VOLUME 2

Strategies and Policies
Ngā Rautaki me ngā Kaupapa here

WHAKATĀNE DISTRICT COUNCIL'S
LONG TERM PLAN 2024-34 *TE MAHERE PAE TAWHITI 2024-34*

WHAKATĀNE
District Council
Kia Whakatāne au i ahau

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Whakatāne District Council needs to make several assumption to prepare a work plan and budget for the next 10 years. While things might not happen as assumed, we need to plan our costs and activities based on what we think is the most-likely scenario. This document lists the assumptions that we have made to inform the development of the Long Term Plan 2024-34. It also identifies the level of uncertainty and potential effect on the financial estimate if the assumption is incorrect. In addition to the assumptions below, we have also made some assumptions about how long significant assets are expected to last and the future replacement of these assets. Further information on these assumptions can be found as part of the draft Long Term Plan Volume 3 - Our Finances.

COVID-19/Pandemic

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential effect on the financial estimates (if assumption is incorrect)
COVID-19 pandemic The Council makes this assumption because in the recent past, the COVID-19 pandemic has significantly disrupted our district, communities, economy and the Council's service delivery. The disruption and the need for subsequent response and recovery has substantial financial implications for the Council.	For the purposes of planning and budgeting our work over the next 10-years, the Council has made the assumption that a pandemic will not result in significant disruptions that would impact our ability to provide our services. We have not forecasted any additional demand for Council services and facilities as a direct result of a new pandemic. We have also not forecasted any reduction in revenue resulting from a pandemic. There continues to be the possibility that future pandemic events could impact our ability to access the materials or labour we need for key projects. We have assumed that we will be able to deliver the projects set in the Long Term Plan, but this would need to be assessed on a project-by-project basis at the time of any future developments. The cost of rates for the community continues to be a key consideration through the development of the Long Term Plan, particularly given the economic implications of COVID-19.	**MEDIUM**	**HIGH**

People, where they live and what they will need

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential effect on the financial estimates (if assumption is incorrect)
Population age The Council makes this assumption because age might influence people's ability to afford rates. The age of our community will also determine the types of services we need to provide.	The assumption for the Long Term Plan is that the median age of the overall population in the district will continue to rise. It is expected that the percentage of older people overall will continue to increase, while the percentage of people in the younger cohorts will decline. People aged 65+ are expected to make up 30 percent of the population by 2043. Implications of an ageing population include a changing demand for Council services, labour availability, changing housing needs and demand on health services and aged cared facilities. In contrast, the median age of Māori (who make up nearly 50 percent of the population) is 26.3 years compared to 39.8 years for the total population. The largest cohort of Māori is aged 14 years and below, which has implications for housing demand.	**LOW**	**LOW**

<table>
<tr><th>Assumption type and why we make it</th><th>Assumption for this Long Term Plan</th><th>Level of uncertainty</th><th>Potential effect on the financial estimates (if assumption is incorrect)</th></tr>
<tr>
<td>Population growth
Population projections impact both the supply (rating base) and the demand for Council services.

Population projections will affect things like how we fund the replacement of long term assets, how we manage future debt and rates, and what infrastructure we need to invest in.</td>
<td>The assumption for this Long Term Plan is that the population of the district will continue to grow as set out below:

<table>
<tr><th>Year</th><th>Population</th></tr>
<tr><td>2022</td><td>38,500</td></tr>
<tr><td>2023</td><td>38,800</td></tr>
<tr><td>2024</td><td>39,230</td></tr>
<tr><td>2025</td><td>39,665</td></tr>
<tr><td>2026</td><td>40,105</td></tr>
<tr><td>2027</td><td>40,550</td></tr>
<tr><td>2028</td><td>41,000</td></tr>
<tr><td>2029</td><td>41,276</td></tr>
<tr><td>2030</td><td>41,554</td></tr>
<tr><td>2031</td><td>41,834</td></tr>
<tr><td>2032</td><td>42,116</td></tr>
<tr><td>2033</td><td>42,400</td></tr>
<tr><td>2034</td><td>42,618</td></tr>
<tr><td>2038</td><td>43,500</td></tr>
<tr><td>2043</td><td>44,500</td></tr>
<tr><td>2048</td><td>45,300</td></tr>
<tr><td>2053</td><td>46,020</td></tr>
</table>
Source: for 2022 and 23: Subnational population estimates (TA, SA2), by age and sex, at 30 June 1996-2023 (2023 boundaries) (stats.govt.nz)

Source for 2024 onwards- Population Forecast – MR Cagney EBOP housing needs research. - ‘Medium’ assessed projections have been used. (with extrapolation for years between reference points)</td>
<td>LOW</td>
<td>MEDIUM</td>
</tr>
</table>

Climate Change and natural hazards

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential effect on the financial estimates (if assumption is incorrect)
Climate change (adaptation and mitigation) The Council makes this assumption because climate change represents a threat to a range of Council infrastructure assets, and the wellbeing of our communities.	The assumption for the Long Term Plan is that climate change will occur in line with the Intergovernmental Panel on Climate Change (IPCC) 'Representative Concentration Pathways (RCP) 8.5 scenario.' This scenario is set out in the IPCC's **Climate Change 2014 Synthesis Report**, and represents 'business as usual,' with greenhouse gas emissions continuing at current rates. In this scenario, in the Bay of Plenty, mean temperature is projected to increase by 0.5-1.0°C by 2040 under RCP 8.5, except in autumn where it is projected to warm up by 1.0-1.5°C. By 2090, under RCP8.5, warming is projected to be around 2.5-3.0°C for most of the region at the annual scale (with some isolated areas projecting 3.0-3.5°C of warming, and eastern areas projecting 1.5-2.5°C of warming). For more information about how climate change is likely to impact the Bay of Plenty, refer to '**Climate change projections and impacts for the Bay of Plenty Region**.'	**LOW**	**HIGH**
Occurrence of natural hazards The Council makes this assumption because historically natural hazard events have substantially impacted our district and communities. For the Council, substantial events disrupt service delivery and work programmes, while generating new unplanned costs for response and recovery.	The assumption under the Long Term Plan is that we will likely continue to face a similar, if not increased, number and intensity of natural hazard and/or extreme weather events than we have over the past decade. With this being said, as they are difficult to predict, we have not assumed any natural disasters will occur in the course of the Long Term Plan. Limited, specific funding for storm event repair has been provided for in the financial projections covered by the 10-years of the Long Term Plan.	**HIGH**	**HIGH**

[1] *NIWA, 2019, Climate change projections and impacts for the Bay of Plenty Region <* **https://atlas.boprc.govt.nz/api/v1/edms/document/A3434328/content** *> accessed 18/02/2021*

The Council's mandate and direction

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential effect on the financial estimates (if assumption is incorrect)
Purpose, structure and functions of local government sector The Council makes this assumption because no substantive policy decisions about the future structure, roles, functions or funding of the sector have been implemented following the Future For Local Government review (FFLG).	The assumption is that the purpose, structure and functions of the local government sector will remain as they are. The Future for Local Government review (FFLG) identified how our system of local democracy needs to evolve over the next 30 years to improve the wellbeing of Aotearoa New Zealand communities and the environment, and actively embody the Te Tiriti o Waitangi – the Treaty of Waitangi partnership. The change in government following the 2023 general election has resulted in repeals to substantial reforms programmes that were underway. Within the next 10-years covered by our Long Term Plan, there are aspects of our service delivery that could change if our role and obligations change. We assume the status quo because we have no visibility or certainty on this (except some direction for Three Waters and Resource Management Act).	**LOW**	**MEDIUM**
Water Services Reform Programme Following a change in government in the 2023 general election, the Three Waters reforms progressed by the previous government are being repealed. The impact of this (and assumption for this Long Term Plan) is that the Long Term Plan will have to fully reinstate responsibility, planning and funding for Three Waters. This replaces the previous assumption that the Council would retain waters services for 'up to' a two-year period only.	The Long Term Plan will be prepared on the basis that the Council retains 'ongoing' service delivery, planning and funding responsibilities for three waters. This includes across the 10-year period of the Long Term Plan and 30 years of the infrastructure strategy. Legislation has come into effect 17 February 2024 to repeal the Three Waters reform legislation. Further legislation is expected in mid-2024 and 2025 providing details around streamlined requirements for establishing Council-controlled organisations, structural finance tools to support financial sustainability and further regulatory changes. The assumption is that these changes will not not significantly impact the Long Term Plan 2024-34 in years one to three and we will incorporate changes in the Long Term Plan 2027-37.	**MEDIUM**	**HIGH**

