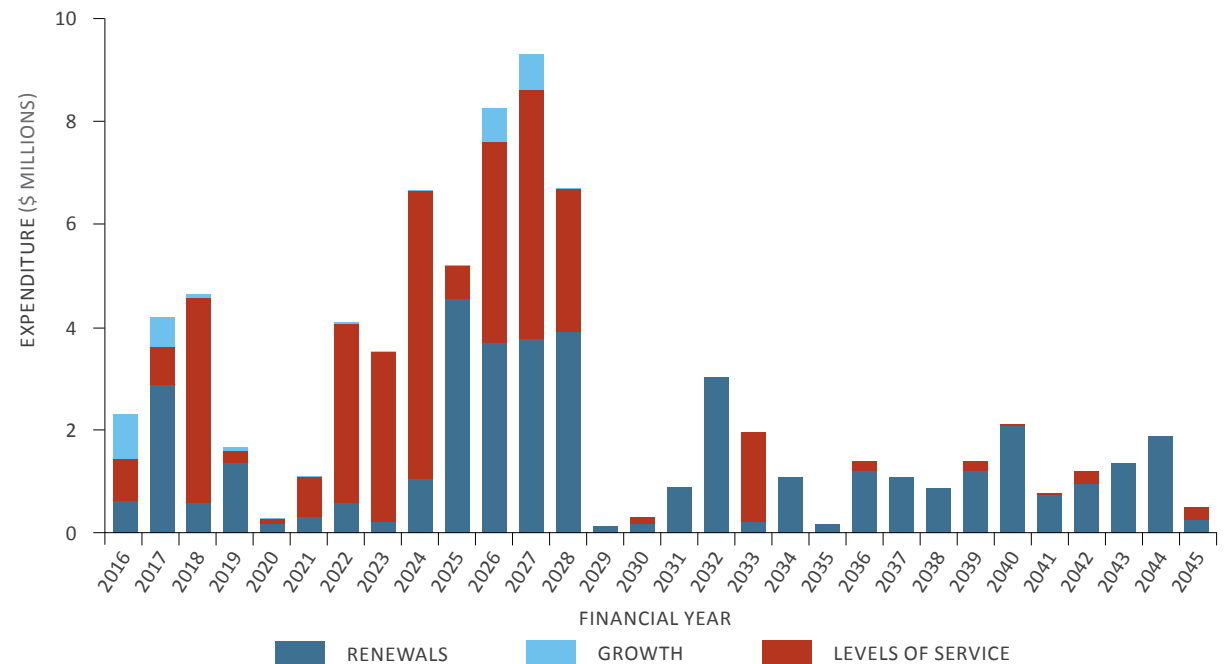
INFRASTRUCTURAL ASSETS	NET BOOK VALUE
Land Roothing	\$91,363,000
Roothing	\$232,583,000
Water – Treatment Plant and Facilities	\$2,475,000
Water - Other	\$63,739,000
Sewerage – Treatment Plants and Facilities	\$5,071,000
Sewerage - Other	\$40,715,000
Stormwater	\$43,877,000

Further details about our activities and assets can be found in the 'Our Work in Detail' chapter of this LTP.

## MAJOR SEWERAGE CAPITAL WORKS PROGRAMME SUMMARY

Figure 7 below illustrates the projected capital expenditure associated with the management of Whakatāne District sewerage infrastructure assets until 2045.

**FIGURE 7: WHAKATĀNE DISTRICT PROJECTED CAPITAL SEWERAGE EXPENDITURE 2015-45**





Major sewerage infrastructure projects that are expected to be undertaken in the 2015-45 period are shown in the table below.

PROPOSAL (MOST LIKELY SCENARIO)	COST \$	TIMING	KEY ASSUMPTIONS	ALTERNATIVE OPTION
Mill Road Upgrades	1.235 million	2015/16	That this project will be funded from Development Contributions and loans	Do not undertake works, risk impeding growth and development
Shaw/Huna Road expansion	0.875 million	2015-17	That this project will be funded from Development Contributions and loans	Do not undertake works, risk impeding growth and development
Replacement of McAlister pump station rising main	4.78 million	2015-17	Condition assessment indicates that the pipe will start failing by this time	Replacement carried out in later or earlier years due to a different rate of deterioration
McAlister pump station emergency storage	5.24 million	2023-35	At least 8 hr storage capacity is required in emergency situations	Do nothing – accept risk of low capacity
Upgrading of Whakatāne sewage treatment plant	10.48 million	2022-27	New resource consent may require upgrades	Do nothing – upgrades not required for new consent
Replacement of rising main from pump station no.5 in Ōhope	3.1 million	2015-2017	Condition assessment indicates that the pipe will start failing by this time	Replacement carried out in later or earlier years due to a different rate of deterioration
Upgrading of Ōhope sewage treatment plant	1.15 million	2016-20	New resource consent may require upgrades	Do nothing – upgrades not required for new consent
Replacement of the existing reticulation with a new low pressure grinding pump system in Edgecumbe	17.7 million	2026-28	The existing reticulation system will have deteriorated by this time, causing significant reduction of LoS and very high operations and maintenance costs	Replacement carried out in later or earlier years due to a different rate of deterioration and/or community's ability to pay and demand for improvement.
Upgrading of sewage treatment plant in Edgecumbe to comply with the Tarawera River Catchment Management Plan	4.3 million	2015-18	Regional Council will enforce new effluent quality standards, requiring upgrades prior to consent expiration in 2026	Undertake upgrade in 2023-25 prior to consent expiring
Upgrading of sewage treatment plant in Tāneatua	3.2 million	2019-23	New resource consent may require upgrades	Do nothing – upgrades not required for new consent
Upgrading of sewage treatment plant in Murupara	4.1 million	2019- 23	New resource consent may require upgrades	Do nothing – upgrades not required for new consent
Installation of a new sewerage scheme in Matatā	4.454 million	2015-2017	A resource consent will be obtained for a treatment plant in Matatā for this sewerage scheme. A recent Environment Court decision has not been in favour of the proposed project. At the time of finalising this Strategy no clear decision as to the future of this project has been made. If this project goes ahead in some other form, more funds will be required in years 2016 and 2017	Do nothing - Matatā will come under Regional Council's maintenance zone for on-site effluent disposal regional plan

## IMPLICATIONS OF UNCERTAINTY

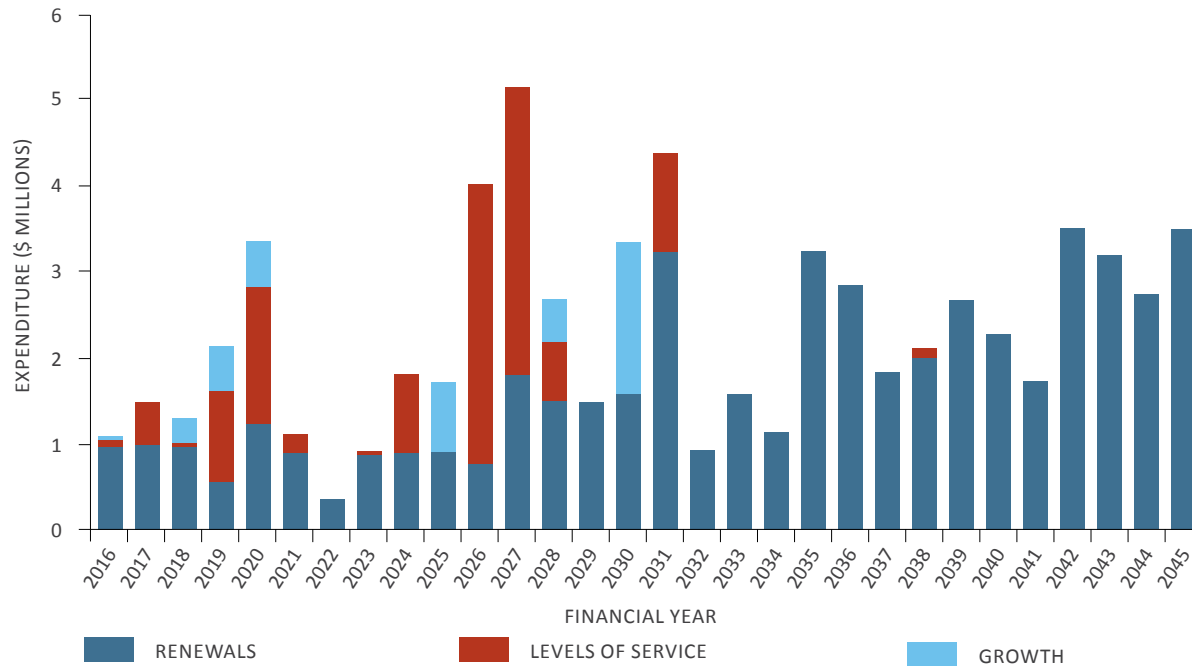
The key uncertainty for our Sewage Treatment and Disposal infrastructure is around resource consent-driven changes. If the level of treatment required differs dramatically from the assumptions made, then the level of investment required to gain future resource consents may alter significantly. This could range from a continuation of current levels of treatment and disposal to a requirement to build a completely new facility, including a new disposal method. The financial implications of this uncertainty could be significant.



## MAJOR WATER CAPITAL WORKS PROGRAMME SUMMARY

Figure 8 below illustrates the projected capital expenditure associated with the management of Whakatāne District water infrastructure assets through to 2045.

**FIGURE 8: WHAKATĀNE DISTRICT PROJECTED CAPITAL WATER EXPENDITURE 2015-45**





Major water supply infrastructure projects expected to be undertaken in the 2015-45 period are shown in the table below.

PROPOSAL (MOST LIKELY SCENARIO)	COST \$	TIMING	KEY ASSUMPTIONS	ALTERNATIVE OPTION
Shaw/Huna Road development expansion	0.3 million	2015-17	That this project will be funded from Development Contributions	Do not undertake works, risk impeding growth and development
Mill Road upgrade	0.15 million	2015/16	That this project will be funded from Development Contributions and loans	Do not undertake works, risk impeding growth and development
Install Murupara Chlorination unit	0.23 million	2020/21	That the community agree to having chlorine added to the water supply.	Do nothing – accept current water quality
Increase storage capacity in Whakatāne	3.4 million	2017-20	At least 24 hr storage required in emergency situations	Do nothing – accept risk of low capacity
Arawa Rd main replacement	2.3 million	2030-31	Condition assessment indicates that these mains will start failing by this time.	Replacement carried out in later or earlier years due to a different rate of deterioration.
Sludge treatment in Whakatāne	1 million	2022-24	New resource consent may require sludge treatment	Do nothing – upgrades not required for new consent
Upgrading of Whakatāne treatment plant	1.96 million	2030/31	Assuming medium growth in Whakatāne and Ōhope	Complete the project at a different time, depending on actual population change
Coastlands ring main	0.5 million	2016-18	Assuming medium growth in Whakatāne and Ōhope. Assuming Development Contributions funding	Complete the project at a different time, depending on actual population change
Reservoir replacement in Ōhope	1.3 million	2027/28	Economic life of the reservoirs may expire by this time	Replacement carried out in later or earlier years due to a different rate of deterioration.
Replacement of supply main to Ngāti Awa reservoir	0.9 million	2016-18	Condition assessment indicates that economic life of the pipe may expire by this time	Replacement carried out in later or earlier years due to a different rate of deterioration.
Upgrading Harbour Rd main Ōhope	0.89 million	2024/25	Assuming medium growth in Ōhope	Complete the project at a different time, depending on actual population change

### IMPLICATIONS OF UNCERTAINTY

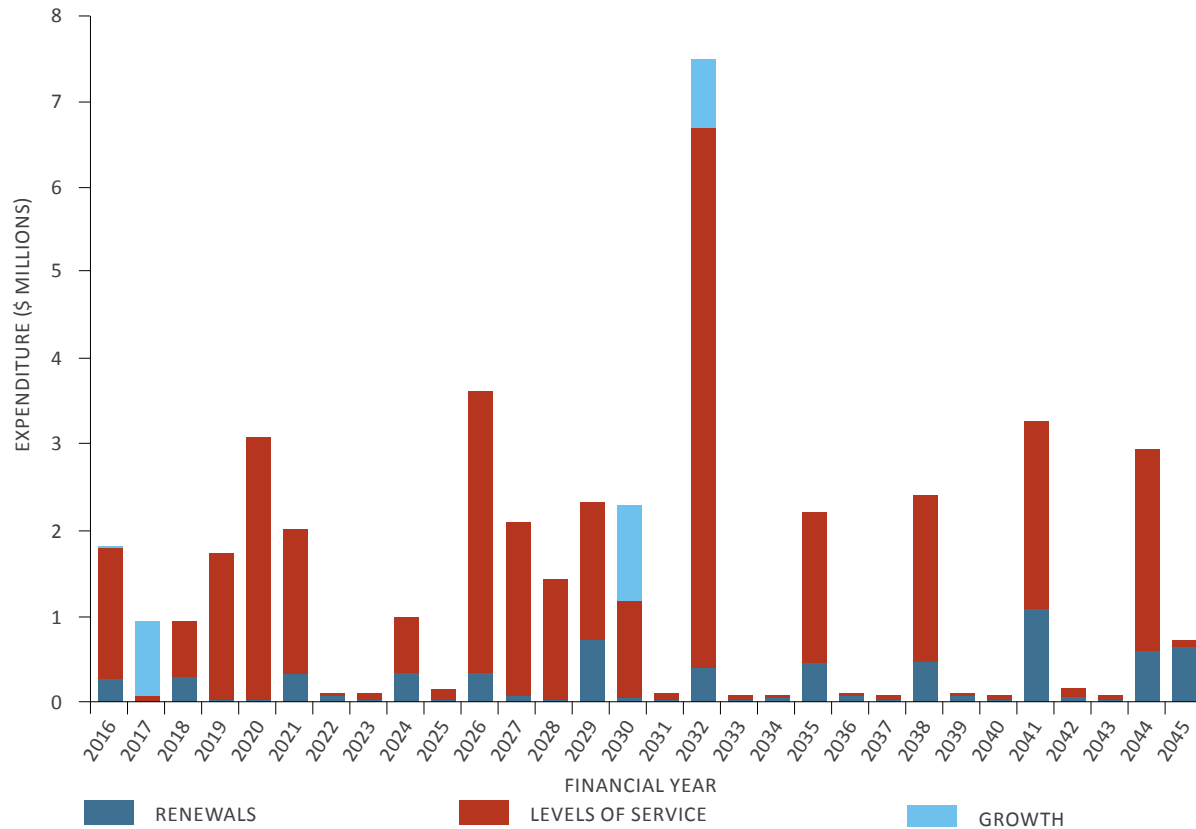
Projects are based on assumptions around population growth and asset deterioration. If either of these progresses at a rate or in a manner different to those assumptions, the timeframe and scale of works required may vary. It is not expected that any change would be significant, and therefore have a significant cost implication. However, the Council will continue to monitor asset condition and population change on a regular basis.



## MAJOR STORMWATER CAPITAL WORKS PROGRAMME SUMMARY

The chart below illustrates the projected capital expenditure associated with the management of Whakatāne District stormwater infrastructure assets through to 2045.

**FIGURE 9: WHAKATĀNE DISTRICT PROJECTED CAPITAL STORMWATER EXPENDITURE 2015-45**





Major stormwater infrastructure projects expected to be undertaken in the 2015-45 period are shown in the table below.

PROPOSAL (MOST LIKELY SCENARIO)	COST \$	TIMING	KEY ASSUMPTIONS	ALTERNATIVE OPTION
Upgrade McAlister Street pump station and installation of a new pump	7.9 million	2016 & 2031/32	Community demand for protection against a 1-in-50 Annual Exceedance Probability Event	Carry out upgrade within a different timeframe or scale
Shaw/Huna Road development expansion	0.93 million	2015-17	That this project will be funded largely from Development Contributions	Do not undertake works, risk impeding growth and development
Upgrading of St Joseph pump station	1.21 million	2018-21	Community demand for protection against a 1-in-50 Annual Exceedance Probability Event	Carry out upgrade within a different timeframe or scale
New pump station in Hinemoa Catchment	4 million	2017-21	Community demand for protection against a 1-in-50 Annual Exceedance Probability Event	Carry out upgrade within a different timeframe or scale
Upgrading of Riverside Drive pump station	2.45 million	2029-30	Community demand for protection against a 1-in-50 Annual Exceedance Probability Event	Carry out upgrade within a different timeframe or scale
Complete Wainui Te Whara stormwater solution	2.4 million	2015/16	Combination of upper catchment and lower catchment solution will be implemented	This project is already underway and an alternative solution is not being considered.
Pipe & pump upgrades to increase the conveyance capacity in Whakatāne including renewals	13.9 million	Over 30 years	Community demand for protection against a 1-in-50 Annual Exceedance Probability Event	Carry out upgrade within a different timeframe or scale
Stormwater new pump station and pipe works in Edgecumbe	5.9 million	2024-28	Community demand for protection against a 1-in-50 Annual Exceedance Probability Event	Carry out upgrade within a different timeframe or scale
Henderson Street improvements	0.9 million	2018-20	Community demand for protection against a 1-in-50 Annual Exceedance Probability Event	Carry out upgrade within a different timeframe or scale

### IMPLICATIONS OF UNCERTAINTY

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

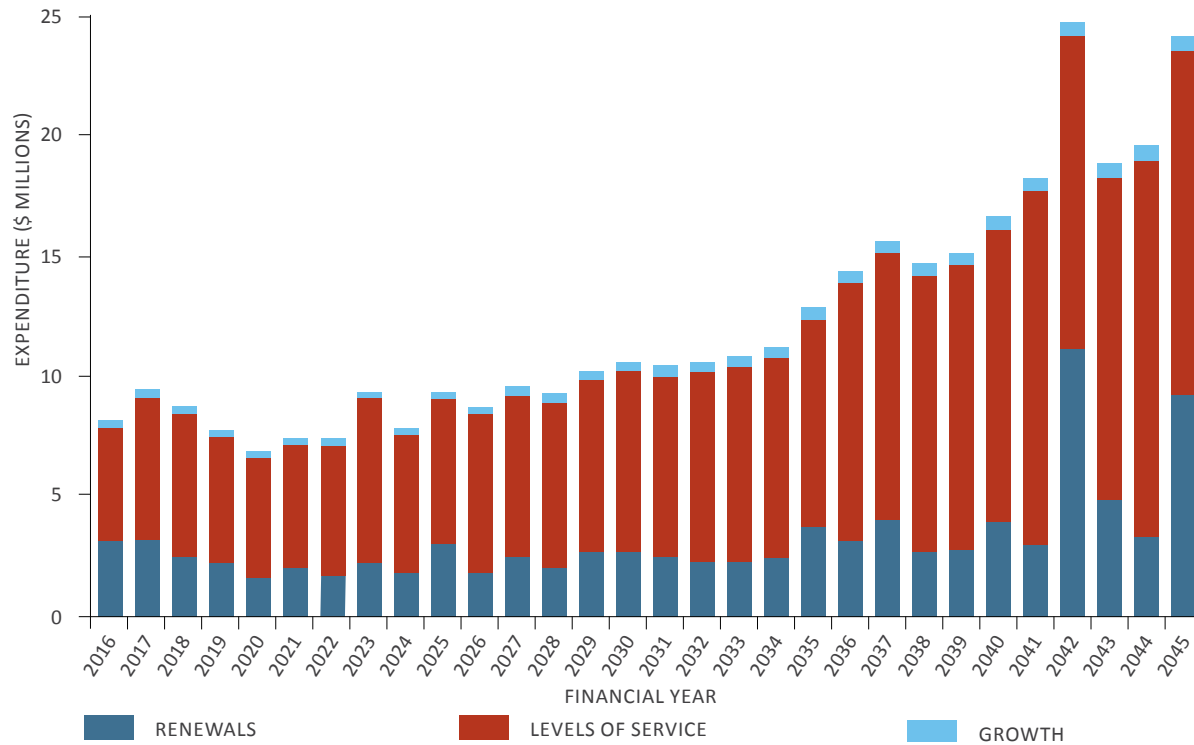
If the community requests a different level of protection from that proposed, or if the timeframes proposed for the upgrades are not deemed acceptable, the Council may need to alter the improvement programme. This could have a significant financial impact on the Council's programme of works, depending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



# MAJOR ROADS AND FOOTPATHS CAPITAL WORKS PROGRAMME SUMMARY

Figure 10 illustrates the projected capital expenditure associated with the management of Whakatāne District Roads and Footpaths infrastructure assets through to 2045.

**FIGURE 10: WHAKATĀNE DISTRICT PROJECTED CAPITAL ROADS AND FOOTPATHS EXPENDITURE 2015-45**



Major new roading and footpath infrastructure projects expected to be undertaken in the 2015-45 period are shown in the table below.

PROPOSAL (MOST LIKELY SCENARIO)	COST \$	TIMING	KEY ASSUMPTIONS	ALTERNATIVE OPTION
Sealed Road Resurfacing	\$99M	2015-2045	No significant changes to traffic mix and volume. Average seal life of 15 years achieved for years 1 to 20. Average seal life reduces to 12 years from year 21 to 30 due to accumulation of seal layers.	Extend average seal life. This will reduce annual resurfacing cost but result in increased reactive maintenance costs, reduced level of service and increased risk of pavement failure. Reduce average seal life. This will increase annual resurfacing costs but result in marginally decreased reactive maintenance costs and marginally decreased risk of pavement failure. Network performance / condition monitoring and benchmarking against other networks indicates current settings are close to optimal.
Sealed Pavement Rehabilitation	\$65M	2015-2045	No significant changes to traffic mix and volume. Rehabilitation is the least whole of life cost option. Rehabilitation requirement increases from 0.5% of the network per annum in year 1 to 1.2% of the network per annum in year 30 as the pavement age profile matures.	Rehabilitations do not proceed unless they are the least whole of life cost option. These evaluations are undertaken in accordance with NZTA procedures and include at least three options, as set out below: <ul style="list-style-type: none"> <li>On-going maintenance</li> <li>Maintenance plus reseal</li> <li>Pavement Rehabilitation</li> </ul>
Unsealed Road Metalling	\$34M	2015-2045	No significant changes to traffic mix and volume. No seal extensions. Average metalling cycle of 5 years	Reduce re-metalling rate. This will result in sharply increased reactive maintenance (grading) costs, and a significant increase in risk that the road will not be fit for purpose for significant lengths of time.
Minor Improvements (all improvement works < \$300,000)	\$74M	2015-2045	Programme targets delivering on NZTA investment outcomes, primarily: <ul style="list-style-type: none"> <li>Reduced deaths and serious injuries</li> <li>Secure and resilient network.</li> <li>Efficient freight supply chains</li> </ul>	All activities in this category are assessed through the WDC Minor Improvements Policy. This policy includes a process for assessing the best value option from a range of alternatives for each site, and prioritising each site for inclusion in the programme.
Drainage Renewals	\$26M	2015-2045	Existing renewal rates remain appropriate.	Options include: <ul style="list-style-type: none"> <li>Replace like for like</li> <li>Replace with improved facility</li> <li>Don't replace.</li> </ul> <p>The range of feasible options is site specific and is assessed on a whole of life cost and affordability basis. Non-replacement of drainage structures generally significantly increases risk of extensive damage or deterioration to the road and other structures negatively impacting reactive maintenance costs, resilience, accessibility, safety and amenity of the roading asset.</p>
Bridge Replacements (>\$300,000)	\$16M	2023, 2035, 2036, 2037, 2040, 2042, 2043, 2044	Bridge replacement dates are based on established average achieved lives and engineering assessment/judgement.	The range of feasible options is site specific and is assessed on a whole of life cost and affordability basis in accordance with NZTA procedures. Assessed options include: <ul style="list-style-type: none"> <li>Replace bridge with bridge</li> <li>Replace bridge with low cost ford</li> <li>Repair existing bridge and post weight limit</li> </ul>

## IMPLICATIONS OF UNCERTAINTY

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



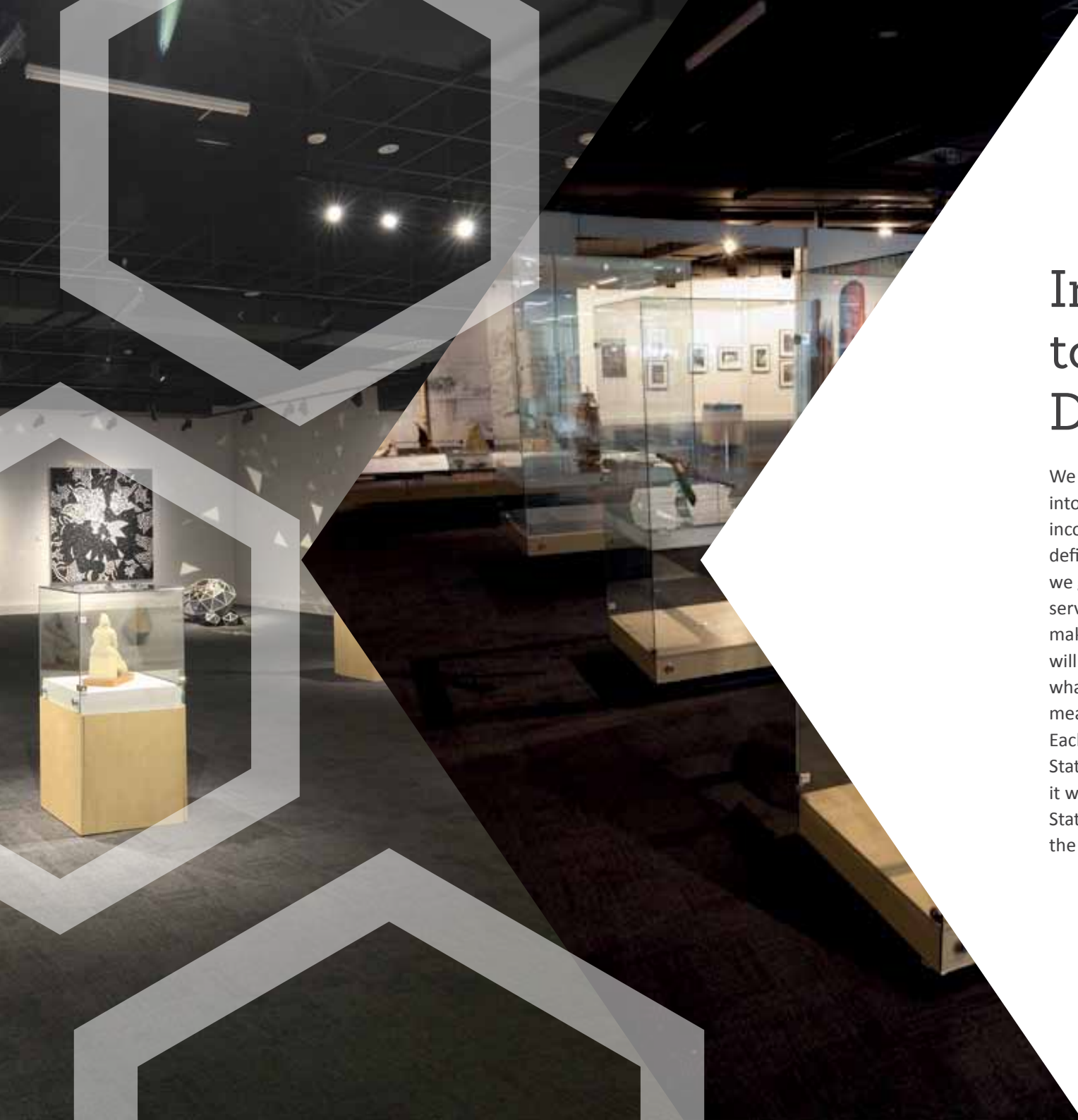






OUR WORK  
IN DETAIL





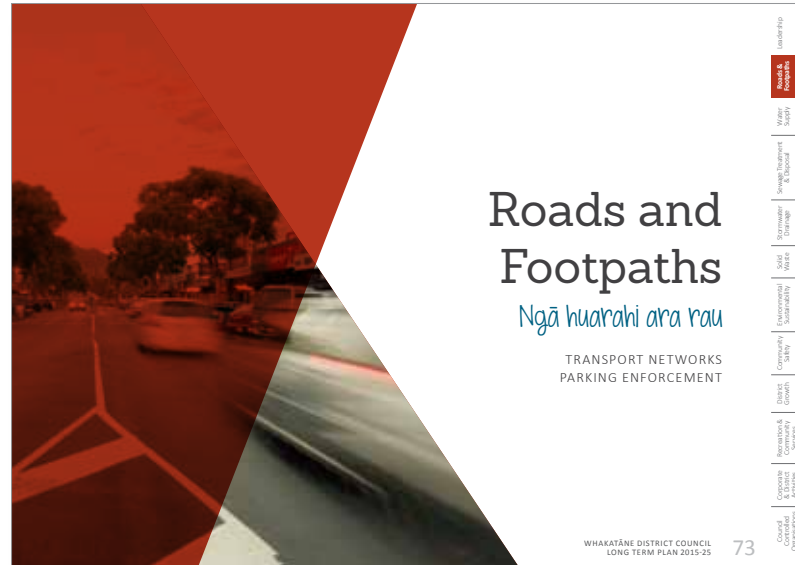
## Introduction to Our Work in Detail

We have 37 internal and external activities, organised into 11 separate groups of activities. These groups incorporate the core services that we deliver, as defined by the Local Government Act 2002, and we give particular consideration to how these core services contribute to the community in our decision making process. Within each group of activities you will find a breakdown of each activity, including what the activity delivers, why we do it, how we will measure performance and what the activity will cost. Each group of activities includes a Funding Impact Statement outlining the cost of that group and how it will be funded. A Whole of Council Funding Impact Statement is also provided to show the impact of all the groups of activities combined.

# » Guide to the layout and content of 'Our Work in Detail'

WHAT THESE ACTIVITIES WILL COST AND HOW WE ARE GOING TO PAY FOR THEM

These funding impact statements set out the budgeted costs for each group of activity, over the course of the LTP, and describes how they are funded. Explanations of the categories used in the statements can be found later in this introduction.



## GROUP OF ACTIVITIES

The top of each activity page indicates which group of activities the activity belongs to.

What these activities will cost and how we are going to pay for them Funding Impact Statement for 2015-2025 - Roads and Footpaths

AP 2014/15 \$000	LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000
<b>SOURCES OF OPERATING FUNDING</b>										
(15) General rates, uniform annual general charges, rates penalties	(14)	(14)	(15)	(15)	(15)	(16)	(16)	(15)	(16)	(16)
7,890 Targeted rates	7,510	7,712	7,871	8,026	8,229	8,492	8,231	8,546	8,911	9,206
2,406 Subsidies and grants for operating purposes	3,052	3,064	3,132	3,016	3,079	3,127	3,180	3,239	3,302	3,312
90 Fees and charges	91	92	94	96	99	101	104	107	111	114
- Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
818 Local authorities fuel tax, fees, levies/management fees, and other receipts	844	863	864	887	898	921	969	998	1,029	1,063
<b>11,189 Total operating funding (A)</b>	<b>11,443</b>	<b>11,737</b>	<b>11,948</b>	<b>12,030</b>	<b>12,290</b>	<b>12,625</b>	<b>12,470</b>	<b>12,875</b>	<b>13,337</b>	<b>13,739</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>										
5,677 Payments to staff and suppliers	6,311	6,412	6,553	6,572	6,736	6,918	7,112	7,325	7,552	7,801
506 Finance costs	639	664	662	660	647	650	656	664	725	771
1,729 Internal charges and overheads applied	1,486	1,513	1,577	1,580	1,622	1,703	1,703	1,757	1,854	1,858
- Other operating funding applications	-	-	-	-	-	-	-	-	-	-
<b>8,012 Total applications of operating funding (B)</b>	<b>8,436</b>	<b>8,579</b>	<b>8,792</b>	<b>8,802</b>	<b>9,005</b>	<b>9,271</b>	<b>9,471</b>	<b>9,776</b>	<b>10,131</b>	<b>10,440</b>
<b>3,177 Surplus (deficit) of operating funding (A-B)</b>	<b>3,007</b>	<b>3,158</b>	<b>3,156</b>	<b>3,228</b>	<b>3,285</b>	<b>3,354</b>	<b>2,999</b>	<b>3,099</b>	<b>3,206</b>	<b>3,299</b>
<b>SOURCES OF CAPITAL FUNDING</b>										
3,190 Subsidies and grants for capital expenditure	5,917	6,080	5,715	4,340	3,707	4,012	4,122	5,638	4,277	5,103
68 Development and financial contributions	-	-	-	-	-	-	-	-	-	-
(168) Increase (decrease) in debt	359	191	(141)	229	(91)	146	437	1,029	493	1,165
- Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
- Lump sum contributions	-	-	-	-	-	-	-	-	-	-
- Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
<b>3,094 Total sources of capital funding (C)</b>	<b>6,276</b>	<b>6,271</b>	<b>5,574</b>	<b>4,569</b>	<b>3,616</b>	<b>4,158</b>	<b>4,559</b>	<b>6,667</b>	<b>4,769</b>	<b>6,268</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>										
Capital expenditure	-	-	-	22	28	45	89	240	112	141
274 - to meet additional demand	-	-	-	22	28	45	89	240	112	141
1,824 - to improve level of service	3,460	2,577	1,801	2,481	1,781	2,198	1,871	2,509	1,981	3,317
4,417 - to replace existing assets	6,124	7,309	7,426	5,229	5,065	5,198	5,665	6,987	5,887	6,082
(244) Increase (decrease) in reserves	(301)	(457)	(486)	87	24	70	(2)	30	(60)	27
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
<b>6,271 Total applications of capital funding (D)</b>	<b>9,283</b>	<b>9,429</b>	<b>8,741</b>	<b>7,799</b>	<b>6,898</b>	<b>7,511</b>	<b>7,557</b>	<b>9,766</b>	<b>7,975</b>	<b>9,567</b>
<b>(3,177) Surplus (deficit) of capital funding (C-D)</b>	<b>(3,007)</b>	<b>(3,158)</b>	<b>(3,166)</b>	<b>(3,228)</b>	<b>(3,285)</b>	<b>(3,354)</b>	<b>(2,999)</b>	<b>(3,099)</b>	<b>(3,206)</b>	<b>(3,299)</b>
- Funding Balance (A-B) + (C-D)	-	-	-	-	-	-	-	-	-	-



## COMMUNITY OUTCOMES

The council conducts its activities to achieve high level goals, known as 'Community Outcomes'. The outcomes that each activity helps to promote are identified under each activity. More information about our Community Outcomes can be found in the 'Strategic Direction' chapter.

# Transport Networks

**What this activity delivers**

Through this activity we provide transport networks (such as roads, footpaths, parking facilities and bridges), public transport infrastructure (such as bus shelters) and traffic control mechanisms (such as signage, lighting and road markings).

The Council's road network is approximately 903km in length, with around 78% of the network being sealed.

For more information about the issues and options facing our Transport Networks activity, see the Council's Infrastructure Strategy 2015-45 in the Strategic Direction chapter of this LTP.

**Why we do it**

We do this activity to ensure a safe, efficient and affordable road network. The District's road network helps with the movement of people, goods and services. This means we have access to facilities, services and recreational activities we would not otherwise have. We work with other regions to ensure we are efficiently connected both socially and economically. We are also working with key stakeholders, including local Councils and New Zealand Transport Agency (NZTA) to discuss and implement our Walking and Cycling Strategy. This will be carried out within existing budgets and in partnership with other groups, organisations and bodies. This activity is legislatively required of Council through the Local Government Act 1974 and the Land Transport Management Act 2003.

WHAKATĀNE DISTRICT COUNCIL  
LONG TERM PLAN 2015-25 75

## WHAT THIS ACTIVITY DELIVERS

This section helps to give you an idea of exactly what each activity delivers. It tells you what you should receive as a service from us and how it is provided.

## WHY WE DO IT

This section sets out the rationale behind providing the activity. Generally our activities contribute to the good of the community and we undertake them because the community want us to. A number of activities are also required by legislation.

## MEASURING PERFORMANCE

This table outlines the level of service we aim to provide the community including how we will monitor and measure our performance. Some performance measures are based on perception surveys, which are undertaken annually to gauge how the community thinks we are doing. These include the Communitrak Survey (general telephone interview survey) and the Development and Compliance survey (user targeted postal survey). Information about these two surveys is available on our website [www.whakatane.govt.nz](http://www.whakatane.govt.nz).

## SIGNIFICANT NEGATIVE EFFECTS

Sometimes our activities may cause significant negative effects. A number of significant negative effects resulting from the activities we undertake have been identified, alongside how we intend to mitigate these. We will continue to monitor the risk of any significant negative effects.

## WHAT WE ARE GOING TO DO

This table sets out the key capital projects we are undertaking, how much they will cost, what years they are planned for and how much they will cost. Note that this is only the key capital projects and a full list can be found in the 'Our Costs in Detail' chapter. Figures are not inflation adjusted.

SIGNIFICANT NEGATIVE EFFECT	SUSTAINABLE SOLUTION
The maintenance of the road network may cause a number of nuisances including dust and noise.	Comply with resource consent conditions during maintenance activities and track and record compliance.
The provision of a road network may encourage increased traffic volumes and increase the level of emissions.	The provision of a suitable road network is essential to the District. The Council also invests in walking and cycling infrastructure.

**What we are going to do**  
The Council is planning to undertake the following key capital projects. The full list of capital projects can be found in the 'Our Costs in Detail' chapter.

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Cycle Facilities - Gorge Road	2015/16	1,161,036	Subsidy 58.44% Loan 21.9% Development Contributions 16.8% Restricted Reserve 2.86%
Light Upgrades - LED	2016-18	2,000,000	Renewal 47% Subsidy 53%
Resilience Improvements - Financially Assisted (Hilcrest Slumps)	2013/16	510,450	Loan 47% Subsidy 53%
Road Improvements - Financially Assisted Renewals (Landing Road)	2018/19	692,375	Loan 47% Subsidy 53%
Resilience Improvements - Financially Assisted Renewals (Reid Road Route Security)	2022/23	512,500	Loan 47% Subsidy 53%
Resilience Improvements - Financially Assisted Renewals (Rewatu Road Route Security)	2024/25	1,025,000	Loan 47% Subsidy 53%
Road Improvements - Financially Assisted Renewals (Waihi Road/Burma Road)	2020/21	666,750	Loan 47% Subsidy 53%
Road Improvements - Financially Assisted (Emanaka Road Route Security)	2016/17	768,750	Loan 47% Subsidy 53%
Mimihia Stream, Rautahuna Road Bridge Renewals (Special Purpose Road)	2022/23	987,075	Subsidy 100%
Sealed Road Resurfacing	2015-25	19,270,000	Renewal 47% Subsidy 53%
Unsealed Road Metalling	2015-25	4,612,500	Renewal 47% Subsidy 53%

### Measuring performance

GOAL	PERFORMANCE MEASURE	CURRENT PERFORMANCE	TARGETS			
			YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
Satisfaction with roads in your District, including state highways	Average quality of ride on a sealed local road network - Smooth Travel Exposure*	93%	89-93%	89-93%	89-93%	89-93%
	Percentage of sealed local road network that is resurfaced	New measure	6.8% annually	6.8% annually	6.8% annually	6.8% annually
Provides safe and reliable local transport networks to enable efficient and affordable transportation of people and goods	Percentage of footpaths within the Whakatane district that fall within the level of service or service standard for the condition of footpaths that is set out in the Activity Management Plans	New measure	100% of qualifying footpath faults will be scheduled for repair	100% of qualifying footpath faults will be scheduled for repair	100% of qualifying footpath faults will be scheduled for repair	100% of qualifying footpath faults will be scheduled for repair
	Percentage of customer service requests relating to roads and footpaths responded to within timeframes specified in LTP	New measure	100% of emergency requests within 2hrs 100% of urgent requests within 1 day 100% of non-urgent requests within 7 days	100% of emergency requests within 2hrs 100% of urgent requests within 1 day 100% of non-urgent requests within 7 days	100% of emergency requests within 2hrs 100% of urgent requests within 1 day 100% of non-urgent requests within 7 days	100% of emergency requests within 2hrs 100% of urgent requests within 1 day 100% of non-urgent requests within 7 days

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

- The targets using the Communitrak survey are based on the portion of respondents that are either 'very' or 'fairly' satisfied and takes account of the 'don't know' responses. Some targets are based on the total response rate while others are based on users of the service only, as noted in the performance measure.
- The targets using the Development and Compliance survey are based on a score out of one-hundred that represents the average level of satisfaction provided by survey respondents. This applies to measures under the 'Environmental Management -Consents' activity, and the 'Building activity'.

# Whole of Council Funding Impact Statement

AP 2014/15 \$000		LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000
<b>SOURCES OF OPERATING FUNDING</b>											
16,219	General rates, uniform annual general charges, rates penalties	17,440	18,123	18,407	18,897	19,629	20,108	20,379	20,792	21,321	21,840
23,075	Targeted rates	23,158	24,027	25,231	25,769	26,561	27,698	28,066	28,665	29,765	30,937
3,203	Subsidies and grants for operating purposes	3,521	3,479	3,558	3,474	3,530	3,591	3,657	3,731	3,811	3,899
7,825	Fees and charges	6,986	7,267	7,484	7,774	8,052	8,412	8,939	9,254	9,588	9,956
15	Interest and dividends from investments	40	40	40	40	40	40	40	40	40	40
2,226	Local authorities fuel tax, fines, infringement fees, and other receipts	2,226	2,341	2,328	2,393	2,513	2,521	2,620	2,783	2,801	2,903
<b>52,563</b>	<b>Total operating funding (A)</b>	<b>53,370</b>	<b>55,278</b>	<b>57,048</b>	<b>58,347</b>	<b>60,325</b>	<b>62,370</b>	<b>63,701</b>	<b>65,265</b>	<b>67,326</b>	<b>69,574</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
38,122	Payments to staff and suppliers	39,380	40,985	40,766	41,590	43,057	44,486	45,638	47,260	48,734	50,270
2,470	Finance costs	2,645	3,182	3,413	3,492	3,510	3,472	3,275	3,110	3,032	3,038
950	Other operating funding applications	870	887	904	923	944	965	988	1,013	1,039	1,067
<b>41,542</b>	<b>Total applications of operating funding (B)</b>	<b>42,895</b>	<b>45,054</b>	<b>45,083</b>	<b>46,005</b>	<b>47,511</b>	<b>48,923</b>	<b>49,901</b>	<b>51,383</b>	<b>52,805</b>	<b>54,375</b>
<b>11,021</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>10,475</b>	<b>10,224</b>	<b>11,965</b>	<b>12,342</b>	<b>12,814</b>	<b>13,447</b>	<b>13,800</b>	<b>13,882</b>	<b>14,521</b>	<b>15,199</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
7,957	Subsidies and grants for capital expenditure	10,997	9,155	7,282	8,770	7,033	4,012	4,217	5,638	4,277	5,103
465	Development and financial contributions	87	97	100	583	106	110	114	119	123	128
6,300	Increase (decrease) in debt	9,951	4,000	4,917	1,929	2,997	(2,030)	(2,526)	(1,903)	2,725	4
500	Gross proceeds from sale of assets	625	625	625	625	1,000	1,000	1,000	1,000	1,000	1,000
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
<b>15,222</b>	<b>Total sources of capital funding (C)</b>	<b>21,660</b>	<b>13,877</b>	<b>12,924</b>	<b>11,907</b>	<b>11,136</b>	<b>3,092</b>	<b>2,805</b>	<b>4,854</b>	<b>8,125</b>	<b>6,235</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>											
Capital expenditure											
804	- to meet additional demand	2,114	4,019	284	56	68	107	119	275	147	1,339
15,830	- to improve level of service	18,469	5,081	8,091	10,452	10,817	5,298	5,068	4,420	8,249	4,121
8,765	- to replace existing assets	10,446	16,186	17,491	14,022	13,212	10,565	10,406	12,833	12,954	14,951
844	Increase (decrease) in reserves	1,106	(1,186)	(978)	(281)	(147)	570	1,012	1,208	1,296	1,024
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
<b>26,243</b>	<b>Total applications of capital funding (D)</b>	<b>32,135</b>	<b>24,100</b>	<b>24,888</b>	<b>24,249</b>	<b>23,950</b>	<b>16,540</b>	<b>16,605</b>	<b>18,736</b>	<b>22,646</b>	<b>21,435</b>
<b>(11,021)</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(10,475)</b>	<b>(10,224)</b>	<b>(11,965)</b>	<b>(12,342)</b>	<b>(12,814)</b>	<b>(13,447)</b>	<b>(13,800)</b>	<b>(13,882)</b>	<b>(14,521)</b>	<b>(15,199)</b>
-	Funding Balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-



# Explanation of categories in the Funding Impact Statements

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





# Leadership

*Te poumanukura*

GOVERNANCE  
COMMUNITY SUPPORT  
STRATEGY AND POLICY

Leadership
Roads & Footpaths
Water Supply
Sewage Treatment & Disposal
Stormwater Drainage
Solid Waste
Environmental Sustainability
Community Safety
District Growth
Recreation & Community Services
Corporate & District Activities
Council Controlled Organisations



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

Funding Impact Statement for 2015-2025 - Leadership

AP 2014/15 \$000		LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000
<b>SOURCES OF OPERATING FUNDING</b>											
2,412	General rates, uniform annual general charges, rates penalties	2,521	2,704	2,755	2,723	2,932	2,922	2,990	3,151	3,182	3,246
284	Targeted rates	318	336	335	343	365	365	375	400	402	415
20	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and charges	-	-	-	-	-	-	-	-	-	-
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
2	Local authorities fuel tax, fines, infringement fees, and other receipts	2	64	2	2	69	2	2	77	4	4
<b>2,718</b>	<b>Total operating funding (A)</b>	<b>2,841</b>	<b>3,104</b>	<b>3,092</b>	<b>3,068</b>	<b>3,366</b>	<b>3,289</b>	<b>3,367</b>	<b>3,628</b>	<b>3,588</b>	<b>3,665</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
1,703	Payments to staff and suppliers	1,867	2,101	2,059	2,005	2,265	2,155	2,203	2,427	2,342	2,381
6	Finance costs	6	5	5	5	4	4	4	3	3	3
957	Internal charges and overheads applied	966	996	1,023	1,053	1,089	1,123	1,150	1,186	1,232	1,271
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
<b>2,666</b>	<b>Total applications of operating funding (B)</b>	<b>2,839</b>	<b>3,102</b>	<b>3,087</b>	<b>3,063</b>	<b>3,358</b>	<b>3,282</b>	<b>3,357</b>	<b>3,616</b>	<b>3,577</b>	<b>3,655</b>
<b>52</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2</b>	<b>2</b>	<b>5</b>	<b>5</b>	<b>8</b>	<b>7</b>	<b>10</b>	<b>12</b>	<b>11</b>	<b>10</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)	(6)	(6)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
<b>(6)</b>	<b>Total sources of capital funding (C)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>	<b>(6)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>											
Capital expenditure											
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
-	- to improve level of service	-	-	-	-	-	-	-	-	-	-
-	- to replace existing assets	-	-	-	-	-	-	-	-	-	-
46	Increase (decrease) in reserves	(4)	(4)	(1)	(1)	2	1	4	6	5	4
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
<b>46</b>	<b>Total applications of capital funding (D)</b>	<b>(4)</b>	<b>(4)</b>	<b>(1)</b>	<b>(1)</b>	<b>2</b>	<b>1</b>	<b>4</b>	<b>6</b>	<b>5</b>	<b>4</b>
<b>(52)</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2)</b>	<b>(2)</b>	<b>(5)</b>	<b>(5)</b>	<b>(8)</b>	<b>(7)</b>	<b>(10)</b>	<b>(12)</b>	<b>(11)</b>	<b>(10)</b>
-	Funding Balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-

# Governance

## What this activity delivers

Governance is at the forefront of everything we do. While the Council provides 37 activities, it is the Governance activity that supports elected members to be effective, responsible and accountable decision makers. This activity facilitates Council, Committees and Community Board meetings, ensures agendas are published and available to the public and runs local body elections every three years.

This activity also funds specific schemes such as providing support and guidance to young Māori leaders through the Mayoral Rangatahi Mentoring Programme.

## Why we do it

The elected members are chosen by you every three years. They must represent their communities and make decisions in an open, transparent and accountable manner. This activity supports that decision making process and makes sure decisions are made in accordance with the Local Government Act 2002 (LGA), the Local Government Official Information and Meetings Act 2002, the Resource Management Act 1991 and Standing Orders.

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
The Council makes decisions in an open, inclusive and transparent manner that supports the sustainable development and needs of the community.	Satisfaction with the performance of the Mayor and Councillors.	81%	79-83%	79-83%	79-83%	79-83%

Community Outcomes



# Community Support

## What this activity delivers

Through this activity, we provide civic ceremonies such as Anzac Day commemorations and citizenship ceremonies. We also hold the annual over 80s morning tea with the Mayor, Councillors and the Whakatāne Community Board; recognise young achievers at the Young Achievers Awards, and back community organisations in the way of grants or subsidised rentals. An annual volunteer function is held to recognise the many volunteers that assist the Council in a variety of ways throughout the year.

The Council works in partnership with a number of organisations, such as TrustPower, with the recognition of voluntary groups in the community, and with Creative New Zealand and Sport NZ to provide funding to local groups under specific criteria.

The Council has included budget in the LTP to provide an Environment and Heritage Fund, as recommended by the District Plan Hearings Committee. This fund recognises that non-regulatory support via financial assistance and advice is required to encourage and support the protection of privately owned heritage features such as the additional costs (including resource consent fees) incurred by owners of scheduled buildings and features, and significant trees, which provide a public value. The Council would also provide funding, in partnership with the BOPRC, for the maintenance of indigenous biodiversity, including for fencing and for animal and plant pest control.

This activity also extends the hand of friendship to a number of other cultures. We have an active relationship with the Japanese cities of Kamagaya and Shibukawa. We also have a relationship with the Southern Downs Region, in Queensland, Australia and advances have been made by several Chinese cities to form a sister city agreement. A decision to progress an agreement with a Chinese city will primarily be for economic reasons.

## Why we do it

The local community, through its diverse range of activities, make a major contribution to the well-being of the District. We recognise this and offer support to promote, enable and offer a helping hand in appreciation of the voluntary contribution made by organisations and groups within the community, where this supports the Council's purpose.

Community  
Outcomes



# Strategy and Policy

Community Outcomes



## What this activity delivers

We support the elected members and managers by delivering high quality strategy and policy advice to enable them to make effective policy decisions and plans to improve community well-being. Making good decisions and effectively setting direction requires a framework so that we can ensure long-term stability and consistency. This activity develops Long Term Plans, Annual Plans, Annual Reports and Pre-Election Reports, which provide an opportunity for the community to understand and get involved in the Council's decision-making processes. This activity also includes the provision of policy advice with a Māori focus, helping to facilitate participation of Māori in Council decision-making processes.

## Why we do it

Providing strategic advice to the elected members supports their policy and direction decisions for the benefit of the community. The majority of the plans and policies developed in this activity are requirements of legislation such as the (Local Government Act 2002) LGA. The Council is required by the LGA to improve opportunities for Māori to contribute to local government decision-making processes. A full list of our policies are available on the website at [www.whakatane.govt.nz](http://www.whakatane.govt.nz).







# Roads and Footpaths

*Ngā huarahi ara rau*

TRANSPORT NETWORKS  
PARKING ENFORCEMENT

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

Funding Impact Statement for 2015-2025 - Roads and Footpaths

AP 2014/15 \$000		LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000
	<b>SOURCES OF OPERATING FUNDING</b>										
(15)	General rates, uniform annual general charges, rates penalties	(14)	(14)	(15)	(15)	(15)	(16)	(16)	(15)	(16)	(16)
7,890	Targeted rates	7,510	7,732	7,873	8,026	8,229	8,492	8,233	8,546	8,911	9,206
2,406	Subsidies and grants for operating purposes	3,012	3,064	3,132	3,036	3,079	3,127	3,180	3,239	3,302	3,372
90	Fees and charges	91	92	94	96	99	101	104	107	111	114
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
818	Local authorities fuel tax, fines, infringement fees, and other receipts	844	863	864	887	898	921	969	998	1,029	1,063
<b>11,189</b>	<b>Total operating funding (A)</b>	<b>11,443</b>	<b>11,737</b>	<b>11,948</b>	<b>12,030</b>	<b>12,290</b>	<b>12,625</b>	<b>12,470</b>	<b>12,875</b>	<b>13,337</b>	<b>13,739</b>
	<b>APPLICATIONS OF OPERATING FUNDING</b>										
5,677	Payments to staff and suppliers	6,311	6,412	6,553	6,572	6,736	6,918	7,112	7,325	7,552	7,801
606	Finance costs	639	654	652	650	647	650	656	694	725	771
1,729	Internal charges and overheads applied	1,486	1,513	1,577	1,580	1,622	1,703	1,703	1,757	1,854	1,868
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
<b>8,012</b>	<b>Total applications of operating funding (B)</b>	<b>8,436</b>	<b>8,579</b>	<b>8,782</b>	<b>8,802</b>	<b>9,005</b>	<b>9,271</b>	<b>9,471</b>	<b>9,776</b>	<b>10,131</b>	<b>10,440</b>
<b>3,177</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>3,007</b>	<b>3,158</b>	<b>3,166</b>	<b>3,228</b>	<b>3,285</b>	<b>3,354</b>	<b>2,999</b>	<b>3,099</b>	<b>3,206</b>	<b>3,299</b>
	<b>SOURCES OF CAPITAL FUNDING</b>										
3,190	Subsidies and grants for capital expenditure	5,917	6,080	5,715	4,340	3,707	4,012	4,122	5,638	4,277	5,103
68	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
(164)	Increase (decrease) in debt	359	191	(141)	229	(91)	146	437	1,029	492	1,165
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
<b>3,094</b>	<b>Total sources of capital funding (C)</b>	<b>6,276</b>	<b>6,271</b>	<b>5,574</b>	<b>4,569</b>	<b>3,616</b>	<b>4,158</b>	<b>4,559</b>	<b>6,667</b>	<b>4,769</b>	<b>6,268</b>
	<b>APPLICATIONS OF CAPITAL FUNDING</b>										
	Capital expenditure										
274	- to meet additional demand	-	-	-	22	28	45	83	240	117	141
1,824	- to improve level of service	3,460	2,577	1,801	2,481	1,781	2,198	1,871	2,509	1,981	3,317
4,417	- to replace existing assets	6,124	7,309	7,426	5,229	5,065	5,198	5,605	6,987	5,887	6,082
(244)	Increase (decrease) in reserves	(301)	(457)	(486)	67	24	70	(2)	30	(10)	27
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
<b>6,271</b>	<b>Total applications of capital funding (D)</b>	<b>9,283</b>	<b>9,429</b>	<b>8,741</b>	<b>7,799</b>	<b>6,898</b>	<b>7,511</b>	<b>7,557</b>	<b>9,766</b>	<b>7,975</b>	<b>9,567</b>
<b>(3,177)</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(3,007)</b>	<b>(3,158)</b>	<b>(3,166)</b>	<b>(3,228)</b>	<b>(3,285)</b>	<b>(3,354)</b>	<b>(2,999)</b>	<b>(3,099)</b>	<b>(3,206)</b>	<b>(3,299)</b>
-	Funding Balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-

# Transport Networks

Community Outcomes



## What this activity delivers

Through this activity we provide transport networks (such as roads, footpaths, parking facilities and bridges), public transport infrastructure (such as bus shelters) and traffic control mechanisms (such as signage, lighting and road markings).

The Council's road network is approximately 903km in length, with around 78% of the network being sealed.

For more information about the issues and options facing our Transport Networks activity, see the Council's Infrastructure Strategy 2015-45 in the Strategic Direction chapter of this LTP.

## Why we do it

We do this activity to ensure a safe, efficient and affordable roading network. The District's road network helps with the movement of people, goods and services. This means we have access to facilities, services and recreational activities we would not otherwise have. We work with other regions to ensure we are efficiently connected both socially and economically. We are also working with key stakeholders, including local Councils and New Zealand Transport Agency (NZTA) to discuss and implement our Walking and Cycling Strategy. This will be carried out within existing budgets and in partnership with other groups, organisations and bodies. This activity is legislatively required of Council through the Local Government Act 1974 and the Land Transport Management Act 2003.

## What negative impact this might have

Sometimes the activities we do can have a negative impact. While we strive to ensure that we operate in a way that provides the most positive outcomes, we must acknowledge that sometimes there is a trade-off. The table below shows the possible negative effects of this activity and what we are going to do to try and minimise this effect.

SIGNIFICANT NEGATIVE EFFECT	SUSTAINABLE SOLUTION
The maintenance of the roading network may cause a number of nuisances including dust and smells.	Comply with resource consent conditions during maintenance activities and track and record complaints.
The provision of a roading network may encourage increased traffic volumes and increase the level of emissions.	The provision of a suitable roading network is essential to the District. The Council also invests in walking and cycling infrastructure.



## What we are going to do

The Council is planning to undertake the following key capital projects. The full list of capital projects can be found in the 'Our Costs in Detail' chapter.

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Cycle Facilities - Gorge Road	2015/16	1,161,036	Subsidy 58.44% Loan 21.9% Development Contributions 16.8% Restricted Reserve 2.86%
Light Upgrades - LED	2016-18	2,000,000	Renewal 47% Subsidy 53%
Resilience Improvements - Financially Assisted (Hillcrest Slumps)	2015/16	510,450	Loan 47% Subsidy 53%
Road Improvements - Financially Assisted Renewals (Landing Road)	2018/19	691,875	Loan 47% Subsidy 53%
Resilience Improvements - Financially Assisted Renewals (Reid Road Route Security)	2022/23	512,500	Loan 47% Subsidy 53%
Resilience Improvements - Financially Assisted Renewals (Rewatu Road Route Security)	2024/25	1,025,000	Loan 47% Subsidy 53%
Road Improvements - Financially Assisted Renewals (Wainui Road/Burma Road)	2020/21	666,250	Loan 47% Subsidy 53%
Road Improvements - Financially Assisted (Tāneatua Road Route Security)	2016/17	768,750	Loan 47% Subsidy 53%
Mimiha Stream, Ruatāhuna Road Bridge Renewals (Special Purpose Road)	2022/23	987,075	Subsidy 100%
Sealed Road Resurfacing	2015-25	19,270,000	Renewal 47% Subsidy 53%
Unsealed Road Metalling	2015-25	4,612,500	Renewal 47% Subsidy 53%

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
Provide safe and reliable local transport networks to enable efficient and affordable transportation of people and goods	Satisfaction with roads in your District, excluding state highways	91%	89-93%	89-93%	89-93%	89-93%
	Average quality of ride on a sealed local road network – Smooth Travel Exposure <sup>1</sup>	93%	89-93%	89-93%	89-93%	89-93%
	Percentage of sealed local road network that is resurfaced	New measure	6-8% annually	6-8% annually	6-8% annually	6-8% annually
	Percentage of footpaths within the Whakatāne district that fall within the level of service or service standard for the condition of footpaths that is set out in the Activity Management Plans	New measure	100% of qualifying footpath faults will be scheduled for repair	100% of qualifying footpath faults will be scheduled for repair	100% of qualifying footpath faults will be scheduled for repair	100% of qualifying footpath faults will be scheduled for repair
	Percentage of customer service requests relating to roads and footpaths responded to within timeframes specified in LTP	New measure	100% of emergency requests within 2hrs	100% of emergency requests within 2hrs	100% of emergency requests within 2hrs	100% of emergency requests within 2hrs
			100% of urgent requests within 1 day	100% of urgent requests within 1 day	100% of urgent requests within 1 day	100% of urgent requests within 1 day
		100% of non-urgent requests within 7 days	100% of non-urgent requests within 7 days	100% of non-urgent requests within 7 days	100% of non-urgent requests within 7 days	

<sup>1</sup>Smooth Travel Exposure indicates the ride quality experienced by motorists and shows the percentage of vehicle kilometres travelled on smooth, sealed roads.

# Parking Enforcement

## What this activity delivers

This activity provides parking enforcement services primarily in the Whakatāne town centre and Kopeopeo shopping area. The wardens also check vehicles parked on these roads for registrations, warrants of fitness and that they are generally safe to be on the road.

## Why we do it

We provide this service at the request of the community and businesses of the CBD, so parking spaces in our busiest areas have an appropriate level of turnover and are available for shoppers and businesses.

The Parking Enforcement activity also helps to ensure parking is done in a way that is safe and does not cause a hazard or obstruction for other road users. This service is defined by the Council's Traffic and Speed Limits Bylaw.

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
Parking enforcement maximises the availability of parking and ensures that vehicles are safe.	Regular patrols are carried out in Whakatāne CBD.	New measure	2 per working day	2 per working day	2 per working day	2 per working day



Community Outcomes





# Water Supply

*Ngā puna wai*

WATER SUPPLY



# What these activities will cost and how we are going to pay for them Funding Impact Statement for 2015-2025 - Water Supply

AP 2014/15 \$000		LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000
<b>SOURCES OF OPERATING FUNDING</b>											
-	General rates, uniform annual general charges, rates penalties	1	4	4	4	4	4	4	5	5	5
5,291	Targeted rates	5,005	5,289	5,334	5,421	5,553	5,815	5,967	6,199	6,368	6,666
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
301	Fees and charges	259	269	277	286	295	306	317	329	342	356
127	Internal charges and overheads recovered	155	161	166	171	177	183	190	173	180	188
21	Local authorities fuel tax, fines, infringement fees, and other receipts	23	24	24	25	26	27	28	29	30	31
<b>5,740</b>	<b>Total operating funding (A)</b>	<b>5,443</b>	<b>5,747</b>	<b>5,805</b>	<b>5,907</b>	<b>6,055</b>	<b>6,335</b>	<b>6,506</b>	<b>6,735</b>	<b>6,925</b>	<b>7,246</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
1,661	Payments to staff and suppliers	1,714	1,838	1,846	1,952	2,011	2,071	2,120	2,236	2,249	2,374
425	Finance costs	454	456	429	443	514	563	554	542	541	567
2,052	Internal charges and overheads applied	1,940	2,052	2,114	2,173	2,249	2,340	2,411	2,480	2,594	2,690
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
<b>4,138</b>	<b>Total applications of operating funding (B)</b>	<b>4,108</b>	<b>4,346</b>	<b>4,389</b>	<b>4,568</b>	<b>4,774</b>	<b>4,974</b>	<b>5,085</b>	<b>5,258</b>	<b>5,384</b>	<b>5,631</b>
<b>1,602</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,335</b>	<b>1,401</b>	<b>1,416</b>	<b>1,339</b>	<b>1,281</b>	<b>1,361</b>	<b>1,421</b>	<b>1,477</b>	<b>1,541</b>	<b>1,615</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
2,000	Subsidies and grants for capital expenditure	1,832	-	-	-	-	-	-	-	-	-
25	Development and financial contributions	17	18	18	223	19	20	21	22	22	23
334	Increase (decrease) in debt	448	(465)	(434)	1,151	1,803	(110)	(364)	(316)	591	468
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
<b>2,359</b>	<b>Total sources of capital funding (C)</b>	<b>2,297</b>	<b>(447)</b>	<b>(416)</b>	<b>1,374</b>	<b>1,822</b>	<b>(90)</b>	<b>(343)</b>	<b>(294)</b>	<b>613</b>	<b>491</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>											
Capital expenditure											
41	- to meet additional demand	50	519	267	-	-	-	-	-	-	894
3,000	- to improve level of service	2,966	-	64	1,655	2,222	236	-	63	990	-
523	- to replace existing assets	1,026	998	995	574	1,288	941	376	929	961	981
397	Increase (decrease) in reserves	(410)	(563)	(327)	484	(407)	95	702	190	202	232
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
<b>3,961</b>	<b>Total applications of capital funding (D)</b>	<b>3,632</b>	<b>954</b>	<b>999</b>	<b>2,713</b>	<b>3,103</b>	<b>1,272</b>	<b>1,078</b>	<b>1,182</b>	<b>2,153</b>	<b>2,107</b>
<b>(1,602)</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,335)</b>	<b>(1,401)</b>	<b>(1,416)</b>	<b>(1,339)</b>	<b>(1,281)</b>	<b>(1,361)</b>	<b>(1,421)</b>	<b>(1,477)</b>	<b>(1,541)</b>	<b>(1,615)</b>
-	Funding Balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-

# Water Supply

## What this activity delivers

We provide water to over 12,300 households and businesses throughout the District. This water is treated to ensure it is safe to drink. We aim to provide water continuously and at a suitable pressure and quantity. We operate 10 different water supply schemes to provide water throughout the District. Each scheme operates slightly differently.

Some of our water connections have meters on them, which measure how much water is used on that property. In Whakatāne, Ōhope, Plains and Rūātoki, all connections are metered, while our other unmetered schemes have some commercial properties that are metered. For metered properties, people pay based on their consumption level. Properties not metered pay a fixed price based on an average consumption rate.

For properties in the District that are not connected to the Council's water supply network, we provide an advisory and education service as required.

This activity also provides the infrastructure for water supply required for future developments, such as new subdivisions or new businesses, schools etc.

Future residential development is anticipated to require new infrastructure to support it, including Shaw/Huna Road and Coastlands, whilst commercial demand is expected in the Mill Road area. This represents a key driver for works over the next ten years.

The LTP will also continue the work of developing the Paul Road bore and connecting to the Edgecumbe and Plains water supply schemes.

For more information about the issues and options facing our Water Supply activity, see the Council's Infrastructure Strategy 2015-45 in the Strategic Direction chapter of this LTP.

## Why we do it

There is a strong community demand for us to provide this activity. The main reason we deliver this activity is to protect public health. For households, this means you have healthy drinking water and fresh water to wash with.

We also promote public safety by ensuring adequate water pressure is available across the urban areas for firefighting for residential dwellings. Larger non-domestic buildings require special systems to increase the firefighting capacity.

Metered water connections were introduced to help manage water demand. Average consumption for our metered areas is 280 litres, per person, per day, compared to 450 litres in non-metered areas.

Under the Local Government Act 2002, we are required to provide the community with a reliable supply of safe drinking water, where this service has previously been delivered. This means we cannot cease to offer this service to households and businesses currently connected to our system.

Community Outcomes



## What negative impact this might have

Sometimes the activities that we do can have a negative impact. While we strive to ensure that we operate in a way that provides the most positive outcomes, we have to acknowledge that sometimes there is a trade-off. The table below shows the possible negative effects of this activity and also what we are going to do to try and minimise these effects.

SIGNIFICANT NEGATIVE EFFECT	SUSTAINABLE SOLUTION
Over extraction of water	Comply with Resource Consent conditions on maximum draw. Monitoring of water take and water availability. Use of water restrictions if required.
Potential delivery of contaminated water through our schemes.	Emergency response plans, operational procedures and monitoring of the raw water supplies. Public Health Risk Management Plans.
Insufficient water supplies during times of drought or emergency.	Demand management, through water conservation education, water restrictions and other methods, is used to reduce water demands during drought or emergency. 24 hours' worth of water storage is available for all schemes, except for Plains and Edgecumbe schemes. Investigations on improving the security of supply are underway for the Whakatāne area and a 50 year strategy for the Plains area is being developed and will be considered through the development of the Council's 2018-28 LTP.

## What we are going to do

The Council is planning to undertake the following key capital projects. The full list of capital projects can be found in the 'Our Costs in Detail' chapter.

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Edgecumbe water supply –Supply Main from Paul Road bore	2015/16	1,661,000	Subsidy 100%
Whakatāne Water Treatment Plant - Sludge Treatment	2022-24	800,000	Loan 100%
Whakatāne Water Storage – Reservoir Replacement	2017-20	3,060,000	Loan 93.1% Development Contribution 6.9%
Coastlands Residential Development - Main Link	2016-18	500,000	Development Contribution 98% Loan 2%
Mill Road Development	2015/16	150,000	Development Contribution 30% Loan 70%
Shaw/Huna Road Residential Development - Extension of Water Main	2015-17	300,000	Development Contribution 98% Loan 2%
Edgecumbe water supply reticulation upgrades (Fire Flow)	2019/20	450,000	Loan 100%
Ōhope water supply – Upgrade pipes Harbour Road	2024/25	650,000	Loan 100%

# Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE 13/14	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
Provide safe and clean water to all properties within the District's water boundaries.	Safe drinking water - a) percentage of the time drinking water supply complies with Part 4 of the Drinking Water Standards for all of the specified supplies(bacteria compliance criteria)	90% for Whakatāne / Ōhope / Tāneatua / Rūātoki / Waimana / Matatā / Plains / Te Mahoe	90% for Whakatāne / Ōhope / Tāneatua / Rūātoki / Waimana / Matatā / Plains / Te Mahoe	90% for Whakatāne / Ōhope / Tāneatua / Rūātoki / Waimana / Matatā / Plains / Te Mahoe	90% for Whakatāne / Ōhope / Tāneatua / Rūātoki / Waimana / Matatā / Plains / Te Mahoe	90% for Whakatāne / Ōhope / Tāneatua / Rūātoki / Waimana / Matatā / Plains / Te Mahoe
	Safe drinking water - b) percentage of the time drinking water supply complies with Part 5 of the Drinking Water Standards for all of the specified supplies (protozoal compliance criteria)	90% for Whakatāne / Ōhope / Tāneatua / Waimana / Matatā	90% for Whakatāne / Ōhope / Tāneatua / Rūātoki / Waimana / Matatā	90% for Whakatāne / Ōhope / Tāneatua / Rūātoki / Waimana / Matatā / Edgecumbe	90% for Whakatāne / Ōhope / Tāneatua / Rūātoki / Waimana / Matatā / Edgecumbe	90% for Whakatāne / Ōhope / Tāneatua / Rūātoki / Waimana / Matatā / Edgecumbe
	Customer Satisfaction - Total number of complaints, per 1,000 connections, received by the Council about –					
	a) drinking water clarity		30	30	30	25
	b) drinking water taste	New measure	30	30	30	25
	c) drinking water odour		30	30	30	25
Satisfaction with the water supply		79%	77-81%	77-81%	77-81%	78-82%
Provide incentives and opportunities for the community to reduce unnecessary consumption of water	Average consumption of drinking water per day per resident in the District	New measure	280 litres per day for metered areas	280 litres per day for metered areas	280 litres per day for metered areas	280 litres per day for metered areas
			450 litres per day for unmetered areas	450 litres per day for unmetered areas	450 litres per day for unmetered areas	450 litres per day for unmetered areas
Provide a continuous, appropriate and safe water system throughout the District's urban, residential and commercial areas	Maintenance of reticulation - Percentage of real water loss from our networked reticulation system	New measure	Metered schemes 20%	Metered schemes 20%	Metered schemes 20%	Metered schemes 20%
			Unmetered schemes 50%	Unmetered schemes 50%	Unmetered schemes 50%	Unmetered schemes 50%
	Fault response times		80% < 1 hour	80% < 1 hour	80% < 1 hour	80% < 1 hour
	a) Median response time to attend urgent call-outs	New measure	80% < 10 hours	80% < 10 hours	80% < 10 hours	80% < 10 hours
	b) Median response time to resolve urgent call-outs		80% < 4 days	80% < 4 days	80% < 4 days	80% < 4 days
	c) Median response time to attend non-urgent call-outs		80% < 5 days	80% < 5 days	80% < 5 days	80% < 5 days
	d) Median response time to resolve non-urgent call-outs					
	Customer Satisfaction - Total number of complaints received, per 1,000 connections, by the Council about - a) drinking water pressure or flow	New measure	50	50	50	45
	b) continuity of supply		50	50	50	45
c) the local authority's response to any of these issues	2		2	2	2	
Percentage of water supply systems (excluding Plains, Rūātoki and Edgecumbe) with adequate flow and pressure for firefighting purposes for urban residential properties, as defined by the firefighting standards		90%	90%	90%	90%	







# Sewage Treatment and Disposal

*Te tukuhanga o ngā parapara*

SEWAGE TREATMENT AND DISPOSAL

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

Funding Impact Statement for 2015-2025 - Sewage Treatment & Disposal

AP 2014/15 \$000		LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000
<b>SOURCES OF OPERATING FUNDING</b>											
19	General rates, uniform annual general charges, rates penalties	23	42	44	45	46	48	50	52	54	56
2,363	Targeted rates	2,687	2,847	3,792	3,957	4,080	4,327	4,558	4,382	4,706	5,031
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
125	Fees and charges	147	152	157	162	167	173	180	186	194	202
88	Internal charges and overheads recovered	63	66	67	70	72	74	77	80	83	87
137	Local authorities fuel tax, fines, infringement fees, and other receipts	175	182	187	193	200	207	214	223	231	241
<b>2,732</b>	<b>Total operating funding (A)</b>	<b>3,095</b>	<b>3,289</b>	<b>4,247</b>	<b>4,427</b>	<b>4,565</b>	<b>4,829</b>	<b>5,079</b>	<b>4,923</b>	<b>5,268</b>	<b>5,617</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
882	Payments to staff and suppliers	871	1,148	1,229	1,272	1,319	1,446	1,503	1,546	1,625	1,697
422	Finance costs	479	574	610	637	629	635	687	767	888	993
866	Internal charges and overheads applied	843	888	917	939	972	1,013	1,041	1,082	1,133	1,173
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
<b>2,170</b>	<b>Total applications of operating funding (B)</b>	<b>2,193</b>	<b>2,610</b>	<b>2,756</b>	<b>2,848</b>	<b>2,920</b>	<b>3,094</b>	<b>3,231</b>	<b>3,395</b>	<b>3,646</b>	<b>3,863</b>
<b>562</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>902</b>	<b>679</b>	<b>1,491</b>	<b>1,579</b>	<b>1,645</b>	<b>1,735</b>	<b>1,848</b>	<b>1,528</b>	<b>1,622</b>	<b>1,754</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
2,700	Subsidies and grants for capital expenditure	2,509	208	1,497	-	-	-	-	-	-	-
168	Development and financial contributions	44	53	55	332	58	60	62	65	67	70
2,833	Increase (decrease) in debt	2,725	(37)	1,075	(63)	(2)	44	1,914	1,345	4,189	(30)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
<b>5,701</b>	<b>Total sources of capital funding (C)</b>	<b>5,278</b>	<b>224</b>	<b>2,627</b>	<b>269</b>	<b>56</b>	<b>104</b>	<b>1,976</b>	<b>1,410</b>	<b>4,256</b>	<b>40</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>											
Capital expenditure											
-	- to meet additional demand	1,285	825	-	-	-	-	-	-	-	-
5,608	- to improve level of service	4,613	582	4,078	341	411	370	2,635	1,474	3,967	350
436	- to replace existing assets	650	2,903	669	1,361	237	801	1,684	2,595	2,909	5,295
219	Increase (decrease) in reserves	(368)	(3,409)	(630)	146	1,053	668	(496)	(1,131)	(999)	(3,852)
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
<b>6,263</b>	<b>Total applications of capital funding (D)</b>	<b>6,180</b>	<b>901</b>	<b>4,117</b>	<b>1,848</b>	<b>1,701</b>	<b>1,839</b>	<b>3,823</b>	<b>2,938</b>	<b>5,877</b>	<b>1,793</b>
<b>(562)</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(902)</b>	<b>(679)</b>	<b>(1,491)</b>	<b>(1,579)</b>	<b>(1,645)</b>	<b>(1,735)</b>	<b>(1,848)</b>	<b>(1,528)</b>	<b>(1,622)</b>	<b>(1,754)</b>
-	Funding Balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-

# Sewage Treatment and Disposal



Community Outcomes

## What this activity delivers

Under this activity the Council collects the used sewage water from connected houses and businesses, treats it to an acceptable level and safely disposes of it. This activity also includes the Council's tradewaste functions which include the monitoring and treatment of sewage from businesses. We own and operate six sewerage schemes in the urban areas of Whakatāne, Edgecumbe, Tāneatua, Ōhope, Te Mahoe and Murupara. These schemes all have resource consents that allow the Council to discharge the treated sewage. Over the next 12 years, all of the current resource consents will expire, meaning that we may be required to undertake works to improve the treatment of the sewage, in order to comply with new consent conditions. This is a key driver for the treatment plant upgrades planned through this LTP. A further driver for this activity is the development of a reticulated sewerage system for Matatā. We are also continuing to look at options for the Te Teko area, which currently relies on septic tanks. Future residential and commercial development is also anticipated to require new infrastructure to support it, including Shaw/Huna Road and Mill Road, where works are planned to facilitate development.

For more information about the issues and options facing our Sewage Treatment and Disposal activity, see the Council's Infrastructure Strategy 2015-45 in the Strategic Direction chapter of this LTP.

## Why we do it

By providing this service we are protecting our natural environments from contaminants. We are also protecting the community's health by removing, treating and disposing of harmful waste.

The alternative to a Council provided sewerage system is the use of septic tanks. Septic tanks can be very useful, especially for rural properties, where the cost of a reticulated system would be too expensive because of the large distances covered. However, having a large number of septic tanks in an area, particularly in an urban area, can lead to excessive contaminants seeping into the ground and rivers. There are also logistical issues with septic tanks in enclosed areas.