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential effect on the financial estimates (if assumption is incorrect)
National waste initiatives The Council makes this assumption because several national waste initiatives are being progressed, including the New Zealand Waste Strategy which aims to reduce emissions from waste and embed circular systems that will focus on reusing and reducing waste and litter.	The assumption for the Long Term Plan is that local government will work with central government to implement the strategy and the process to develop an action and investment plan. No new legislation is likely to be passed by the time the 2024-34 Long Term Plan is implemented. The assumption is that council's current kerbside services will continue and kerbside foodwsate collections will not be implemented unless legislatively mandated by central government.	**LOW**	**LOW**
Emission Trading Scheme	Council does not operate any landfills, but it does pay ETS charges on waste that is sent to landfill. Council has a special arrangement with the landfill operator and we pay a discounted rate below the NCU market price. The assumption for the Long Term Plan is that the ETS charge payable by council will remain at $60 per tonne. We have also assumed that waste going to landfill will increase by 1,000 tonnes per annum and therefore the ETS payable will increase by $60,000 per annum.	**MEDIUM**	**LOW**
Resource Management Act The Council makes this assumption because a letter was received in early 2024 from the minister responsible Resource Management Act reforms, Hon Chris Bishop, advising us of the Government's planned Resource Management Act reforms. These reforms follow on from the repeal of the Natural and Built Environment Act and the Spatial Planning Act in late 2023.	The assumption for this Long Term Plan is this activity will remain with the Council and that the Resource Management Act will be amended to introduce a permanent fast-track consenting process for locally, regionally and nationally significant infrastructure projects. Following this, amendment work will begin on the new resource management laws based on the enjoyment of property rights. There will also be changes to the National Policy Statement for Freshwater Management including changes to the hierarchy of obligations in the short term and a review and replacement of the National Policy Statement for Freshwater Management later in the parliamentary term. Whilst the details of the reform are unknown, the timing of the reforms and the scope of the interim changes to the Resource Management Act and National Policy Statement for Freshwater Management are such that the Council do not anticipate that significant changes will need to be made to the Long Term Plan. The interim changes relate to the application of the National Policy Statement for Freshwater Management which has greater implications for regional rather than district councils, while the Resource Management Act fast-track consenting changes relates to the process by which certain applications are assessed. The costs and timings of Council activities are not expected to be significantly affected by these and these changes can be incorporated through the review of the District Plan which is budgeted and planned for in this LTP. Longer term the replacement of the Resource Management Act with new resource management laws based on the enjoyment of property rights may require future amendments to the Long Term Plan. However, these are not likely to occur until after 2027 and can therefore be included in a future Long Term Plan.	**MEDIUM**	**LOW**

Revenue streams

<table>
<tr><th>Assumption type and why we make it</th><th>Assumption for this Long Term Plan</th><th>Level of uncertainty</th><th>Potential effect on the financial estimates (if assumption is incorrect)</th></tr>
<tr><td>Rating base
The Council's rating requirement (the amount we need to collect from rates) is divided among the available 'rateable properties' in the district. Certain types of properties, like schools, churches and recreation reserves, are not rateable.</td><td>The assumption for the Long Term Plan is that the rating base will increase as reflected in the table below.

The table shows the projected rating units for each year of the Long Term Plan.

<table>
<tr><th>Year</th><th>Rating units</th></tr>
<tr><td>2022</td><td>17,039</td></tr>
<tr><td>2023</td><td>17,081</td></tr>
<tr><td>2024</td><td>17,308</td></tr>
<tr><td>2025</td><td>17,538</td></tr>
<tr><td>2026</td><td>17,771</td></tr>
<tr><td>2027</td><td>17,975</td></tr>
<tr><td>2028</td><td>18,181</td></tr>
</table>
<table>
<tr><th>Year</th><th>Rating units</th></tr>
<tr><td>2029</td><td>18,303</td></tr>
<tr><td>2030</td><td>18,426</td></tr>
<tr><td>2031</td><td>18,549</td></tr>
<tr><td>2032</td><td>18,674</td></tr>
<tr><td>2033</td><td>18,799</td></tr>
<tr><td>2034</td><td>18,898</td></tr>
</table>
</td><td>LOW</td><td>MEDIUM</td></tr>
<tr><td>Rating revenue realisation
The Council makes this assumption because rates are the most substantial and consistent portion of revenue to fund the Council services. The realisation of revenue may be impacted by levels of affordability and/or willingness to pay.</td><td>The assumption for this Long Term Plan is that rate arrears and defaults may increase across the first half of this 10 year Long Term Plan.

Much of the local government sector throughout Aotearoa New Zealand is facing the need to increase rates revenue more than historical levels, and these increases may persist over a number of years. Alongside this, inflationary cost related to other goods and services is impacting communities, as are increasing mortgage interest rates. The economy is also entering a weak cycle at the time of drafting this Long Term Plan and unemployment levels (across New Zealand) are expected to rise. The combined risk is lower discretionary income for homeowners, landowners and business owners. Alongside this risk is a longer-term trend of overall aging in our population structure – this will result a greater proportion of older population on fixed incomes. The risk is that rates costs become more challenging to meet for some property owners and we may see a greater level of rate payments in arrears/default. In other cases there may be arrears arising from a political position, rather than an affordability position.</td><td>MEDIUM</td><td>MEDIUM</td></tr>
</table>

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential effect on the financial estimates (if assumption is incorrect)
External funding/Subsidies – Rex Morpeth Recreation Hub	Funding for this programme assumes $63M generated from sources other than rates including development contributions and subsidies including external funding sources such as corporate partnerships, various government and community grants, individual and philanthropic donations. A plan will be developed to secure the required levels of funding needed to progress through to the major redevelopment stage of the project. There is a risk that this external funding does not become available, and a stop-go decision point will be integrated into the next Long Term Plan (2027/37) regarding Rex Morpeth's redevelopment budget. On the basis that the project capital expenditure would be cancelled or deferred if external funding levels are not received, there are no anticipated negative financial implications or risks associated with not achieving the external funding. However, delay or cancellation to the redevelopment phase (Phase 2) of the project would negatively impact the Council's ability to deliver on our strategic priorities and intergenerational achievement across the four wellbeings. Additionally, our community would experience loss of revenue opportunity, loss of an important emergency management facility, limitations to community well-being opportunities, and not being able to attract large scale events.	**HIGH**	**HIGH**
External funding/Subsidies: Matatā WWTP	The assumption for the Long Term Plan is that external funding will be secured to support the next phase in development of a new wastewater scheme in Matatā. If funding is not secured, there will be an additional assessment for affordability that may impact future Long Term Plan finances.	**HIGH**	**MEDIUM**
External funding/Subsidies: NZ Transport Agency Waka Kotahi funding	The assumption for the Long Term Plan is that NZ Transport Agency Waka Kotahi funding assistance rates will be at approximately 65%.	**LOW**	**MEDIUM**
External funding/Subsidies - General It is mandatory for Council to make an assumption concerning sources of funds for the future replacement of significant assets and key projects.	The assumption for the Long Term Plan is that external funding/subsidies will be secured where these have been budgeted for. The Council has a number of projects planned that are contingent upon a significant level of external funding alongside rates (sponsors, grants and fund raising from central government, regional government and community sources). The potential impacts in the financial estimates if this assumption is incorrect are considered low. The decision to proceed with projects if subsidies are not received are thoroughly considered by Council's controls. The Council would adjust the investment to the level of external subsidies not received if necessary.	**LOW**	**LOW**

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential effect on the financial estimates (if assumption is incorrect)
Revenue from fees and charges The Council makes this assumption because revenue from fees and charges has an ongoing impact on Council's budget, especially when cost is not fully recovered.	The assumption for the Long Term Plan is that fees and charges will be established in line with a new Revenue and Finance Policy with a broad intent to shift from rate subsidy to a more cost recovery based model. Inflation and market rates will be considered to reflect true cost.	**LOW**	**LOW**
Development contributions The Council makes this assumption because the Council uses development contributions to recover from developers a fair and equitable portion of costs of capital expenditure needed to service growth.	The assumption for the Long Term Plan is that revenue from development contributions will be in line with the budget and the Development Contributions Policy.	**LOW**	**MEDIUM**
Investments and harbour endowment property It is mandatory for the Council to make an assumption concerning sources of funds for the future replacement of significant assets.	The assumption for the Long Term Plan is that the Council continues to receive income similar to the Long Term Plan 2021-31 from the Council's harbour lease properties and other properties with commercial leases.	**MEDIUM**	**MEDIUM**