## What negative impact this might have

Sometimes the activities that we do can have a negative impact. While we strive to ensure that we operate in a way that provides the most positive outcomes, we have to acknowledge that sometimes there is a trade-off. The table below shows the possible negative effects of this activity and also what we are going to do to try and minimise these effects.

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

## What we are going to do

The Council is planning to undertake the following key capital projects. The full list of capital projects can be found in the 'Our Costs in Detail' chapter.

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Mill Road Development	2015/16	1,235,000	Development Contribution 30% Loan 70%
Shaw/Huna Road Development	2015-17	845,000	Development Contribution 98% Loan 2%
Emergency Storage McAlister Pump Station	2023/24	1,500,000	Loan 93.2% Development Contribution 6.8%
Upgrade Whakatāne Treatment Plant	2015-25	4,160,000	Development Contribution 70% Loan 30%
Upgrade Ōhope Treatment Plant & Pump Replacements	2015-20	1,140,000	Loan 62.54% Renewal 30.36% Development Contribution 7.1%
Upgrade and Additional Storage Edgecumbe Treatment Plant	2015-18	4,050,000	Loan 30% Renewal 30% Subsidy 40%
Matatā Wastewater Project -Treatment Plant & Reticulation	2015/16	4,454,700	Loan 44.13% Subsidy 55.87%
Murupara Treatment Plant Upgrade	2019-23	3,350,000	Loan 70% Renewal 30%
Tāneatua Treatment Plant Upgrade	2019-23	2,600,000	Loan 30% Renewal 70%

# Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
To provide high quality, efficient and reliable sewerage systems that are affordable and meet the reasonable needs of the urban and commercial communities	Satisfaction with the sewerage system	92%	90-95%	90-95%	90-95%	90-95%
	Number of complaints received per 1000 connections about	New measure	25	25	25	20
	a) sewage odour		20	20	20	15
	b) sewerage system faults		25	25	25	20
	c) sewerage system blockages		2	2	2	2
	d) the Council's response to issues with our sewerage system		New measure	90% < 3 hours	90% < 3 hours	90% < 3 hours
	Median response time to attend to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system	New measure	90% < 10 hours	90% < 10 hours	90% < 10 hours	90% < 10 hours
	Median response time to resolve a sewerage overflow resulting from a blockage or other fault in the Council's sewerage system	New measure	25	25	25	20
Reduce the environmental impact of sewage through an efficient and uninterrupted sewerage system	Number of dry weather sewerage overflows from the Council's sewerage system	New measure	25	25	25	20
	Number of:	New measure				
	a) abatement notices		0	0	0	0
	b) infringement notices		0	0	0	0
	c) enforcement orders		0	0	0	0
	d) convictions received by the Council in relation to the resource consents for discharge from our sewerage systems.		0	0	0	0







# Stormwater Drainage

*Te wai āwhiowhio me ōna rītenga*

STORMWATER DRAINAGE



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

Funding Impact Statement for 2015-2025 - Stormwater Drainage

AP 2014/15 \$000		LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000
<b>SOURCES OF OPERATING FUNDING</b>											
342	General rates, uniform annual general charges, rates penalties	341	395	449	435	448	464	483	501	519	539
2,641	Targeted rates	2,848	2,948	2,896	2,924	3,092	3,326	3,426	3,467	3,541	3,599
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
-	Fees and charges	-	-	-	-	-	-	-	-	-	-
1,086	Internal charges and overheads recovered	1,096	1,189	1,218	1,257	1,298	1,344	1,393	1,450	1,508	1,572
193	Local authorities fuel tax, fines, infringement fees, and other receipts	193	200	206	213	220	228	236	245	255	266
<b>4,262</b>	<b>Total operating funding (A)</b>	<b>4,478</b>	<b>4,732</b>	<b>4,769</b>	<b>4,829</b>	<b>5,058</b>	<b>5,362</b>	<b>5,538</b>	<b>5,663</b>	<b>5,823</b>	<b>5,976</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
1,761	Payments to staff and suppliers	1,788	1,899	1,957	2,011	2,094	2,196	2,285	2,372	2,498	2,593
913	Finance costs	1,130	1,192	1,161	1,175	1,251	1,336	1,337	1,294	1,243	1,215
516	Internal charges and overheads applied	612	643	665	679	703	732	753	782	819	848
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
<b>3,190</b>	<b>Total applications of operating funding (B)</b>	<b>3,530</b>	<b>3,734</b>	<b>3,783</b>	<b>3,865</b>	<b>4,048</b>	<b>4,264</b>	<b>4,375</b>	<b>4,448</b>	<b>4,560</b>	<b>4,656</b>
<b>1,072</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>948</b>	<b>998</b>	<b>986</b>	<b>964</b>	<b>1,010</b>	<b>1,098</b>	<b>1,163</b>	<b>1,215</b>	<b>1,263</b>	<b>1,320</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
114	Development and financial contributions	26	26	27	28	29	30	31	32	34	35
2,645	Increase (decrease) in debt	3,522	(628)	(261)	991	2,301	595	(823)	(842)	(599)	(834)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
<b>2,759</b>	<b>Total sources of capital funding (C)</b>	<b>3,548</b>	<b>(602)</b>	<b>(234)</b>	<b>1,019</b>	<b>2,330</b>	<b>625</b>	<b>(792)</b>	<b>(810)</b>	<b>(565)</b>	<b>(799)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>											
Capital expenditure											
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
4,447	- to improve level of service	4,890	1,007	984	1,787	3,214	2,088	24	89	1,017	131
396	- to replace existing assets	251	53	80	7	1	29	50	1	33	8
(1,012)	Increase (decrease) in reserves	(646)	(662)	(311)	189	126	(396)	296	314	(352)	382
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
<b>3,831</b>	<b>Total applications of capital funding (D)</b>	<b>4,495</b>	<b>398</b>	<b>753</b>	<b>1,983</b>	<b>3,341</b>	<b>1,721</b>	<b>370</b>	<b>404</b>	<b>698</b>	<b>521</b>
<b>(1,072)</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(948)</b>	<b>(998)</b>	<b>(986)</b>	<b>(964)</b>	<b>(1,010)</b>	<b>(1,098)</b>	<b>(1,163)</b>	<b>(1,215)</b>	<b>(1,263)</b>	<b>(1,320)</b>
-	Funding Balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-

# Stormwater Drainage



Community Outcomes

## What this activity delivers

The Council provides a variety of infrastructure to deal with stormwater within our urban areas. This includes underground pipes, open drains, overland flow paths, pump stations and stormwater ponds. All of our stormwater systems are designed to take stormwater away from built up urban areas and disperse it within our waterways. However, further works are required to meet the desired level of service. We manage the stormwater within identified urban and residential areas, the Bay of Plenty Regional Council manages land drainage in rural areas.

## Why we do it

There is strong community demand to be protected and safe within our homes. To respond to this, we build and operate stormwater infrastructure. We also need to protect infrastructure, such as roads, sewerage systems etc., which can get damaged by excessive floodwater.

The emotional and financial cost of flooding on our community within our District can be very high. We continually make improvements to the stormwater systems to try and reduce the chance of this flooding occurring. However, we will never be able to provide complete protection from all-weather events. Each event has different characteristics which can put strain on our stormwater infrastructure in different ways.

## What negative impact this might have

Sometimes the activities that we do can have a negative impact. While we strive to ensure that we operate in a way that provides the most positive outcomes, we have to acknowledge that sometimes there is a trade-off. The table below shows the possible negative effects of this activity and also what we are going to do to try and minimise these effects.

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

## What we are going to do

The Council is planning to undertake the following key capital projects. The full list of capital projects can be found in the 'Our Costs in Detail' chapter.

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Apanui (including Pyne Street) Stormwater upgrade	2015/16	1,800,000	Loan 65% Renewal 30% Development Contributions 5%
Wainui Te Whara - Flood Mitigation	2015/16	2,420,000	Loan 100%
Ōhope Stormwater Upgrade - Maraetōtara Stream	2015/16	200,000	Loan 100%
Ōhope Stormwater Upgrade - Millers Stream	2015/16	150,000	Loan 100%
Ōhope Stormwater Upgrade - Pohutukawa/Harbour Road	2015-18	700,000	Loan 50% Renewal 50%
Shaw/Huna Road Development	2015-17	900,000	Loan 2% Development Contribution 98%
Hinemoa Pump Station and Pipes Upgrade	2017-21	3,600,000	Loan 93.2% Development Contribution 6.8%
Henderson Street Stormwater Improvements	2018-20	800,000	Loan 100%
St Joseph Pump Station and Drainage Upgrades	2018-21	1,050,000	Loan 93.2% Development Contribution 6.8%
Whakatāne Stormwater Pipe Upgrades	2016-2024	2,400,000	Loan 30% Renewal 70%

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
Provide safe and reliable urban stormwater systems throughout Whakatāne District's urban areas to protect properties and transport links from flooding	Number of flooding events in the District, and for each event, number of habitable floors affected	New measure	4 events. 10 / 1000 habitable floors per event	4 events. 10 / 1000 habitable floors per event	4 events. 10 / 1000 habitable floors per event	4 events. 10 / 1000 habitable floors per event
	The median response time to attend a flooding event	New measure	80% < 3 hours	80% < 3 hours	80% < 3 hours	80% < 3 hours
	Number of complaints received about the performance of the stormwater system per 1,000 connections	New measure	10	10	10	10
Reduce the environmental impact of stormwater through an efficient and uninterrupted urban stormwater system	Number of:					
	a) abatement notices	New measure	0	0	0	0
	b) infringement notices	New measure	0	0	0	0
	c) enforcement orders	New measure	0	0	0	0
	d) convictions received by the Council in relation to the resource consents for discharge from our stormwater system	New measure	0	0	0	0



# Solid Waste

*Ngā parapara*

SOLID WASTE



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

Funding Impact Statement for 2015-2025 - Solid Waste

AP 2014/15 \$000		LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000
<b>SOURCES OF OPERATING FUNDING</b>											
1,422	General rates, uniform annual general charges, rates penalties	989	966	991	1,000	1,026	1,057	1,083	1,111	1,141	1,168
4,164	Targeted rates	4,342	4,416	4,530	4,614	4,744	4,860	4,980	5,128	5,276	5,439
120	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
1,030	Fees and charges	800	820	841	864	889	916	944	975	1,008	1,045
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
-	Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
<b>6,736</b>	<b>Total operating funding (A)</b>	<b>6,131</b>	<b>6,202</b>	<b>6,362</b>	<b>6,478</b>	<b>6,659</b>	<b>6,833</b>	<b>7,007</b>	<b>7,214</b>	<b>7,425</b>	<b>7,652</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
5,009	Payments to staff and suppliers	4,932	5,009	5,140	5,279	5,432	5,595	5,768	5,958	6,161	6,383
230	Finance costs	227	214	199	184	169	156	143	129	113	101
755	Internal charges and overheads applied	705	723	751	761	787	820	827	856	899	914
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
<b>5,994</b>	<b>Total applications of operating funding (B)</b>	<b>5,864</b>	<b>5,946</b>	<b>6,090</b>	<b>6,224</b>	<b>6,388</b>	<b>6,571</b>	<b>6,738</b>	<b>6,943</b>	<b>7,173</b>	<b>7,398</b>
<b>742</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>267</b>	<b>256</b>	<b>272</b>	<b>254</b>	<b>271</b>	<b>262</b>	<b>269</b>	<b>271</b>	<b>252</b>	<b>254</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
-	Subsidies and grants for capital expenditure	100	-	-	11	-	-	12	-	-	-
8	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
(252)	Increase (decrease) in debt	(239)	(241)	(244)	(237)	(240)	(242)	(245)	(246)	(227)	(225)
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
<b>(244)</b>	<b>Total sources of capital funding (C)</b>	<b>(139)</b>	<b>(241)</b>	<b>(244)</b>	<b>(226)</b>	<b>(240)</b>	<b>(242)</b>	<b>(233)</b>	<b>(246)</b>	<b>(227)</b>	<b>(225)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>											
	Capital expenditure										
-	- to meet additional demand	210	-	-	11	-	-	12	-	-	-
-	- to improve level of service	50	-	11	-	11	-	-	-	-	-
-	- to replace existing assets	-	15	26	16	28	-	35	-	-	-
498	Increase (decrease) in reserves	(131)	1	(10)	1	(9)	18	(12)	25	25	28
	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
<b>498</b>	<b>Total applications of capital funding (D)</b>	<b>129</b>	<b>16</b>	<b>27</b>	<b>28</b>	<b>30</b>	<b>18</b>	<b>35</b>	<b>25</b>	<b>25</b>	<b>28</b>
<b>(742)</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(267)</b>	<b>(256)</b>	<b>(272)</b>	<b>(254)</b>	<b>(271)</b>	<b>(262)</b>	<b>(269)</b>	<b>(271)</b>	<b>(252)</b>	<b>(254)</b>
-	Funding Balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-

# Solid Waste

## What this activity delivers

The Council provides a kerbside waste collection service for approximately 13,300 households in urban Whakatāne, Ōhope, Tāneatua, Edgecumbe, Te Teko, Matatā and Murupara and for some rural households. This collection includes an 80 litre general refuse waste bin collected weekly. Recyclables are collected in tandem with general refuse and can also be dropped off, free of charge, to any of the Council's transfer stations. The greenwaste collection service we currently provide includes fortnightly collection of large 240 litre greenwaste bins to just under 10,000 properties. Households in urban Whakatāne, Ōhope, Tāneatua, Te Teko, Edgecumbe, Matatā and Murupara receive this service.

We also provide transfer stations at Whakatāne and Murupara. These enable the community to dispose of extra waste, recycling and greenwaste and larger items (such as household appliances, cars, timber, etc.). This is especially important for those residents who do not have access to the collection service. We also provide a service for people to dispose of concrete. The transfer stations at Ruatāhuna and Minginui are run by the Hinepukohurangi Trust and the Minginui community with advice and support from the Council.

As we do not own a landfill, waste is transported to and disposed of outside our District at Tirohia, in the Waikato. Recycling is sorted for shipping at our transfer stations and greenwaste is taken to a composting facility and processed into valuable compost. We are currently progressing the development of a greenwaste

facility in the District, reducing transportation costs and increasing efficiencies.

Our waste collection, disposal, recycling and reprocessing services are managed through private contractors. The costs of some of our contracts are expected to change over the life of the LTP, including a significant increase expected to our waste disposal costs from 2020. As a result the Council will have to consider how we can maintain an affordable solid waste activity. Through this LTP, we will keep our solid waste costs relatively stable. However, in the future this may mean that we have to alter the level of service that we deliver to keep within these costs. No changes to level of service are planned through this LTP, however this will be a key area for consideration during the development of the Council's LTP 2018-28. Alongside the LTP, the Council has reviewed the Waste Management and Minimisation Plan. This plan looks to consider future levels of service and costs, with a view to minimising the amount of waste our District sends to landfill; the LTP is consistent with the content of the WMMP. A copy of this plan is available on our website ([www.whakatane.govt.nz](http://www.whakatane.govt.nz)).

## Why we do it

Providing the facilities for the community to dispose of waste in a convenient and secure way helps to protect public health and reduces the harmful effects of waste getting into the environment.

Our recycling functions reduce the amount of waste going to landfill, helping to reduce transportation

Community Outcomes



and disposal costs, whilst also reducing the negative impacts of harmful chemicals getting into the environment and limiting the need for new natural resources to be extracted from the ground.

Through reprocessing greenwaste we can reduce the cost of disposal and minimise the risk of harm caused to the environment, by disposing of this waste and turning the waste into a product that is valuable to the Council and the community. Similarly, we reuse reprocessed concrete in construction projects to reduce costs.

Our facilities are designed to minimise fly-tipping and reduce issues of odour or contamination caused by incorrectly disposed waste.

## What negative impact this might have

Sometimes the activities that we do can have a negative impact. While we strive to ensure that we operate in a way that provides the most positive outcomes, we have to acknowledge that sometimes

there is a trade-off. The table below shows the possible negative effects of this activity and also what we are going to do to try and minimise these effects.

SIGNIFICANT NEGATIVE EFFECT	SUSTAINABLE SOLUTION
Transporting waste outside of the District has increased negative impact through the cost of fuel, the emissions from the trucks and the impact on the Council's roading system.	Reducing the amount of waste being transported out of the District through increased recycling and reprocessing as described in the Waste Management and Minimisation Plan.
Environmental impacts caused by the discharge of contaminants to land and water from closed landfills.	Compliance with resource consent and aftercare management. Regular monitoring.

## What we are going to do

The Council is planning to undertake the following key capital projects. The full list of capital projects can be found in the 'Our Costs in Detail' chapter.

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Green Waste Processing Plant	2015/16	200,000	Subsidy 25% Development Contributions 75%

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
Waste minimisation is actively promoted within the community	Decrease in the amount of Council controlled solid waste that is sent to landfill	11,178 tonnes sent to landfill	11,000 tonnes sent to landfill	10,900 tonnes sent to landfill	10,800 tonnes sent to landfill	10,700 tonnes sent to landfill
The community has access to affordable kerbside collection, waste disposal and recycling facilities	User satisfaction with refuse disposal (transfer station facilities)	87%	85-89%	85-89%	85-89%	86-90%
	User satisfaction with the kerbside waste collection service	91%	89-93%	89-93%	89-93%	90-94%



# Environmental Sustainability

Te pūtaiao

RESOURCE MANAGEMENT – POLICY  
RESOURCE MANAGEMENT – CONSENTS



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

Funding Impact Statement for 2015-2025 - Environmental Sustainability

AP 2014/15 \$000		LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000
<b>SOURCES OF OPERATING FUNDING</b>											
1,155	General rates, uniform annual general charges, rates penalties	1,579	1,703	1,536	1,790	1,839	1,885	1,927	1,968	2,034	2,013
-	- Targeted rates	-	-	-	-	-	-	-	-	-	-
-	- Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
275	Fees and charges	275	282	289	297	306	315	325	335	347	359
-	- Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
101	Local authorities fuel tax, fines, infringement fees, and other receipts	101	104	106	109	112	116	119	123	127	132
<b>1,531</b>	<b>Total operating funding (A)</b>	<b>1,955</b>	<b>2,089</b>	<b>1,931</b>	<b>2,196</b>	<b>2,257</b>	<b>2,316</b>	<b>2,371</b>	<b>2,426</b>	<b>2,508</b>	<b>2,504</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
1,205	Payments to staff and suppliers	1,017	1,209	1,035	1,047	1,083	1,114	1,150	1,182	1,228	1,266
163	Finance costs	185	172	157	140	122	105	87	66	44	21
568	Internal charges and overheads applied	618	639	659	674	698	722	736	759	791	814
-	- Other operating funding applications	-	-	-	-	-	-	-	-	-	-
<b>1,936</b>	<b>Total applications of operating funding (B)</b>	<b>1,820</b>	<b>2,020</b>	<b>1,851</b>	<b>1,861</b>	<b>1,903</b>	<b>1,941</b>	<b>1,973</b>	<b>2,007</b>	<b>2,063</b>	<b>2,101</b>
<b>(405)</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>135</b>	<b>69</b>	<b>80</b>	<b>335</b>	<b>354</b>	<b>375</b>	<b>398</b>	<b>419</b>	<b>445</b>	<b>403</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
-	- Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	- Development and financial contributions	-	-	-	-	-	-	-	-	-	-
462	Increase (decrease) in debt	(241)	(255)	(271)	(287)	(305)	(322)	(341)	(362)	(384)	(340)
-	- Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	- Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	- Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
<b>462</b>	<b>Total sources of capital funding (C)</b>	<b>(241)</b>	<b>(255)</b>	<b>(271)</b>	<b>(287)</b>	<b>(305)</b>	<b>(322)</b>	<b>(341)</b>	<b>(362)</b>	<b>(384)</b>	<b>(340)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>											
Capital expenditure											
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
-	- to improve level of service	-	-	-	-	-	-	-	-	-	-
-	- to replace existing assets	-	-	-	-	-	-	-	-	-	-
57	Increase (decrease) in reserves	(107)	(187)	(192)	48	49	53	56	58	61	62
-	- Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
<b>57</b>	<b>Total applications of capital funding (D)</b>	<b>(107)</b>	<b>(187)</b>	<b>(192)</b>	<b>48</b>	<b>49</b>	<b>53</b>	<b>56</b>	<b>58</b>	<b>61</b>	<b>62</b>
<b>405</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(135)</b>	<b>(69)</b>	<b>(80)</b>	<b>(335)</b>	<b>(354)</b>	<b>(375)</b>	<b>(398)</b>	<b>(419)</b>	<b>(445)</b>	<b>(403)</b>
-	Funding Balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-

# Resource Management – Policy



Community Outcomes

## What this activity delivers

Through this activity we prepare plans and policies that implement the Resource Management Act 1991 (RMA), specifically the District Plan. The District Plan controls the way we use, subdivide and develop land in the District. It identifies where activities can take place, what land can be developed and what special features of our District should be protected.

## Why we do it

We provide this activity to enable the use and development of land while protecting the special places the community values. This is done through careful consideration and balancing of the need to protect our heritage, maintaining quality living environments and enabling development and growth. The District Plan is the key tool for achieving this and is also a legal requirement under the RMA.

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
Growth and development is planned while our natural and physical resources are managed in a sustainable manner	Status of second generation Whakatāne District Plan	Hearings in progress	Decisions released October 2015		Plan made Operative	Plan changes identified and initiated

Our District Plan is currently under review. The review process involves a robust process of weighing up the costs (both financial and environmental) and benefits (to the long term well-being of the community) of the decisions we make.

The Council is currently undertaking an assessment of landslide and debris flow risks in the vicinity of the escarpments at Whakatāne, Ōhope and Matatā. This work is intended to provide better understanding of the nature and extent of these hazards and the risks they may present and may require additional changes to the District Plan. The Council will also be responding to the Bay of Plenty Regional Council's decisions relating to their Regional Policy Statements on Freshwater Management and Natural Hazards which will require additional changes to the District Plan.

An additional \$5,000 a year has been budgeted for our work in the Rangitāiki River Forum. The forum is an important partnership between ourselves, Bay of Plenty Regional Council and Iwi.

# Resource Management – Consents

## What this activity delivers

This activity implements the District Plan and environmental policies through resource consents and advice.

We receive, process, and determine applications to use, develop and subdivide land. When assessing applications or providing advice, we look at how it will affect the community as a whole, while balancing this with the needs of the applicant. We also monitor compliance with the conditions of consents to ensure any negative effects on the environment are avoided, remedied or mitigated. This sometimes means there are appeals to the Environment Court on our decisions and managing this process is an important part of this activity.

## Why we do it

The aim of this activity is to ensure everybody in the District enjoys where we live and decisions are made in line with our District Plan. The District Plan and supporting policies have a number of conditions on how, what and where you can use land. We work with developers to facilitate new initiatives and developments in our District and ensure the advice we give and consents we issue benefit the wider community, while facilitating good development decisions.



Community Outcomes

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
Resource Management Act (RMA) administrative services are provided to facilitate environmentally sustainable development within the Whakatāne District	User satisfaction with Council's resource consent process	63.3/100	61-65/100	62-66/100	63-67/100	64-68/100
	Time for processing non-notified land-use resource consents	14.9 days	15 days	15 days	15 days	15 days
	Time for processing non-notified subdivision resource consents	14.9 days	20 days	20 days	20 days	20 days
	Land use consents granted in the previous financial year are monitored for compliance with conditions of consent	New measure	100%	100%	100%	100%



# Community Safety

*Te whakamaru o tū*

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



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

Funding Impact Statement for 2015-2025 - Community Safety

AP 2014/15 \$000		LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000
<b>SOURCES OF OPERATING FUNDING</b>											
1,522	General rates, uniform annual general charges, rates penalties	1,640	1,694	1,610	1,684	1,709	1,793	1,811	1,902	1,938	2,038
-	Targeted rates	-	-	-	-	-	-	-	-	-	-
55	Subsidies and grants for operating purposes	5	5	5	5	6	6	6	6	6	7
1,197	Fees and charges	1,075	1,102	1,131	1,161	1,195	1,231	1,269	1,311	1,355	1,404
-	Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-
431	Local authorities fuel tax, fines, infringement fees, and other receipts	400	410	421	432	445	458	472	488	504	522
<b>3,206</b>	<b>Total operating funding (A)</b>	<b>3,120</b>	<b>3,210</b>	<b>3,166</b>	<b>3,281</b>	<b>3,354</b>	<b>3,487</b>	<b>3,557</b>	<b>3,706</b>	<b>3,803</b>	<b>3,971</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
2,029	Payments to staff and suppliers	1,851	1,923	1,850	1,929	1,955	2,044	2,076	2,177	2,217	2,332
-	Finance costs	-	-	-	-	-	-	-	-	-	-
911	Internal charges and overheads applied	1,144	1,182	1,215	1,246	1,290	1,329	1,359	1,401	1,455	1,503
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
<b>2,941</b>	<b>Total applications of operating funding (B)</b>	<b>2,995</b>	<b>3,105</b>	<b>3,065</b>	<b>3,175</b>	<b>3,245</b>	<b>3,373</b>	<b>3,435</b>	<b>3,578</b>	<b>3,672</b>	<b>3,835</b>
<b>265</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>125</b>	<b>105</b>	<b>101</b>	<b>106</b>	<b>109</b>	<b>114</b>	<b>122</b>	<b>128</b>	<b>131</b>	<b>136</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
7	Subsidies and grants for capital expenditure	-	72	-	76	-	-	83	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
(3)	Increase (decrease) in debt	(2)	(2)	(2)	-	-	-	-	-	-	-
-	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
<b>4</b>	<b>Total sources of capital funding (C)</b>	<b>(2)</b>	<b>70</b>	<b>(2)</b>	<b>76</b>	<b>-</b>	<b>-</b>	<b>83</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>											
Capital expenditure											
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
-	- to improve level of service	19	103	-	108	-	-	118	-	-	-
21	- to replace existing assets	-	-	-	-	-	-	-	-	-	-
248	Increase (decrease) in reserves	103	72	99	75	110	115	87	129	130	135
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
<b>269</b>	<b>Total applications of capital funding (D)</b>	<b>122</b>	<b>175</b>	<b>99</b>	<b>183</b>	<b>110</b>	<b>115</b>	<b>205</b>	<b>129</b>	<b>130</b>	<b>135</b>
<b>(265)</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(125)</b>	<b>(105)</b>	<b>(101)</b>	<b>(106)</b>	<b>(109)</b>	<b>(114)</b>	<b>(122)</b>	<b>(128)</b>	<b>(131)</b>	<b>(136)</b>
-	Funding Balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-

# Licensing (Alcohol and Gambling)

Community  
Outcomes



## What this activity delivers

This activity is about licensing premises and people to control and manage the consumption of alcohol, and the location and number of Class IV gaming venues in our District.

We assist and provide administrative support for the District Licencing Committee. This involves processing and issuing licences relating to the sale of alcohol, for example, on and off licenses, temporary authorities, clubs and special licences, and manager certificates. We work closely with other organisations such as the NZ Police and Toi Te Ora Public Health in delivering this function, to perform controlled purchase operations to monitor adherence to license conditions and measure achievement in reducing harm.

Under this activity we also develop and administer the Gambling Policy for Class IV Venues (Gaming machine venues) and Board Venues (TABs).

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS			
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18
Licensed premises comply with the Sale and Supply of Alcohol Act 2012	Regular inspections of Licensed premises	100% annually	100% annually	100% annually	100% annually
	Regular controlled purchase operations are conducted	2	2	2	2

## Why we do it

We undertake this activity to protect and enhance the well-being of the community and reduce the harmful social effects that excessive and unsafe exposure to alcohol and gambling facilities can result in. This activity also promotes responsible drinking habits and helps to create safe environments. The Sale and Supply of Alcohol Act 2012 and the Gambling Act 2003 require us to provide this activity.

# Environmental Health

## What this activity delivers

This activity delivers three key functions. Firstly, the licensing of registered premises, including food premises, camping grounds, funeral directors and hairdressers. Secondly, the monitoring of the state of the environment, including public and private water supplies, environmental noise and contaminated land. And finally, providing a response to nuisance complaints, such as excessive and unreasonable noise, offensive refuse and odour from neighbouring properties.

## Why we do it

This activity monitors environmental and public health standards to keep the community safe and healthy. This is achieved by acting in an advisory and monitoring role as well as an enforcement agency when necessary. We ensure that public health is maintained so you are confident that your food is safe when you go out to eat, or the neighbouring commercial business is not making unreasonable noise. This activity is regulated by the Food Act 2014, the Health Act 1956, the Resource Management Act 1991, the Building Act 2004, and associated regulations and bylaws.

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
Community Environmental Health values are maintained or enhanced	After hours excessive noise complaints responded to promptly*	87%	87%	90%	90%	90%
	Environmental health complaints (excluding noise) responded to in a timely manner	100% within 2 working days	100% within 2 working days	100% within 2 working days	100% within 2 working days	100% within 2 working days
	Food premises are regularly inspected and registrations are issued	100% annually	100% annually	100% annually	100% annually	100% annually

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

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



Community Outcomes

# Regulation Monitoring

## What this activity delivers

This activity enforces a number of Council bylaws. Key duties include licensing of street stalls, removing obstructions in public places such as overgrown trees, responding to complaints about long grass in urban areas, fire prohibitions, removing abandoned vehicles or vehicles parked in the wrong place and responding to illegal dumping.

## Why we do it

We undertake this activity in response to public demand to deal with the issues of nuisance, public health and safety and offensive behaviour. There is a public expectation we will respond to and enforce bylaws and statutes where required. We have an obligation under the Local Government Act 2002 and the Litter Act 1979 to undertake these activities.

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
The Council administers and enforces bylaws to deal with issues that create nuisance to the community	Time taken to respond to complaints relating to abandoned cars, litter or general bylaw offence	100% within 2 working days	100% within 2 working days	100% within 2 working days	100% within 2 working days	100% within 2 working days



Community  
Outcomes



# Building

## What this activity delivers

The Building activity is responsible for receiving, processing and issuing building consents. We conduct inspections and enforce building consents in terms of what is built and how it is built. This means we also respond to building related complaints and people come to us when they are buying or building a home for advice on development rules.

An Earthquake Prone Building Project is planned for the first two years of the LTP, to implement the Council's Earthquake-prone Building Policy and changes to the earthquake-prone building provisions of the Building Act 2004. It is budgeted to cost \$180,000 over the two years.

## Why we do it

This activity focuses on protecting the community from unsafe buildings and ensures buildings are designed and constructed in a manner that promotes sustainable development. There is strong community demand to ensure we undertake building consents in a manner that contributes to the health and well-being of the community. This activity is regulated principally under the Building Act 2004.

We work hard to try and ensure people, including developers, understand the requirements, the costs and timeframes. Providing advice and guidance through the process is an important part of the activity and helps to generate successful outcomes for all. We encourage people to come in and talk to us before or during works to ensure things are done correctly the first time.



Community  
Outcomes

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
High quality outcomes for building consent and code compliance applications are provided in a timely and professional manner	User satisfaction with the process Council used for your building consent	76.2/100	74-78 /100	75-79 /100	76-80 /100	77-81 /100
	Time for processing building consents	8.63 working days	15 working days	15 working days	15 working days	15 working days
	Retain accreditation as a Building Control Authority	Retained	Retained	Retained	Retained	Retained

# Animal Control

## What this activity delivers

This activity covers the areas of dog and stock control. We deliver services for dog registration, educating the public on responsible animal ownership, and we receive complaints and issue fines for breaches. The pound service is also run under this activity.

## Why we do it

Our aim is to protect public safety. This service safeguards the public from wandering, threatening and aggressive animals. We also operate the pound service to give roaming or abandoned animals shelter and food. This involves re-housing stray animals where possible and appropriate. We have a statutory responsibility to undertake this activity, through the Dog Control Act 1996 and the Stock Impounding Act 1955.

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
Public safety and comfort is protected	Aggressive/threatening dogs and roaming stock complaints responded to immediately	100% < 1 hour	100% < 1 hour	100% < 1 hour	100% < 1 hour	100% < 1 hour
	All other Animal Control complaints responded to in a timely manner	100% < 2 working days	100% < 2 working days	100% < 2 working days	100% < 2 working days	100% < 2 working days

Community Outcomes



# Emergency Management

## What this activity delivers

We recognise our District is located in an area exposed to a variety of natural hazards, including flooding, earthquakes, tsunamis and more. The purpose of this activity is to ensure the community is ready and prepared for a natural hazard and the adverse environmental effects that may follow.

This activity ensures we are prepared for the response to, and the recovery from, a major natural hazard event or emergency. This includes making sure we are able to respond quickly and appropriately to a situation threatening our community. Part of our role involves ensuring we have the resources and information required to help the community recover from a disaster. We achieve this through the Civil Defence, Rural Fire and Hazardous Substances functions.

As of 1 July 2015 our rural fire service will operate under an enlarged regional rural fire authority called Pumicelands Rural Fire Authority; this will also mean changes to the geographic area that the Council administers, following rationalisation of areas of responsibility with the Department of Conservation. This generally will not change the day to day operations of rural fire services, but may in time lead to changes to the structure and management.

From 1 July 2015, many civil defence functions will be delivered by the “BOP Emergency Management”; a new regional entity with two staff retained in the Eastern Bay. While planning and work programme development will be coordinated at a regional level and be consistent with the Bay of Plenty Emergency Management Group Plan, the delivery will be undertaken locally with a strong emphasis on building community resilience and preparedness for an emergency.



Community  
Outcomes



## Why we do it

Primarily we undertake this role due to the strong community desire for us to take the lead in an emergency situation. There are also statutory obligations for the Council to be involved in Civil Defence, Rural Fire and Hazardous Substances planning and response under the Civil Defence and Emergency Management Act 2002, the Hazardous Substances and New Organisms Act 1996 and the Forest and Rural Fires Act 1977. Planning and training is undertaken, both locally and regionally, to mitigate the effects of natural hazards and emergency situations and ensure the safety of our community.

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
Council is ready to respond to a Civil Defence Emergency and is able to function for as long as required during an emergency.	Roles have been identified and staffed for 24 hour operation of the Emergency Operation Centre/Emergency Communications Centre and staff are trained to the appropriate level agreed by the Civil Defence Emergency Management Group.	100% of roles filled	85% of roles filled	85% of roles filled	85% of roles filled	85% of roles filled
		85% of staff trained	85% of staff trained	85% of staff trained	85% of staff trained	85% of staff trained
Council actively engages with the wider community to increase the level of awareness, preparedness and resilience.	Initiatives delivered to promote community resilience and safety.	14 initiatives delivered	8 initiatives per annum	8 initiatives per annum	8 initiatives per annum	8 initiatives per annum







# District Growth

Whakatipuranga o te rohe

STRATEGIC PROPERTY  
ECONOMIC DEVELOPMENT  
EVENTS AND TOURISM

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

Funding Impact Statement for 2015-2025 - District Growth

AP 2014/15 \$000		LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000
<b>SOURCES OF OPERATING FUNDING</b>											
630	General rates, uniform annual general charges, rates penalties	931	934	984	974	1,040	1,075	1,086	1,106	1,150	1,195
406	Targeted rates	431	442	454	466	478	492	507	522	540	559
50	Subsidies and grants for operating purposes	46	47	48	50	51	53	54	56	58	60
2,399	Fees and charges	2,443	2,537	2,603	2,727	2,831	2,920	3,269	3,377	3,492	3,617
142	Internal charges and overheads recovered	199	204	210	215	255	366	448	540	634	743
35	Local authorities fuel tax, fines, infringement fees, and other receipts	28	28	39	41	42	43	44	46	47	49
<b>3,661</b>	<b>Total operating funding (A)</b>	<b>4,078</b>	<b>4,192</b>	<b>4,338</b>	<b>4,473</b>	<b>4,697</b>	<b>4,949</b>	<b>5,408</b>	<b>5,647</b>	<b>5,921</b>	<b>6,223</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
1,050	Payments to staff and suppliers	1,322	1,347	1,371	1,418	1,448	1,503	1,537	1,598	1,640	1,711
9	Finance costs	6	6	6	5	5	4	4	4	3	3
658	Internal charges and overheads applied	747	770	793	817	846	872	890	915	952	982
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
<b>1,717</b>	<b>Total applications of operating funding (B)</b>	<b>2,075</b>	<b>2,123</b>	<b>2,170</b>	<b>2,240</b>	<b>2,299</b>	<b>2,379</b>	<b>2,431</b>	<b>2,517</b>	<b>2,595</b>	<b>2,696</b>
<b>1,944</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,003</b>	<b>2,069</b>	<b>2,168</b>	<b>2,233</b>	<b>2,398</b>	<b>2,570</b>	<b>2,977</b>	<b>3,130</b>	<b>3,326</b>	<b>3,527</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
-	Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
(7)	Increase (decrease) in debt	(7)	(7)	(7)	(8)	(8)	(8)	(8)	(8)	(8)	(8)
500	Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
<b>493</b>	<b>Total sources of capital funding (C)</b>	<b>(7)</b>	<b>(7)</b>	<b>(7)</b>	<b>(8)</b>	<b>(8)</b>	<b>(8)</b>	<b>(8)</b>	<b>(8)</b>	<b>(8)</b>	<b>(8)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>											
Capital expenditure											
-	- to meet additional demand	-	-	-	-	-	-	-	-	-	-
-	- to improve level of service	-	-	-	-	-	-	-	-	-	-
33	- to replace existing assets	90	85	102	108	114	171	173	127	137	155
2,403	Increase (decrease) in reserves	1,905	1,975	2,058	2,118	2,275	2,391	2,795	2,995	3,182	3,362
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
<b>2,436</b>	<b>Total applications of capital funding (D)</b>	<b>1,995</b>	<b>2,060</b>	<b>2,160</b>	<b>2,226</b>	<b>2,389</b>	<b>2,562</b>	<b>2,968</b>	<b>3,122</b>	<b>3,319</b>	<b>3,517</b>
<b>(1,944)</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,003)</b>	<b>(2,069)</b>	<b>(2,168)</b>	<b>(2,233)</b>	<b>(2,398)</b>	<b>(2,570)</b>	<b>(2,977)</b>	<b>(3,130)</b>	<b>(3,326)</b>	<b>(3,527)</b>
-	Funding Balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-

# Strategic Property

## What this activity delivers

This activity manages commercial assets vested in the Council and includes a number of different properties attributed to the harbour fund. The majority of these are held in perpetual ground lease.

The Council is the major landowner of the Whakatāne CBD, through the Harbour Endowment Fund. From an economic development perspective, the Council intends to leverage off the ownership of these strategic land holdings. The Town Vision outlines the Council's vision and plan for the future of the Whakatāne CBD and acts as our guiding document in this regard.

## Why we do it

We keep these properties because they are in a strategic location or may have a potential value to the Council and community in the future.

The assets of the Harbour Board were gifted to the Council for the benefit of the community as Harbour Endowment Land and the Council has an obligation to maintain, operate and develop the port and harbour facilities and surrounds for the good of the community. The harbour endowment land earns income through leases, which is used to pay for the on-going operation, maintenance and improvements of the ports and harbour facilities and surrounds. This includes contributing to the cost of operating and maintaining facilities and services that sit on Harbour Land. See the Ports and Harbour activity for detail about how we are developing our harbour assets, through the Harbour Endowment Fund.

The Council also owns other strategic property that has been acquired for a specific purpose, because of their strategic location or potential value to the Council and community in the future. The Council manages these assets, under this activity, until they can be used for their intended purpose.

Community Outcomes





# Economic Development

## What this activity delivers

Economic Development is a key focus area for the Council and forms an important part of the future that the LTP 2015-25 intends to facilitate. This activity undertakes projects to improve the economic wellbeing of the Whakatāne District by encouraging investment, promoting vitality within the Whakatāne CBD, marketing, tourism and district promotion and supporting local business and industry. We will also look to foster regional development through cooperation with Iwi, neighbouring Councils and other bodies.

This activity also acts as Council's interface with the Grow Whakatāne Advisory Board, a body set up by Council to provide advice on how best the Council can facilitate economic growth and development in the District. The activity will look to implement the Grow Whakatāne Action Plan currently being finalised.

## Why we do it

We provide this service at the request of the community and businesses, recognising the strong desire for local decision making and action, by Council, to promote and encourage economic development and prosperity in the District.

Whilst we have a whole of Council approach to economic development, a specific activity to drive this key focus area is also necessary. The activity looks to facilitate and support economic growth for the District, resulting in a positive future for the community. It recognises that both the urban and rural areas drive our economy and that future growth and development is necessary in both.

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
Facilitate a thriving and vibrant local community with a prosperous economy	Satisfaction with Council's efforts to attract and expand business in your area	36%	34-38%	36-40%	38-42%	40-44%
	Satisfaction with Council's efforts to attract and retain residents into the District	46%	44-48%	46-50%	48-52%	50-54%



Community Outcomes

# Events and Tourism

## What this activity delivers

The Council promotes the District and region, both nationally and internationally, in order to market the area and attract visitors. The activity also facilitates and supports local events, attracting people to the area and helping make the District a vibrant community. This activity also provides information about services and facilities available to the local community and visitors, through the Visitor Centre, which also act as a showcase of the best of the region and an events venue.

## Why we do it

The Council recognises the contribution to the recreational and prosperity outcomes for the District, provided by this activity. The activity assists in fostering economic development in the District and reflects the strong community desire for Council involvement in this area.

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
Promotions that encourage increased numbers of international and domestic visitors while local events create a vibrant District	Satisfaction with the efforts Council makes to attract visitors or tourists to the area	69%	67-71%	68-72%	69-73%	70-74%
	Satisfaction with Council's efforts to enable and promote events	63%	61-65%	62-66%	63-67%	64-68%



Community Outcomes





# Recreation and Community Services

*Te whare tāpere o tānerore  
me ngā hua ka puta mā te hāpori*

LIBRARIES

MUSEUM

PENSIONER HOUSING

HALLS

PARKS, RESERVES, RECREATION AND SPORTSFIELDS

CEMETERIES AND CREMATORIUM

PUBLIC CONVENIENCES

AQUATIC CENTRES

PORTS AND HARBOUR

COMMUNITY DEVELOPMENT



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

Funding Impact Statement for 2015-2025 - Recreation and Community Services

AP 2014/15 \$000		LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000
<b>SOURCES OF OPERATING FUNDING</b>											
9,157	General rates, uniform annual general charges, rates penalties	9,001	9,327	9,533	9,740	10,087	10,457	10,692	10,951	11,271	11,573
35	Targeted rates	16	17	18	18	20	21	20	21	22	22
552	Subsidies and grants for operating purposes	458	363	373	383	394	405	417	430	445	460
1,840	Fees and charges	1,339	1,425	1,471	1,525	1,576	1,733	1,789	1,865	1,939	2,029
984	Internal charges and overheads recovered	1,012	1,095	1,161	1,232	1,265	1,303	1,343	1,388	1,433	1,485
170	Local authorities fuel tax, fines, infringement fees, and other receipts	169	173	178	182	187	193	199	205	212	219
<b>12,738</b>	<b>Total operating funding (A)</b>	<b>11,995</b>	<b>12,400</b>	<b>12,734</b>	<b>13,080</b>	<b>13,529</b>	<b>14,112</b>	<b>14,460</b>	<b>14,860</b>	<b>15,322</b>	<b>15,788</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
7,058	Payments to staff and suppliers	6,756	6,768	6,927	7,101	7,341	7,703	7,977	8,221	8,504	8,753
757	Finance costs	698	707	691	711	678	688	670	651	622	607
4,193	Internal charges and overheads applied	4,290	4,468	4,553	4,687	4,830	4,981	5,104	5,249	5,450	5,626
-	Other operating funding applications	-	-	-	-	-	-	-	-	-	-
<b>12,008</b>	<b>Total applications of operating funding (B)</b>	<b>11,744</b>	<b>11,943</b>	<b>12,171</b>	<b>12,499</b>	<b>12,849</b>	<b>13,372</b>	<b>13,751</b>	<b>14,121</b>	<b>14,576</b>	<b>14,986</b>
<b>730</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>251</b>	<b>457</b>	<b>563</b>	<b>581</b>	<b>680</b>	<b>740</b>	<b>709</b>	<b>739</b>	<b>746</b>	<b>802</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
60	Subsidies and grants for capital expenditure	382	-	70	4,343	3,326	-	-	-	-	-
82	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
87	Increase (decrease) in debt	68	(208)	(227)	(145)	554	(374)	(352)	(393)	(375)	(381)
-	Gross proceeds from sale of assets	625	625	625	625	-	-	-	-	-	-
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
<b>229</b>	<b>Total sources of capital funding (C)</b>	<b>1,075</b>	<b>417</b>	<b>468</b>	<b>4,823</b>	<b>3,880</b>	<b>(374)</b>	<b>(352)</b>	<b>(393)</b>	<b>(375)</b>	<b>(381)</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>											
Capital expenditure											
390	- to meet additional demand	279	1,024	7	12	29	18	13	23	18	103
664	- to improve level of service	1,727	451	359	3,656	2,783	311	305	285	294	323
1,801	- to replace existing assets	1,009	1,917	6,790	5,232	5,372	2,417	1,476	1,262	2,056	1,521
(1,896)	Increase (decrease) in reserves	(1,689)	(2,518)	(6,125)	(3,496)	(3,624)	(2,380)	(1,437)	(1,224)	(1,997)	(1,526)
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
<b>959</b>	<b>Total applications of capital funding (D)</b>	<b>1,326</b>	<b>874</b>	<b>1,031</b>	<b>5,404</b>	<b>4,560</b>	<b>366</b>	<b>357</b>	<b>346</b>	<b>371</b>	<b>421</b>
<b>(730)</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(251)</b>	<b>(457)</b>	<b>(563)</b>	<b>(581)</b>	<b>(680)</b>	<b>(740)</b>	<b>(709)</b>	<b>(739)</b>	<b>(746)</b>	<b>(802)</b>
-	Funding Balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-

# Libraries

## What this activity delivers

There are four libraries in the Whakatāne District, which offer access to collections of contemporary and relevant information through books, art, internet, eBooks and databases, public programmes and activities. These facilities also provide a community place for residents and visitors to enjoy on their own or with friends, family and tourists. There is a growing use of the Whakatāne Library by community groups for meetings who in turn provide learning opportunities. The public libraries are located in Whakatāne, Murupara, Edgecumbe and Ōhope. The Whakatāne Horizon Energy Library is the largest and most centrally located library in the District and along with Murupara are the only Council staffed libraries. The libraries in Edgecumbe and Ōhope are resourced by volunteers. Collectively the libraries have over 14,000 card holders. Free wireless internet access and a number of computers are provided at the Whakatāne and Murupara Libraries, through the Aotearoa Peoples Network Kaharoa service. All libraries have areas where children can play educational games and everyone

has access to colour printers and online access to databases, including ancestry.com.

The Council will make enhancements to the library services offered throughout the District to keep up with changing technology and community demand. This is represented through a change to a portion of our budgets from printed books, to digital material. We will also continue to investigate alternative and improved options for delivering the library service to the community.

## Why we do it

We provide this activity in response to public demand and on behalf of the community. The District libraries are community hubs, providing resources and opportunities to the community through access to visual, audio, reading and writing, kinaesthetic and digital information. Providing this material supports the ongoing development and empowerment of the wider community and provides them access to relevant information whether it is for leisure, research or education.

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
The Council ensures all members of the community have ready access to a wide range of resources for information, education, leisure and cultural enrichment	User satisfaction with public libraries	85%	83-87%	83-87%	83-87%	83-87%
	Number of people utilising Te Kōputu a te Whanga-a-Toi Whakatāne Library and Exhibition Centre (includes foot traffic only)	New measure	220,000	220,000	220,000	220,000



Community Outcomes

# Museum

## What this activity delivers

This activity manages the preservation, display and provision of education around the artefacts and other historical assets on behalf of the community.

The museum and gallery collections are largely drawn from the Eastern Bay of Plenty area with some items from overseas, including the South Pacific and Europe. The collection contains over 200,000 items, which includes a number of items deemed to be of national importance – these range from Tāonga Māori to the Beacon Photographic Collection, recently gifted to the Museum.

The Whakatāne Library and Exhibition Centre, Te Kōputu a te Whanga a Toi, offers an exhibition space for a number of local, national and international exhibitions. These exhibitions include items of local interest, objects found in the District, as well as the nationally recognised Molly Morpeth Canaday Awards. The Library and Exhibition Centre can only display a small portion of our collection; the majority of items are stored in the separate Museum building.

## Why we do it

We do this activity to support the cultural, educational, leisure and community values of the District. Not only is the role of the museum and gallery to preserve our cultural heritage inter-generationally, but it is also used to provide a significant sense of pride in the place we have chosen to live. The facilities attract a number of researchers to the area and develop the District's cultural heritage tourism potential. The activity ensures kaitiakitanga is maintained for successive generations, through secure and sustainable storage. There are also legislative and museum standards that the Council is expected to comply with.



Community  
Outcomes

## What we are going to do

The Council is planning to undertake the following key capital projects. The full list of capital projects can be found in the 'Our Costs in Detail' chapter.

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Museum & Research Centre (Boon Street) Redevelopment*	2015-17	4,240,000	Subsidy 70.7% Loan 25.7% Renewal 4.5%

\*Budgeted under the Corporate Property activity.

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
The Council provides for the safe storage, preservation and access to our community's treasures and archives.	User satisfaction with the Museum*	85%	-	-	-	85-90%
The Council provides dynamic facilities and services that help create a strong sense of community pride and identity, reflecting the heritage and culture of our region	User satisfaction with the Exhibition Centre	88%	86-90%	86-90%	86-90%	87-91%

\*The decrease in satisfaction for Museum services is a result of the Museum undergoing redevelopment over the next 3 years therefore limiting services. It is envisaged that the Museum will be fully functional in the year 2018/19



# Pensioner Housing

## What this activity delivers

We currently own six housing developments for the benefit of the elderly in our District. There are four housing developments that provide 72 rentable units in Whakatāne, and two in Murupara that provide a further seven rentable units. This activity is guided by the Pensioner Housing Policy.

## Why we do it

We do this to ensure the safety and protection of the elderly tenants. The units are rented at 20% below market rate, meaning tenants are paying slightly less rent than they would pay to a private owner. The units do not cost ratepayers money to maintain as they are self-funding. Any income received from this activity is used for the operation, management and refurbishment of the units.

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
Affordable, safe and secure pensioner housing is provided to people who meet the Whakatāne District Council eligibility criteria	Number of Council Pensioner Units provided*	79	0	0	0	0

*\*The Council is proposing to transfer its Pensioner Housing Units to an approved Community Housing Provider in 2015/16. More about this can be found in the 'Priorities for the next ten years' section of this LTP.*



Community  
Outcomes

# Halls

## What this activity delivers

There are 14 urban and rural community based halls in the Whakatāne District, including the Whakatāne and District War Memorial Hall. These halls are hired by the community for a reasonable fee and are frequently used for sports, events, meetings and social occasions. The halls are spread across the District and are a valued asset to the community. The halls are available for the recreation, cultural, social and sporting needs of the community. They are facilities for the whole community to utilise and we aim to keep them affordable and available for all. Through the provision of these facilities, we aim to meet the needs of the community.

## Why we do it

We do this activity to provide the community with facilities to build community spirit and encourage recreational, social and learning activities, recognising their contribution to the Council’s ‘Community Needs’ outcome. The activity reflects the fact that communities value and use their halls and want them to be retained at an affordable level.

This activity is guided by the Community Halls Strategy and Community Halls Policy.

## What we are going to do

The Council is planning to undertake the following key capital project. The full list of capital projects can be found in the ‘Our Costs in Detail’ chapter.

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Multi Sports Events Centre	2017-20	10,597,000	Loan 19% Subsidy 66.8% Renewal 9.4% Development Contribution 4.8%

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
The community is provided with sufficient community halls and pavilions that are functional, affordable and available	User satisfaction with public halls	77%	76-80%	76-80%	76-80%	76-80% (increasing to 78-82% in year 7 following construction of a multi-sports centre)



Community Outcomes

# Parks, Reserves, Recreation and Sportsfields

## What this activity delivers

We provide reserves across the District, in the urban areas of Whakatāne, Edgecumbe, Murupara, Ōhope and Tāneatua and throughout rural areas of the District.

Our reserves are either local reserves designed to meet the needs of local neighbourhoods, or community reserves providing a wider range of facilities and attracting users from the wider community. Many of these reserves include playground facilities such as swings, slides and climbing frames. Some of our reserves provide sportsfields used mainly for organised sport. Specific reserves alongside riverbanks, lakes or the coast provide for passive recreation, access to the water and conservation values. We also maintain a number of reserves for operational purposes. For example, road reserves that have our infrastructure buried beneath them making them inappropriate for any other use.

We have a duty to maintain and manage our assets, on our reserves, and this includes our trees. We will be developing a tree management strategy and carrying out works, at a cost of \$445,000 each year.

We work with other community groups and organisations to look to develop the walking and cycling facilities in our District and beyond. The Council, alongside Kawerau and Ōpōtiki District Councils, will develop an Eastern Bay of Plenty Cycle Trails Strategy. The Strategy will look to develop and promote cycle trails within and between the districts to form an Eastern Bay of Plenty cycle trail network.

This Council also has a includes a partnership fund of \$75,000 per annum that the Council has made available to support local projects and groups with walking and cycling initiatives.

Similarly, we will work in partnership with other organisations to progress our Whakatāne River Greenways Concept Plan. This Plan provides direction and a framework for the future development of the walkway and reserves adjacent to the Whakatāne River. The Sullivan Lake Reserve Management Plan will be finalised, following public consultation, in 2015/16. The Dog Park, which is a project that the came through strongly from submitters in the last LTP, will be developed in 2015/16. Also, a joint project, involving the Whakatāne District Council, Te Rūnanga o Ngāti Awa and other key stakeholders, will develop a heritage trail/hikoi, showcasing Whakatāne's historic sites, rich culture and heritage.

## Why we do it

There is a strong desire from the community to have quality recreational space available. We provide the facilities in the most appropriate and convenient locations. Having accessible recreational spaces helps to build communities that interact with each other, are healthy, happy and well connected. Providing recreational spaces means clubs are established and maintained that make use of the facilities, which increases opportunities and activities for all in the District.



Community  
Outcomes

## What we are going to do

The Council is planning to undertake the following key capital projects. The full list of capital projects can be found in the 'Our Costs in Detail' chapter.

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Walking and Cycling Projects	2015-25	750,000	Restricted Reserves 100%
Harbour Beautification	2015-25	500,000	Restricted Reserves 95.2% Development Contribution 4.8%
Coastal Land Acquisition	2015-25	1,000,000	Loan 95.2% Development Contribution 4.8%
Wairaka Centennial Park Improvements	2015/16	870,000	Restricted Reserve 44% Subsidy 31% Development Contributions 16% Renewals 9%
Dog Park	2015-16	50,000	Restricted Reserves 100%

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
Assets are well maintained throughout all parks and recreational facilities to provide a high standard of appearance and functionality	User satisfaction with parks and reserves in the Whakatāne District	89%	87-91%	87-91%	87-91%	88-92%
Adequate playgrounds are provided to meet the needs of users and are kept to a high standard.	User satisfaction with playgrounds in the Whakatāne District	87%	85-89%	85-89%	85-89%	86-90%
Adequate sports fields/ grounds are provided to meet the needs of users.	User satisfaction with sports fields in the Whakatāne District	90%	88-92%	88-92%	88-92%	89-93%
	Amount of active recreation space available in the District per 1,000 people	1.5ha	1.5ha	1.5ha	1.5ha	1.5ha



# Cemeteries and Crematorium

## What this activity delivers

This service focuses on providing cemetery and crematorium facilities for the community. This includes providing the services of a sexton and a venue for a crematorium service. We manage six cemeteries, located in Whakatāne (Hillcrest and Domain Road), Tāneatua, Waimana, Murupara/Galatea and Matatā, which is managed by a trust on our behalf.

## Why we do it

There is a strong public demand from the community for us to provide these facilities. They need to be well located throughout our District. The community requires attractive, restful facilities, which cater for the differing needs of the community, such as Returned Services Association, lawn areas and memorials. The District's cemeteries are also used by the community as a peaceful, open place to visit and walk.

The history and essence of our community is contained within our cemeteries. They tell a story about our people and events of the past. It is important that we preserve this history for future generations.

Providing these facilities helps us protect the health and safety of our community. There are specified requirements, standards and processes we must follow for the maintenance and operations of the cemeteries and crematorium. The Burial and Cremations Act 1964 requires us to provide cemeteries and clearly defines the standards we have to meet when operating them.

We have expanded the facilities we provide to include a crematorium, to respond to changing community requirements. People now look for a more sustainable way of providing for loved ones following a death.



Community  
Outcomes

## What we are going to do

The Council is planning to undertake the following key capital projects. The full list of capital projects can be found in the 'Our Costs in Detail' chapter.

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Whakatāne Cemetery Expansion	2017-19	214,033	Loan 94% Development Contribution 6%

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
Appropriate and sufficient cemetery and crematorium services are available to residents	User satisfaction with cemeteries including maintenance of cemeteries	90%	86-90%	86-90%	86-90%	86-90%
	User satisfaction with crematorium facility	85%	83-88%	83-88%	83-88%	83-88%

# Public Conveniences

## What this activity delivers

We own and operate 41 public conveniences for the use of the general community. You can find these facilities at parks, reserves, and popular recreational locations.

Often these conveniences include other facilities such as showers, changing rooms or drinking fountains. The public conveniences are regularly cleaned and monitored.

## Why we do it

There is a strong community demand for us to provide public conveniences around the District, especially at our more popular recreational spaces. These facilities meet the needs of our community when people are out and about, and are located for the convenience of people using other Council facilities such as boat ramps, playgrounds and reserves.

## What we are going to do

The Council is planning to undertake the following key capital projects. The full list of capital projects can be found in the 'Our Costs in Detail' chapter.

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Public Conveniences - New Facility Mitchell Park, Tāneatua	2016/17	135,000	Loan 100%

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
Adequate public conveniences will be provided where required in the community	User satisfaction with public toilets in the Whakatāne District	71%	69-73%	69-73%	69-73%	70-74%



Community Outcomes



# Aquatic Centres

## What this activity delivers

We provide two aquatic centres in the District - the Whakatāne District Aquatic Centre and the Murupara swimming pools, known as A H Lynd Memorial Baths. Over the first three years the Council will also be working in partnership with the Edgecumbe College School to make their pool available to the community over the summer months.

The Whakatāne District Aquatic Centre has a 25m indoor pool and a 33m outdoor heated pool - available in the summer months. Facilities at the centre also include a learners' pool, a shallow beach paddling pool, a hydro slide, two spa pools and unit for the local swim club. The facility also includes a fitness centre with gym equipment available for use. This aquatic centre is used by people from across our District.

The Murupara swimming pools are outdoors and include a paddling pool, a heated 33m swimming pool, change facilities, picnic tables and a permanent free BBQ. These are open over the summer, reflecting the operating costs of maintaining and heating the pool during the colder months.

This activity looks to meet community needs and offers several services. Learn to swim programmes

for babies through to adults are provided, exercise programmes delivered through the gym and pool (aquacise, green prescription, fitness programmes) and occupational therapy and rehabilitation programmes are available. The facilities also allow opportunities for use by schools and local clubs.

Some upgrades are planned for the Whakatāne District Aquatic Centre, as part of this LTP. One of the key projects is to replace the existing chlorine water treatment with a UV system. Other works include upgrades to the reception and office areas, renewal of the gym equipment and maintenance works.

## Why we do it

Having facilities available in our District for people to learn to swim in a safe environment has a huge benefit for the community, especially as we live in an area with many natural waterways presenting play areas for our children once they can safely swim. Opportunities to exercise and have fun in a social environment are also very important. The positive impact of swimming on our community's health and well-being is valuable. The swimming facilities and the spa pools are used for occupational therapy treatment and rehabilitation.

Community Outcomes





## What we are going to do

The Council is planning to undertake the following key capital projects. The full list of capital projects can be found in the 'Our Costs in Detail' chapter.

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Whakatāne Aquatic Centre - Pool Solar Heating	2015/16	150,000	Loan 25% Subsidy 75%
Whakatāne Aquatic Centre – UV Water Treatment	2015/16	115,000	Loan 100%
Whakatāne Aquatic Centre – Redesign of Reception, Entrance and Office	2015/16	175,000	Loan 100%

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
Quality, affordable and safe aquatic facilities will be provided in Whakatāne and Murupara.	User satisfaction with public swimming pools in the Whakatāne District.	75%	73-77%	73-77%	73-77%	75-79%
	Numbers of admissions at the Aquatic Centres	New measure	100,000	102,000	104,000	105,000

# Ports and Harbour

## What this activity delivers

This activity provides the infrastructure and facilities around our District's ports and harbours, covering 45 sites. These include the Main Commercial Wharf, Otauwhaki (Green) Wharf and the Game Wharf in Whakatāne, as well as Ōhope Wharf, Thornton and Ōhiwa ramps and various groynes (rock structures in the river which help control the flow of water) and navigational equipment. Some of the facilities around these ports and harbours include car parks, jetties, a weigh station, hardstand, wharves and navigation markers. The operation of this activity also includes services such as disking the river mouth to ensure maximum access over the bar and berths available to rent.

## Why we do it

By providing these facilities across our District's harbour and coastline we are able to enhance the economy of our District, through improved recreational and business opportunities. This has benefits for many of our residents. We undertake this activity in close conjunction with the Bay of Plenty Regional Council, sharing responsibility for different aspects of the management of the District's coastal area.

The assets of the Harbour Board were gifted to the Council for the benefit of the community as Harbour Endowment Land. We have an obligation to maintain, operate and develop these facilities for the good of the community. The Harbour Endowment Land (managed through the Strategic Property activity) earns income through leases, which we use to pay for the on-going operation, maintenance and improvements of the ports and harbour facilities. This way, we continue to provide these valuable assets to the community with minimal ratepayer funding. This helps to make the District an attractive place to work and play.



Community Outcomes

## What we are going to do

The Council is planning to undertake the following key capital projects. The full list of capital projects can be found in the 'Our Costs in Detail' chapter.

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Port Ōhope Concept Plan -Site Development	2016-21	1,685,000	Restricted Reserve 100 %
Port Ōhope Wharf Structural Repairs and Strengthening	2017/18	550,000	Renewal 100%
Whakatāne Main Wharf Replacement	2015-20	5,714,561	Renewal 20% Restricted Reserve 80%
Quay Street Wharf Construction	2015-17	1,250,000	Restricted Reserve 100%
Whakatāne Harbour Eastern Wall Strengthening	2016/17	500,000	Restricted Reserve 100%

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
Provide safe access to rivers and coastal water within the general vicinity of the Whakatāne CBD, Ohiwa Harbour and Thornton Domain	Satisfaction with harbour facilities including the port	73%	71-75%	72-76%	73-77%	74-78%

# Community Development

Community Outcomes



## What this activity delivers

This activity promotes a safe community through a variety of methods including education, interagency collaboration and externally funded programmes. This activity includes road safety, youth development and community safety.

We support and deliver projects that promote a District response to national social issues that threaten the safety and health of our communities. These projects also address specific social needs of our community. Much of the work in this activity is either completed in partnership with other agencies already working in this area or subject to external funding. For example, the Council supports and is involved in a multi-agency Social Sector trial project.

This activity includes coordinating the Whakatāne District Youth Council and developing projects, strategies and policies that improve social wellbeing or reduce crime. Our road safety programme intends to help reduce the number of crashes and fatalities suffered on our roads; it is delivered collaboratively within the Eastern Bay of Plenty.

## Why we do it

We take on a leadership role in this activity to tackle social issues in our District. These include our high level of deprivation (especially in our rural communities), high levels of criminal offences related to burglary, family violence and destruction of property, high risk of traffic crashes and generally poor health. The Council provides this activity in response to public demand. We recognise we have an important role to play in improving and guiding social issues. This includes promoting and coordinating projects, as required, which lead to a better quality of life for all our residents. Because of the nature of this activity, most projects are funded through grants and subsidies from Central Government and charitable trusts.



## What we are going to do

The Council is planning to undertake the following key capital projects. The full list of capital projects can be found in the 'Our Costs in Detail' chapter.

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
CCTV Phase 2 - Expansion of camera network and renewals	2016-22	300,000	Renewal 30% Subsidy 70%

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
Social well-being is improved in the District through a range of strategies, policies and projects	Perception of Safety in the District	93%	91-95%	91-95%	91-95%	91-95%
	Change in the number of fatalities and serious injury crashes on the local road network per annum.	21	<10	<10	<10	<10



# Corporate and District Activities

*Ngā mahinga matakite ā rohe*

CUSTOMER SERVICES  
PUBLIC AFFAIRS  
HUMAN RESOURCES  
FINANCE  
CORPORATE INFORMATION  
CORPORATE PROPERTY  
DISTRICT INCOME AND EXPENDITURE

Leadership

Roads & Footpaths

Water Supply

Sewage Treatment & Disposal

Stormwater Drainage

Solid Waste

Environmental Sustainability

Community Safety

District Growth

Recreation & Community Services

Corporate & District Activities

Council Controlled Organisations

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

Funding impact statement for 2015-2025 - Corporate & District Activities

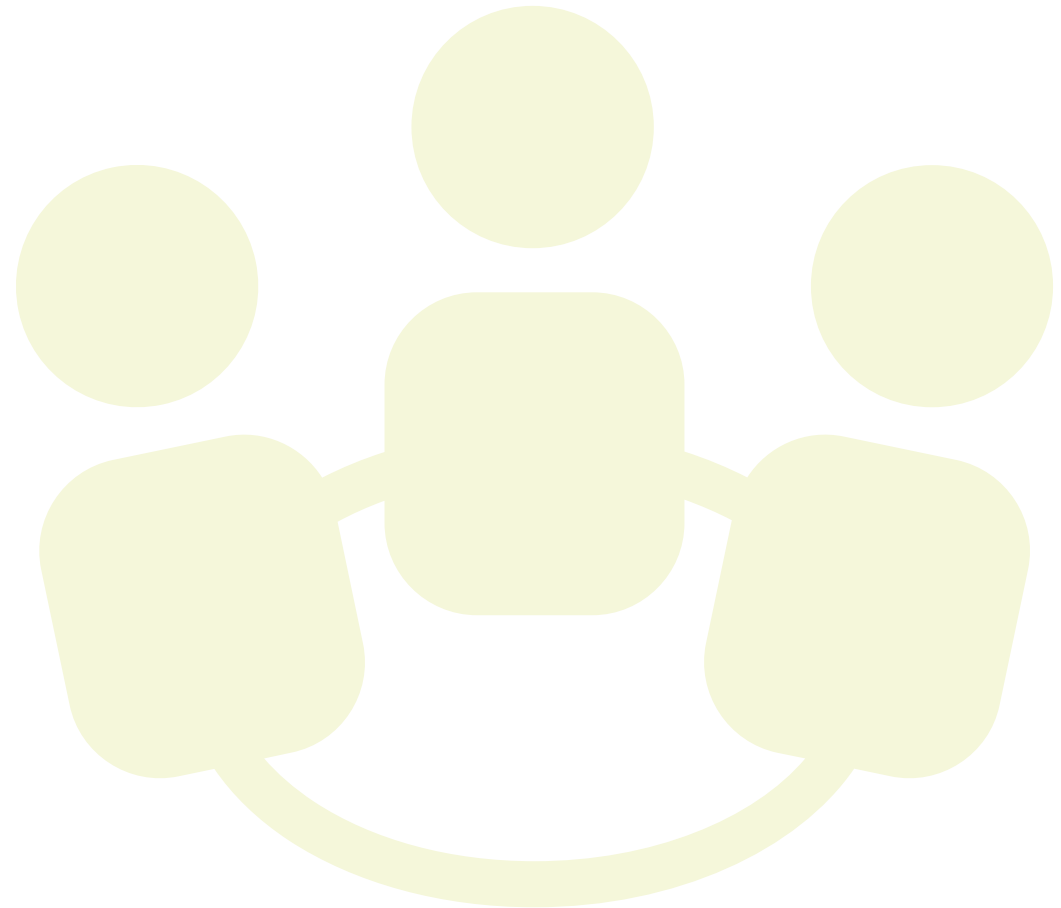
AP 2014/15 \$000		LTP 2015/16 \$000	LTP 2016/17 \$000	LTP 2017/18 \$000	LTP 2018/19 \$000	LTP 2019/20 \$000	LTP 2020/21 \$000	LTP 2021/22 \$000	LTP 2022/23 \$000	LTP 2023/24 \$000	LTP 2024/25 \$000
<b>SOURCES OF OPERATING FUNDING</b>											
(425)	General rates, uniform annual general charges, rates penalties	278	223	372	372	372	264	112	(98)	(118)	(143)
-	Targeted rates	-	-	-	-	-	-	-	-	-	-
-	Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
348	Fees and charges	353	362	371	381	392	403	416	429	444	459
11,296	Internal charges and overheads recovered	11,539	11,873	12,143	12,343	12,661	13,038	13,195	13,502	13,983	14,247
324	Local authorities fuel tax, fines, infringement fees, and other receipts	326	329	337	345	350	361	372	384	396	410
<b>11,543</b>	<b>Total operating funding (A)</b>	<b>12,496</b>	<b>12,787</b>	<b>13,223</b>	<b>13,441</b>	<b>13,775</b>	<b>14,066</b>	<b>14,095</b>	<b>14,217</b>	<b>14,705</b>	<b>14,973</b>
<b>APPLICATIONS OF OPERATING FUNDING</b>											
9,868	Payments to staff and suppliers	10,726	11,104	10,539	10,714	11,014	11,376	11,517	11,796	12,241	12,461
121	Finance costs	665	734	691	686	668	641	618	603	599	596
435	Internal charges and overheads applied	610	621	630	644	657	672	689	706	724	743
950	Other operating funding applications	870	887	904	923	944	965	988	1,013	1,039	1,067
<b>11,374</b>	<b>Total applications of operating funding (B)</b>	<b>12,871</b>	<b>13,346</b>	<b>12,764</b>	<b>12,967</b>	<b>13,283</b>	<b>13,654</b>	<b>13,812</b>	<b>14,118</b>	<b>14,603</b>	<b>14,867</b>
<b>169</b>	<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(375)</b>	<b>(559)</b>	<b>459</b>	<b>474</b>	<b>492</b>	<b>412</b>	<b>283</b>	<b>99</b>	<b>102</b>	<b>106</b>
<b>SOURCES OF CAPITAL FUNDING</b>											
-	Subsidies and grants for capital expenditure	257	2,795	-	-	-	-	-	-	-	-
-	Development and financial contributions	-	-	-	-	-	-	-	-	-	-
24	Increase (decrease) in debt	1,044	(96)	(76)	(87)	(479)	(389)	(256)	(68)	(71)	(73)
-	Gross proceeds from sale of assets	-	-	-	-	1,000	1,000	1,000	1,000	1,000	1,000
-	Lump sum contributions	-	-	-	-	-	-	-	-	-	-
-	Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
<b>24</b>	<b>Total sources of capital funding (C)</b>	<b>1,301</b>	<b>2,699</b>	<b>(76)</b>	<b>(87)</b>	<b>521</b>	<b>611</b>	<b>744</b>	<b>932</b>	<b>929</b>	<b>927</b>
<b>APPLICATIONS OF CAPITAL FUNDING</b>											
Capital expenditure											
-	- to meet additional demand	255	1,651	10	11	11	44	11	12	12	12
248	- to improve level of service	740	357	364	371	-	-	-	-	-	-
1,258	- to replace existing assets	1,290	2,899	1,381	1,436	923	906	885	925	964	901
(1,313)	Increase (decrease) in reserves	(1,359)	(2,767)	(1,374)	(1,431)	79	73	131	94	55	121
-	Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-
<b>193</b>	<b>Total applications of capital funding (D)</b>	<b>926</b>	<b>2,140</b>	<b>381</b>	<b>387</b>	<b>1,013</b>	<b>1,023</b>	<b>1,027</b>	<b>1,031</b>	<b>1,031</b>	<b>1,034</b>
<b>(169)</b>	<b>Surplus (deficit) of capital funding (C-D)</b>	<b>375</b>	<b>559</b>	<b>(459)</b>	<b>(474)</b>	<b>(492)</b>	<b>(412)</b>	<b>(283)</b>	<b>(99)</b>	<b>(102)</b>	<b>(106)</b>
-	Funding Balance ((A-B) + (C-D))	-	-	-	-	-	-	-	-	-	-

## What is this group of activities

The Corporate and District Activities group contains all of the activities that are involved in supporting the delivery of our projects, plans and external activities. These are often referred to as our 'internal activities'. The following section contains detail on our internal activities that assist us in the running of the Council.

## How this group is funded

The operational costs associated with this group are funded by charging overheads on other activities. During the development of this LTP we reviewed how overheads are allocated across our activities. No major changes were made in the portion of overheads allocated to the majority of our group of activities. Capital expenditure is generally funded by way of corporate loans or depreciation funding. The interest from these loans is also allocated as overheads while the principal repayment is collected through the general rate.



# Customer Services

## What this activity delivers and why we do it

This activity provides the friendly staff that greet you when you visit our service centres or when you call us. The customer services staff have a number of responsibilities including processing and managing incoming requests for service, managing bookings (for parks, halls, reserves etc.), and processing payments. They are usually the first, and where possible the only point of contact. We realise our customer's needs are varied and are continually changing, which is why we are focused on growing our online services, so our customers can gain access to our services at a time that is convenient for them.

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
The community has access to Council's activities through fully competent and efficient Service Centres	Proportion of customers' telephone calls are answered within 30 seconds	80%	81%	82%	83%	85%
	User satisfaction with the overall service from Council's front desk	93%	90%-95%	90%-95%	90%-95%	90%-95%



# Public Affairs

## What this activity delivers and why we do it

This activity supports and provides effective communication between the Council and the community. We produce Ko Konei (the Council's newsletter), media releases, advertising, promotional/educational publications, open days and maintain the www.whakatane.govt.nz website and Council's social media presence (Facebook, Twitter and YouTube). We also develop systems and processes that help us to improve community engagement across the Council's many activities and services. This is to ensure the community has access to relevant, timely, credible and meaningful information, and to create opportunities for the public to influence decision making. We endeavour to operate in an open and transparent manner and this activity assists the organisation to achieve that goal.

## Measuring performance

GOAL	PERFORMANCE MEASURE	TARGETS				
		CURRENT PERFORMANCE	YEAR 1 15/16	YEAR 2 16/17	YEAR 3 17/18	YEAR 4-10
The community has access to information and feels well informed	Satisfaction with Council's provision of information	71%	69-73%	70-74%	71-75%	72-76%
	Website users receive a satisfactory experience and remain engaged*	75%	75%	75%	75%	77%

\* Performance derived from the 'bounce rate', which indicates how many users are disengaging from the site because they are unable to quickly find the information they are seeking.

# Human Resources

## *What this activity delivers and why we do it*

This activity is an internal service that provides proactive advisory services and tools to support the managers and staff. Our Human Resources team takes on the responsibilities of recruitment, induction, employment relations, organisational development, health and safety, training, and remuneration. This activity is largely driven by legislative requirements, specifically the Employment Relations Act 2000. We do this activity to attract, retain, motivate and reward high calibre employees to assist in the delivery of our goals and values.

## *What this activity delivers and why we do it*

The Finance activity is an internal service that provides financial, rating and treasury support to all activities within the Council. This activity is largely driven by the legislation that requires us to deliver Annual Reports, Annual Plans and LTPs. Finance is responsible for the provision and development of effective monitoring and reporting on our financial performance. Our other responsibilities include budgeting, managing the payroll, charging and collecting rates and answering rates queries.

# Finance

# Corporate Information

## What this activity delivers and why we do it

This activity delivers information services to internal and external customers. It consists of Information Communication Technology (ICT), Geographic Information Systems (GIS) and Information Management (IM) which work together to provide the right tools and information at the right time and place, enabling efficient, effective and prudent management. The Corporate Information activity is the guardian of the Council's data, information and knowledge assets. This information must be securely managed for current and future generations, as well as our legislative obligations to keep information.

As part of our duty to manage our information responsibly and effectively, an operational project will digitise Council records, including property files, during 2015/16 and 2016/17 years, and is budgeted to cost \$1,500,000. This project will improve Council services, for example, allowing property files to be requested and accessed online.

# Corporate Property

## What this activity delivers and why we do it

Corporate Property includes assets that provide essential services to the community and those that are supported by the local community. There are 22 properties, which include the Civic Centre, the Library and Exhibition Centre, the Whakatāne Airport terminal building, workshops, depots, libraries, and the dog pound.

## What we are going to do

The Council is planning to undertake the following key capital projects. The full list of capital projects can be found in the 'Our Costs in Detail' chapter.

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Civic Centre Earthquake Strengthening investigations and works	2016-2019	2,100,000	Loan 50% Renewal 50%

## What this activity delivers and why we do it

District income is applied to reduce the general rate requirement in other Council activities. This revenue is sourced from commissions, petrol tax, interest and other revenue.

# District Income and Expenditure

# Council Controlled Organisations

## Ngā roopu mahi tahi-a-te kaunihera o whakatāne

A Council Controlled Organisation (CCO) is a company or organisation in which the Council, or a number of councils, hold 50% or more of the voting rights, or can appoint 50% or more of the trustees, directors or managers.