Capital Programme

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential effect on the financial estimates (if assumption is incorrect)
Capital Programme Do-ability The Council's capital programme represents a larger than previous Long Term Plans.	The assumption is that the Council has the ability to deliver on the capital expenditure plan. This includes the capacity to deliver against the asset management plan (AMP) and achieving the objectives of our Improvement Plan. The Council is making strategic shifts to procurement and project delivery processes to achieve this. The first is a change to project budget allocation, requiring Activity Managers to phase project budgets by stages instead of solely at project onset. The second is the progression of an Enterprise Project Management Office within the Council to uplift project management maturity and facilitate successful project delivery. These changes are anticipated to bolster Council's capability to achieve its capital expenditure plan. Uncertainty arises from the Council's planning processes, project management processes, consenting process, public engagement, the construction market and other factors. Capital work programmes may also be varied by annual plans and future LTPs. If these factors change from the projection then the assumption will not be borne out. Any delay in achieving the stated capital works programme may result in a carry forward, whereby some or all projects are delivered the following year. This can result in other projects being delayed as a result. Delays in service level projects may also result in reduced borrowing requirements that, in turn, reduce rates required to repay that borrowing. Delays in renewal projects may reduce the funding taken from the renewal reserve that, in turn, reduces rates required to top up that reserve. There may also be additional costs in deferred projects as result of delays. These additional costs include cost escalation from additional inflation and, for renewals, the existing asset may require additional maintenance before replacement. From a resident viewpoint, it may mean that the Council does not improve service level in the timeframe expected, or increases the risk of asset failure through delayed renewal.	**HIGH**	**HIGH**
Lifecycle of assets This is a mandatory assumption under the Local Government Act.	The assumption is that the lifecycle of assets is as stated in the Statement of Accounting Policies in the 'Our Finances' section of this Long Term Plan, and that asset lifecycles will align with forecast and be used as the basis of depreciation.	**HIGH**	**MEDIUM**

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential effect on the financial estimates (if assumption is incorrect)
Revaluation of assets This is a mandatory assumption under the Local Government Act.	The assumption for the Long Term Plan is that revaluations will be in line with projections, and reflect ongoing assumed levels of inflation in capital costs. For the purpose of revaluation of asset estimations in this Long Term Plan it has been assumed that assets will increase in line with the underlying asset category CPI or PPI based on the inflation projections included in these significant assumptions based on BERL mid-point. All operational assets including land, buildings, library, museum, roading and three waters infrastructure assets are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from their fair value, and at least every three years. Other assets like forestry, investment property and non-current assets held for sale, as well as the derivative financial instruments, are revalued annually. For the purposes of the financial model, all assets are revalued annually in order to reduce the distraction of year on year peaks and troughs in revenues and expenditure that are generated by these revaluations. Fair value is the amount at which asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Valuations are undertaken every three years for the following asset classes: Museum collections, Library collections, Harbour assets, Parks and reserve assets, Roading assets, Three Waters assets, Land, Buildings, Restricted assets. With the exception of Roading assets, these were all last valued in 2023, and revaluations are expected in 2026 / 2029 / 2032. Roading were last valued in 2022 and revaluations are expected in 2025 / 2028 / 2031 / 2034. Valuations are undertaken every year for the following asset classes: Investment Properties, Properties held for sale, and Forestry, and revaluations are expected in each year of the Long Term Plan.	**LOW**	**MEDIUM**
Funded depreciation This is a mandatory assumption under the Local Government Act as a source of funding asset replacement.	The assumption for the Long Term Plan is that depreciation is based on correct values, and aligned to the lifecycle of assets. The Revenue and Financing Policy sets out how assets will be funded for different activities. Funding for the renewal of assets is calculated on a 'Long Range Average Renewals' Approach. This is an approach whereby the Council uses rates to maintain a reserve. The reserve is then used to fund the renewal of assets. The amount of rates added to the reserve each year is based on the 10 year forward horizon for renewal requirements.	**MEDIUM**	**MEDIUM**
Future replacements of assets (related to below) The Council makes this assumption because it must be able to demonstrate that it has budgeted its costs prudently.	The assumption for the Long Term Plan is that assets will be replaced at the end of their useful life (based on condition and/or performance) with a 'like-for-like' equivalent except where noted in Long Term Plan.	**MEDIUM**	**MEDIUM**

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential effect on the financial estimates (if assumption is incorrect)
Project costs (related to above) The Council makes this assumption because it must be able to demonstrate that it has budgeted its costs prudently.	The assumption for the Long Term Plan is that costs of projects and replacements have been accurately budgeted where not like-for-like (similar to above).	**MEDIUM**	**MEDIUM**
Reserve levels The Council makes this assumption because if funds are not available, other mechanisms of funding must be explored, for example drawing down debt. These are not budgeted.	The assumption for the Long Term Plan is that reserves will be managed over the 10-year timeframe of the Long Term Plan, and that by 2034 funding of depreciation through depreciation reserves will be sufficient to meet the renewal costs of assets. During the year where it is otherwise indicated in our financial statement that reserves are not available, it is assumed that the drawing down of debt will temporarily support the cost of renewal of assets.	**MEDIUM**	**MEDIUM**

Borrowing costs and inflation

<table>
<tr><th>Assumption type and why we make it</th><th>Assumption for this Long Term Plan</th><th>Level of uncertainty</th><th>Potential effect on the financial estimates (if assumption is incorrect)</th></tr>
<tr><td>Interest Rates
The Council makes this assumption because this will affect the level of rates required to service debt (and return on investment).</td><td>We based our interest rate assumptions on the latest treasury data from April 24, 2024, and the debt forecast in this plan. The model assumes that the Council will have a credit rating over the next 10 years, which would give us a better financing rate with LGFA at 0.85 percent instead of 1 percent if we were not credit-rated. We used the 90-day bank bill rate as of May 1, 2024, to project wholesale interest rates for the period up to June 2034.
<table>
<tr><th>Financial Year</th><th>2025</th><th>2026</th><th>2027</th><th>2028</th><th>2029</th><th>2030</th><th>2031</th><th>2032</th><th>2033</th><th>2034</th></tr>
<tr><td>Rate “AA-“ May 2024</td><td>5.03%</td><td>4.80%</td><td>4.79%</td><td>4.96%</td><td>5.21%</td><td>5.33%</td><td>5.43%</td><td>5.63%</td><td>5.70%</td><td>5.78%</td></tr>
</table></td><td>HIGH</td><td>HIGH</td></tr>
<tr><td>Credit rating
The Council makes this assumption because becoming credit rated is being considered, and should let Council borrow at more favourable rates, and affect the level of rates required to service debt.</td><td>The assumption for the Long Term Plan is that the Council will obtain a credit rating.
The credit rating outcome will be known by the end of the 2024 financial year or early in the 2025 year. The Long Term Plan interest expense will be calculated on the assumption that the Council is credit rated. This will affect the cost of all debt uplifted from the 2025 financial year onwards.</td><td>LOW</td><td>HIGH
UPDATE
Credit Rating was confirmed by FitchRatings 11/7/24</td></tr>
</table>

<table>
<tr><th>Assumption type and why we make it</th><th>Assumption for this Long Term Plan</th><th>Level of uncertainty</th><th>Potential effect on the financial estimates (if assumption is incorrect)</th></tr>
<tr><td>Inflation
The Council makes this assumption because inflation impacts the community's ability to pay and the Council's forecast expenditure.</td><td>There is more sensitivity to the uncertainty around inflation levels following recent economic conditions.

It is assumed that inflation will be in line with BERL's 'mid' scenario, in the BERL Local Government Cost Adjustor Forecasts. The uncertainty around inflation levels is reflected in BERL releasing more than one scenario for the first time. As part of the review of financial assumptions following the release of the BERL Local Government Adjustor Forecasts we will seek to include comparatives of other council assumptions, and other economic updates such as those provided through Local Government Funding Agency for assumption testing.