The Council engages in this form of partnership where it provides advantages for a more effective, efficient and financially viable means of delivering services.

The Whakatāne District Council is a shareholder in four Council Controlled Organisations:

- Whakatāne Airport
- The Local Government Funding Agency (LGFA)
- Bay of Plenty Local Authority Shared Services Limited (BoPLASS)
- Toi-Economic Development Agency (Toi-EDA)\*

This section summarises the services these organisations will aim to deliver over the life of the LTP 2015-25 and how their performance will be monitored. More detailed information is available from the Statement of Intent for each CCO.

Each CCO is required to agree to a Statement of Intent with its stakeholders (including the Council) each year and to make this available to the public. The Statement of Intent sets out the CCO's nature and scope of activities, key performance targets and reporting requirements along with other matters. At the end of each financial year each CCO must report performance against the Statement of Intent.

*\* As the Council is not a funding partner and because Toi-EDA is an exempt CCO under the Local Government Act 2002, it is not covered in detail here.*



# Whakatāne Airport

## CCO information

- To promote a safe, accessible, affordable and reliable air transport system for the benefit of the economic and social development of the Eastern Bay of Plenty region.
- To ensure the facility is maintained at its present level and increased wherever practicable and economic.
- To ensure that the airport is administered efficiently and effectively to the benefit of scheduled flight operations.

## About the Whakatāne airport

The Whakatāne Airport provides facilities for scheduled, commercial and recreational flights. The Whakatāne Airport was formed as a CCO in 2006. It is a valued community asset, which contributes to residents' quality of life and is considered crucial to the economic well-being of the District and the wider Eastern Bay.

At 6:50am on Tuesday, 28 April 2015 Air New Zealand's final scheduled flight service from Whakatāne Airport departed. At 9:30am on the same day Air Chathams' first flight as the new flight service provider landed at Whakatāne Airport. As part of this process the Airport undertook CAR Part 139 Aerodrome Certification with the Civil Aviation Authority. Whakatāne District Council and the Crown, as joint venture partners, established new landing fees and implemented aerodrome

certification requirements. In addition to Air Chathams' new service, SunAir have also commenced scheduled passenger flights from Whakatāne Airport to Gisborne, Napier and Hamilton using their Piper Chieftain and Aztec aircraft.

## How does this CCO work

The airport is a joint venture operation between the New Zealand Government (Ministry of Transport) and the Whakatāne District Council, with each party owning a 50% share. Day-to day operation and maintenance of the airport, including the delivery of projects, services and initiatives, is managed by the Council.

## What does this CCO do

The primary activity of this organisation is to operate the airport efficiently and on sound business principles for the benefit of both commercial and non-commercial aviation users. It must also operate in accordance with the terms of its aerodrome certificate, which defines standards and conditions laid down by the Civil Aviation Authority of New Zealand.

Airport land and facilities are also leased out where these are either surplus to the airport's present operational requirements or to allow for activities that are compatible with the operation of the airport. This includes land for hangars, parts of the terminal building for commercial operators and areas of unused airport land for grazing.

## Who pays

The Council has an arrangement with the Ministry of Transport that each party is responsible for half of the costs of the Whakatāne Airport, subject to prior approval of capital expenditure by the Ministry of Transport.

## How will performance be measured

The specific performance targets for the Whakatāne Airport will be set annually through the Airport Statement of Intent and based on the framework outlined below. Any new performance measures will be disclosed in the Statement of Intent for the year in which they relate to. At the end of each financial year the Airport Annual Report will report on performance against the Statement of Intent and this will include how it performed against those targets.

FINANCIAL PERFORMANCE MEASURES	NON-FINANCIAL PERFORMANCE MEASURES
Operate and maintain the airport's assets within the operational expenditure and capital expenditure budgets (excluding corporate overheads and depreciation). These budgets will be outlined in the Whakatāne Airport Statement of Intent each year.	<p>The Airport is managed and operated in a safe and environmentally friendly manner.</p> <p>The Airport is maintained to Civil Aviation Authority (CAA) requirements.</p>

## What we are going to do

The Council is planning to undertake the following key capital projects. The full list of capital projects can be found in the 'Our Costs in Detail' chapter.

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Runway Lighting and Navigational Aids Upgrade	2017-20	600,000	Loan 50% Operating Reserve 50%
	2019/20		
Pavement Resurfacing	2017-22	550,000	Renewal 50% Operating Reserve 50%



# Bay of Plenty Local Authority Shared Service Limited

## About BoPLASS

Bay of Plenty Local Authority Shared Services Limited (BoPLASS) was formed in 2007 to investigate, develop and deliver shared services, joint procurement and communications for the participating councils.

BoPLASS delivers benefits in terms of cost savings and service improvements to its constituent councils and ultimately to ratepayers and residents. BoPLASS has been recognised nationally and internationally as a successful model for the delivery of shared services.

## How does this CCO work

The Whakatāne District Council holds a one ninth share in BoPLASS Limited, alongside the other eight councils that constitute the Bay of Plenty and Gisborne regions.

BoPLASS is governed by a board of nine directors appointed by its shareholders. Unless otherwise agreed by the Board, each appointee is the current (or acting) chief executive of the council shareholder. In addition, the Board may appoint up to three professional directors to supplement the directors' / chief executives' expertise. A sub-committee of council delegates is responsible for regular monitoring and governance of BoPLASS projects. The services, projects and initiatives of BoPLASS are delivered through a small team of staff based in Tauranga and through advisory groups made up of representatives of the different councils interested in a particular service. Each group is service specific; the participants initially decide the scope of the project and the desired outcomes and work collaboratively to achieve them.



## What does this CCO do

BoPLASS provides benefits to the Whakatāne District Council (and other participating councils) through improved levels of service, reduced costs, improved efficiency and/ or increased value through innovation. This will be achieved primarily through joint procurement and shared services.

Joint procurement includes procurement of services or products by two or more councils from an external provider, regardless of whether the service is paid for through BoPLASS or individually by participating councils. Examples that have led to cost savings for the Whakatāne District Council include procurement of office supplies, software and insurances.

Shared services includes the participation of two or more councils in the provision of a common service, which may be jointly or severally hosted. Examples that have led to improved levels of service include the provision of a fibre optic network and development of shared geographic information systems.

The expected benefits that can be achieved through shared services are:

- Improved levels and quality of service
- A coordinated and consistent approach to the provision of services
- Reductions in the cost of support and administrative services
- Opportunities to develop new initiatives
- Economies of scale resulting from a single entity representing many councils in procurement.

## Who pays

The Whakatāne District Council pays a small membership levy to BoPLASS of \$1,000 per year, per advisory group involved in. Beyond this levy, membership with BoPLASS is essentially a user pays system based on involvement in the shared services developed under the BoPLASS umbrella. Much of these costs come down to the 'in kind' contribution the Council makes towards establishing or developing shared services.

Costs to the Council, and ultimately to ratepayers, of participating in this CCO are more than offset by the cost savings achieved through the resultant shared services and joint procurement initiatives.

## How will performance be measured

The specific performance targets for BoPLASS will be set annually through the BoPLASS Statement of Intent and will be based on the framework outlined below. At the end of each financial year the BoPLASS Annual Report will report on performance against the Statement of Intent including how it performed against those targets.

- Joint procurement initiatives provide financial savings and/or improved service levels to the Council
- Support is provided to assist the Council when engaging in shared service development and projects
- A collaboration portal for access to, and sharing of, project information between BoPLASS councils and the greater Local Government community is operational
- Best value is ensured through managing and/or renegotiating existing contracts
- Communication is undertaken at the appropriate level with at least one meeting with the Executive Leadership Team per year
- The company remains financially viable.

# Local Government Funding Agency Limited

## About the LGFA

The Local Government Funding Agency Limited (LGFA) was established in 2011 by 18 local authority councils and the Crown. The Whakatāne District Council joined the LGFA in August 2012 as a principal shareholder. The basic function of the LGFA is to enable councils to borrow funds at lower interest margins than would otherwise be available.

## How does this CCO work

The LGFA is a partnership between the participating local authorities and the New Zealand Government. The Whakatāne District Council will be a principal shareholder. This is the highest level of council participation in the LGFA which provides access to full benefits (all local authorities can borrow from the LGFA, but different benefits apply depending on the level of participation).

The LGFA is governed by a Board of Directors. The Board is responsible for the strategic direction and control of LGFA's activities. The Board guides and monitors the business and affairs of LGFA, in accordance with the Companies Act 1993, the Local Government Act 2002, the Local Government Borrowing Act 2011, the Company's Constitution, the Shareholders' Agreement for LGFA and their Statement of Intent. The Board will comprise between four and seven directors with a majority of independent directors and will meet no less than 6 times each year. Operationally, the LGFA is run by a small team based in Wellington.

## What does this CCO do

The LGFA raises debt funding either domestically and/or offshore and provides this debt funding to New Zealand local authorities at lower interest margins than those available through other lenders. The LGFA only lends to local authorities that enter into all the relevant arrangements with it (participating local authorities) and that comply with the LGFA's lending policies.

The LGFA operates with the primary objective of optimising the debt funding terms and conditions for participating local authorities. This includes:

- Providing estimated savings in annual interest costs for all Participating Local Authorities
- Making longer-term borrowings available to Participating Local Authorities
- Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practice
- Offering more flexible lending terms to Participating Local Authorities.





## Who pays

There are some costs to the Council and ultimately to the ratepayer, of participating in the LGFA. However the costs are substantially less than the savings that can be achieved through the improved interest margins.

To participate in the LGFA as a principal shareholding authority, the Whakatāne District Council is required to accept certain costs and risks. This has included making an initial capital investment of \$100,000; providing security against rates charges (which is similar to arrangements with banks); and committing a portion of our borrowing needs to the LGFA for an initial period.

## How will performance be measured

The specific performance targets for the LGFA are set annually through their Statement of Intent. At the end of each financial year the LGFA will report on performance against the Statement of Intent including against those performance targets.

The draft LGFA Statement of Intent for the 2015/16 year contains the following performance targets:

- LGFA's average cost of funds relative to the average cost of funds for New Zealand Government Securities for the period to:
  - o 30 June 2016 will be less than 0.50% higher
  - o 30 June 2017 will be less than 0.50% higher
  - o 30 June 2018 will be less than 0.50% higher
- The average margin above LGFA's cost of funds charged to the highest rated Participating Local Authorities for the period to:
  - o 30 June 2016 will be no more than 0.10%
  - o 30 June 2017 will be no more than 0.10%
  - o 30 June 2018 will be no more than 0.10%
- LGFA's annual insurance and operating expenses for the period to:
  - o 30 June 2016 will be less than \$5.65 million
  - o 30 June 2017 will be less than \$6.58 million
  - o 30 June 2018 will be less than \$7.06 million
- Total lending to Participating Local Authorities at:
  - o 30 June 2016 will be at least \$5,760 million
  - o 30 June 2017 will be at least \$6,970 million
  - o 30 June 2018 will be at least \$7,610 million
- LGFA will demonstrate the savings to council borrowers achieved in the relevant financial year and compared to previous financial years.

Any new performance measures will be disclosed in the Statement of Intent for the year in which they relate to.



**Whakatāne Airport**  
[www.whakatane.govt.nz](http://www.whakatane.govt.nz)

**BOPLASS**  
[www.boplass.co.nz](http://www.boplass.co.nz)

**LGFA**  
[www.lgfa.co.nz](http://www.lgfa.co.nz)



# OUR COSTS IN DETAIL

## Our Costs in Detail

This chapter of the LTP provides a breakdown of some of our costs in more detail and provides some further information about how these costs are calculated and distributed. This information is a culmination of all the information contained within this LTP.

## Revenue and Financing Policy

This policy considers who uses and benefits from our services and then, based on our funding philosophy, allocates how the costs of our activities are paid for.

## Prospective Financial Statements

Our Prospective Financial Statements are included to give you an overview of the Council's forecasted financial position for the next ten years. This information should be read alongside the financial information contained in the 'Our Work in Detail' Chapter. The Statements include:

- Prospective Statement of Changes of Revenue and Expenses
- Prospective Statement of Changes of Net Assets and Equity
- Prospective Statement of Changes of Prospective Financial Position
- Prospective Statement of Changes of Prospective Cash Flows
- Prospective Statement of Changes of Reserve Balances.

## Financial Prudence Benchmarks

The Long Term Plan disclosure statements provide the Council's planned financial performance against various benchmarks in relation to revenue, expenses, assets, liabilities and general financial dealings.

## All About Rates

This section includes information about the number of rateable properties in our District over which rates are distributed, the due dates for rate in 2015/16, and the Council's Funding Impact Statement (Rating). The Funding Impact Statement shows how the rating system will look as dollar figures applied across the community, including indicative rating examples for 2015/16.

## Capital Projects List

This table outlines the capital projects we have planned to complete over the course of this LTP. More information about the projects is contained in the 'Our Work in Detail' chapter of this LTP.

## Statement of Accounting Policies

This statement outlines the principles against which we have prepared our financial statements. These policies have been applied to all the ten years of this plan, unless specifically stated.



# » Revenue and Financing Policy

## 1.0 PURPOSE

The aim of the Policy is to promote consistent, prudent, effective and sustainable financial management of the Council and to ensure activities are funded from the most appropriate source.

The Revenue and Financing Policy sets out the Council's funding philosophy and describes how each of the Council's activities will be funded including the rationale for the use of each funding method.

The Local Government Act 2002 (the Act) requires all councils to adopt a Revenue and Financing Policy as part of its LTP. Specifically, this Policy is required to comply with sections 102 and 103 of the Act.

## 2.0 FUNDING PHILOSOPHY

The following funding philosophy has been adopted by the Council to underpin the revenue and rating system for the 2015-25 LTP.

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

- a. Where services and the beneficiaries of those services can be clearly defined, those beneficiaries should contribute towards the cost of providing those services in proportion to their

level of use through direct user charges provided it is administratively efficient to do so; and

- b. Where specific benefits accrue to a particular part or parts of the District, the cost of those benefits should be met through rates charged to that part or parts of the District, through the application of differentials and/or targeted rates; and
- c. Where benefits provided can be identified as a public good and accrue to the District as a whole, the Council will apply the generally accepted principles of taxation and the cost of those benefits will be met by Capital Value general rates across the District.

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

## 3.0 POLICY CONSIDERATIONS

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

## 3.1 Community outcomes

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





### **3.2 User/beneficiary pays**

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

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

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

### **3.3 Intergenerational equity**

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

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

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

### **3.4 Exacerbator Pays**

This consideration analyses the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity. Examples are parking enforcement, dog control, littering, noise control, enforcement of bylaws etc. This principle aims to identify the costs to the community of controlling the negative effects of individual or group actions. The principle suggests that Council should recover any costs directly from those causing the problem.

Some of Council's activities exhibit exacerbator pays characteristics, in particular 'Regulation Monitoring'. Through the use of fees and charges (including fines), the Council will seek to recover expenditure where this situation exists. However, it is acknowledged that it can be difficult or inefficient to identify exacerbators (e.g. fly-tipping of refuse) and in these circumstances activities will be funded through general rates.

### **3.5 Costs and benefits**

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

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

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

## 4.0 FUNDING OF OPERATING EXPENDITURE

Operating expenditure pays for Council's day to day expenditure of service delivery, maintaining existing assets, or other expenditure that does not buy or build a new asset.

Council funds operating expenditure from the following sources:

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

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

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

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

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

## 5.0 FUNDING OF CAPITAL EXPENDITURE

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

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

Other funds include:

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

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



## 6.0 FUNDING SOURCES

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

### **General Rates**

General rates are used to raise revenue for activities that are of public good or where recovery from users (private good) is not efficient or possible. They include two portions. Part is set based on capital value (value of land plus improvements), and part is by a fixed amount per rating unit (Uniform Annual General Charges – UAGC-).

A stepped differential is applied for properties with a capital value over \$15m. For properties that are in this category, the portion of the property valued under \$15m will attract the full capital value general rates charges. For the portion of the property with capital value over \$15m, only a half capital value general rates charge will apply. This differential does not apply to the UAGC portion.

### **Targeted rates**

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

### **Lump sum contributions**

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

### **Fees and charges**

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

### **Interest and dividends from investments**

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

### **Borrowing**

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

### **Proceeds from asset sales**

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

### **Development Contributions**

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

### **Grants and subsidies**

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

### **Council created reserves**

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

### **Any other source**

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

## 7.0 ACTIVITY FUNDING TABLES

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

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



ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES		
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACERBATOR	COSTS AND BENEFITS	OPERATIONAL	L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL
WATER SUPPLY											
Water Supply	Reliable and Affordable Infrastructure Community Needs	<p>The activity provides a potable water supply service to consumers who are able to connect to schemes within the District.</p> <p>The Council recognises the benefit to the health and wellbeing of the community from providing safe and reliable water schemes and also recognises the strong community demand for the Council to provide healthy drinking water. The Council further recognises the benefits of providing adequate water pressure across urban areas for firefighting purposes for residential dwellings as this promotes public safety. Although there is a public good aspect to this activity the Council has considered that the user pay philosophy applies in this instance given that the users of this activity can be easily identified and it is administratively efficient to apply targeted rates. The private good component of this activity recognises the benefits to the individual households and businesses from the provision of safe and reliable water schemes. People who are not connected to a water scheme do not contribute to this activity as they supply their own water, therefore the use of general rates to fund this activity is not considered to be fair and reasonable.</p> <p>Operational costs are funded through targeted rates (targeted to properties where connection to a scheme is possible) and through fees and charges.</p> <p>Fees and charges are used to recover costs of water use where meters exist. Where there are no meters in place the targeted rate will include a charge equal to the national average level of water use. These two funding mechanisms have been applied in acknowledgement that this activity is of private good and reflects a user pays approach.</p> <p>Water supply schemes across the District are amalgamated for funding purposes, rather than each scheme paying for its own costs. This means that everyone receiving a similar service of having access to a scheme, pays the same regardless of the costs related to each individual scheme. In general, this benefits smaller schemes which have a higher per ratepayer cost. The water schemes for Ruatāhuna, Plains and Murupara have not been amalgamated with the others, each for different reasons. The Ruatāhuna scheme is not owned by the Council. The Plains scheme is primarily an agricultural scheme and has a unique 50 year management strategy. The Murupara scheme is gravity fed rather than relying on pumps and therefore requires comparatively low cost to run. Amalgamating the Murupara Scheme would place an unaffordable cost on this community.</p>	0	100	H	H	L	L	Targeted rates Fees and charges	H L	Targeted rates Grants and subsidies Development contributions Operating and capital reserves Borrowings

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES		
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACERBATOR	COSTS AND BENEFITS	OPERATIONAL	L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL
SEWAGE TREATMENT AND DISPOSAL											
Sewage Treatment and Disposal	<p>Reliable and Affordable Infrastructure</p> <p>Valuing our Environment</p> <p>Community Needs</p>	<p>The activity provides a sewage disposal service to consumers who are able to connect to a scheme within the District.</p> <p>The Council recognises the benefit to the health and wellbeing of the community from public sewage disposal schemes and recognises the wider environmental and cultural benefits of having sewage treated and disposed appropriately and protecting the environment from contaminants. Although there is a public good aspect to this activity the Council has considered that the user pays philosophy applies in this instance given that the users of this activity can be easily identified and it is administratively efficient to apply targeted rates.</p> <p>The private good component reflects the private benefit received by individual households and businesses from the provision of a safe and reliable sewage disposal schemes.</p> <p>This activity also includes trade waste. This function manages waste discharged into Council's sewerage system from industrial and commercial premises. The private benefit is to commercial and industrial premises for using the sewerage system.</p> <p>Operational costs are funded through targeted rates (targeted to properties where connection to a scheme is possible) and through fees and charges (for the trade waste component). These two funding mechanisms have been applied in acknowledgement that this activity is of private good and reflects a user pays approach.</p> <p>People who are not connected to a sewerage scheme do not contribute to the funding of the sewerage schemes as they have their own septic tanks or community schemes, therefore the use of general rates to fund this component of the activity is not considered to be fair and reasonable.</p> <p>Although each sewerage scheme has different costs to maintain and operate, sewerage schemes across the District have been amalgamated for funding purposes, rather than each scheme paying for its own costs. This means that everyone receiving a similar service of having access to a scheme, pays the same regardless of the costs related to each individual scheme. In general, this benefits smaller schemes which have a higher per ratepayer cost. Similar to the amalgamation of water schemes. Murupara is again an exception.</p> <p>Matatā sewerage scheme is expected to be complete in 2016/17 and Matatā will be charged a half charge sewerage targeted rate for 2016/17 and the full sewerage targeted rate in 2017/18.</p>	0	100	H	H	L	L	<p>Targeted rates</p> <p>Fees and charges</p>	<p>H</p> <p>L</p>	<p>Targeted rates</p> <p>Grants and subsidies</p> <p>Development contributions</p> <p>Operating and capital reserves</p> <p>Borrowings</p>

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES		
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACERBATOR	COSTS AND BENEFITS	OPERATIONAL	L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL
STORMWATER DRAINAGE											
Stormwater Drainage	<p>Community Needs</p> <p>Reliable and Affordable Infrastructure</p> <p>Valuing our Environment</p>	<p>The Council provides a variety of infrastructure to deal with stormwater within our urban areas.</p> <p>The Council recognises the strong community demand to be protected and safe within our homes and the wider economic and social benefits of protecting people from floodwaters as there is a high emotional and financial cost associated with flooding. The Council further recognises the benefits of protecting Council infrastructure that can be damaged by excessive floodwater.</p> <p>Although there is a public good aspect to this activity the Council has considered that the user pay philosophy applies in this instance given that the users of this activity can be easily identified and it is administratively efficient to apply targeted rates.</p> <p>The private good component reflects the private benefit received by individual households and businesses from the provision of protection from inundation.</p> <p>A component of the stormwater activity is disaster mitigation works and the repayment of debt related to these works.</p> <p>Operational costs of this activity are funded through targeted rates (targeted according to each area benefiting from a stormwater scheme). This acknowledges the private benefit to households receiving that service and reflects a user pays approach.</p> <p>Funding for Matatā disaster mitigation is an exception as the costs place a huge and unaffordable burden onto that community. As a result a portion of costs will be funded across the District. The Council recognises this is inconsistent with the funding for the rest of this activity but considers it necessary to ease the rating burden on the Matatā community.</p>	0	100	L	H	L	L	<p>Targeted rates</p> <p>General Rates (for Matatā disaster mitigation only)</p>	<p>H</p> <p>L</p>	<p>Targeted rates</p> <p>General Rates</p> <p>Development contributions</p> <p>Operating and capital reserves</p> <p>Borrowings</p>

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

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



ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES			
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACERBATOR	COSTS AND BENEFITS	OPERATIONAL	L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL	
COMMUNITY SAFETY												
Licensing (Alcohol and Gambling)	Community Needs	<p>The activity allows the operation of licensed premises but provides some control over the sale of alcohol.</p> <p>Operational costs of this activity are funded through the general rate and through fees and charges.</p> <p>Default fees and charges for alcohol are set through the Sale and Supply of Alcohol Act 2012. These fees will continue to apply unless the Council changes these through a bylaw.</p>	5	95	H	Nil	M	L	General rates Fees and charges	M M	Nil	
Environmental Health	Community Needs Quality Services Valuing our Environment	<p>This activity responds to nuisance complaints (such as noise, refuse, odour) and to provide licensing for registered premises that provide restricted goods and services (such as food, hair dressers, camp grounds etc).</p> <p>The services provided by this activity contribute to public health.</p> <p>The private benefit acknowledges that businesses receive licensing services which they require to operate lawfully.</p> <p>Operational costs are funded primarily by general rates to reflect the public benefit component of this activity. Fees and charges also fund this activity to reflect the private good component of this activity.</p>	70	30	M	Nil	M	L	General rates Fees and charges	M L	Nil	
Regulation Monitoring	Community Needs Quality Services Valuing our Environment	<p>This activity administers and enforces bylaws, legislation and policies relating to health and safety in public places.</p> <p>There are public good benefits to the whole community of undertaking this enforcement role. The private benefit recognises that exacerbators should pay for their actions.</p> <p>Operational costs are predominantly funded through general rates reflecting the public benefit component of this activity.</p> <p>Some fees and charges (fines are included in this category) are able to be recovered. However, there are difficulties in identifying the exacerbators for actions such as fly tipping and abandoning vehicles. Therefore there is a limited ability to recover costs from fees and charges.</p>	90	10	L	Nil	M	L	General rates Fees and charges	H L	Nil	

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES		
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACERBATOR	COSTS AND BENEFITS	OPERATIONAL	L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL
Building	Community Needs Quality Services Sustainable Economic Development	<p>This activity manages the legal requirements for the construction and alteration of buildings under the Building Act 2004.</p> <p>The public good component of this activity is delivered through projects such as identifying earthquake prone buildings, dealing with leaky homes liability and interacting with customers who have not necessarily made a consent application. The public good component further reflects that this activity protects the community from unsafe buildings and ensures buildings are designed and constructed in a manner that promotes sustainable development and to enables buildings that contribute to the health and wellbeing of the community.</p> <p>The public good component further recognises that it is important for the economic wellbeing of the District not to deter development and growth through high consent costs.</p> <p>The private good component of this activity reflects the private benefit to those applying for building consents.</p> <p>Operational costs are predominantly funded through fees and charges reflecting the private good component of those applying for consents.</p> <p>The general rates component acknowledges the public good component of this activity.</p>	30	70	H	Nil	M	L	General rates Fees and charges	L H	Nil
Animal Control	Community Needs Quality Services	<p>This activity protects human safety and health through the registration and enforcement of legislation, bylaws and policies of dogs, stock and other animals.</p> <p>This activity contributes to the safety of the community and this is recognised in the public good component.</p> <p>The private benefit of this activity recognises the services to dog owners.</p> <p>In the past the Council recognised that this activity was mainly of private benefit and this resulted in high fees to dog owners. It is considered that this did not fairly represent the wider public safety element of this activity as the complaint service is largely accessed by non-dog owners. It was also not considered equitable, in that the majority of dog owners are responsible dog owners who were penalised for the actions of those who were not. The Council acknowledges that it is an individual's choice to own a dog and the private good component reflects this.</p> <p>Operational costs are funded through general rates and fees and charges. The general rates component acknowledges the public good of this activity in contributing to the safety of the community. The fees and charges portion recognises both the private benefit of services to dog owners specifically and the high exacerbator element</p>	30	70	H	L	H	M	General rates Fees and charges	L H	General rates Fees and charges Operating and capital reserves

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

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES		
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACERBATOR	COSTS AND BENEFITS	OPERATIONAL	L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL
Aquatic Centres	Community Needs Quality Services Reliable and Affordable Infrastructure	<p>This activity provides facilities for recreational, educational and sporting use.</p> <p>The activity is considered to have a high public good component and reflects the strong desire from the community to have quality facilities to enable opportunities to exercise and have fun in a social environment. Having facilities available in our District for people to learn to swim in a safe environment is considered to have a high public benefit to the community. Swimming facilities have a positive impact on the community's health and well-being and are used for occupational therapy treatment and rehabilitation.</p> <p>The private benefit recognises the benefits to the users of the aquatic centres.</p> <p>Operational costs are predominantly funded through general rates acknowledging the high level of public good. Fees and charges are used to recover some costs from service users and reflect the private benefit component of this activity.</p> <p>While a stronger user pays approach could be implemented it is considered that this would deter people from using the aquatic centres.</p>	80	20	M	H	L	L	General rates Fees and charges	H L	Targeted rates Fees and charges Operating and capital reserves Borrowings
Halls	Community Needs Reliable and Affordable Infrastructure	<p>This activity provides public facilities for community use.</p> <p>The public good component identifies the contribution of halls to social cohesion of the communities they serve. The private benefit component reflects the benefits to those individuals and organisations hiring the halls.</p> <p>Operational costs are predominantly funded through general rates, reflecting the public good component of this activity. Operational costs are also funded through fees and charges which recognises the private benefit component of this activity.</p> <p>While users of the service can easily be identified and a strong user pays approach could be implemented, it is considered that this would deter people from using the halls.</p>	80	20	H	M	Nil	L	General rates Fees and charges	L H	General rates Fees and charges Operating and capital reserves Development contributions
Cemeteries and Crematorium	Community Needs Quality Services Reliable and Affordable Infrastructure	<p>This activity provides for an appropriate method and location for burials and cremations.</p> <p>The public good component of this activity acknowledges that the appropriate burials and cremation processes contribute to the health and safety of the public. There is a strong community demand to provide attractive, restful facilities which cater for the differing needs of the community. The social and cultural well-being of the community is enhanced by this activity. This activity also maintains closed cemeteries.</p> <p>The private benefit component of this activity reflects the benefits to those families of the deceased who chose to use the facilities.</p> <p>Operational costs are funded through fees and charges reflecting the high private benefit of this activity. General rates funding recognises the public good component of this activity.</p>	40	60	L	H	H	M	General rates Fees and charges	M M	General rates Fees and charges Development contributions Operating and capital reserves Borrowings

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES		
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACERBATOR	COSTS AND BENEFITS	OPERATIONAL	L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL
Public Conveniences	Community Needs Reliable and Affordable Infrastructure	<p>This activity provides appropriately located public conveniences for public use.</p> <p>The public good component of this activity recognises the benefit of public conveniences for the whole of the community and the strong community demand.</p> <p>Operational costs are entirely funded through general rates acknowledging the public good component of this activity.</p>	100	0	L	H	H	M	General rates Restricted Reserves	H L	General rates Development contributions Operating and capital reserves Borrowings
Pensioner Housing	Community Needs Quality Services	<p>This activity provides low cost housing for the elderly.</p> <p>Although the Council recognises there is a public good aspect to this activity the Council has considered that the user pay philosophy applies in this instance given that the users of this activity can be easily identified.</p> <p>The private benefit component of this activity reflects the benefit to those renting the pensioner housing.</p> <p>Operational and capital costs are completely self-funded through the rentals charged to occupants. This reflects the private benefit to those using this service.</p>	0	100	H	M	Nil	L	Fees and charges	F	Fees and charges Operating and capital reserves
Libraries	Community Needs Quality Services	<p>This activity provides access to printed and digital information for education and recreation and to encourage literacy through programmes delivered by this activity.</p> <p>The public good component of this activity reflects the strong public demand for a community hub which provides resources and opportunities to access information in printed form or on-line. This activity provides access to relevant information whether it is for leisure, research or education. This activity increases the socio-economic conditions of our District by running and supporting programmes that work to raise literacy rates and increase levels of qualifications.</p> <p>The private good component of this activity recognises that individuals and organisations receive private benefit from the activities and services provided.</p> <p>Operational costs of this activity are funded mainly through the general rate to reflect the public good component of this activity. Fees and charges are also used but not to a level in keeping with the private good component of the activity.</p> <p>While users of the service can easily be identified and a strong user pays approach could be implemented it is considered that this would result in a level of fees and charges that would deter users from using the libraries.</p>	50	50	L	M	L	L	General rates Fees and charges Subsidies	H L L	General rates Operating and capital reserves Borrowings Grants and Subsidies



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

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES		
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACERBATOR	COSTS AND BENEFITS	OPERATIONAL	L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL
Community Development	Community Needs Effective Leadership	<p>This activity promotes a safe community through a variety of methods including education, interagency collaboration and externally funded programmes. This activity includes road safety, youth development and community safety.</p> <p>The public good component of this activity reflects the contribution of road safety programmes and community safety initiatives, undertaken to support the wellbeing and safety of the community. This activity has a wider public benefit of reducing the social costs associated with road accidents through its road safety function.</p> <p>Operational costs of the community safety component of this activity are funded through general rates. Operational costs of the road safety component of this activity are funded through targeted rates. This recognises the public good component of this activity</p> <p>The private good component acknowledges the benefit to individuals who participate in the externally funded programmes that the Council delivers. These are funded through grants and subsidies.</p>	60	40	L	L	M	L	General rates Grants and subsidies	L H	Grants and Subsidies Harbour Fund Operating and Capital Reserves

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES		
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACERBATOR	COSTS AND BENEFITS	OPERATIONAL	L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL
DISTRICT GROWTH											
Economic Development	Effective Leadership Sustainable Economic Development	<p>This activity promotes, supports and facilitates projects that have economic benefits to the District.</p> <p>The Council has strengthened its focus on economic development and the high public good component recognises the contribution of this activity to the economic wellbeing of our community.</p> <p>Operational costs are funded primarily through the general rate reflecting the high public good component of this activity. Fees and charges, targeted rates and subsidies are used to reflect the private good component of this activity.</p>	70	30	L	H	Nil	M	General rates Fees and charges Subsidies Targeted Rates	M L L M	Nil
Strategic Property	Sustainable Economic Development	<p>This activity manages commercial assets vested in the Council and includes a number of different properties attributed to the harbour fund. The majority of these are for commercial land and are held in perpetual ground lease.</p> <p>The assets of the Harbour Board were gifted to the Council for the benefit of the community as Harbour Endowment Land and the Council has an obligation to maintain, operate and develop the port and harbour facilities for the good of the community. The Harbour Endowment Land earns income through leases, which is used to pay for the on-going operation, maintenance and improvements of the ports and harbour facilities.</p> <p>The private good component recognises the benefit to those leasing the Council's commercial assets for private use.</p> <p>Operational costs are funded through a mix of general rates, fees and charges, subsidies and in the case of harbour fund property, through the Harbour Fund Reserve.</p> <p>The high private good component recognises the benefit to those leasing the Council's commercial assets for private use. Where the Council is unable to achieve a higher level of private benefit funding sources for its non-harbour assets, it uses general rates to fund the shortfall.</p>	0	100	H	H	Nil	M	General rates Fees and charges Subsidies	L H L	General rates Fees and charges Operating and capital reserves
Events & Tourism	Community Needs Quality Services Sustainable Economic Development	<p>This activity provides information about services and facilities available to the local community and visitors to the District. It also provides marketing and events promotion and includes the Visitor Centre.</p> <p>The public good component of this activity recognises the contribution to the recreational and prosperity outcomes for the District.</p> <p>The private good component of this activity recognises the benefits of marketing and information distribution to the commercial sector.</p> <p>The use of general rates to fund the operational costs of this activity recognises the public good component. The use of fees and charges and targeted rates recognises the private good components of this activity.</p>	20	80	M	Nil	Nil	M	General rates Targeted rates Fees and charges	L H L	Nil

ACTIVITIES	COMMUNITY OUTCOME	RATIONALE FOR ALLOCATION	CONSIDERATIONS						FUNDING SOURCES			
			PUBLIC %	PRIVATE %	USER PAYS	BENEFITS OVER TIME	EXACERBATOR	COSTS AND BENEFITS	OPERATIONAL	L = <30% M = 30-70% H = 71-99% F = 100%	CAPITAL	
CORPORATE AND DISTRICT ACTIVITIES												
Corporate and District Activities	Internal activities, therefore Community Outcomes are delivered on behalf of external activities.	These activities manage the development and maintenance of internal organisational systems to support the delivery of efficient and effective external services.								As these are internal activities, allocations from other external activities fund the Corporate and District activities.		Borrowings Operational and Capital Reserves
COUNCIL CONTROLLED ORGANISATIONS												
Whakatāne Airport		<p>This Council Controlled Organisation supports the safe and secure movement of aircraft passengers and freight.</p> <p>The public good component of this activity recognises the public benefit to the District as a whole from operating a sub-regional airport.</p> <p>The private good component of this activity recognises the private benefit to those residents, businesses and visitors using the Whakatāne Airport.</p> <p>Operational costs are predominantly funded through fees reflecting the high private good component of the activity. Where the Council is unable to achieve a higher level of private benefit funding sources, it uses general rates to fund the shortfall. The use of general rates recognises the public good component of this activity.</p>	20	80	H	H	M	H	Fees and charges General rates Joint venture funding	H L H	Operating and Capital Reserves Joint Venture Funding Borrowings	
BoPLASS		This Council Controlled Organisation delivers shared back office services and communications. As such BoPLASS supports the outcomes of the activities to which those deliverables relate.							General rates Fees and charges	H L	The funding requirements on the Whakatāne District Council of participating in this Council Controlled Organisation will be specifically relevant to each deliverable and will be considered individually as they arise.	

# » Prospective Financial Statements

The following Prospective Financial Statements are provided to give you an indication of our predicted financial position during the period of this LTP. We develop an Annual Plan on an annual basis to update our proposals with the latest information.

## CAUTIONARY NOTE

The information in the Prospective Financial Statements is uncertain and its preparation requires the exercise of judgement. Actual financial results are likely to vary from the information presented and the variations may be material. Events and circumstances may not occur as expected and may or may not have been predicted or the Council may subsequently take actions that differ from the proposed course of action on which the prospective financial statements are based.

## PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

This provides information on the surplus or deficit arising throughout the LTP impacting on the past and future comprehensive revenue and expense. This aids the reader to differentiate between components of financial performance according to frequency, potential for gain and loss predictability.

## PROSPECTIVE STATEMENT OF CHANGES IN NET ASSETS AND EQUITY

Also known as net worth, equity is measured as the difference between the total value of assets and total liabilities. This statement presents a comprehensive measure of revenue. Accumulated equity represents the communities' investment in publicly owned assets resulting from past surpluses.

## PROSPECTIVE STATEMENT OF FINANCIAL POSITION

This presents information about the economic resources controlled by the Council. This information is useful in assessing the Council's ability to generate cash, provide services and for assessing future borrowing needs.

## PROSPECTIVE STATEMENT OF CASH FLOWS

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Council invests as part of its day to day cash management. It provides information about cash generation through Council activities to repay debt or to reinvest to maintain operating capacity.





## STATEMENT OF RESERVE BALANCES

This identifies the reserve funds that we operate and the expected value of these funds including how much is in each fund at the start of the LTP period, how much we expected to come in or out of each fund during the term of the LTP, and then what the balance of each fund is expected to be at the end of the LTP term.

## Statement concerning balancing the budget

The Council will not produce a balanced budget in each of the ten years of the LTP. Having considered the overall impact of our financial management policies and decisions we believe it remains financially prudent.

In setting the budget we have had regard for the following matters:

- Maintaining levels of service
- Maintaining service capacity and integrity of assets
- Intergenerational equity
- Compliance with the Council's revenue and financing policies.

The main reasons for the surplus are:

- NZTA grants for roading are largely used to fund capital expenditure
- Other Central Government grants and subsidies are shown as income, whereas the capital items they fund are not included in the profit and loss statements.

Surpluses are reduced by:

- The policy to fund depreciation on infrastructural assets based on their 25 year renewal requirement.
- Reserves which may be used to fund one off expenditure.