<table>
<tr><th></th><th>2025</th><th>2026</th><th>2027</th><th>2028</th><th>2029</th><th>2030</th><th>2031</th><th>2032</th><th>2033</th><th>2034</th></tr>
<tr><td>Water</td><td>3.6</td><td>2.5</td><td>2.7</td><td>2.6</td><td>2.5</td><td>2.3</td><td>2.3</td><td>2.2</td><td>2.1</td><td>2.1</td></tr>
<tr><td>Roading</td><td>2.9</td><td>2.0</td><td>2.3</td><td>2.3</td><td>2.2</td><td>2.1</td><td>2.0</td><td>2.0</td><td>2.0</td><td>1.9</td></tr>
<tr><td>Property</td><td>2.3</td><td>1.9</td><td>2.0</td><td>1.8</td><td>1.8</td><td>1.7</td><td>1.7</td><td>1.6</td><td>1.6</td><td>1.6</td></tr>
<tr><td>Staff</td><td>2.4</td><td>2.2</td><td>2.1</td><td>2.1</td><td>2.0</td><td>1.9</td><td>1.9</td><td>1.9</td><td>1.8</td><td>1.8</td></tr>
<tr><td>Other</td><td>2.4</td><td>2.1</td><td>2.1</td><td>2.0</td><td>1.9</td><td>1.9</td><td>1.8</td><td>1.8</td><td>1.8</td><td>1.7</td></tr>
</table>
</td><td>HIGH</td><td>HIGH</td></tr>
</table>

Service delivery

Assumption type and why we make it	Assumption for this Long Term Plan	Level of uncertainty	Potential effect on the financial estimates (if assumption is incorrect)
Level of Service The Council makes this assumption because this will impact forecast expenditure.	The assumption for the Long Term Plan is that existing service delivery methods and levels of service will continue unless specified. While it is likely that some of our service delivery may look different over the period of the Long Term Plan, the Council can only budget for known changes.	**LOW**	**MEDIUM**
Staff and contractors The Council makes this assumption because staff and contractor availability impacts our ability to deliver our work programme.	The assumption for the Long Term Plan is that due to a shortage in parts of the labour market, the Council will compete with other workplaces to attract workforces and this will need to be factored in the Long Term Plan work programme to ensure the Council can continue to attract and retain a strong and capable workforce and a sustainable well equipped pool of contractors.	**LOW**	**LOW**

Financial Strategy
Te Rautaki Ahumoni

INTRODUCTION
Kupu Arataki

The Financial Strategy outlines our overall approach to managing the Council's finances, how we plan to deliver Council activities and services and fund the capital investments planned for the period of the Long Term Plan 2024-34.

The Financial Strategy is central to the development of the Long Term Plan and builds on the associated Revenue and Financing Policy and Funding Needs Analysis undertaken in accordance with section 101 of the Local Government Act 2002.

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

FINANCIAL STRATEGY
Te Rautaki Ahumoni

Objectives – *Ngā Whāinga*

The Financial Strategy aims to provide the financial framework underlying the proposed expenditure and funding of the Long Term Plan. It is intended to guide the decisions we make now and, in the future, to enable the Council to contribute to the vision for the Whakatāne District. It aims to deliver on the following objectives, which provide the foundation for prudent sustainable financial management:

- **Minimising impact on ratepayers now and in the future.** We understand that rate increases can place a burden on current ratepayers and their future. We must balance the need to fund our immediate goals with the responsibility of not overburdening our residents. Striking this balance is essential for the wellbeing of current and future ratepayers.
- **Achieving outcomes.** We need to consider the strategic goals that aim to drive growth and improvement in the district now and in the future. We also recognise the importance of maintaining and, where appropriate, improving the essential services our community relies on daily.
- **Ensuring financial prudence and sustainability.** While we strive to achieve our strategic objectives, we are committed to being financially prudent, securing our long-term financial health, balancing budgets and minimising financial risks for resilient community wellbeing and growth. This means managing resources responsibly, avoiding excessive debt and ensuring every dollar spent delivers maximum value to the community.
- **Reflecting fairness and equity.** We need to ensure fairness and equitable distribution of costs across those who will benefit from the strategy.

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

- **Ability to pay (affordability)** - we must, as part of the decision-making process, consider the community's ability to pay rates. Consideration will be given at both the macro level (i.e., general affordability to most) and at the micro level (i.e., for a specific individual where rates rebates, remissions or postponement policies may be required).
- **Value for money** - proposals for expenditure must contribute to the strategic outcomes agreed with the community, and the total cost must be reasonable. The cost effectiveness of the funding mechanism must be considered.
- **Prioritisation of investment choices** - careful consideration is given to investment options and decisions, which is done in consideration of legislative requirements of councils to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future, together with the vision and priorities of council laid out in this long term plan, including core infrastructure.
- **Environmental sustainability** - funding decisions will consider the community outcomes the Council seeks, including wider environmental and climate change impacts.
- **Prudent sustainable financial management**- budgets are managed prudently and in the best interests of the district in the long-term. Debt must be maintained at prudent levels and be affordable, reflecting limits at or better than those set by our primary lenders, Local Government Funding Agency (LGFA).
- **Good financial governance and stewardship** - good stewardship of the Council's assets and finances requires the Council to ensure that its actions now do not compromise the ability of future councils to fund future community needs.
  - » Assets should be maintained at least at current service levels to avoid placing a financial burden on future generations, unless they are no longer necessary to maintain required levels of service.
  - » Debt should not be used to fund operating expenditure other than in specific exceptional circumstances.
  - » The level of debt is regularly reviewed to ensure it will not restrict Council's ability to fund new assets through debt in the future.
  - » The consequential operational expenditure implications of capital expenditure decisions are considered.
- **Fairness and equity** - the funding of expenditure should be equitable across present and future ratepayers:
  - » Intergenerational equity, meaning the cost of long-term assets, should be met by ratepayers over the life of those assets. This is reflected by debt-funding new assets and funding the replacement or renewal of assets from rates.
  - » Balanced budget, meaning projected operating revenue over the lifetime of the 10-year plan is set at a level sufficient to meet projected operating expenses, ensuring that current ratepayers are contributing an appropriate amount towards the cost of the services they receive or are able to access; ie, 'every day costs' are paid for from every day income.
- **Growth pays for growth** - the capital costs incurred to develop infrastructure that supports growth within the district should be primarily covered by those creating the growth and increasing the demand on the Council's infrastructure.
- **Distribution of benefits** - consideration is given to the distribution of the benefits from Council activities over identifiable parts of the community, the whole community or individuals (users). Where there are identifiable direct benefits, the proportion of costs associated with these benefits should be covered by the user(s).

Background – *Tirohanga Whakamuri*

Whakatāne District Council remains committed to addressing the needs and aspirations of the community. The Long Term Plan 2021-31 outlined our strategic priorities and over the past three years, these have been front of mind in decision-making processes.

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

As we embark on the next phase reflected in the Long Term Plan 2024-34, we recognise that like all councils across Aotearoa New Zealand, we are facing different and more significant challenges today than we did when we set the financial strategy in 2021, many of which have been caused by factors outside our control.

Inflationary pressures and starting from behind

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

Responding to increasing cost of compliance

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

Recognising the future demand for critical infrastructure investment

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

Developing resilience to respond to climate change and weather events

Like many councils, we are grappling with the challenge of anticipating and responding to the unpredictable and volatile impact of climate change and extreme weather events. These phenomena pose a significant threat to the community's wellbeing and infrastructure. In our long-term financial strategy, it is imperative we continue to consider the increasing need to allocate resources for adaptation and resilience.

Planning for the long term – *E ao ki tūāpae*

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

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

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

Balancing priorities

- Rates fund capital spending on renewal of assets and service levels, impacting current service quality.
- Borrowings for long-term projects spread costs across generations, matching the benefit against when it is paid for, but it also comes with the obligation of future debt.
- Balancing rates, spending and borrowings is crucial for fair intergenerational equity – ensuring current services without compromising the future's financial stability or overwhelming future ratepayers with debt.
- These areas of influence create levels of uncertainty on performance and outcomes. This financial strategy and the approach to balancing priorities will be subject to review each year through Council's annual planning process and in the next Long Term Plan as required by legislation. More detail on Council's potential approaches to managing uncertainty and risk is detailed on page 31.

** Council's approach to climate change is addressed in detail in pages 14-16 of Volume 1 of the Long Term Plan.*

Levels of service

The approach to levels of services within the Financial Strategy has been informed by the Council's Vision and Priorities detailed at the start of Volume 1 of this Long Term Plan. A more detailed assessment of changes in levels of service by activity of Council are detailed in the Group of Activities section of Volume 1 of this Long Term Plan.