The Council has set the expenditure and revenue at levels it considers appropriate to meet the funding needs of the District over the next ten years and to meet the social, cultural, environmental and economic well-being of the community.

## Prospective Statement of Comprehensive Revenue and Expense

AP 2015 \$000		LTP 2016 \$000	LTP 2017 \$000	LTP 2018 \$000	LTP 2019 \$000	LTP 2020 \$000	LTP 2021 \$000	LTP 2022 \$000	LTP 2023 \$000	LTP 2024 \$000	LTP 2025 \$000
	<b>REVENUE</b>										
10,050	Revenue from activities	9,212	9,608	9,812	10,167	10,565	10,933	11,559	12,037	12,389	12,859
11,160	Subsidies and Grants	14,518	12,634	10,840	12,244	10,563	7,603	7,874	9,369	8,088	9,002
39,294	Rates Revenue Note 1 and 2	40,598	42,150	43,638	44,666	46,190	47,806	48,445	49,457	51,086	52,777
290	Vested Assets	231	233	236	238	241	244	247	250	253	257
1,068	Gains on revaluation of Investment property	443	448	464	481	500	520	542	565	591	619
465	Development and Financial Contributions	87	97	100	583	106	110	114	119	123	128
15	Finance Revenue*	40	40	40	40	40	40	40	40	40	40
<b>62,343</b>	<b>Total Revenue</b>	<b>65,128</b>	<b>65,211</b>	<b>65,130</b>	<b>68,420</b>	<b>68,205</b>	<b>67,256</b>	<b>68,821</b>	<b>71,837</b>	<b>72,570</b>	<b>75,681</b>
	<b>EXPENDITURE</b>										
26,509	Other Expenses	27,021	28,293	27,726	28,227	29,342	30,392	31,140	32,331	33,334	34,365
12,563	Personnel Costs	13,229	13,579	13,944	14,286	14,659	15,059	15,486	15,942	16,439	16,972
16,256	Depreciation and Amortisation Note 3	14,949	16,097	17,177	18,356	19,270	19,719	20,585	21,581	22,676	23,820
2,470	Finance Costs*	2,645	3,182	3,413	3,492	3,510	3,472	3,275	3,110	3,032	3,038
<b>57,798</b>	<b>Total Expenditure</b>	<b>57,844</b>	<b>61,151</b>	<b>62,260</b>	<b>64,361</b>	<b>66,781</b>	<b>68,642</b>	<b>70,486</b>	<b>72,964</b>	<b>75,481</b>	<b>78,195</b>
4,545	Net Surplus (Deficit)	7,284	4,060	2,870	4,059	1,424	(1,386)	(1,665)	(1,127)	(2,911)	(2,514)
	<b>OTHER COMPREHENSIVE REVENUE &amp; EXPENSE</b>										
2,500	Gains on asset revaluation	7,067	6,307	7,201	7,863	8,271	8,982	9,518	10,196	10,778	11,597
7,045	Total comprehensive revenue and expense for the year	14,351	10,367	10,070	11,922	9,695	7,597	7,853	9,069	7,867	9,083

\*Excludes Internal Borrowing Interest.

# Notes to the Prospective Statement of Comprehensive Revenue and Expense

AP 2015 \$000		LTP 2016 \$000	LTP 2017 \$000	LTP 2018 \$000	LTP 2019 \$000	LTP 2020 \$000	LTP 2021 \$000	LTP 2022 \$000	LTP 2023 \$000	LTP 2024 \$000	LTP 2025 \$000
<b>NOTE 1: GENERAL RATES BY ACTIVITY</b>											
2,412	Leadership	2,521	2,704	2,755	2,723	2,932	2,922	2,990	3,151	3,182	3,246
1,522	Community Safety	1,640	1,694	1,610	1,684	1,709	1,793	1,811	1,902	1,938	2,038
1,155	Environmental Sustainability	1,579	1,703	1,536	1,790	1,839	1,885	1,927	1,968	2,034	2,013
630	District Growth	931	934	984	974	1,040	1,075	1,086	1,106	1,150	1,195
9,157	Recreation and Community Facilities	9,001	9,327	9,533	9,740	10,087	10,457	10,692	10,951	11,271	11,573
1,422	Waste	989	966	991	1,000	1,026	1,057	1,083	1,111	1,141	1,168
(15)	Roads and Footpaths	(14)	(14)	(15)	(15)	(15)	(16)	(16)	(15)	(16)	(16)
342	Stormwater Drainage	341	395	449	435	448	464	483	501	519	539
19	Sewerage Treatment and Disposal	23	42	44	45	46	48	50	52	54	56
-	Reportable Council-controlled Organisations	150	144	143	145	142	155	156	158	160	165
(425)	Corporate and District Activities Funds Applied	279	227	376	376	376	268	116	(93)	(113)	(138)
-	Add operating reserve balances repaid	-	-	-	-	-	-	-	-	-	-
16,219	Total General Rates per Funding Impact Statement - Whole of Council	17,440	18,123	18,407	18,897	19,629	20,108	20,379	20,792	21,321	21,840
600	Less Rates Penalties	660	677	694	713	734	756	779	805	832	862
15,619	General Rates Levied per Funding Impact Statement - Rating	16,780	17,446	17,712	18,185	18,895	19,352	19,600	19,987	20,489	20,978
<b>NOTE 2: TARGETED RATES BY ACTIVITY</b>											
284	Leadership	318	336	335	343	365	365	375	400	402	415
406	District Growth	431	442	454	466	478	492	507	522	540	559
35	Recreation and Community Facilities	16	17	18	18	20	21	20	21	22	22
4,164	Waste	4,342	4,416	4,530	4,614	4,744	4,860	4,980	5,128	5,276	5,439
7,890	Roads and Footpaths	7,510	7,732	7,873	8,026	8,229	8,492	8,233	8,546	8,911	9,206
5,292	Water Supply*	5,005	5,289	5,334	5,421	5,553	5,815	5,967	6,199	6,368	6,666
2,641	Stormwater Drainage	2,848	2,948	2,896	2,924	3,092	3,326	3,426	3,467	3,541	3,599
2,363	Sewerage Treatment and Disposal	2,687	2,847	3,792	3,957	4,080	4,327	4,558	4,382	4,706	5,031
23,075	Total Targeted Rates per Funding Impact Statements - Whole of Council and Rating	23,158	24,027	25,231	25,769	26,561	27,698	28,066	28,665	29,765	30,937
796	Operating reserve balances repaid	-	-	-	-	-	-	-	-	-	-
3,175	* metered water supply	3,003	3,173	3,200	3,252	3,332	3,489	3,580	3,719	3,820	3,999

AP 2015 \$000		LTP 2016 \$000	LTP 2017 \$000	LTP 2018 \$000	LTP 2019 \$000	LTP 2020 \$000	LTP 2021 \$000	LTP 2022 \$000	LTP 2023 \$000	LTP 2024 \$000	LTP 2025 \$000
<b>NOTE 3: DEPRECIATION AND AMORTISATION</b>											
34	Community Safety	-	-	-	1	-	1	-	-	1	-
140	District Growth	89	98	106	113	111	122	132	141	149	155
2,572	Recreation and Community Facilities	1,898	2,077	2,250	2,440	2,595	2,801	3,058	3,254	3,457	3,644
60	Waste	49	51	55	57	60	62	66	68	71	73
6,784	Roads and Footpaths	6,930	7,325	7,708	8,105	8,494	8,964	9,425	9,992	10,534	11,147
1,944	Water Supply	2,035	2,087	2,126	2,195	2,304	2,349	2,364	2,411	2,491	2,574
944	Stormwater Drainage	1,096	1,112	1,142	1,193	1,276	1,338	1,359	1,382	1,428	1,459
1,505	Sewerage Treatment and Disposal	1,450	1,613	1,917	2,154	2,171	2,216	2,355	2,490	2,710	2,903
51	Reportable Council-controlled organisations	70	71	82	87	107	116	127	131	135	140
2,221	Corporate & District Activities Funds Applied	1,332	1,663	1,791	2,011	2,152	1,750	1,699	1,712	1,700	1,725
16,256	<b>Total Depreciation and Amortisation</b>	<b>14,949</b>	<b>16,097</b>	<b>17,177</b>	<b>18,356</b>	<b>19,270</b>	<b>19,719</b>	<b>20,585</b>	<b>21,581</b>	<b>22,676</b>	<b>23,820</b>
16,657	Projected number of rating units within the district at the end of the preceding year	16,657	16,657	16,657	16,657	16,657	16,657	16,657	16,657	16,657	16,657

## Prospective Statement of Changes in Net Assets and Equity

AP 2015 \$000		LTP 2016 \$000	LTP 2017 \$000	LTP 2018 \$000	LTP 2019 \$000	LTP 2020 \$000	LTP 2021 \$000	LTP 2022 \$000	LTP 2023 \$000	LTP 2024 \$000	LTP 2025 \$000
442,958	Accumulated Funds at the start of the year	440,914	448,198	452,258	455,128	459,187	460,611	459,225	457,560	456,434	453,523
4,545	Total Comprehensive Revenue for the Period	7,284	4,060	2,870	4,059	1,424	(1,386)	(1,665)	(1,127)	(2,911)	(2,514)
<b>447,503</b>	<b>Accumulated Funds at the end of the year</b>	<b>448,198</b>	<b>452,258</b>	<b>455,128</b>	<b>459,187</b>	<b>460,611</b>	<b>459,225</b>	<b>457,560</b>	<b>456,434</b>	<b>453,523</b>	<b>451,009</b>
179,283	Asset Revaluation Reserves at the start of the year	175,410	182,477	188,784	195,985	203,848	212,119	221,101	230,619	240,815	251,594
2,500	Revaluation of Assets	7,067	6,307	7,201	7,863	8,271	8,982	9,518	10,196	10,778	11,597
<b>181,783</b>	<b>Asset Revaluation Reserves at the end of the year</b>	<b>182,477</b>	<b>188,784</b>	<b>195,985</b>	<b>203,848</b>	<b>212,119</b>	<b>221,101</b>	<b>230,619</b>	<b>240,815</b>	<b>251,594</b>	<b>263,190</b>
629,286	Net Assets and Equity at the end of the year	630,676	641,042	651,113	663,034	672,730	680,326	688,179	697,249	705,116	714,199

# Prospective Statement of Financial Position

AP 2015 \$000		LTP 2016 \$000	LTP 2017 \$000	LTP 2018 \$000	LTP 2019 \$000	LTP 2020 \$000	LTP 2021 \$000	LTP 2022 \$000	LTP 2023 \$000	LTP 2024 \$000	LTP 2025 \$000
	<b>PUBLIC EQUITY</b>										
430,353	Retained Earnings	431,800	438,814	442,119	445,524	446,826	444,692	441,590	438,896	434,412	430,106
17,150	Restricted Equity	16,399	13,445	13,009	13,663	13,785	14,533	15,970	17,538	19,110	20,903
181,783	Asset Revaluation Reserves	182,477	188,784	195,985	203,848	212,119	221,101	230,619	240,815	251,594	263,190
<b>629,286</b>	<b>Total Public Equity</b>	<b>630,676</b>	<b>641,042</b>	<b>651,113</b>	<b>663,034</b>	<b>672,730</b>	<b>680,326</b>	<b>688,179</b>	<b>697,249</b>	<b>705,116</b>	<b>714,199</b>
	<b>CURRENT ASSETS</b>										
34	Cash and Cash Equivalents	1,228	1,506	339	300	93	73	5	58	79	43
90	Other Current Assets	90	92	95	97	100	103	106	110	113	118
7,500	Trade and other Receivables	10,893	10,279	9,640	8,472	13,139	11,603	11,419	11,437	10,836	10,067
200	Assets Held for Sale	-	-	-	-	-	-	-	-	-	-
<b>7,824</b>	<b>Total Current Assets</b>	<b>12,211</b>	<b>11,877</b>	<b>10,073</b>	<b>8,870</b>	<b>13,332</b>	<b>11,779</b>	<b>11,530</b>	<b>11,605</b>	<b>11,029</b>	<b>10,228</b>
	<b>NON CURRENT ASSETS</b>										
45,000	Investment Property	43,741	44,189	44,653	45,134	45,634	46,154	46,696	47,261	47,852	48,471
629,992	Property, Plant and Equipment	631,900	647,629	663,755	678,030	685,370	690,847	695,620	702,014	711,720	720,164
10,000	Work in Progress	7,000	5,125	5,259	5,401	5,557	5,724	5,901	6,096	6,303	6,530
500	Other Non-Current Assets	607	622	638	656	675	695	716	740	765	793
<b>685,492</b>	<b>Total Non Current Assets</b>	<b>683,248</b>	<b>697,565</b>	<b>714,305</b>	<b>729,221</b>	<b>737,235</b>	<b>743,419</b>	<b>748,934</b>	<b>756,110</b>	<b>766,639</b>	<b>775,957</b>
693,316	Total Assets	695,460	709,442	724,378	738,090	750,568	755,198	760,463	767,716	777,668	786,186
	<b>CURRENT LIABILITIES</b>										
8,500	Trade and Other Payables	10,561	9,941	9,995	9,918	10,073	9,068	9,185	9,718	10,513	10,602
1,430	Employee Benefit Liabilities	1,700	1,743	1,788	1,836	1,889	1,946	2,006	2,072	2,143	2,220
10,000	Borrowings	5,000	13,000	14,000	5,000	26,000	5,000	17,000	13,000	5,000	18,000
<b>19,930</b>	<b>Total Current Liabilities</b>	<b>17,261</b>	<b>24,683</b>	<b>25,783</b>	<b>16,754</b>	<b>37,962</b>	<b>16,014</b>	<b>28,191</b>	<b>24,791</b>	<b>17,655</b>	<b>30,822</b>
	<b>NON CURRENT LIABILITIES</b>										
500	Provisions	500	513	526	540	556	572	590	610	630	653
42,000	Borrowings	45,676	41,824	45,540	56,307	37,823	56,743	41,913	43,424	52,567	38,752
1,600	Other Non-Current Liabilities	1,347	1,381	1,417	1,455	1,497	1,542	1,590	1,642	1,698	1,759
<b>44,100</b>	<b>Total Non-Current Liabilities</b>	<b>47,523</b>	<b>43,717</b>	<b>47,482</b>	<b>58,302</b>	<b>39,876</b>	<b>58,858</b>	<b>44,092</b>	<b>45,676</b>	<b>54,896</b>	<b>41,164</b>
64,030	Total Liabilities	64,784	68,400	73,265	75,057	77,838	74,872	72,283	70,466	72,551	71,986
629,286	Net Assets	630,675	641,042	651,113	663,034	672,730	680,326	688,180	697,249	705,117	714,199



## Notes to the Prospective Statement of Financial Position

AP 2015 \$000		LTP 2016 \$000	LTP 2017 \$000	LTP 2018 \$000	LTP 2019 \$000	LTP 2020 \$000	LTP 2021 \$000	LTP 2022 \$000	LTP 2023 \$000	LTP 2024 \$000	LTP 2025 \$000
<b>NET INVESTMENT IN COUNCIL CONTROLLED ORGANISATIONS</b>											
750	Whakatāne Airport	789	793	1,223	1,276	1,671	1,766	1,881	1,881	1,881	2,070
448	Local Government Funding Agency	448	448	448	448	448	448	448	448	448	448
<b>1,198</b>	<b>Net Investment</b>	<b>1,237</b>	<b>1,241</b>	<b>1,671</b>	<b>1,724</b>	<b>2,119</b>	<b>2,214</b>	<b>2,329</b>	<b>2,329</b>	<b>2,329</b>	<b>2,518</b>

## Prospective Statement of Cash Flows

AP 2015 \$000		LTP 2016 \$000	LTP 2017 \$000	LTP 2018 \$000	LTP 2019 \$000	LTP 2020 \$000	LTP 2021 \$000	LTP 2022 \$000	LTP 2023 \$000	LTP 2024 \$000	LTP 2025 \$000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Cash will be provided from:</b>											
38,293	Rates and Service Charges	37,205	42,765	44,277	45,833	41,523	49,342	48,629	49,438	51,688	53,546
465	Development Contributions	87	97	100	583	106	110	114	119	123	128
2,226	Sundry Revenue	2,226	2,341	2,328	2,393	2,513	2,521	2,620	2,783	2,801	2,903
6,225	User Fees	7,070	5,826	6,032	6,306	8,052	6,542	7,052	7,352	7,667	8,018
10,160	Subsidies & Grants	14,518	12,634	10,840	12,244	10,563	7,603	7,874	9,369	8,088	9,002
15	Interest Revenue - External	40	40	40	40	40	40	40	40	40	40
7,200	Regional Council Rates	8,185	9,408	9,741	10,083	9,135	10,855	10,698	10,876	11,371	11,780
<b>64,585</b>	<b>Total Operating Cash Provided</b>	<b>69,330</b>	<b>73,111</b>	<b>73,358</b>	<b>77,483</b>	<b>71,932</b>	<b>77,014</b>	<b>77,028</b>	<b>79,978</b>	<b>81,777</b>	<b>85,416</b>
<b>Cash will be applied to:</b>											
34,822	Suppliers and Employees	37,319	41,606	40,712	41,667	38,756	45,491	45,522	46,726	47,940	50,180
2,470	Interest on Public Debt	2,645	3,182	3,413	3,492	3,510	3,472	3,275	3,110	3,032	3,038
7,200	Regional Council Rates	8,185	9,408	9,741	10,083	9,135	10,855	10,698	10,876	11,371	11,780
44,492	Total Operating Cash Applied	48,149	54,196	53,866	55,242	51,401	59,818	59,495	60,713	62,343	64,998
20,093	Net Cashflows from Operating Activities	21,182	18,915	19,492	22,240	20,531	17,196	17,533	19,265	19,434	20,418
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>											
<b>Cash will be provided from:</b>											
600	Proceeds from sale of property, plant and equipment	625	625	625	625	1,000	1,000	1,000	1,000	1,000	1,000
<b>600</b>	<b>Total Investing Cash Provided</b>	<b>625</b>	<b>625</b>	<b>625</b>	<b>625</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>
<b>Cash will be spent on:</b>											

AP 2015 \$000		LTP 2016 \$000	LTP 2017 \$000	LTP 2018 \$000	LTP 2019 \$000	LTP 2020 \$000	LTP 2021 \$000	LTP 2022 \$000	LTP 2023 \$000	LTP 2024 \$000	LTP 2025 \$000
26,999	Purchase of property, plant and equipment	28,029	23,411	26,000	24,672	24,254	16,137	15,771	17,723	21,557	20,638
-	Purchase of investments	-	-	-	-	-	-	-	-	-	-
<b>26,999</b>	<b>Total Investing Cash Applied</b>	<b>28,029</b>	<b>23,411</b>	<b>26,000</b>	<b>24,672</b>	<b>24,254</b>	<b>16,137</b>	<b>15,771</b>	<b>17,723</b>	<b>21,557</b>	<b>20,638</b>
(26,399)	Net Cashflows from Investing Activities	(27,404)	(22,786)	(25,375)	(24,047)	(23,254)	(15,137)	(14,771)	(16,723)	(20,557)	(19,638)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>											
<b>Cash will be provided from:</b>											
14,000	Loans raised	7,076	4,148	4,715	1,768	2,515				1,144	
<b>14,000</b>	<b>Total Financing Cash Provided</b>	<b>7,076</b>	<b>4,148</b>	<b>4,715</b>	<b>1,768</b>	<b>2,515</b>	-	-	-	<b>1,144</b>	-
<b>Cash will be spent on:</b>											
7,700	Repayment of public debt						2,079	2,831	2,489		815
<b>7,700</b>	<b>Total Financing Cash Applied</b>	-	-	-	-	-	<b>2,079</b>	<b>2,831</b>	<b>2,489</b>	-	<b>815</b>
6,300	Net Cashflows from financing activities	7,076	4,148	4,715	1,768	2,515	(2,079)	(2,831)	(2,489)	1,144	(815)
(6)	Net increase (decrease) in cash held	853	278	(1,167)	(39)	(207)	(20)	(68)	54	21	(36)
40	Plus opening cash balance	375	1,228	1,506	339	300	93	73	5	58	79
34	Closing Cash Position	1,228	1,506	339	300	93	73	5	58	79	43



# Council Reserves

GENERAL OPERATING RESERVES	ACTIVITY	PURPOSE
General Rates and Revenues	General Council	For General Rate funded Surpluses or Deficits
Roading Rate	Roads and Footpaths	For Roothing Rate funded Surpluses or Deficits
Refuse Collection rate	Waste	For Refuse Collection Rate funded Surpluses or Deficits
Wastewater	Sewage Treatment and Disposal	For Wastewater Rate funded Surpluses or Deficits (excluding Matatā and Murupara schemes)
Wastewater - Matatā 1	Sewage Treatment and Disposal	For Matatā Wastewater operational Surpluses or Deficits
Wastewater - Murupara	Sewage Treatment and Disposal	For Murupara Wastewater Rate funded Surpluses or Deficits
Water	Water	For Water Rate funded Surpluses or Deficits (excluding Murupara, Plains and Ruatahuna schemes)
Water - Murupara	Water	For Murupara Water Rate funded Surpluses or Deficits
Water - Plains	Water	For Plains Water Rate funded Surpluses or Deficits
Water - Ruatahuna	Water	For Ruatahuna Water Rate funded Surpluses or Deficits
Dog Control	Animal Control	For Animal Control Operating Surpluses or Deficits
Parking Enforcement	Parking	For Parking Enforcement Operating Surpluses or Deficits
Pensioner Housing	Pensioner Housing	For Pensioner Housing Operating Surpluses or Deficits
Airport Whakatāne	Whakatāne Airport	For Whakatāne Airport Operating Surpluses or Deficits
Whakatāne Stormwater	Stormwater	For Whakatāne Stormwater Rate funded Surpluses or Deficits
Ōhope Stormwater	Stormwater	For Ōhope Stormwater Rate funded Surpluses or Deficits
Edgecumbe Stormwater	Stormwater	For Edgecumbe Stormwater Rate funded Surpluses or Deficits
Matatā Stormwater	Stormwater	For Matatā Stormwater Rate funded Surpluses or Deficits
Murupara Stormwater	Stormwater	For Murupara Stormwater Rate funded Surpluses or Deficits
Tāneatua Stormwater	Stormwater	For Tāneatua Stormwater Rate funded Surpluses or Deficits
Te Teko Stormwater	Stormwater	For Te Teko Stormwater Rate funded Surpluses or Deficits
Te Mahoe Stormwater	Stormwater	For Te Mahoe Stormwater Rate funded Surpluses or Deficits
Disaster Mitigation	Stormwater	For Disaster Mitigation/Stormwater Rate funded Surpluses or Deficits
Car parks Development	Parking	For the Development of Carparks in the District
Sand mining Royalties	General Council	Income received from sandmining company for access over Council reserve
Museum Collections	Exhibitions, Research, Storage & Archives	For the purchase of Assets for the Museum Collection
Galatea Reserve Development	General Council	For amenities within the Galatea and Murupara areas
Disabled Facilities	Pensioner Housing	For the improvement of Disabled Facilities throughout the District
Te Mahoe Water - special	Water	For the purchase of Capital Expenditure for the Te Mahoe Water scheme
Asset Divestment	General Council	Surplus funds from the Divestment of Council Assets
Leaky Homes Reserve	Building	To fund weather tight claims
Roothing Storm Damage Reserve	Roads and Footpaths	To fund costs associated with storm damage to the Councils Roothing network
General Disaster Reserve	General Council	To fund costs associated with a disaster within the District

RESTRICTED RESERVES	ACTIVITY	PURPOSE
Subdivision Contributions - Whakatāne	General Council	To fund capital expenditure in the Whakatāne Ward
Subdivision Contributions - Ōhope	General Council	To fund capital expenditure in the Ōhope Ward
Subdivision Contributions - Edgecumbe	General Council	To fund capital expenditure in the Edgecumbe Ward
Subdivision Contributions - Matatā	General Council	To fund capital expenditure in the Matatā Ward
Subdivision Contributions - Murupara	General Council	To fund capital expenditure in the Murupara Ward
Subdivision Contributions - Rural	General Council	To fund capital expenditure in the Rural Ward
Harbour Capital Fund	Ports & Harbour	For Ports & Harbour Operating Surpluses or Deficits
Harbour Land Sales	Ports & Harbour	Funds set aside from the sale of Harbour assets
Development Contributions - Stormwater	Stormwater	To fund growth related stormwater capital expenditure
Development Contributions - Water	Water	To fund growth related Water capital expenditure
Development Contributions - Wastewater	Sewage Treatment and Disposal	To fund growth related Wastewater capital expenditure
Development Contributions - Community Infrastructure	Arts & Culture, Recreation & Community Facilities	To fund growth related Community Infrastructure
Development Contributions - Parks, Gardens and Reserves	Parks, Reserves, Recreation & Sports Fields	To fund growth related Parks, Gardens and Reserves capital expenditure
Development Contributions - Solid Waste	Waste	To fund growth related Solid Waste capital expenditure
Development Contributions - Rooding	Roads and Footpaths	To fund growth related Rooding capital expenditure
Capital Contributions - Rooding	Roads and Footpaths	Financial contributions for Rooding capital projects
DEPRECIATION RESERVES	ACTIVITY	PURPOSE
Water	Water	To fund the renewal of Water assets
Wastewater	Sewage Treatment and Disposal	To fund the renewal of Wastewater assets
Stormwater	Stormwater	To fund the renewal of Stormwater assets
Refuse Disposal	Waste	To fund the renewal of Refuse Disposal assets
Libraries	Libraries	To fund the renewal of Library assets
Museum	Exhibitions, Research, Storage & Archives	To fund the renewal of Museum assets
Parks and Gardens & Sportsfields	Parks, Reserves, Recreation & Sports Fields	To fund the renewal of Parks and Gardens & Sportsfields assets
Cemeteries & Crematoria	Cemeteries & Crematorium	To fund the renewal of Cemeteries & Crematorium assets
Swimming Pools	Aquatic Centres	To fund the renewal of Aquatic Centre assets
Halls	Halls	To fund the renewal of Halls assets
Public Conveniences	Public Conveniences	To fund the renewal of Public Conveniences assets
Pensioner Housing	Pensioner Housing	To fund the renewal of Pensioner Housing assets
Strategic & Investment Property	Commercial Property	To fund the renewal of Commercial Property assets
Corporate Property	Corporate & District Activities	To fund the renewal of Corporate Property assets
Information Management	Corporate & District Activities	To fund the renewal of Information Management assets
Port	Ports & Harbour	To fund the renewal of Port & Harbour assets
Rooding	Roads and Footpaths	To fund the renewal of Rooding assets
Airport - Whakatāne	Whakatāne Airport	To fund the renewal of Whakatāne Airport assets

# Statement of Reserve Balances

## Notes:

- The forecast reserve balances have not been adjusted for inflation. Figures are stated in 2016 dollars

- depicts an overdrawn reserve balance

\* upon sale of the Pensioner Housing these funds will be transferred to the General Rates and Revenues Reserve

RESERVE GROUP	2015 OPENING BALANCE	2015 TRANSFER INTO FUND	2015 TRANSFER OUT OF FUND	2015 CLOSING BALANCE	2016 TRANSFER INTO FUND	2016 TRANSFER OUT OF FUND	2016 CLOSING BALANCE	2017 TRANSFER INTO FUND	2017 TRANSFER OUT OF FUND	2017 CLOSING BALANCE	2018 TRANSFER INTO FUND	2018 TRANSFER OUT OF FUND	2018 CLOSING BALANCE	2019 TRANSFER INTO FUND	2019 TRANSFER OUT OF FUND
General Operating Reserves															
Airport Whakatāne	-706	608	-22	-120	-	-7	-127	-	-7	-134	-	-8	-142	-	-8
Aquatic Centre	-1	1	-	-	-	-	-	-	-	-	-	-	-	-	-
Disaster Mitigation	170	736	-906	-	-	-	-	-	-	-	-	-	-	-	-
Dog Control	211	12	-	223	12	-50	185	11	-	196	12	-	207	12	-
Edgecumbe Stormwater	60	3	-	63	4	-	67	4	-	71	4	-	75	5	-
General Rates & Revenues	946	34	-726	254	14	-50	217	13	-	231	14	-	244	15	-
Matatā Stormwater	-60	20	-3	-43	-	-3	-45	-	-3	-48	-	-3	-51	-	-3
Ōhope Stormwater	-58	30	-2	-30	-	-2	-32	-	-2	-34	-	-2	-36	-	-2
Parking Enforcement	656	91	-267	480	61	-101	440	59	-70	429	57	-101	385	55	-70
Pensioner Housing *	183	376	-271	288	15	-52	252	15	-	267	16	-	283	17	-
Refuse Collection rate	-288	430	-4	138	8	-	146	9	-	155	9	-	164	10	-
Roading Rate	-106	-	94	-12	-	-1	-13	-	-1	-14	-	-1	-15	-	-1
Tāneatua Stormwater	-2	-	-	-2	-	-	-2	-	-	-2	-	-	-3	-	-
Te Mahoe Stormwater	1	-	-	1	-	-	1	-	-	1	-	-	1	-	-
Te Teko Stormwater	-1	-	-	-1	-	-	-1	-	-	-1	-	-	-1	-	-
Wastewater	404	452	-706	149	7	-61	96	4	-61	39	2	-1	41	3	-1
Wastewater - Matatā	-1,323	-	-198	-1,521	-	-235	-1,756	1,145	-527	-1,139	245	-61	-955	261	-49
Wastewater - Murupara	17	-	-25	-8	-	-	-8	-	-	-9	-	-1	-9	-	-1
Water	-140	1,468	-1,490	-162	31	-9	-140	31	-8	-117	-	-7	-124	-	-7
Water - Murupara	-96	25	-5	-76	-	-5	-80	-	-5	-85	-	-5	-90	-	-5
Water - Plains	1,245	70	-	1,315	78	-	1,393	84	-	1,477	89	-	1,565	94	-
Water - Ruatāhuna	3	-	-	3	-	-	3	-	-	4	-	-	4	-	-
Whakatāne Stormwater	-190	180	-6	-16	-	-1	-17	-	-1	-18	-	-1	-19	-	-1
<b>General Operating Reserves Total</b>	<b>925</b>	<b>4,535</b>	<b>-4,537</b>	<b>923</b>	<b>230</b>	<b>-575</b>	<b>579</b>	<b>1,375</b>	<b>-685</b>	<b>1,269</b>	<b>448</b>	<b>-190</b>	<b>1,526</b>	<b>471</b>	<b>-149</b>



2019 CLOSING BALANCE	2020 TRANSFER INTO FUND	2020 TRANSFER OUT OF FUND	2020 CLOSING BALANCE	2021 TRANSFER INTO FUND	2021 TRANSFER OUT OF FUND	2021 CLOSING BALANCE	2022 TRANSFER INTO FUND	2022 TRANSFER OUT OF FUND	2022 CLOSING BALANCE	2023 TRANSFER INTO FUND	2023 TRANSFER OUT OF FUND	2023 CLOSING	2024 TRANSFER INTO FUND	2024 TRANSFER OUT OF FUND	2024 CLOSING BALANCE	2025 TRANSFER INTO FUND	2025 TRANSFER OUT OF FUND	2025 CLOSING BALANCE
-151	-	-9	-160	-	-10	-170	-	-11	-180	-	-11	-191	-	-11	-203	-	-12	-215
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
220	13	-	233	14	-	247	15	-	262	16	-	278	17	-	295	18	-	313
80	5	-	85	5	-	90	5	-	95	6	-	101	6	-	107	7	-	114
259	15	-	274	16	-	291	18	-	308	19	-	327	20	-	347	21	-	368
-54	-	-3	-57	-	-3	-61	-	-4	-64	-	-4	-68	-	-4	-72	-	-4	-77
-38	-	-2	-41	-	-2	-43	-	-3	-46	-	-3	-48	-	-3	-51	-	-3	-55
369	51	-101	319	50	-70	299	48	-101	246	47	-70	223	43	-101	165	42	-70	136
300	18	-	317	19	-	336	20	-	356	21	-	377	23	-	400	25	-	425
174	10	-	184	11	-	195	12	-	207	13	-	220	13	-	233	14	-	248
-15	-	-1	-16	-	-1	-17	-	-1	-18	-	-1	-19	-	-1	-21	-	-1	-22
-3	-	-	-3	-	-	-3	-	-	-3	-	-	-3	-	-	-4	-	-	-4
1	-	-	1	-	-	1	-	-	2	-	-	2	-	-	2	-	-	2
-1	-	-	-1	-	-	-1	-	-	-2	-	-	-2	-	-	-2	-	-	-2
43	3	-1	45	3	-1	48	3	-1	50	3	-1	53	4	-1	55	4	-1	58
-743	280	-36	-499	301	-21	-219	337	-3	115	7	-	122	7	-	130	8	-	137
-10	-	-1	-10	-	-1	-11	-	-1	-12	-	-1	-12	-	-1	-13	-	-1	-14
-131	-	-8	-139	-	-8	-148	-	-9	-157	-	-10	-166	-	-10	-176	-	-11	-187
-95	-	-6	-101	-	-6	-107	-	-6	-114	-	-7	-121	-	-7	-128	-	-8	-136
1,659	99	-	1,758	106	-	1,863	112	-	1,976	121	-	2,096	127	-	2,223	137	-	2,360
4	-	-	4	-	-	4	-	-	5	-	-	5	-	-	5	-	-	6
-20	-	-1	-21	-	-1	-22	-	-1	-23	-	-1	-25	-	-2	-26	-	-2	-28
<b>1,848</b>	<b>494</b>	<b>-169</b>	<b>2,173</b>	<b>525</b>	<b>-125</b>	<b>2,573</b>	<b>570</b>	<b>-140</b>	<b>3,003</b>	<b>253</b>	<b>-109</b>	<b>3,147</b>	<b>261</b>	<b>-142</b>	<b>3,266</b>	<b>276</b>	<b>-114</b>	<b>3,428</b>

RESERVE GROUP	2015 OPENING BALANCE	2015 TRANSFER INTO FUND	2015 TRANSFER OUT OF FUND	2015 CLOSING BALANCE	2016 TRANSFER INTO FUND	2016 TRANSFER OUT OF FUND	2016 CLOSING BALANCE	2017 TRANSFER INTO FUND	2017 TRANSFER OUT OF FUND	2017 CLOSING BALANCE	2018 TRANSFER INTO FUND	2018 TRANSFER OUT OF FUND	2018 CLOSING BALANCE	2019 TRANSFER INTO FUND	2019 TRANSFER OUT OF FUND
<b>Depreciation Reserves</b>															
Cemeteries & Crematorium	64	46	-53	57	26	-12	71	27	-16	82	27	-18	91	28	-19
Corporate Property	1,534	685	-859	1,359	770	-566	1,564	760	-1,175	1,149	730	-777	1,102	707	-1,778
Information Management	2,582	709	-695	2,596	456	-775	2,277	444	-560	2,161	433	-690	1,903	420	-600
Libraries	34	131	-125	40	128	-100	68	129	-100	97	131	-100	128	133	-100
Museum	100	26	-	126	8	-	134	8	-	142	9	-	150	9	-
Parks, Reserves, Recreation & Sports Fields	1,082	636	-633	1,085	475	-282	1,277	481	-396	1,362	475	-768	1,069	462	-609
Pensioner Housing	335	99	-152	282	17	-	299	18	-	317	19	-	336	20	-
Ports & Harbour	1,618	458	-158	1,918	472	-399	1,991	487	-75	2,403	393	-4,008	-1,212	358	-196
Public Conveniences	333	107	-87	353	18	-24	348	16	-84	281	13	-58	235	12	-16
Refuse Disposal	154	14	-	168	-4	-	164	-5	-15	144	-6	-25	113	-8	-15
Roading Depreciation	318	1,974	-2,141	151	2,090	-2,100	141	2,082	-2,500	-277	2,082	-2,465	-660	2,102	-2,012
Stormwater Depreciation	285	648	-1,296	-363	253	-843	-952	248	-147	-851	285	-670	-1,237	251	-84
Strategic & Investment Property	2	-	-	2	-	-	2	-	-	2	-	-	3	-	-
Swimming Pools	208	186	-82	312	161	-130	343	165	-52	456	170	-109	517	171	-212
Wastewater Depreciation	926	827	-355	1,399	993	-712	1,680	1,006	-3,049	-363	1,020	-1,942	-1,284	1,009	-1,526
Water Depreciation	1,996	1,134	-582	2,548	946	-1,037	2,457	944	-972	2,428	957	-956	2,429	987	-564
Whakatāne Airport	-195	31	-100	-264	70	-19	-213	70	-16	-159	70	-26	-115	70	-59
<b>Depreciation Reserves Total</b>	<b>11,376</b>	<b>7,711</b>	<b>-7,317</b>	<b>11,770</b>	<b>6,878</b>	<b>-6,998</b>	<b>11,650</b>	<b>6,880</b>	<b>-9,157</b>	<b>9,373</b>	<b>6,808</b>	<b>-12,613</b>	<b>3,568</b>	<b>6,730</b>	<b>-7,790</b>
<b>Other Reserves</b>															
Asset Divestment	-255	583	-185	143	645	-255	532	625	-1,675	-518	625	-353	-246	625	-1,298
Car Parks Development	36	2	-	38	2	-	40	2	-	43	3	-	45	3	-
Community Boards & Iwi Liaison	121	8	-1	128	9	-1	135	9	-1	144	10	-1	152	10	-1
Disabled Facilities	-8	28	-20	-	-	-	-	-	-	-	-	-	-	-	-
Galatea Reserve Development	1	-	-1	-	-	-	-	-	-	-	-	-	-	-	-
LAPP Insurance	282	16	-	298	18	-	316	19	-	334	20	-	355	21	-
Leaky Homes Reserve	280	118	-	398	24	-	422	25	-	448	27	-	474	28	-
Roading Storm Damage Reserve	755	325	-	1,080	64	-	1,144	69	-	1,213	73	-	1,286	77	-
Te Mahoe Water - special	217	7	-181	43	3	-	46	3	-	49	3	-	52	3	-
<b>Other Reserves Total</b>	<b>1,429</b>	<b>1,087</b>	<b>-388</b>	<b>2,128</b>	<b>764</b>	<b>-256</b>	<b>2,635</b>	<b>753</b>	<b>-1,677</b>	<b>1,712</b>	<b>760</b>	<b>-354</b>	<b>2,118</b>	<b>768</b>	<b>-1,300</b>
<b>Restricted Reserves</b>															
Capital Contributions - Roading	50	3	-	53	3	-	56	3	-	59	4	-	63	4	-