Maintaining levels of service and existing assets

In the 10 years of this plan, we will continue to deliver day-to-day services and facilities that are critical to the wellbeing of the district and its people. We will, wherever possible, ensure that we deliver these services as cost-effectively as possible, recognising the public benefit and the current affordability challenges posed by the cost of living. The Council does not currently intend to reduce levels of service.

With respect to maintaining the services associated with existing assets the Council's strategy is to generate revenue through rates and other income sources to (on average) match the capital expenditure costs (net of subsidies and grants) associated with the renewal of those assets over the 10 years of the Long Term Plan, where those assets are anticipated to be replaced at the end of their useful life in order to maintain service levels. Where assets are not anticipated to be required to be renewed to maintain service levels no such allowance is provided.

Over the 10 years of this Long Term Plan $181.7 million in funded depreciation to support renewal of assets has been funded, which is 100.5 percent of the value of anticipated capital expenditure to support renewals (net of subsidies). This reflects 96.6 percent of renewal assessed capital expenditure after allowance for subsidies and grants to support renewals.

Improving levels of service, existing and new assets

Some levels of service will be improved where this complements our vision. Most of the improvement is associated with improving capital assets to ensure we meet increasing demands, while addressing historic under-investment, and maintaining service level expectations at the minimum standards set by regulators such as Taumata Arowai.

Over the 10 years of this long term plan $338.5 million of capital expenditure relates to improving assets, of which $190.4 million is funded from additional debt.

This approach ensures current ratepayers are funding the depreciation of the assets they use and the debt repayments for improvements. This promotes intergenerational equity by ensuring that each generation pays for the consumption and enhancement of assets during their period of use.

In summary, the funded depreciation approach, combined with debt funding for improvements, ensures that sufficient funds are available for asset replacement and improvement. It supports fair cost distribution among current ratepayers and maintains financial sustainability for future infrastructure needs.

Capital expenditure

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

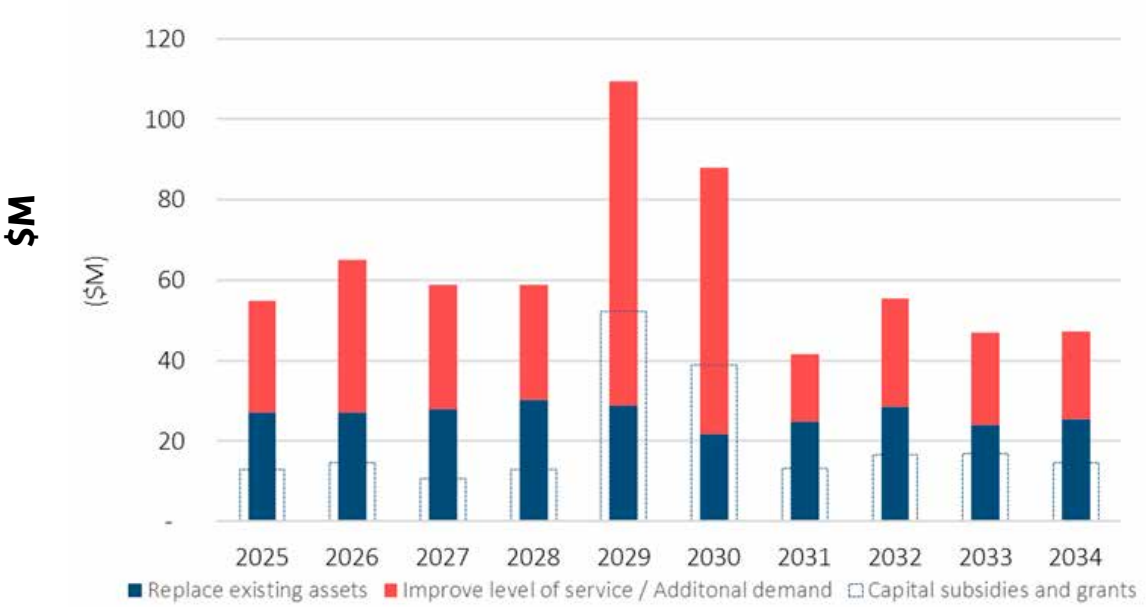
This Financial Strategy focuses on strong fiscal management whilst addressing historically generated demands for increasing capital expenditure into core infrastructure assets such as the stormwater, wastewater, water supply and transport networks.

Over the next 10 years, the Council's annual capital expenditure is planned to range from $41.7 million to $109.4 million. In total, the Council plans to spend $626.6 million on capital investment, 34 percent of which is in the Three Waters activity groups and 33 percent is on transportation connections (roading).

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

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

FIGURE 1: TOTAL CAPITAL EXPENDITURE BY YEAR



The Infrastructure Strategy included in this Long Term Plan provides further information on capital expenditure plans, together with asset information and service levels.

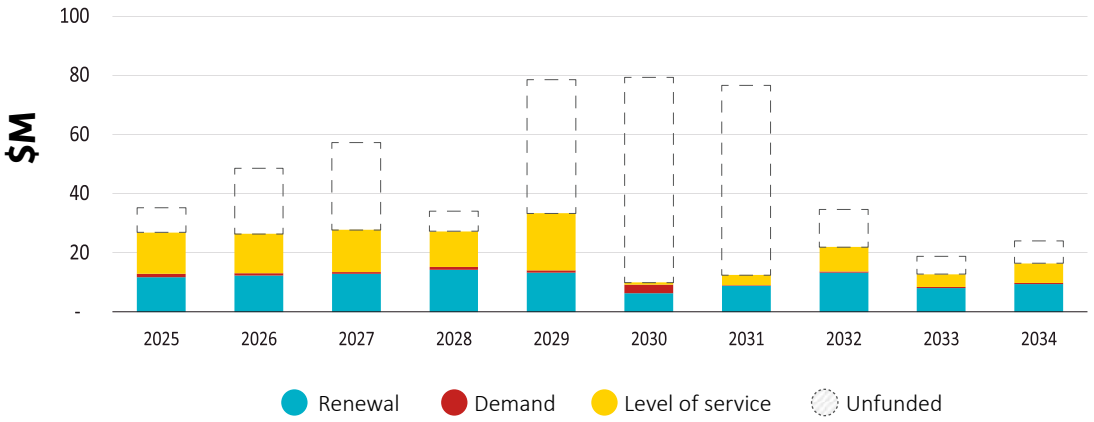
A major factor for consideration by the Council in preparing this financial strategy has been the uncertain nature of government reforms associated with the Three Waters activity groups. Government direction in water reforms has meant responsibility for Three Waters is retained by local government with the repealing of the enabling legislation. The government has advised that 'Local Water Done Well' policy development will occur in 2024 with possible regional or sub-regional groupings of willing participants.

The re-inclusion of Three Waters back into the Council's Long Term Plan and Infrastructure Strategy brings significant levels of service, funding and financing challenges. One of the key issues with water, highlighted in more detail in the Infrastructure Strategy, is the requirement for significant capital investment to address historic under-investment and maintain service level expectations. The volume of investment required far outweighs the Council's ability to secure borrowings to support the programme, irrespective of the additional affordability issues this increased investment would have on ratepayers.

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

The implications of the gap between the needs-based capex requirement and the constrained investment in waters infrastructure reflected in this Long Term Plan are addressed in detail in the Infrastructure Strategy section 2.1.

FIGURE 2: TOTAL CAPITAL EXPENDITURE ON WATER INFRASTRUCTURE (PLANNED VS REQUIRED)



Renewals

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

Robust asset management planning is critical in ensuring that this is done in the most cost effective and sustainable manner. Our Asset Management Plans (AMPs) set out the plans and timing for the renewal of our assets over the term of the Long Term Plan and beyond. Refer to the Infrastructure Strategy for more discussion on Council's approach to asset management planning.

Growth

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

The population is forecast to grow by around 3,800 people, a 10 percent increase, by 2034. This has been assessed as indicating that approximately 1,250 additional households should be accounted for over the Long Term Plan 10-year period.

The Council's specific assumption on population growth by year across the 10 years of this Long Term Plan are provided in the Significant Forecasting Assumptions on page 3. These growth projections are considered to be moderate and therefore with respect to the Financial Strategy and organisational operating or capital expenditure, are not anticipated to have significant impact. No specific capital projects are included in this Long Term Plan, in response to population growth demands, though allowance is made within the renewal of existing assets or capital projects to improve services to allow for what growth is anticipated.

No change in land use is currently anticipated in the Long Term Plan, but may be identified as the Spatial Plan for the wider Eastern Bay of Plenty Region, including the Whakatāne District, is completed in the next one to two years.

PROJECTED GROWTH				
Year	**Population**	**Households**	**Rating units**	**Projected Rateable Rating Units***
2024 Annual Plan	39,230	14,950	17,308	16,183
2025 LTP	39,665	15,149	17,538	16,224
2026 LTP	40,105	15,350	17,771	16,370
2027 LTP	40,550	15,526	17,975	16,498
2028 LTP	41,000	15,590	18,181	16,627
2029 LTP	41,276	15,695	18,303	16,704
2030 LTP	41,554	15,800	18,426	16,781
2031 LTP	41,834	15,906	18,549	16,859
2032 LTP	42,116	16,013	18,674	16,937
2033 LTP	42,400	16,120	18,799	17,016
2034 LTP	42,618	16,205	18,898	17,078

**Some rateable units are not assessed for rates as they are exempted as per LGRA or out remissions policy, such as crown lands including schools and hospital.*

Service improvement

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

FIGURE 3: TOTAL CAPITAL EXPENDITURE BY DRIVER

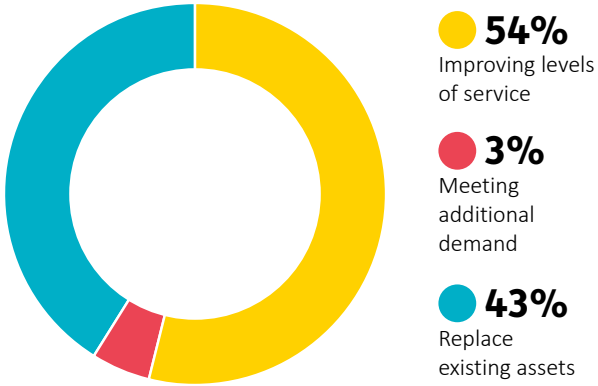
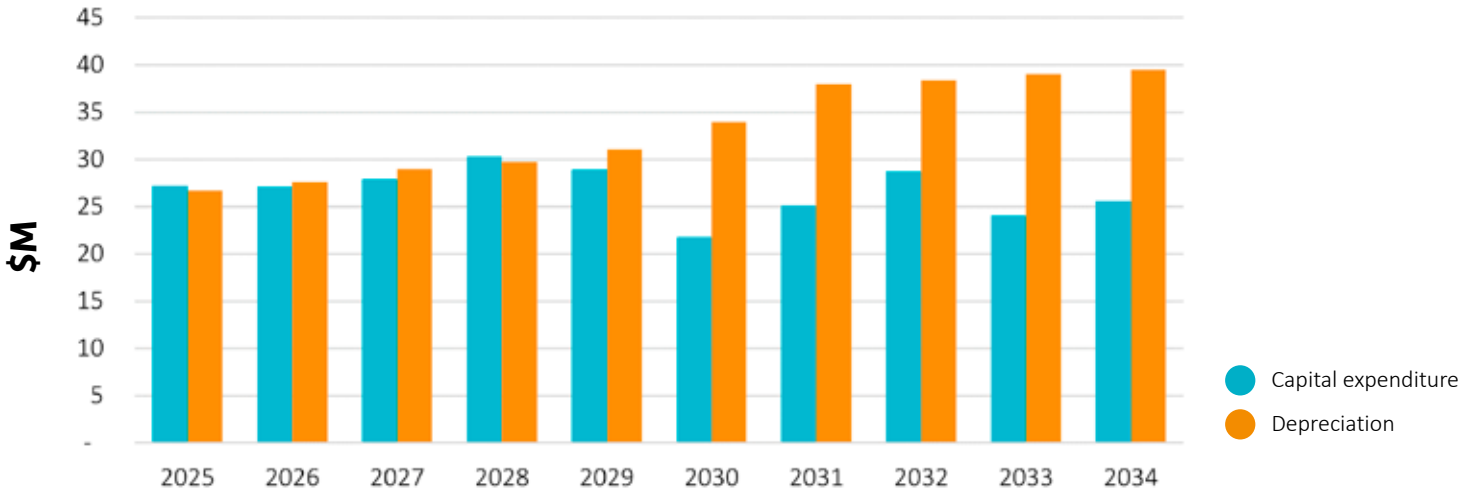
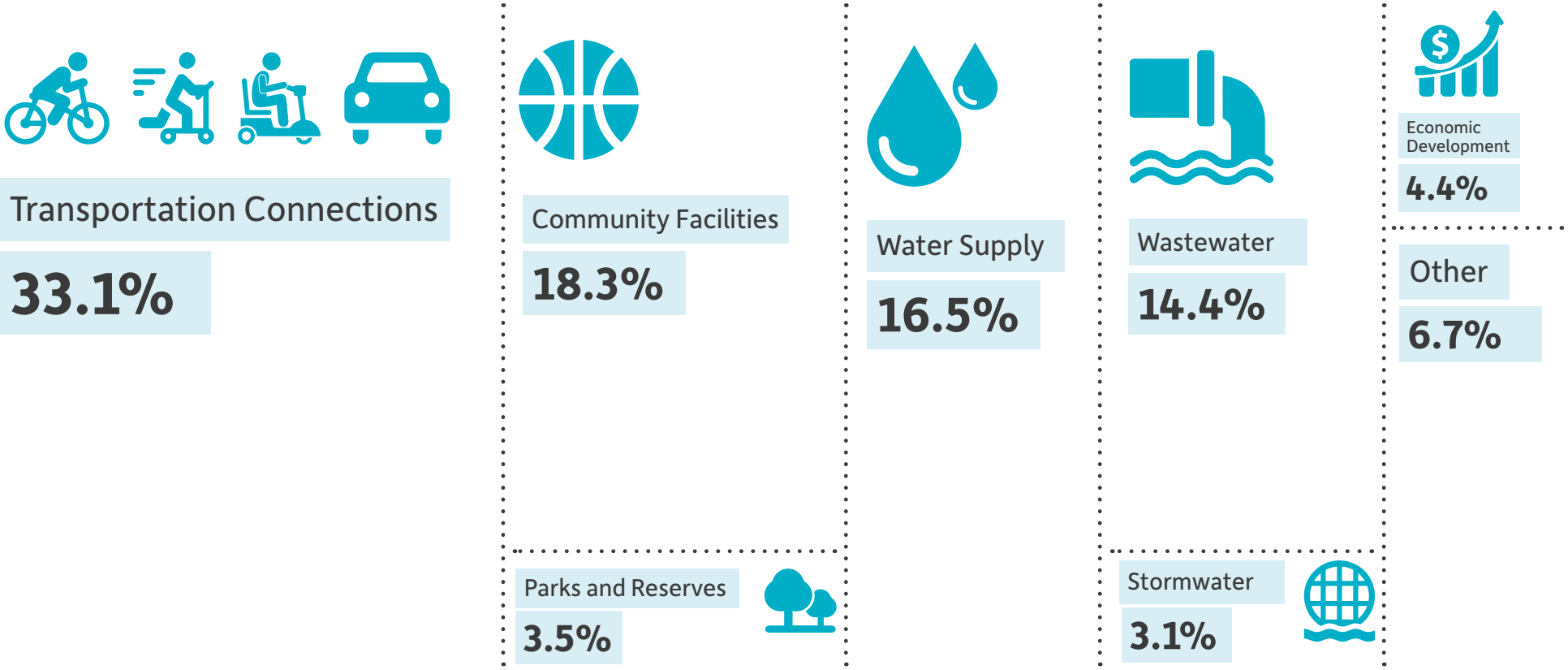


FIGURE 4: CAPITAL RENEWALS COMPARED TO DEPRECIATION



Note: The shift in alignment of capital expenditure on renewals in relation to depreciation in the period from 2029 onwards is materially caused by the additional depreciation associated with Rex Morpeth Recreation Hub and Matata Wastewater project neither of which result in corresponding renewal expenditure during the period immediately following their completion.

FIGURE 5: TOTAL CAPITAL EXPENDITURE BY COUNCIL ACTIVITY



Operating expenditure – *Whakapaunga Utu Mahi*

Operating expenditure primarily pays for the Council's day-to-day costs of delivering services and maintaining existing assets. The Council is forecasting operational expenditure of $1.38 billion over the life of the 10-year plan. This reflects the costs of continuing with the Council's programme to prioritise spend based on the key priorities.

Council is forecasting that its operating expenditure will increase by 51 percent from $105 million to $159 million between 2023/24 and 2033/34. The majority of our operating expenditure is related to the four core network infrastructure activities which include transport connections, water supply, stormwater drainage, and sewage treatment and disposal.