2019 CLOSING BALANCE	2020 TRANSFER INTO FUND	2020 TRANSFER OUT OF FUND	2020 CLOSING BALANCE	2021 TRANSFER INTO FUND	2021 TRANSFER OUT OF FUND	2021 CLOSING BALANCE	2022 TRANSFER INTO FUND	2022 TRANSFER OUT OF FUND	2022 CLOSING BALANCE	2023 TRANSFER INTO FUND	2023 TRANSFER OUT OF FUND	2023 CLOSING BALANCE	2024 TRANSFER INTO FUND	2024 TRANSFER OUT OF FUND	2024 CLOSING BALANCE	2025 TRANSFER INTO FUND	2025 TRANSFER OUT OF FUND	2025 CLOSING BALANCE
101	29	-14	116	29	-28	117	29	-33	113	29	-36	106	29	-22	113	30	-2	141
31	688	-1,161	-443	705	-728	-465	721	-703	-446	739	-578	-285	753	-791	-323	768	-846	-401
1,723	412	-470	1,666	409	-500	1,575	406	-440	1,540	404	-450	1,495	404	-350	1,549	410	-310	1,649
161	135	-100	196	137	-100	234	139	-100	273	142	-100	315	145	-100	360	148	-100	407
159	9	-	169	10	-	179	11	-	190	12	-	201	12	-	213	13	-	227
921	452	-625	748	436	-839	344	419	-583	180	409	-579	10	404	-871	-457	404	-434	-487
356	21	-	377	23	-	400	24	-	424	26	-	450	27	-	477	29	-	506
-1,049	358	-968	-1,659	358	-176	-1,476	358	-151	-1,269	358	-145	-1,056	358	-132	-829	358	-119	-590
231	11	-17	225	10	-46	190	7	-93	104	2	-59	47	-1	-59	-13	-2	-38	-53
90	-10	-25	55	-11	-	44	-12	-30	2	-14	-	-12	-14	-1	-27	-14	-2	-43
-570	2,102	-1,974	-442	2,102	-1,949	-289	2,102	-1,960	-147	2,102	-2,178	-223	2,102	-1,876	3	2,111	-1,818	296
-1,071	251	-105	-925	252	-627	-1,300	253	-127	-1,174	254	-116	-1,036	255	-637	-1,418	256	-102	-1,265
3	-	-	3	-	-	3	-	0	3	-	-	3	-	-	4	-	-	4
476	170	-149	498	164	-395	266	158	-141	283	161	-75	370	159	-316	212	149	-337	24
-1,801	1,000	-493	-1,295	1,006	-880	-1,169	1,008	-1,915	-2,076	1,020	-2,138	-3,194	990	-1,929	-4,133	888	-4,100	-7,344
2,852	1,001	-1,181	2,672	1,017	-863	2,825	1,038	-370	3,493	1,066	-793	3,766	1,082	-790	4,059	1,106	-777	4,387
-104	70	-175	-209	70	-101	-240	70	-119	-288	70	-19	-237	70	-15	-182	70	-12	-125
<b>2,509</b>	<b>6,701</b>	<b>-7,457</b>	<b>1,753</b>	<b>6,718</b>	<b>-7,233</b>	<b>1,237</b>	<b>6,732</b>	<b>-6,765</b>	<b>1,204</b>	<b>6,782</b>	<b>-7,265</b>	<b>720</b>	<b>6,776</b>	<b>-7,889</b>	<b>-393</b>	<b>6,725</b>	<b>-8,998</b>	<b>-2,666</b>
-919	1,000	-134	-53	1,024	-106	865	1,079	-106	1,839	1,139	-105	2,873	1,202	-106	3,969	1,272	-106	5,135
48	3	-	51	3	-	54	3	-	57	3	-	61	4	-	64	4	-	68
161	11	-1	171	12	-1	181	12	-2	192	13	-2	204	14	-2	216	15	-2	229
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
376	22	-	398	24	-	422	25	-	447	27	-	475	29	-	504	31	-	535
503	30	-	533	32	-	565	34	-	599	37	-	635	39	-	674	42	-	715
1,363	81	-	1,444	87	-	1,531	92	-	1,623	99	-	1,722	105	-	1,826	113	-	1,939
55	3	-	58	3	-	61	4	-	65	4	-	69	4	-	73	5	-	78
<b>1,586</b>	<b>1,150</b>	<b>-135</b>	<b>2,601</b>	<b>1,185</b>	<b>-107</b>	<b>3,679</b>	<b>1,250</b>	<b>-107</b>	<b>4,822</b>	<b>1,323</b>	<b>-107</b>	<b>6,038</b>	<b>1,395</b>	<b>-108</b>	<b>7,326</b>	<b>1,481</b>	<b>-107</b>	<b>8,699</b>
67	4	-	71	4	-	75	5	-	79	5	-	84	5	-	89	6	-	95

RESERVE GROUP	2015 OPENING BALANCE	2015 TRANSFER INTO FUND	2015 TRANSFER OUT OF FUND	2015 CLOSING BALANCE	2016 TRANSFER INTO FUND	2016 TRANSFER OUT OF FUND	2016 CLOSING BALANCE	2017 TRANSFER INTO FUND	2017 TRANSFER OUT OF FUND	2017 CLOSING BALANCE	2018 TRANSFER INTO FUND	2018 TRANSFER OUT OF FUND	2018 CLOSING BALANCE	2019 TRANSFER INTO FUND	2019 TRANSFER OUT OF FUND
Development Contributions - Community Infrastructure	473	102	-316	258	11	-151	118	7	-1	124	7	-12	119	-	-297
Development Contributions - Parks, Gardens & Reserves	1,527	62	-845	744	33	-727	50	35	-209	-124	37	-178	-265	39	-192
Development Contributions - Roading	1,508	145	-341	1,312	71	-269	1,114	65	-74	1,105	65	-71	1,098	64	-70
Development Contributions - Solid Waste	331	27	-	358	17	-150	225	14	-	239	14	-	253	15	-
Development Contributions - Stormwater'	257	206	-206	257	37	-139	156	33	-855	-667	33	-54	-688	34	-157
Development Contributions - Wastewater	-726	255	-181	-652	55	-489	-1,086	63	-882	-1,905	63	-147	-1,990	312	-144
Development Contributions - Water	270	42	-93	219	33	-152	100	30	-511	-382	31	-293	-644	216	-154
Harbour Capital Fund	5,675	2,312	-2,918	5,069	2,409	-2,275	5,203	2,399	-3,699	3,903	2,353	-2,952	3,304	2,384	-2,104
Harbour Land Sales	9,315	521	-	9,836	586	-	10,422	626	-	11,048	663	-	11,711	701	-
Otarawairere Disaster Mitigation	-1,542	1,584	-42	-	-	-	-	-	-	-	-	-	-	-	-
Subdivision Contributions - Edgecumbe	21	1	-	22	1	-	23	1	-	25	1	-	26	2	-
Subdivision Contributions - Matatā	18	1	-	19	1	-	20	1	-	21	1	-	23	1	-
Subdivision Contributions - Murupara	5	-	-	5	-	-	6	-	-	6	-	-	6	-	-
Subdivision Contributions - Ōhope	4	33	-47	-10	-	-1	-11	-	-1	-12	-	-1	-12	-	-1
Subdivision Contributions - Rural	26	1	-	27	2	-	29	2	-	31	2	-	33	2	-
Subdivision Contributions - Whakatāne	261	6	-292	-24	-	-1	-26	-	-2	-27	-	-2	-29	-	-2
<b>Restricted Reserves Total</b>	<b>17,473</b>	<b>5,301</b>	<b>-5,280</b>	<b>17,494</b>	<b>3,259</b>	<b>-4,354</b>	<b>16,399</b>	<b>3,280</b>	<b>-6,234</b>	<b>13,445</b>	<b>3,275</b>	<b>-3,710</b>	<b>13,009</b>	<b>3,775</b>	<b>-3,121</b>
<b>Grand Total</b>	<b>31,203</b>	<b>18,635</b>	<b>-17,523</b>	<b>32,315</b>	<b>11,131</b>	<b>-12,183</b>	<b>31,263</b>	<b>12,288</b>	<b>-17,752</b>	<b>25,799</b>	<b>11,291</b>	<b>-16,868</b>	<b>20,221</b>	<b>11,744</b>	<b>-12,360</b>

2019 CLOSING BALANCE	2020 TRANSFER INTO FUND	2020 TRANSFER OUT OF FUND	2020 CLOSING BALANCE	2021 TRANSFER INTO FUND	2021 TRANSFER OUT OF FUND	2021 CLOSING BALANCE	2022 TRANSFER INTO FUND	2022 TRANSFER OUT OF FUND	2022 CLOSING BALANCE	2023 TRANSFER INTO FUND	2023 TRANSFER OUT OF FUND	2023 CLOSING	2024 TRANSFER INTO FUND	2024 TRANSFER OUT OF FUND	2024 CLOSING BALANCE	2025 TRANSFER INTO FUND	2025 TRANSFER OUT OF FUND	2025 CLOSING BALANCE
-178	-	-234	-412	-	-26	-438	-	-28	-466	-	-30	-495	-	-31	-527	-	-34	-560
-417	41	-221	-596	44	-214	-766	47	-228	-947	51	-242	-1,138	53	-256	-1,341	58	-275	-1,558
1,092	63	-70	1,085	64	-55	1,094	64	-69	1,089	65	-69	1,085	64	-69	1,080	65	-69	1,076
268	16	-	284	17	-	301	18	-	319	19	-	339	21	-	359	22	-	381
-811	34	-196	-973	35	-137	-1,075	35	-74	-1,114	36	-78	-1,155	37	-81	-1,199	38	-85	-1,247
-1,821	63	-141	-1,900	63	-125	-1,962	64	-130	-2,028	66	-137	-2,099	67	-247	-2,280	68	-157	-2,368
-581	32	-156	-705	33	-58	-730	34	-61	-756	36	-64	-785	37	-67	-815	38	-71	-847
3,583	2,427	-2,282	3,728	2,437	-2,103	4,062	2,703	-1,785	4,980	2,753	-1,746	5,986	2,823	-1,737	7,072	2,886	-1,724	8,234
12,413	739	-	13,151	790	-	13,942	839	-	14,781	902	-	15,683	952	-	16,634	1,025	-	17,659
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	2	-	30	2	-	31	2	-	33	2	-	35	2	-	38	2	-	40
24	1	-	25	2	-	27	2	-	29	2	-	30	2	-	32	2	-	34
7	-	-	7	-	-	7	-	-	8	-	-	8	1	-	9	1	-	9
-13	-	-1	-14	-	-1	-15	-	-1	-16	-	-1	-17	-	-1	-18	-	-1	-19
35	2	-	37	2	-	39	2	-	41	3	-	44	3	-	46	3	-	49
-31	-	-2	-32	-	-2	-34	-	-2	-37	-	-2	-39	-	-2	-41	-	-3	-44
<b>13,663</b>	<b>3,424</b>	<b>-3,302</b>	<b>13,785</b>	<b>3,494</b>	<b>-2,721</b>	<b>14,558</b>	<b>3,816</b>	<b>-2,377</b>	<b>15,997</b>	<b>3,939</b>	<b>-2,369</b>	<b>17,566</b>	<b>4,066</b>	<b>-2,492</b>	<b>19,140</b>	<b>4,213</b>	<b>-2,418</b>	<b>20,935</b>
<b>19,606</b>	<b>11,770</b>	<b>-11,063</b>	<b>20,312</b>	<b>11,922</b>	<b>-10,187</b>	<b>22,047</b>	<b>12,368</b>	<b>-9,389</b>	<b>25,026</b>	<b>12,296</b>	<b>-9,851</b>	<b>27,471</b>	<b>12,498</b>	<b>-10,630</b>	<b>29,339</b>	<b>12,694</b>	<b>-11,637</b>	<b>30,395</b>



# » Financial Prudence Benchmarks

## Long-Term Plan disclosure statement for period commencing 1 July 2015

The purpose of this statement is to disclose the Council’s planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

The Council is required to include this statement in its Long-Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

### Rates Affordability Benchmark

The Council meets the rates affordability benchmark if:

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

### RATES INCOME AFFORDABILITY

The following graphs compare the Council’s planned rates with a quantified limits on rates contained in the financial strategy included in this Long-Term Plan.

### Quantified Limits on Rates

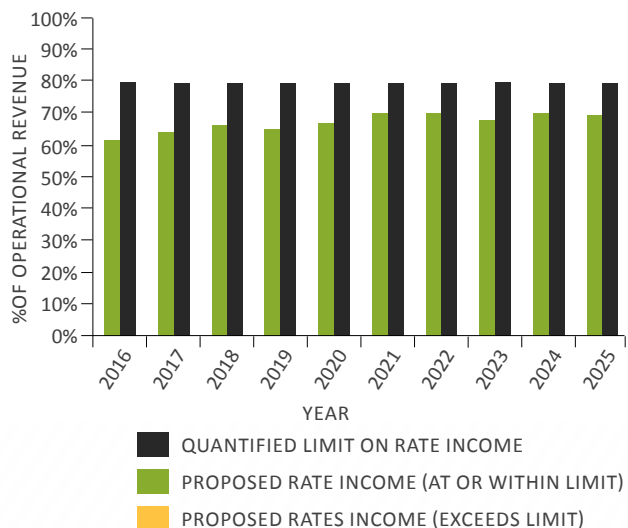
The proposed rates income will be no more than the total rates requirement for each year of the ten-year plan.



## RATES INCREASES AFFORDABILITY

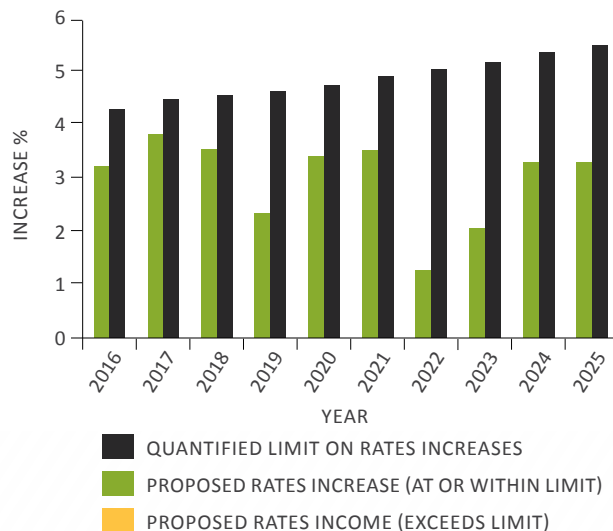
The following graph compares the Council’s planned rates increases with a quantified limit on rates increases contained in the Financial Strategy included this Long-Term Plan.

**TOTAL RATES REVENUE FOR EACH YEAR OF THE TEN-YEAR PLAN WILL BE LIMITED TO 80% OF OPERATING REVENUE**



### Quantified Limit on Rates Increases

- The annual percentage increase in the Local Government Cost Index\*
- Plus two percent.



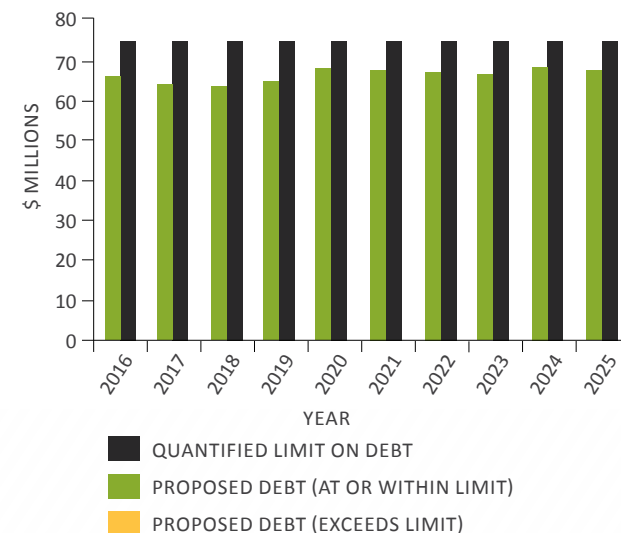
\*Using the most recent Local Government Cost Index, published by BERL, available at the time the this ten-year plan was prepared.

## Debt Affordability Benchmark

The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

### Our Limits for Debt

The following graph compares the council’s planned total borrowing with the first quantified limit on borrowing stated in the financial strategy included in this long-term plan. The quantified limit is for total debt to be capped at \$75 million.





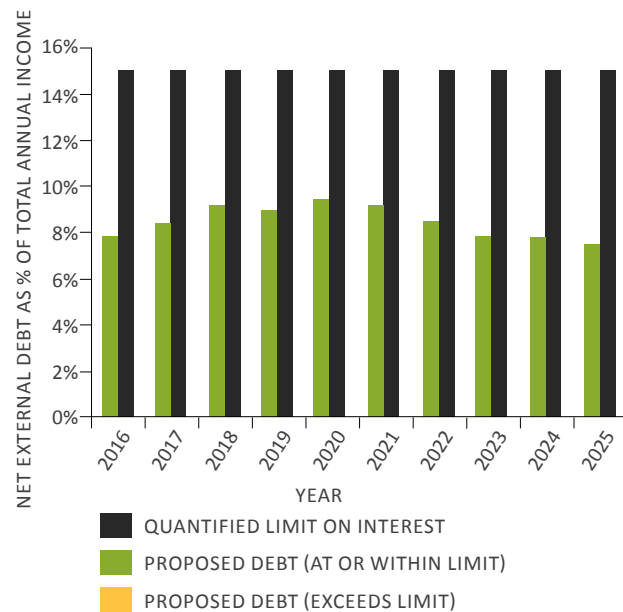
**Our Limit on Interest as a Percentage of Total Rates Income**

The following graph compares the council’s planned interest as a percentage of total rates income with the second quantified limit on borrowing stated in the financial strategy included in this long-term plan. The quantified limit is 12% of total rates.



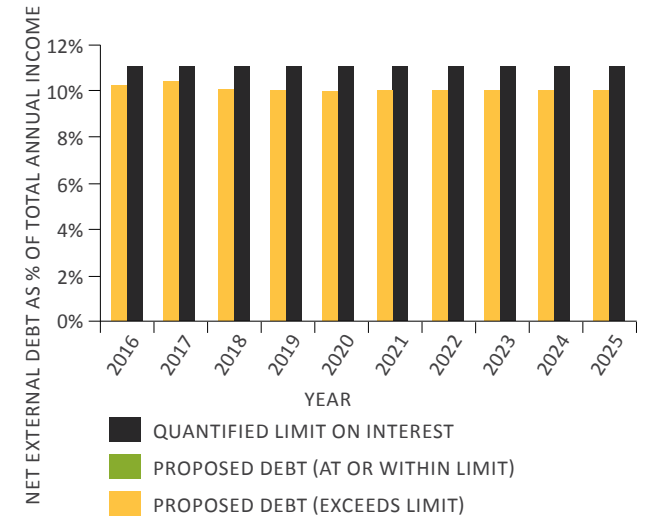
**Our Limit on Net External Debt as a Percentage of Total Annual Income**

The following graph compares the Council’s planned net external debt as a percentage of total annual income with the quantified limit stated in the Liability Management Policy. The quantified limit is 150% of total income.



**Our Limit on Net External Debt, Committed Loan Facilities and Available Cash Equivalents is maintained at 110% of existing external debt**

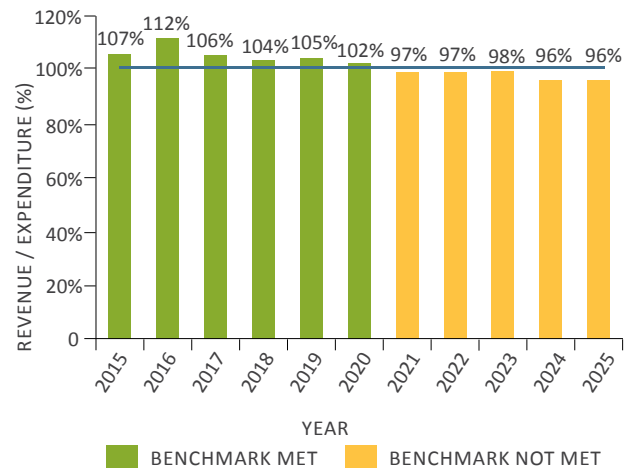
The following graph compares the Council’s planned net external debt and cash equivalents as a percentage of existing external debt. The quantified limit is 110%.





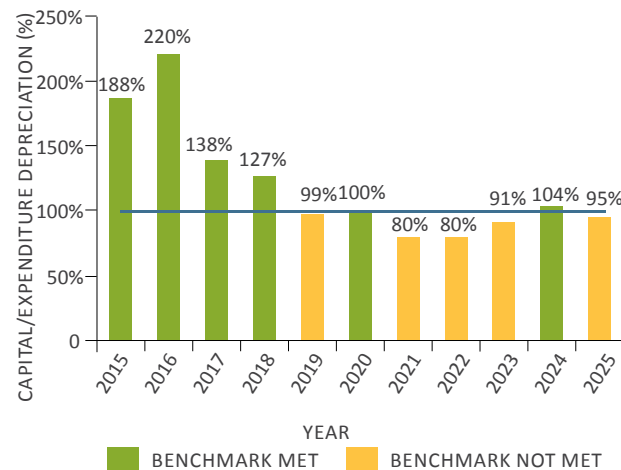
## Balanced Budget Benchmark

The following graph displays the Council’s planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property plant and equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment). The Council meets the balanced benchmark if its planned revenue equals or is greater than its planned operating expenses.



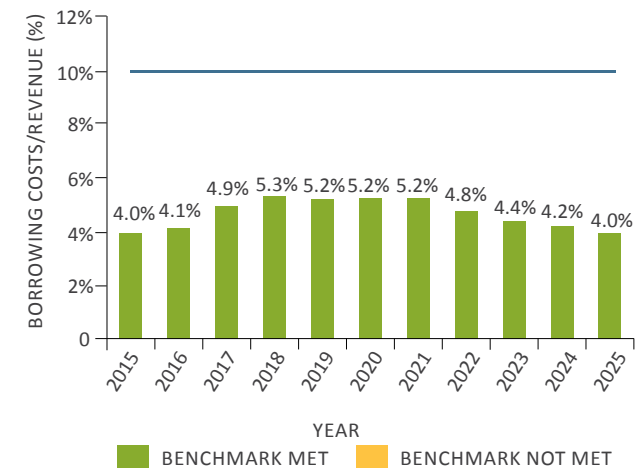
## Essential Services Benchmark

The following graph displays the Council’s planned capital expenditure on network services as a proportion of expected depreciation on network services. The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than depreciation on network services.



## Debt Servicing Benchmark

The following graph displays the Council’s planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property plant and equipment). Because Statistics New Zealand projects the Councils’ population will grow more slowly than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its planned revenue.









# » All About Rates

## Rateable properties in our District

The Council's rating requirement (the amount we need to collect from rates) is divided among the available "rateable properties" in the District. Certain types of properties are not rateable like schools, churches, recreation reserves and national parks. Our District is made up of 15,732 rateable properties.

The table below shows the number of rateable properties in our District as at 26 November 2014. Properties are valued every three years by an independent valuer and were last valued in September 2013.

	NUMBER OF RATEABLE RATING UNITS	RATEABLE CAPITAL VALUE \$ MILLION
Whakatāne Commercial	518	\$969.76
Edgecumbe	646	\$137.87
Matatā	334	\$73.50
Murupara	777	\$47.59
Ōhope	1,843	\$940.19
Otarawairere	37	\$27.12
Rural	5,273	\$2,901.78
Tāneatua	282	\$31.93
Te Teko	277	\$35.21
Whakatāne Urban	5,745	\$1,771.04
<b>TOTAL</b>	<b>15,732</b>	<b>\$6,935.99</b>

The Council's LTP assumes a 0.5% increase in rating base per annum for the next ten years. However this change is not considered material, and a conservative approach has been taken to rate modelling, assuming the current number of rating units is maintained.

## Rates due dates

There will be four equal instalments for the 2012/13 rates and the due dates are as follows:

INSTALMENT	DUE DATE
Instalment 1	Friday, 21 August 2015
Instalment 2	Friday, 20 November 2015
Instalment 3	Friday, 26 February 2016
Instalment 4	Friday, 20 May 2016

A 10% instalment penalty will apply if any of these rates remain outstanding after each of the above instalment due dates. A further 10% additional charge will be added on 1 October 2016 to any rates that were set prior to 1 July 2016 and which are unpaid at 1 July 2016 and remain unpaid at 30 September 2016.

## Water due dates

The following are the due dates for the water invoices:

INSTALMENT	SCHEME	DUE DATE
1st Reading	Plains and Awakeri Extn	Friday, 23 October 2015
2nd Reading	All metered schemes	Friday, 22 January 2016
3rd Reading	Plains and Awakeri Extn	Friday, 22 April 2016
4th Reading	All metered schemes	Friday, 22 July 2016

A 10% penalty will apply if any water rates remain outstanding after each of the above water rates due dates.

# Funding Impact Statement (Rating)

The Funding Impact Statement shows how the rating system will look as dollar figures applied across the community. Hopefully this information will help you to understand the financial impact of the 'All about rates' section. You will find that this information is very similar to what appears on the back of your rates invoice.

## Rating units are defined as:

Commercial and industrial is defined as any property zoned or used for commercial / industrial purposes.

Rural is defined as all rural zoned land except commercial and industrial properties as defined above.

**Note: All figures in this table are GST exclusive. GST will apply at the current rate of 15%**

		2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$
<b>GENERAL RATES</b>											
<b>Total amount required</b>		<b>16,779,060</b>	<b>17,443,985</b>	<b>17,710,805</b>	<b>18,185,154</b>	<b>18,896,323</b>	<b>19,352,774</b>	<b>19,596,673</b>	<b>19,985,543</b>	<b>20,487,697</b>	<b>20,978,219</b>
The Council sets a general rate on the capital value (CV) of each applicable rating unit in the District on a stepped differential basis (cents per CV\$).											
	Cents per CV\$										
District wide rating units with capital value less than \$15 million (step 1)	0.00111229	7,259,927	7,554,398	7,416,453	7,634,544	8,000,166	8,095,650	8,178,921	8,355,811	8,467,036	8,551,909
District wide rating units with capital value greater than \$15 million (step 2)*	0.00055615	227,472	236,699	232,376	239,210	250,666	253,657	256,267	261,809	265,294	267,953
Uniform Annual General Charge on all rating units in the District	\$630.50	9,291,661	9,652,888	10,061,975	10,311,400	10,645,491	11,003,467	11,161,485	11,367,923	11,755,367	12,158,357
* Council uses a differential for all rating units with capital value over \$15 million to reduce the total rate those 17 rating units are charged.											
<b>ROADING RATES</b>											
<b>Total amount required</b>		<b>7,525,852</b>	<b>7,748,608</b>	<b>7,891,010</b>	<b>8,044,278</b>	<b>8,248,109</b>	<b>8,512,295</b>	<b>8,253,197</b>	<b>8,566,693</b>	<b>8,933,161</b>	<b>9,228,403</b>
The Council sets the roading rate on the capital value of each applicable rating unit in the District (cents per CV\$).											
	Cents per CV\$										
District wide rating units (cents per CV\$)	0.00097654	6,773,267	6,973,747	7,101,909	7,239,850	7,423,298	7,661,066	7,427,877	7,710,024	8,039,845	8,305,563
Fixed targeted rate on all rating units in the District	\$51.06	752,585	774,861	789,101	804,428	824,811	851,230	825,320	856,669	893,316	922,840
<b>COMMUNITY BOARD RATES</b>											
<b>Total amount required</b>		<b>318,363</b>	<b>336,664</b>	<b>335,479</b>	<b>343,922</b>	<b>364,936</b>	<b>365,179</b>	<b>375,725</b>	<b>400,373</b>	<b>402,121</b>	<b>415,742</b>
The Community Board rate funds the Governance activity. The Community Board rate is set to fund the costs of the five Community Boards. The Council sets the targeted rate on rating units within each of the following locations.											
	Rate \$										
Whakatāne	15.95	99,534	104,091	104,812	107,518	112,844	114,086	117,469	123,794	125,628	129,980
Rangitāiki	14.51	59,263	62,814	62,458	64,021	68,087	67,988	69,941	74,699	74,866	77,390

		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25		
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Ōhope	38.43	71,787	75,650	75,630	77,549	82,006	82,325	84,721	89,967	90,653	93,745		
Tāneatua	32.69	40,998	44,091	43,249	44,294	47,787	47,081	48,384	52,433	51,844	53,538		
Murupara	31.02	46,781	50,019	49,330	50,539	54,213	53,699	55,209	59,481	59,131	61,089		
<b>STORMWATER RATES</b>													
<b>Total amount required</b>		<b>2,847,650</b>	<b>2,948,497</b>	<b>2,896,484</b>	<b>2,923,947</b>	<b>3,091,525</b>	<b>3,326,009</b>	<b>3,425,786</b>	<b>3,467,245</b>	<b>3,541,251</b>	<b>3,599,153</b>		
The Council sets a differential targeted rate for stormwater on rating units and a rate on the capital value differentially as follows.													
	Differential	Fixed targeted rate per rateable unit	Cents per CV\$										
Whakatāne Urban	1.0	80.37	0.00055558	1,438,089	1,495,240	1,491,675	1,541,798	1,663,271	1,834,583	1,906,595	1,933,827	1,984,604	2,025,129
Whakatāne Commercial and Industrial*	2.2	80.37	0.00122228	554,347	576,377	575,003	594,324	641,148	707,185	734,944	745,441	765,014	780,635
Matatā	1.0	114.55	0.00152409	149,371	108,002	32,666	20,930	17,035	15,045	10,702	7,360	4,112	3
Ōhope	1.0	66.52	0.00038273	489,827	550,816	539,234	545,360	540,794	539,491	542,238	545,596	547,867	546,359
Edgecumbe	1.0	76.28	0.00067051	193,434	195,279	196,938	198,484	206,220	206,493	208,223	211,600	215,581	222,834
Tāneatua	1.0	5.91	0.00014923	6,354	6,418	24,441	6,566	6,606	6,663	6,678	6,803	7,005	7,093
Murupara	1.0	1.05	0.00006158	3,068	3,003	3,073	2,905	2,797	2,801	2,552	2,514	2,628	2,399
Te Mahoe Land Drainage	1.0	53.54	0.00203323	5,140	5,259	21,739	5,360	5,433	5,521	5,574	5,701	5,896	6,010
Te Teko Land Drainage	1.0	15.79	0.00064352	8,020	8,104	11,714	8,220	8,221	8,228	8,280	8,404	8,543	8,689
* A differential targeted rate calculated on capital value is charged for Whakatāne Commercial and Industrial rating units, due to the greater level of impermeable surfaces putting greater pressure on stormwater systems.													
<b>DISTRICT GROWTH RATES</b>													
<b>Total amount required</b>		<b>430,917</b>	<b>441,812</b>	<b>453,845</b>	<b>466,496</b>	<b>477,932</b>	<b>491,935</b>	<b>506,591</b>	<b>521,676</b>	<b>540,412</b>	<b>558,657</b>		
The District Growth rate funds the Economic Development Activity.													
The Council sets a fixed targeted rate per commercial and industrial rating unit within the District		\$178.06	107,729	110,453	113,461	116,624	119,483	122,984	126,648	130,419	135,103	139,664	
<b>Total amount required from cents per CV\$</b>		<b>323,188</b>	<b>331,359</b>	<b>340,384</b>	<b>349,872</b>	<b>358,449</b>	<b>368,951</b>	<b>379,943</b>	<b>391,257</b>	<b>405,309</b>	<b>418,993</b>		
The Council sets a targeted rate on the capital value for all commercial and industrial rating units outside the Whakatāne urban area (cents per CV\$).		1.0	0.00032872	45,674									
The Council sets a targeted rate on the capital value for all commercial and industrial rating units within the Whakatāne urban area (cents per CV\$).		2.0	0.00065745	277,513									
<b>REFUSE REMOVAL RATES</b>													
<b>Total amount required</b>		<b>\$ 4,341,906</b>	<b>4,416,377</b>	<b>4,529,825</b>	<b>4,613,546</b>	<b>4,743,783</b>	<b>4,860,384</b>	<b>4,980,273</b>	<b>5,127,916</b>	<b>5,276,195</b>	<b>5,438,531</b>		

	2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	
<p>The Refuse Removal rate funds the Waste Group of Activities.  The Council sets a targeted rate to fund the collection and disposal of the Council approved refuse and recycling bins. This targeted rate is set as a fixed amount where a service is available to the rating unit.  A rating unit can apply for more than one service and will be charged accordingly. The service applicable to each category is:  Residential - refuse, recycling and green waste  Rural and Commercial - recycling and green waste</p>											
Residential - per service	342.89	2,741,752	2,786,481	2,854,620	2,904,904	2,983,126	3,053,159	3,125,166	3,213,843	3,302,901	3,400,403
Rural/commercial - per service	279.91	1,000,966	1,020,970	1,051,443	1,073,931	1,108,914	1,140,234	1,172,438	1,212,096	1,251,925	1,295,530
Ōhope residential * - per service	345.61	587,882	597,397	611,892	622,589	639,230	654,128	669,446	688,310	707,256	727,998
Ōhope commercial - per service	282.63	11,305	11,529	11,870	12,121	12,513	12,863	13,223	13,667	14,112	14,600
<i>*The Council provides an additional three recycling collections during the summer holiday period for Ōhope.</i>											
<b>WATER RATES</b>											
<b>Total amount required</b>	<b>5,005,390</b>	<b>5,288,667</b>	<b>5,334,274</b>	<b>5,420,702</b>	<b>5,553,301</b>	<b>5,815,287</b>	<b>5,967,016</b>	<b>6,199,012</b>	<b>6,367,631</b>	<b>6,666,044</b>	
<p>The Council sets water rates on a differential based on provision of service, land use and location.  Connected - any rating unit that is connected directly or indirectly to a Council operated waterworks.  Available - any rating unit that is not connected to a Council operated waterworks but is within 100 metres of such waterworks.  Note: All water by meter consumption that is invoiced during the current rating year will be calculated on the charges detailed below.</p>											
	Per connection \$	Rate \$									
<b>Ruatāhuna</b>											
Connected	26.92	215	224	230	238	246	254	263	273	284	297
Connected - commercial	67.31	135	140	144	148	153	159	165	171	178	185
<b>Plains and Awakeri Extension</b>											
Plains connected - metered	120.00	161,394	175,594	180,705	186,536	192,851	200,629	207,988	214,746	223,914	232,934
Plains water by meter	0.27	231,400	251,759	259,087	267,447	276,502	287,654	298,205	307,893	321,038	333,970
Plains excess water by meter*	0.90	239,513	260,586	268,171	276,824	286,196	297,739	308,660	318,688	332,294	345,679
Awakeri connected - metered	120.00	44,845	48,790	50,211	51,831	53,586	55,747	57,791	59,669	62,217	64,723
Awakeri water by meter	0.27	51,139	55,638	57,258	59,105	61,106	63,571	65,903	68,044	70,949	73,807
Excess water by meter*	0.90	36,851	40,093	41,260	42,592	44,034	45,810	47,490	49,033	51,126	53,186
<b>Murupara</b>											
Connected - metered	69.05	2,555	2,767	2,733	2,839	2,990	3,163	3,448	3,681	3,710	3,837
Connected - non metered	171.35	116,175	125,810	124,279	129,093	135,952	143,801	156,782	167,355	168,697	174,467
Available - not connected	69.05	7,112	7,702	7,609	7,903	8,323	8,804	9,599	10,246	10,328	10,681
Water by meter	0.46	15,371	16,646	16,444	17,081	17,988	19,027	20,744	22,143	22,321	23,084
<b>All Other Schemes</b>											
Connected - metered	151.28	1,380,626	1,449,420	1,457,245	1,475,071	1,506,838	1,579,448	1,613,485	1,676,506	1,718,109	1,801,855
Connected - non metered	420.90	521,495	547,481	550,436	557,169	569,169	596,595	609,452	633,256	648,971	680,603
Available - not connected	151.28	71,406	74,965	75,369	76,291	77,934	81,690	83,450	86,709	88,861	93,193
Water by meter	1.23	2,125,158	2,231,051	2,243,095	2,270,535	2,319,433	2,431,199	2,483,591	2,580,598	2,644,636	2,773,543
<p><i>*The council sets an additional targeted rate for any excess water consumed that is over and above the purchased entitlement for each rating unit connected to these water supplies. An overuse targeted rate is set for the excess volume consumed over and above the purchased entitlement.</i>  <b>Note:</b> Where rating units meet the definition of being contiguous either under legislation or Council Policy, the entitlements for such properties will be aggregated prior to an imposition of the overuse penalty.</p>											

	2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$	2019/20 \$	2020/21 \$	2021/22 \$	2022/23 \$	2023/24 \$	2024/25 \$	
<b>SEWERAGE RATES</b>											
<b>Total amount required</b>	<b>2,687,472</b>	<b>2,846,788</b>	<b>3,791,625</b>	<b>3,956,810</b>	<b>4,079,818</b>	<b>4,327,429</b>	<b>4,557,678</b>	<b>4,382,242</b>	<b>4,705,894</b>	<b>5,030,935</b>	
The Council sets sewerage rates on land use and provision of service. Land use is residential, rural or commercial / industrial.											
For residential and rural rating units, the Council sets fixed targeted rates per separately used or inhabited part of a rating unit* to fund sewage disposal.											
Commercial / industrial properties are charged per pan.											
<b>Connected</b> - any rating unit that is connected to a public sewerage drain.											
<b>Available</b> - any rating unit that is not connected to a public sewerage drain but is within 30 metres of such a drain.											
	Rate \$										
Available - all schemes excluding Murupara	113.56	39,745	42,142	56,805	59,312	61,133	64,753	67,242	62,299	66,138	70,875
Connected - all schemes excluding Murupara	227.11	2,509,133	2,660,476	3,586,166	3,744,431	3,859,410	4,087,981	4,245,083	3,933,002	4,175,374	4,474,416
Available - Murupara	88.28	7,768	8,081	8,332	8,580	8,928	9,792	13,752	21,688	26,029	27,221
Connected - Murupara	176.55	130,826	136,089	140,322	144,487	150,347	164,903	231,601	365,253	438,353	458,423
<i>* Any part of a rating unit that is, or is able to be, separately used or inhabited by the ratepayer, or by any other person or body having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement.</i>											
<b>PERCENTAGE OF RATES THAT ARE FIXED CHARGES</b>											
Under the Local Government Rating Act (LGRA) the Council may only set a maximum of 30% of the total rates income to come from fixed rates such as targeted rates or uniform annual charges. The following table shows an analysis of these charges and shows the percentage of the Council's total rates.											
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	
Report on 30% Cap (Section 21 LGRA)	\$ Excl. GST	\$ Excl. GST	\$ Excl. GST	\$ Excl. GST	\$ Excl. GST	\$ Excl. GST	\$ Excl. GST	\$ Excl. GST	\$ Excl. GST	\$ Excl. GST	
Targeted rates that are set on a uniform basis and calculated in accordance with section 18(2) or clause 7 of Schedule 3											
Uniform Annual General Charge	9,291,661	9,652,888	10,061,975	10,311,400	10,645,491	11,003,467	11,161,485	11,367,923	11,755,367	12,158,357	
Roading	752,585	774,861	789,101	804,428	824,811	851,230	825,320	856,669	893,316	922,840	
Community Boards	318,363	336,665	335,479	343,921	364,937	365,179	375,724	400,374	402,122	415,742	
Stormwater	711,913	737,124	724,121	730,987	772,881	831,502	856,446	866,811	885,313	899,788	
District Growth	107,729	110,453	113,461	116,624	119,483	122,984	126,648	130,419	135,103	139,664	
<b>Total Uniform Annual General Charge and targeted rates</b>	<b>11,182,251</b>	<b>11,611,991</b>	<b>12,024,138</b>	<b>12,307,359</b>	<b>12,727,603</b>	<b>13,174,361</b>	<b>13,345,623</b>	<b>13,622,196</b>	<b>14,071,221</b>	<b>14,536,392</b>	
<b>Total rates excluding GST</b>	<b>39,936,610</b>	<b>41,471,398</b>	<b>42,943,349</b>	<b>43,954,855</b>	<b>45,455,726</b>	<b>47,051,291</b>	<b>47,662,939</b>	<b>48,650,701</b>	<b>50,254,362</b>	<b>51,915,685</b>	
<b>Uniform rates as a percentage of total rates</b>	<b>28%</b>	<b>28%</b>	<b>28%</b>	<b>28%</b>	<b>28%</b>	<b>28%</b>	<b>28%</b>	<b>28%</b>	<b>28%</b>	<b>28%</b>	
Targeted rates that are set on a differential uniform basis, not included in the 30% cap											
Refuse Removal Rate	4,341,906	4,416,377	4,529,825	4,613,546	4,743,783	4,860,384	4,980,273	5,127,916	5,276,195	5,438,531	



# Indicative Rating Examples for 2015/16

	WHAKATĀNE URBAN LOW	WHAKATĀNE URBAN AVERAGE	WHAKATĀNE URBAN HIGH	WHAKATĀNE COMMERCIAL (LESS THAN \$10M) LOW	WHAKATĀNE COMMERCIAL (LESS THAN \$10M) AVERAGE	EDGE CUMBE AVERAGE	MATATĀ AVERAGE	MATATĀ HIGH
<b>Capital Value</b>	<b>128,000</b>	<b>298,000</b>	<b>900,000</b>	<b>335,000</b>	<b>640,000</b>	<b>205,000</b>	<b>226,000</b>	<b>485,000</b>
General Rate - capital value	142.37	331.46	1,001.06	372.62	711.87	228.02	251.38	539.46
Uniform Annual General Charge	630.50	630.50	630.50	630.50	630.50	630.50	630.50	630.50
Roading Capital Value Rate	125.00	291.01	878.88	327.14	624.98	200.19	220.70	473.62
Roading Fixed Targeted Rate	51.06	51.06	51.06	51.06	51.06	51.06	51.06	51.06
Community Boards	15.95	15.95	15.95	15.95	15.95	14.51	14.51	14.51
Stormwater Fixed Targeted Rate	80.37	80.37	80.37	80.37	80.37	76.28	114.55	114.55
Stormwater Capital Value Rate	71.11	165.56	500.02	409.46	782.26	137.45	344.45	739.19
District Growth	-	-	-	398.31	598.83	-	-	-
Refuse Removal	342.89	342.89	342.89	279.91	279.91	342.89	342.89	342.89
Water	420.90	420.90	420.90	420.90	420.90	420.90	420.90	420.90
Sewerage	227.11	227.11	227.11	227.11	227.11	227.11	-	-
<b>Total</b>	<b>2,107.26</b>	<b>2,556.81</b>	<b>4,148.74</b>	<b>3,213.33</b>	<b>4,423.74</b>	<b>2,328.91</b>	<b>2,390.94</b>	<b>3,326.68</b>
<b>Plus GST at 15%</b>	<b>316.09</b>	<b>383.52</b>	<b>622.31</b>	<b>482.00</b>	<b>663.56</b>	<b>349.34</b>	<b>358.64</b>	<b>499.00</b>
<b>Total (including GST) 2015/16</b>	<b>\$2,423.35</b>	<b>\$2,940.33</b>	<b>\$4,771.05</b>	<b>\$3,695.33</b>	<b>\$5,087.30</b>	<b>\$2,678.25</b>	<b>\$2,749.58</b>	<b>\$3,825.68</b>
<b>Total (including GST) 2014/15</b>	<b>\$2,342.33</b>	<b>\$2,842.12</b>	<b>\$4,611.95</b>	<b>\$3,737.58</b>	<b>\$4,975.43</b>	<b>\$2,617.96</b>	<b>\$2,819.36</b>	<b>\$3,974.42</b>
<b>\$ increase (decrease)</b>	<b>81.02</b>	<b>98.21</b>	<b>159.10</b>	<b>(42.25)</b>	<b>111.87</b>	<b>60.28</b>	<b>(69.78)</b>	<b>(148.74)</b>
<b>% increase (decrease)</b>	<b>3.46%</b>	<b>3.46%</b>	<b>3.45%</b>	<b>(%1.13)</b>	<b>2.25%</b>	<b>2.30%</b>	<b>(%2.48)</b>	<b>(%3.74)</b>

MURUPARA URBAN	MURUPARA LIFESTYLE	TE TEKŌ	ŌTARAWAIRERE	ŌHOPE LOW	ŌHOPE AVERAGE	ŌHOPE HIGH	TĀNEATUA	RURAL LOW	RURAL AVERAGE	RURAL HIGH	DISTRICT WIDE - COMMERCIAL/ INDUSTRIAL/ INDUSTRIAL \$10M PLUS (SIX PANS)
53,000	180,000	101,000	720,000	375,000	490,000	935,000	112,000	55,000	865,000	2,370,000	11,131,175
58.95	200.21	112.34	800.85	417.11	545.02	1,039.99	124.58	61.18	962.13	2,636.13	12,381.12
630.50	630.50	630.50	630.50	630.50	630.50	630.50	630.50	630.50	630.50	630.50	630.50
51.76	175.78	98.63	703.11	366.20	478.50	913.06	109.37	53.71	844.70	2,314.39	10,870.00
51.06	51.06	51.06	51.06	51.06	51.06	51.06	51.06	51.06	51.06	51.06	51.06
31.02	31.02	14.51	38.43	38.43	38.43	38.43	32.69	14.51	14.51	14.51	15.95
1.05	-	15.79	66.52	66.52	66.52	66.52	5.91	-	-	-	80.37
3.26	-	65.00	275.57	143.52	187.54	357.85	16.71	-	-	-	13,605.39
-	-	-	-	-	-	-	-	-	-	-	7,496.24
342.89	279.91	342.89	345.61	345.61	345.61	345.61	342.89	279.91	279.91	279.91	279.91
171.35	-	120.00	420.90	420.90	420.90	420.90	420.90	120.00	120.00	120.00	420.90
176.55	-	-	227.11	227.11	227.11	227.11	227.11	-	-	-	1,362.67
<b>1,518.39</b>	<b>1,368.48</b>	<b>1,450.72</b>	<b>3,559.66</b>	<b>2,706.96</b>	<b>2,991.19</b>	<b>4,091.03</b>	<b>1,961.72</b>	<b>1,210.87</b>	<b>2,902.81</b>	<b>6,046.50</b>	<b>47,194.11</b>
<b>227.76</b>	<b>205.27</b>	<b>217.61</b>	<b>533.95</b>	<b>406.04</b>	<b>448.68</b>	<b>613.65</b>	<b>294.26</b>	<b>181.63</b>	<b>435.42</b>	<b>906.98</b>	<b>7,079.12</b>
<b>\$1,746.15</b>	<b>\$1,573.75</b>	<b>\$1,668.33</b>	<b>\$4,093.61</b>	<b>\$3,113.00</b>	<b>\$3,439.87</b>	<b>\$4,704.68</b>	<b>\$2,255.98</b>	<b>\$1,392.50</b>	<b>\$3,338.23</b>	<b>\$6,953.48</b>	<b>\$54,273.23</b>
<b>\$1,863.07</b>	<b>\$1,515.67</b>	<b>\$1,617.26</b>	<b>\$3,904.08</b>	<b>\$2,974.19</b>	<b>\$3,284.15</b>	<b>\$4,483.57</b>	<b>\$2,190.26</b>	<b>\$1,341.29</b>	<b>\$3,242.89</b>	<b>\$6,776.10</b>	<b>\$48,683.79</b>
<b>(116.92)</b>	<b>58.09</b>	<b>51.07</b>	<b>189.53</b>	<b>138.82</b>	<b>155.72</b>	<b>221.11</b>	<b>65.72</b>	<b>51.21</b>	<b>95.35</b>	<b>177.38</b>	<b>5,589.44</b>
<b>(%6.28)</b>	<b>3.83%</b>	<b>3.16%</b>	<b>4.85%</b>	<b>4.67%</b>	<b>4.74%</b>	<b>4.93%</b>	<b>3.00%</b>	<b>3.82%</b>	<b>2.94%</b>	<b>2.62%</b>	<b>11.48%</b>



# Capital Projects List

The following table sets out the capital projects which are planned for the period of the LTP. This table provides a complete list of capital projects, however a number of projects have been consolidated for readability. All figures are not inflation adjusted.

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Roads and Footpaths			
Unsealed Road Metalling - Financially Assisted Renewals	2015-25	4,612,500	Renewal 47% Subsidy 53%
Sealed Road Resurfacing - Financially Assisted Renewals	2015-25	19,270,000	Renewal 47% Subsidy 53%
Drainage Renewals - Financially Assisted Renewals	2015-25	4,612,500	Renewal 47% Subsidy 53%
Pavement Rehabilitation - Financially Assisted Renewals	2015-25	7,544,000	Renewal 47% Subsidy 53%
Structure Component Replacement - Financially Assisted Renewals	2015-25	1,332,500	Renewal 47% Subsidy 53%
Traffic Service Renewals - Financially Assisted Renewals	2015-25	2,162,500	Renewal 47% Subsidy 53%
Traffic Service Renewals - Light Upgrades - LED	2016-18	2,000,000	Renewal 47% Subsidy 53%
Road Improvements - Financially Assisted Renewals (Landing Road)	2018/19	691,875	Loan 47% Subsidy 53%
Resilience Improvements - Financially Assisted Renewals (Reid Road Route Security)	2022/23	512,500	Loan 47% Subsidy 53%
Resilience Improvements - Financially Assisted Renewals (Rewatu Road Route Security)	2024/25	1,025,000	Loan 47% Subsidy 53%
Road Improvements - Financially Assisted Renewals (Wainui Road/Burma Road)	2020/21	666,250	Loan 47% Subsidy 53%
Resilience Improvements -Financially Assisted (Hillcrest Slumps)	2015/16	510,450	Loan 47% Subsidy 53%
Road Improvements - Financially Assisted (Tāneatua Road Route Security)	2016/17	768,750	Loan 47% Subsidy 53%
Minor Improvements Local Roads - Financially Assisted	2015-25	14,318,000	Loan 42.2% Subsidy 53% Development Contributions 4.8%

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Minor Improvements Local Roads - Ōhope Stormwater Outlet Improvements	2015-18	150,000	Loan 47% Subsidy 53%
Cycle Facilities - Gorge Road	2015/16	1,161,036	Restricted Reserve 2.86% Subsidy 58.44% Loan 21.90% Development Contributions 16.80%
Unsealed Road Metalling - Special Purpose Roads	2015-25	3,907,606	Subsidy 100%
Sealed Road Resurfacing - Special Purpose Roads	2015-25	974,775	Subsidy 100%
Drainage Renewals - Special Purpose Roads	2015-25	1,004,500	Subsidy 100%
Structure Component Replacement - Special Purpose Roads	2015-25	625,250	Subsidy 100%
Traffic Service Renewals - Special Purpose Roads	2015-25	305,625	Subsidy 100%
Special Purpose Roads - Resilience Improvements	2015-18	4,150,000	Subsidy 100%
Minor Improvements - Special Purpose Roads	2015-25	838,450	Subsidy 100%
Bridge Renewals - Special Purpose Roads (Mimiha Stream, Ruatāhuna Road)	2022/23	987,075	Subsidy 100%
Renewals - Non Financially Assisted	2015-25	2,030,000	Renewal 100%
New Kerbing & Drainage - Non Financially Assisted	2015-25	205,000	Loan 100%
New Amenity Lighting, Lighting Upgrades and Xmas Lights - Non Financially Assisted	2015-25	251,125	Subsidy 81.6% Loan 18.4%
New Stock Signs - Non Financially Assisted	2015-25	51,250	Fees & Charges 100%
Road Reserve Purchase - Non Financially Assisted	2015-25	512,500	Targeted Rate 100%
Parking Renewals - Non Financially Assisted	2015-25	256,250	Operating Reserve 100%
<b>Total Roads and Footpaths</b>		<b>77,437,267</b>	
<b>Water Supply</b>			
Whakatāne Sludge Treatment	2022-24	800,000	Loan 100%
Whakatāne Water Storage	2017-20	3,060,000	Loan 93.1% Development Contributions 6.9%
Coastlands Main Link	2016-18	500,000	Development Contributions 98% Loan 2%
Shaw/Huna Road Development - Extension of Water Main	2015-17	300,000	Development Contribution 98% Loan 2%
Mill Road Development	2015/16	150,000	Developer Contribution 30% Loan 70%
Monitoring Equipment	2015/16	65,000	Renewal 100%
Whakatāne Treatment Plant Filter Covering	2015/16	70,000	Loan 100%
Upgrade Pipes Harbour Road, Ōhope	2024/25	650,000	Loan 100%
Install Chlorination Unit - Murupara Water Treatment Plant	2020/21	200,000	Loan 100%
Paul Road Bore - Site and Reticulation	2015/16	284,912	Loan 22% Subsidy 60% Development Contributions 18%

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Plains Water - Pipe Upgrades	2015/16	800,000	Loan 81.3% Restricted Reserve 18.7%
Supply Main from Paul Road Bore to Edgcumbe	2015/16	1,661,000	Subsidy 100%
Edgcumbe Water Supply - Pipe Upgrades (Fire Flow)	2019/20	450,000	Loan 100%
Water Supply Renewals	2015-25	7,778,000	Renewal 100%
<b>Total Water Supply</b>		<b>16,768,912</b>	
<b>Sewage Treatment and Disposal</b>			
Mill Road Development	2015/16	1,235,000	Development Contributions 30% Loan 70%
Shaw/Huna Road Development	2015-17	845,000	Development Contributions 98% Loan 2%
Emergency Storage McAlister Pump Station	2023/24	1,500,000	Loan 93.2% Development Contributions 6.8%
Upgrade Whakatāne Treatment Plant	2015-25	4,160,000	Development Contributions 70% Loan 30%
Upgrade Ōhope Treatment Plant & Pump Replacements	2015-25	1,140,000	Loan 62.54% Renewal 30.36% Development Contributions 7.1%
Upgrade and Additional Storage Edgcumbe Treatment Plant	2015-18	4,050,000	Loan 30% Renewal 30% Subsidy 40%
Matatā Treatment Plant & Reticulation Construction	2015/16	4,454,700	Loan 44.13% Subsidy 55.87%
Murupara Treatment Plant Upgrade	2019-23	3,350,000	Loan 70% Renewal 30%
Tāneatua Treatment Plant Upgrade	2019-23	2,600,000	Loan 30% Renewal 70%
Sewage Treatment and Disposal Renewals	2015-25	10,955,000	Renewal 100%
<b>Total Sewage Treatment and Disposal</b>		<b>34,289,700</b>	
<b>Stormwater Drainage</b>			
Apanui (including Pyne Street) Stormwater Upgrade	2015/16	1,800,000	Loan 65% Renewal 30% Development Contributions 5%
Wainui Te Whara - Flood Mitigation	2015/16	2,420,000	Loan 100%
Hinemoa Pump Station & Pipes	2017-21	3,600,000	Loan 93.2% Development Contributions 6.8%
Henderson Street Stormwater Improvements	2018-20	800,000	Loan 100%







DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
St Joseph Pumpstation and Drainage Upgrades	2018-21	1,050,000	Loan 93.2% Development Contributions 6.8%
Huna Road Development Upgrades	2015-17	900,000	Development Contributions 98% Loan 2%
Ōhope Stormwater Upgrade - Maraetōtara Stream	2015/16	200,000	Loan 100%
Ōhope Stormwater Upgrade - Millers Stream	2015/16	150,000	Loan 100%
Ōhope Stormwater Upgrade - Pohutukawa/Harbour Road	2015-18	700,000	Loan 50% Renewal 50%
Stormwater Replacements	2015-25	132,000	Renewal 100%
Edgecumbe Stormwater Study	2024/25	75,000	Loan 100%
Whakatāne Stormwater Minor Works	2015-25	200,000	Targeted Rate 100%
Whakatāne Stormwater Pipe Upgrades	2016-24	2,400,000	Loan 30% Renewal 70%
<b>Total Stormwater Drainage</b>		<b>14,427,000</b>	
<b>Solid Waste</b>			
Ongoing Minor Works	2015-22	60,000	Subsidy 50% Targeted Rate 50%
Murupara Transfer Station - Weighbridge & Kiosk	2015/16	40,000	Subsidy 100%
Renewals	2016-22	110,000	Renewal 100%
Green Waste Processing Plant	2015/16	200,000	Subsidy 25% Development Contributions 75%
<b>Total Solid Waste</b>		<b>410,000</b>	
<b>Community Safety</b>			
Sound Level Meter	2015/16	19,000	General Rate 100%
<b>Total Community Safety</b>		<b>19,000</b>	
<b>District Growth</b>			
Strategic Property Renewals	2015-25	1,101,860	Restricted Reserve 45.07% General Rate 54.93%
<b>Total District Growth</b>		<b>1,101,860</b>	
<b>Recreation &amp; Community Facilities</b>			
Library Mixed Collection Renewal	2015-25	1,000,000	Renewal 100%
Re-fit of exhibition displays including exhibition furniture	2018-22	40,000	General Rate 100%
Wairaka Centennial Park Improvements	2015/16	870,000	Renewal 9% Development Contributions 16% Restricted Reserve 44% Subsidy 31%

DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Matatā Coastal Reserve Access Development	2016-21	82,500	Loan 100%
Ōhope Playground Development; Maraetōtara	2019/20	20,000	Development Contributions 100%
Coastal Land Acquisition	2015-25	1,000,000	Loan 95.2% Development Contributions 4.8%
Harbour Beautification	2015-25	500,000	Restricted Reserves 95.2% Development Contributions 4.8%
Sullivan Lake Footpath & Retaining Walls	2015-17	64,000	Restricted Reserves 100%
Significant Sites - Whakatāne Toi's Track	2018/19	50,000	Renewal 45.2% Subsidy 50% Development Contributions 4.8%
Walking and Cycling Projects	2015-25	750,000	Restricted Reserves 100%
Port Ōhope Recreation Reserve	2015-17	30,000	Loan 95.2% Development Contributions 4.8%
Beach Access Upgrades	2015-25	60,000	Loan 95.2% Development Contributions 4.8%
Reserves Renewals	2015-25	4,434,839	Renewal 100%
Dog Park	2015/16	50,000	Restricted Reserves 100%
Sportsfields Facilities - Renewals	2015-25	1,411,048	Renewal 100%
Whakatāne Cemetery Expansion	2017-19	214,033	Loan 94% Development Contributions 6%
Whakatāne Cemetery Berms	2015-25	100,000	Fees and Charges 89% Development Contributions 11%
Cemeteries & Crematorium Renewals	2015-25	198,617	Renewal 100%
Pikowai Camp Septic Tanks	2015/16	65,000	Loan 100%
Public Conveniences - New Facility Mitchell Park, Tāneatua	2016/17	135,000	Loan 100%
Public Conveniences - Renewals	2015-25	491,199	Renewal 100%
Whakatāne Aquatic Centre - Pool Solar Heating	2015/16	150,000	Subsidy 75% Loan 25%
Whakatāne Aquatic Centre - UV Water Treatment	2015/16	115,000	Loan 100%
Whakatāne Aquatic Centre - Reception, Entrance and Office	2015/16	175,000	Loan 100%
Aquatic Centres - Renewals	2015-25	1,916,675	Renewal 100%
Multi Sports Event Centre	2017-20	10,597,000	Loan 19% Subsidy 66.8% Renewal 9.4% Development Contributions 4.8%
Halls - Renewals	2015-25	2,449,445	Renewal 100%
CCTV Phase 2 - Expansion of camera network and renewals	2016-22	300,000	Subsidy 70% Renewal 30%
Port Ōhope Wharf Structural Repairs and Strengthening	2017/18	550,000	Renewal 100%
Port Ōhope Concept Plan - Site Development	2016-21	1,685,000	Restricted Reserve 100%







DESCRIPTION	YEAR	TOTAL (\$)	FUNDING SOURCE
Quay Street Wharf Structural Repair and Strengthening	2015-17	1,250,000	Restricted Reserve 100%
Whakatāne Harbour Eastern Wall Strengthening	2016/17	500,000	Restricted Reserve 100%
Whakatāne Main Wharf Replacement	2015-20	5,714,561	Renewal 80% Restricted Reserve 20%
Ports and Harbour Renewals	2015-25	764,228	Renewal 100%
<b>Total Recreation and Community Facilities</b>		<b>37,733,145</b>	
<b>Corporate Activities</b>			
Information Systems Infrastructure - Renewals	2015-25	5,145,000	Renewal 100%
Operations Business Unit - Renewals	2015-25	252,000	Renewal 100%
Vehicle Replacement	2015-25	1,906,256	Renewal 100%
Corporate Property - Renewals	2015-25	1,730,744	Renewal 100%
Civic Centre Earthquake Strengthening Investigations and Works	2016-19	2,100,000	Loan 50% Renewal 50%
Museum Redevelopment	2015-17	4,240,000	Subsidy 70.70% Loan 25.7% Renewal 3.5%
<b>Total Corporate Activities</b>		<b>15,374,000</b>	
<b>Reportable Council Controlled Organisations</b>			
Runway Lighting and Navigational Aids Upgrade	2017-20	600,000	Loan 50% Operating Reserve 50%
Pavement Resurfacing	2017-22	550,000	Renewal 50% Operating Reserve 50%
Runway Lighting and Navigational Aids Renewal	2015-17	16,000	Renewal 50% Operating Reserve 50%
Reseal Airport Carpark	2019/20	275,000	Renewal 50% Operating Reserve 50%
Airport Terminal Building - New Building	2024/25	150,000	Loan 50% Operating Reserve 50%
LED Lighting Upgrade at Whakatāne Airport Carpark and Apron Lighting	2015/16	25,000	Loan 50% Operating Reserve 50%
Airport Hanger Building	2015/16	10,000	Loan 50% Operating Reserve 50%
Airport Renewals	2015-25	55,000	Renewal 50% Operating Reserve 50%
<b>Total Reportable Council Controlled Organisations</b>		<b>1,681,000</b>	
<b>Total Council</b>		<b>199,241,884</b>	



# Statement of Accounting Policies

*These statements provide the principles that we have applied in preparing our prospective financial statements. They are designed to help you understand the detail behind our calculations and forecasts.*

## REPORTING ENTITY

Whakatāne District Council is a territorial local authority governed by the Local Government Act 2002 and is domiciled in New Zealand. The principal accounting policies adopted in the preparation of this financial report are set out below. The financial report consists of the prospective financial statements of Whakatāne District Council (the Council) and includes the Whakatāne Airport, which is a 50/50 joint equity venture between the Council and the Ministry of Transport.

The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself a Tier 1 public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The prospective financial statements of the Council are for the ten years ended 30 June 2025. The financial statements were authorised for issue on 30 June 2015 by Council resolution. The Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

## BASIS OF PREPARATION

### **Statement of compliance**

The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002 which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP). The financial statements have been prepared in accordance with Tier 1 PBE Standards and comply with PBE FRS 42 Prospective Financial Statements. The financial statements have been prepared on a going concern basis, and the accounting policies have been consistently applied throughout the period.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### **Measurement base**

The financial statements use closing balances from the period ending 30 June 2014; estimates have been restated accordingly if required. These financial statements have been prepared on a historical basis, modified by the estimated revaluation of land and buildings, certain infrastructural assets, financial instruments (including derivative instruments) investment property, and forestry assets.

### **Functional and presentation currency**

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). Some rounding variances may occur in the financial statements due to the use of decimal places in the underlying financial data. The functional currency of the Council is New Zealand dollars.

***Standards issued that are not yet effective and not early adopted***

In May 2013, the External Reporting Board issued a new suite of PBE accounting standards for application by public sector entities for reporting periods beginning on or after 1 July 2014. Council has applied these standards in preparing the LTP financial statements. In October 2014, the PBE suite of accounting standards was updated to incorporate requirements and guidance for the not-for-profit sector. These updated standards apply to PBEs with reporting periods beginning on or after 1 April 2015. Council will apply these updated standards in preparing its 30 June 2016 financial statements. Council expects there will be minimal or no change in applying these updated accounting standards.

***Joint ventures and associates***

For jointly controlled assets Council recognises in its financial statements its share of jointly controlled assets, the liabilities and expenses it incurs, its share of liabilities and expenses incurred jointly, and income from the sale or use of its share of the output of the joint venture.

# Significant Accounting Policies

## REVENUE RECOGNITION

Revenue is measured at fair value of the consideration received.

***Rates***

Rates are set annually by a resolution from the Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Rates revenue is recognised when payable.

Rates collected on behalf of the Bay of Plenty Regional Council (BOPRC) are not recognised in the financial statements as the Council is acting as an agent for BOPRC. Rates collected on behalf of the

BOPRC are not included in the Prospective Statement of Comprehensive Revenue and Expense as it does not belong to the Council. It is however, included as a receipt and payment in the Prospective Statement of Cash Flows.

Revenue from water rates by meter is recognised on an accrual basis.

***Licences and permits***

Revenue derived from licences and permits is recognised on application.

***Development Contributions***

Development Contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise Financial Contributions are transferred to reserves until such time the Council provides, or is able to provide, the service.

***Sales of goods***

Revenue from sales of goods is recognised when a product is sold to the customer.



### ***Provision of services***

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

### ***Rental revenue***

Rental revenue is recognised in the period that it relates to.

### ***Interest income***

Interest income is recognised using the effective interest method.

### ***Dividend income***

Dividend income is recognised when the right to receive payment is established.

### ***Vested assets***

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as income. Assets vested in the Council are recognised as income when control over the asset is obtained.

### ***Traffic and parking infringements***

Traffic and parking infringements are recognised when tickets are paid.

### ***Grants and subsidies***

Grants and subsidies are recognised when the conditions of the grant or subsidy have been met.

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

Government grants are received from the New Zealand Transport Agency, which subsidises part of the costs of maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

## FINANCE COSTS

Borrowing costs are recognised as an expense in the period in which they are incurred, regardless of how the borrowings are applied.

## INCOME TAX

Income tax expense comprises both current tax and deferred tax, and is calculated using tax rates that have been enacted or substantively enacted by balance date.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current tax and deferred tax is charged or credited to the statement of financial performance, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

## LEASES

### **Finance leases**

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to the ownership of an asset, whether or not the title is eventually transferred.

At the commencement of the lease term, the Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments. The finance charge is charged to the statement of financial performance over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

### **Operating leases**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

## CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the prospective statement of financial position.

## TRADE AND OTHER RECEIVABLES

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that the Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation, and default in payments are considered indicators that the debt is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated

future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an additional allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written off against the allowance cost of receivables. Overdue receivables that have not been renegotiated are reclassified as current (that is, not past due).

## INVENTORIES

Inventories (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at cost.

## FINANCIAL ASSETS

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council and group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council and group has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purpose of measurement:

- fair value through surplus or deficit
- loans and receivables
- held-to-maturity investments; and
- fair value through other comprehensive revenue and expense.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

#### ***Financial assets at fair value through surplus or deficit***

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short-term profit-taking. Derivatives are also categorised as held for trading unless they are designated into hedge accounting relationship for which hedge accounting is applied.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

#### ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition, they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans to community organisations made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

#### ***Held-to-maturity investments***

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities and there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost, using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

#### ***Fair value through other comprehensive revenue and expense***

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the share investment within 12 months of balance date or if the debt instrument is not expected to be realised within 12 months of balance date. The Council and group includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. On derecognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

## IMPAIRMENT OF FINANCIAL ASSETS

At each balance sheet date the Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the prospective statement of comprehensive revenue and expense.

## DERIVATIVE FINANCIAL INSTRUMENTS

The Council uses derivative financial instruments (interest rate swaps) to hedge exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date.

The associated gains or losses of these derivatives are recognised in the prospective statement of comprehensive revenue and expense.

## NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the prospective statement of comprehensive revenue and expense. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

## PROPERTY, PLANT AND EQUIPMENT

### ***Property, Plant and Equipment consists of:***

#### ***Operational assets***

These include land, buildings, library books, plant and equipment, museum collection and motor vehicles.

#### ***Restricted assets***

Restricted assets are parks, reserves and harbour assets owned by the Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

### ***Infrastructural assets***

Infrastructural assets are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

### ***Revaluation***

Land, buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are re-valued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other asset classes are carried at depreciated historical cost.

On transition to NZ IFRS, Whakatāne District Council elected to use the fair value of land under roads as at 1 July 2006 as deemed cost. Land under roads is no longer revalued.

The Council assesses the carrying values of its re-valued assets annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are re-valued.

The Council accounts for revaluations of property, plant and equipment on a class of asset basis.



The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the prospective statement of comprehensive revenue and expense. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the statement of comprehensive revenue and expense will be recognised first in the prospective statement of comprehensive revenue and expense up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

### Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the prospective statement of comprehensive revenue and expense. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

### Depreciation

Depreciation is provided on a straight-line basis on all buildings, bridges and other structures and diminishing value for motor vehicles, plant and equipment, office equipment and furnishings. Land is non depreciable. The useful lives and associated depreciation rates of major classes of fixed assets have been estimated as follows:

INFRASTRUCTURE ASSETS	YEARS
<b>Roading</b>	
Land - Road reserve	N/A
Road formation	N/A
Pavement Basecourse	22-90
Sealed Pavement surface	2-20
Unsealed roads	2-7
Traffic control device	50
Road signs and markers	7-15
Kerbs and channels and cesspits	40-60
Surface water Channel	15-50
Street Railings	10-20
Traffic Islands	50
Street lighting	10-50
Footpaths	20-50
Bridges – concrete	100
Bridges – wooden	30
Car-parks	50
<b>Water</b>	
Treatment plant – structure	70-90
Treatment plant – contents	15-50
Pump stations – structure	80-100
Pump stations – contents	10-50
Reservoirs – concrete and wooden	70-90
Water lines and service lines	50-80
Valves and hydrants	30-65
Water meters	15-25
<b>Stormwater</b>	
Stormwater lines	80
Manholes	70-80
Open drains and channels	50-90

INFRASTRUCTURE ASSETS	YEARS
Pump stations – structure	80-100
Pump station – contents	12-40
Retention dams	80-90
Floodgates	50
<b>Sewerage</b>	
Sewer lines and service lines	60-80
Manholes	70-80
Pump station – structure	60-70
Pump station – contents	12-25
Ponds – structure	60
Ponds – plant and equipment	15-25
<b>Refuse</b>	
Whakatāne landfill	8.5
Murupara landfill	2
Solid Waste	25
<b>Wharves</b>	
Wharves (concrete)	50

OPERATIONAL ASSETS	YEARS
Museum assets	N/A
Land	N/A
Buildings	8-55
Vehicles	5-8
Plant and Equipment	4-33
Furniture and fittings	5-10
Library books	2-15
Office equipment	5-10
<i>The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial year end.</i>	



## INTANGIBLE ASSETS

### **Software acquisition and development**

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Cost associated with developing or maintaining computer software are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Council, and that will generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

### **Easements**

Easements are recognised at cost, being purchase price and any directly attributable costs in bringing the asset to its intended use. Easements have an indefinite useful life and consequently are not amortised, but are instead tested for impairment annually.

### **Amortisation**

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date the asset is derecognised. The amortisation charge for each period is recognised in the prospective statement of

comprehensive revenue and expense.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software 4 - 5 years      25% - 20%

## IMPAIRMENT OF NON-FINANCIAL ASSETS

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

The value in use for cash-generating assets and cash generating units is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For re-valued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of comprehensive revenue and expense.

For assets not carried at a re-valued amount, the total impairment loss is recognised in the prospective statement of comprehensive revenue and expense.

The reversal of an impairment loss on a re-valued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in prospective statement of comprehensive revenue and expense, a reversal of the impairment loss is also recognised in the prospective statement of comprehensive revenue and expense.

For assets not carried at a re-valued amount the reversal of an impairment loss is recognised in the prospective statement of comprehensive revenue and expense.

## INVESTMENT PROPERTY

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.



Investment property is measured initially at its cost, including transaction costs.

After initial recognition, the Council measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised in the prospective statement of comprehensive revenue and expense.

## FOREST ASSETS

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains and losses arising on initial recognition of biological assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell are recognised in the Prospective Statement of Comprehensive revenue and expense.

The costs to maintain forestry assets are included in the Prospective Statement of Comprehensive revenue and expense.

## CREDITORS AND OTHER PAYABLES

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

## BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

## PROVISIONS

Provisions are recognised when: the Council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are not recognised for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

## EMPLOYEE BENEFITS

### **Short-term benefits**

Employee benefits that Council expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

The Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that the Council anticipates it will be used by staff to cover those future absences.

### **Long-term benefits**

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement

- The likelihood that staff will reach the point of entitlement and contractual entitlement information; and
- The present value of the estimated future cash flows
- The discount rate is based on the weighted average of interest rates for government stock with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

### **Superannuation scheme**

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit incurred.

## PUBLIC EQUITY

Public Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves. Reserves are a component of equity generally representing a particular use for which various parts of equity have been assigned.

The components of equity are:

- Retained earnings
- Restricted reserves
- Asset revaluation reserve.

### **Restricted reserves**

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

Restricted reserves are those subject to specific conditions accepted as binding by Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

### **Asset revaluation reserve**

This reserve relates to the revaluation of property, plant and equipment to fair value.



## CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of prospective financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

We have assumed interest rates between 5.95% and 6.61%. We use best estimates to predict what things will cost in the future, including inflation expectations. There is a risk that future interest rates and prices of actual inputs and outputs will not increase at the rate assumed. We expect growth to reflect the population projections provided by the National Institute of Demographic and Economic Analysis (NIDEA), The University of Waikato by Statistics New Zealand (33,992 for 2015 and 33,940 for 2025). If growth were to differ substantially from the assumption, growth related projects and work programmes will need to be adjusted. See the Assumptions and Data section of this LTP for further detail about the assumptions that underlie this LTP.

## GOODS AND SERVICES TAX

All items in the financial statements are stated exclusive of GST, except for receivables and creditors and other payables, which are presented inclusive of GST. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the prospective statement of financial position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the prospective statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

## COST ALLOCATION

The cost of service for each significant activity of the Council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to the significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities using appropriate cost drivers such as usage, staff numbers, and floor area.







# 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.

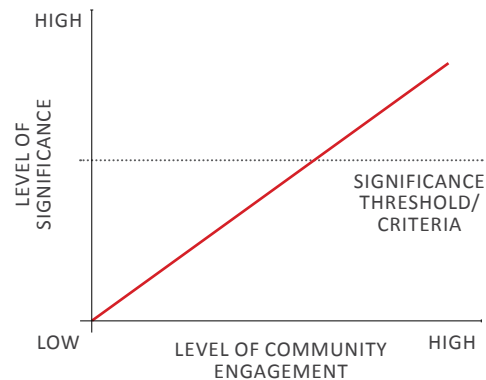
## *Assumptions and Data*

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](http://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:

- The District
- The persons who are likely to be particularly affected by, or interested in, the proposal or decision; and
- 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
<b>YEAR ENDING</b>	<b>%PA CHANGE</b>								
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
<b>OPEX</b>				
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%
<b>CAPEX RENEWALS</b>				
Local Road Renewals	49%	53%	54%	55%
Special Purpose Road Renewals	100%	100%	100%	100%
Non Financially Assisted Road Renewals	0%	0%	0%	0%
<b>CAPEX IMPROVEMENTS</b>				
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.<sup>1</sup>

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;

<sup>1</sup> 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

# Your COUNCIL

MAYOR

Tony Bonne

P. 07 306 0515

M. 027 440 1126

tony.bonne@whakatane.govt.nz



## Rangitāiki Ward



COUNCILLOR

Russell Orr

P. 07 322 8473

M. 027 290 7565

russell

@orrcom.co.nz



COUNCILLOR

George Johnston

P. 07 304 8373

M. 027 667 3645

thorntonjohnstons

@hotmail.com



COUNCILLOR

Gerard van Beek

P. 07 308 6474

M. 027 444 4940

nassau@xtra.co.nz

## Tāneatua- Waimana Ward



COUNCILLOR

Andrew Iles

P. 07 312 3191

M. 027 294 1849

waimanailes

@xtra.co.nz

## Galatea- Murupara Ward



COUNCILLOR

Alison Silcock

P. 07 366 4087

M. 027 451 2087

galatea

@slingshot.co.nz

## Whakatāne-Ōhope Ward



DEPUTY MAYOR

Judy Turner

P. 07 312 4965

M. 021 309 803

judyturner.ohope

@xtra.co.nz



COUNCILLOR

Scott Jarrett

P. 07 308 7556

M. 027 493 8019

scott

@scottjarrett.co.nz



COUNCILLOR

John Pullar

P. 07 308 5783

M. 027 308 5002

Johnwilliam.p

@xtra.co.nz



COUNCILLOR

Julie Jukes

P. 07 312 5644

M. 027 412 1025

djukes@xtra.co.nz



COUNCILLOR

Dave Sheaff

P. 07 312 5744

M. 027 495 3022

dlsheaff@wave.co.nz





## WHAKATĀNE DISTRICT COUNCIL

Civic Centre, Commerce Street, Whakatāne  
Private Bag 1002, Whakatāne 3158

Email: [information@whakatane.govt.nz](mailto:information@whakatane.govt.nz)

Phone: 07 306 0500

Fax: 07 307 0718

Website: [www.whakatane.govt.nz](http://www.whakatane.govt.nz)

## SERVICE CENTRE MURUPARA

Pine Drive, Murupara

Phone: 07 366 5896

Fax: 07 366 5897



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