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

FIGURE 6: TOTAL OPERATING EXPENDITURE TREND

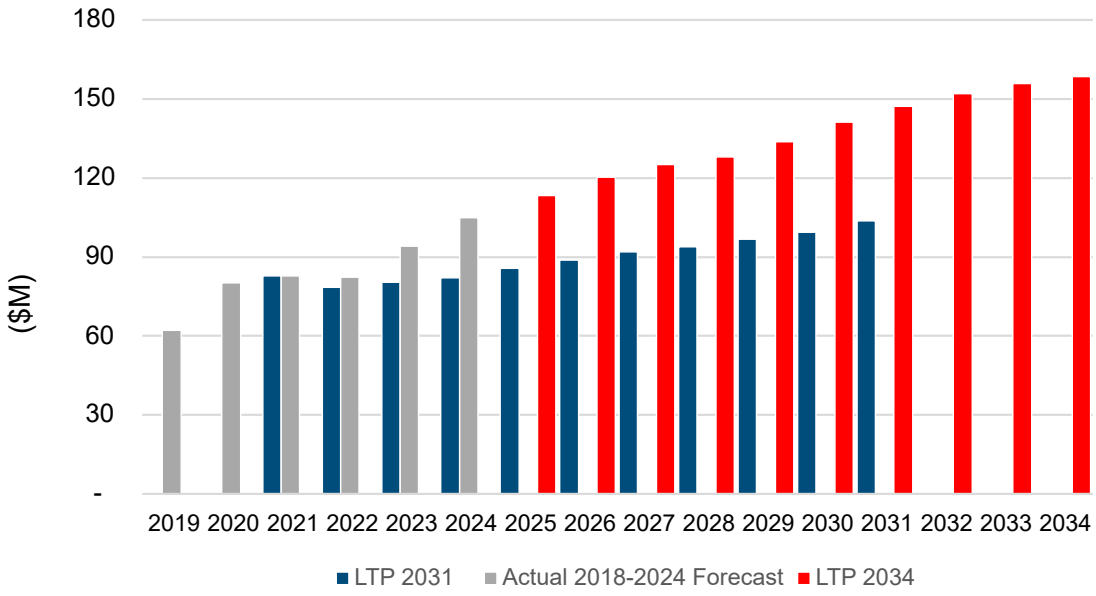
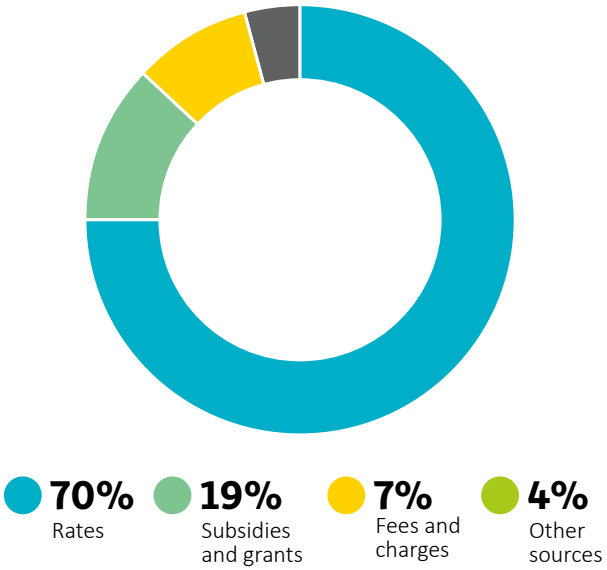


FIGURE 7: REVENUE SOURCES TO FUND OPERATIONAL EXPENDITURE



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

FIGURE 8: TOTAL OPERATING EXPENDITURE TREND BY NATURE OF EXPENDITURE

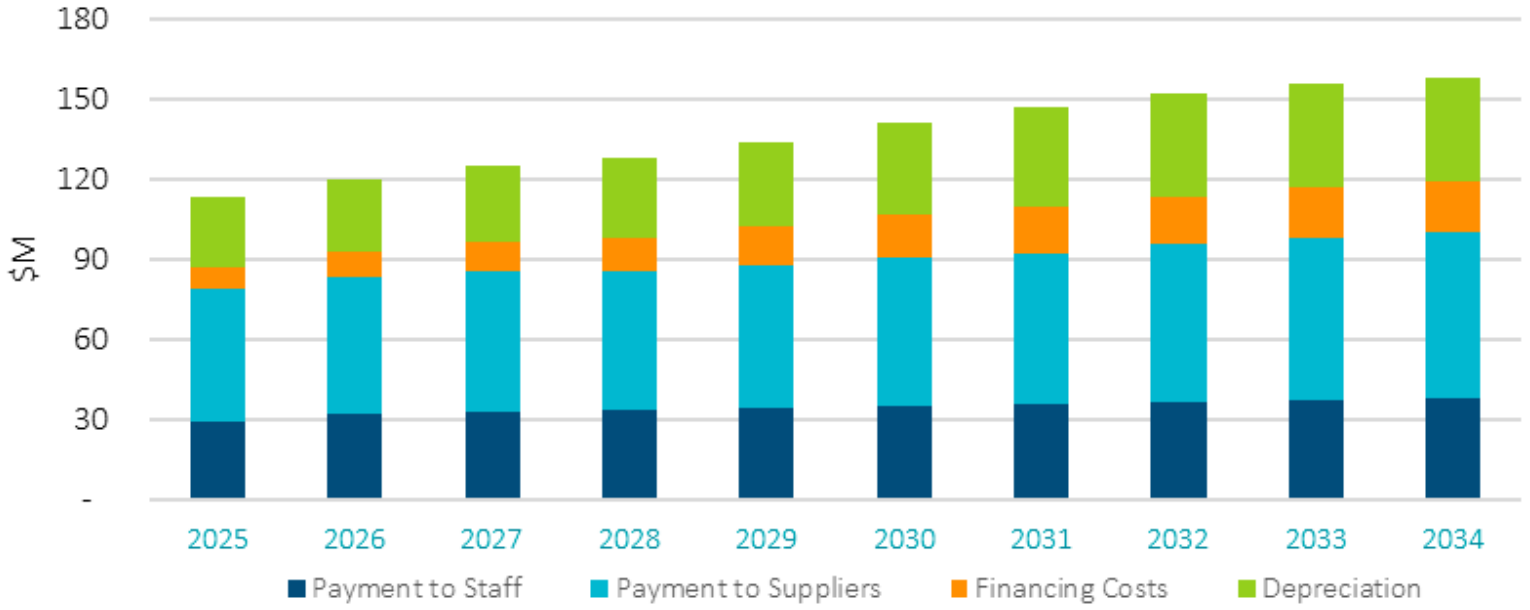


FIGURE 9: TOTAL OPERATING EXPENDITURE BY GROUP OF ACTIVITIES

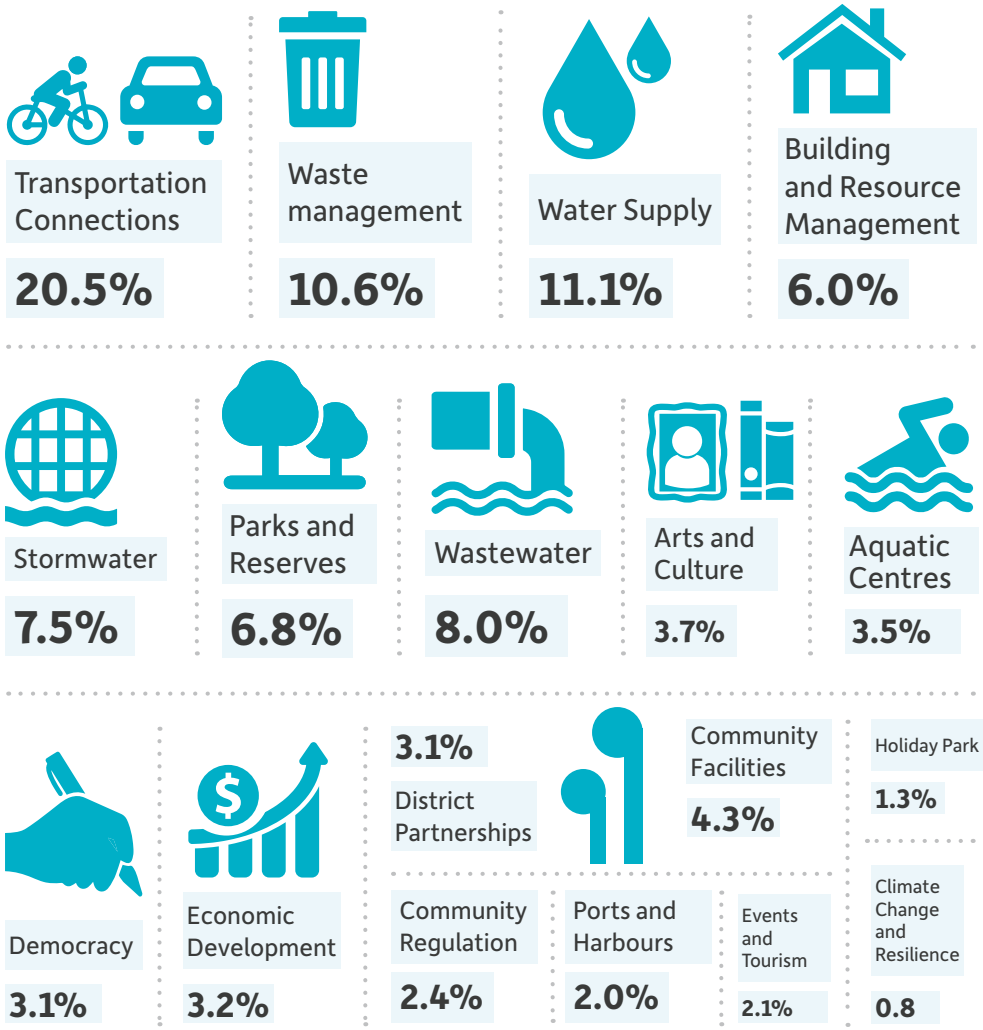
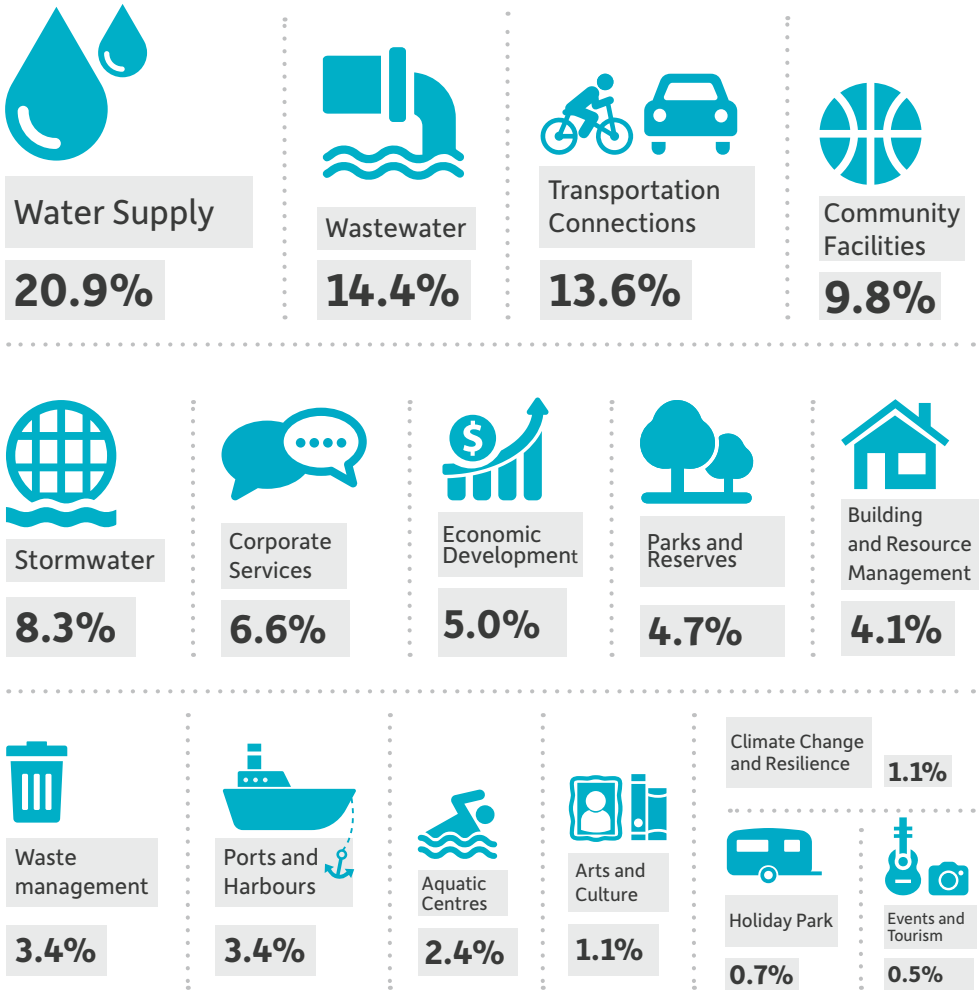


FIGURE 9B: TOTAL FINANCING COSTS BY GROUP OF ACTIVITIES



Borrowing for capital expenditure and impact on debt
– Ngā tono Whakapaunga Utu Rawa me te whakaaweawetanga i te taurewa

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

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

Setting prudent limits

The New Zealand Local Government Funding Agency are one of the main lenders to New Zealand councils. As our key lender, Local Government Funding Agency has set a limit on how much they believe our Council can comfortably borrow, based on our net debt (that's external borrowing less cash and investments) compared to revenue. We are currently undertaking a credit rating assessment and have assumed this will be completed successfully in the next few months, at that point our debt to revenue limit set by Local Government Funding Agency would be 280 percent, interest to rates revenue limit would be 30 percent, and interest to total revenue limit would be 20 percent.

In our Treasury Management Policy, which has been reviewed as part of setting this Long Term Plan, we have set our internal limits below those deemed acceptable by the Local Government Funding Agency with our net debt to total revenue limit set at 250 percent, and net interest to rates revenue limit set at 15 percent. These are limits not targets, and the Council has set them in consideration of the broader financial projections of Council, and in consideration of the covenant limits indicated by Local Government Funding Agency and other alignment with other similar limits set by other councils across New Zealand. In our Long Term Plan we project the maximum debt to revenue being 207 percent by 2031 before dropping to 190 percent with repayment by 2034.

Based on this projection that means we would have at minimum $66 million available to us to respond to unanticipated events while staying within this limit and up to $140 million, on average across the 10 years, if we went to the 280 percent limit allowed by our lenders.

Investment in capital expenditure is the major driver of the projected increase in borrowings, with $197 million in capital expenditure to meet demand and essential investment in infrastructure to improve levels of service. The Council has carefully considered the timing of the capital programme and the associated borrowing requirements to ensure that we can best meet the needs of current and future generations.

The significance of Three Waters on debt and debt limits

Central government have confirmed that the Three Waters reform programme will not proceed. At this stage, however, the tougher regulations remain in place, requiring significant upgrades to our assets and services over the coming decades in order to comply.

The emerging dominance of Three Waters has prompted several changes or considerations in our proposed Financial Strategy for this Long Term Plan. One of the key issues with water, as highlighted in more detail in the Infrastructure Strategy, is the acknowledged requirement for significant new projects to address historic under-investment and maintain service level expectations at the minimum standards that the Council must achieve as set by regulators like Taumata Arowai.

The volume of investment required over the next 30 years far outweighs the Council's ability to secure borrowings to support the programme, irrespective of the additional affordability issues this increased investment would have on ratepayers.

When we drill down and look at the proposed level of debt for just our Three Waters activities alone, compared to the revenue for these activities over the next 10 years, the ratio appears to be as high as 330 percent. As a reference, however, if we compared this with all activities of Council, excluding Three Waters, the Rex Morpeth Recreational Hub project, and debt associated with strategic property which has third party returns, the maximum projected debt to revenue ratio for the Council over the next 10 years would be 140 percent reducing to 125 percent by 2034, and the maximum interest to revenue ratio would be 7.5 percent.

NOTE: This Financial Strategy includes analysis and information on critical financial performance limits and benchmarks including those provided for within the Local Government Act.
More detail on the purpose and nature of these benchmarks and quantified limits can be found in the Financial Prudence Benchmarks section of Volume 3 Our Finances In Detail on pages 38-43.

The Significance of External Funding

The Projections in the Long Term Plan provide for $219 million in external funding to support capital expenditure through subsidies and development contributions. There are three major components of capital that are particularly dependent on the assumptions of levels of subsidies being achieved.

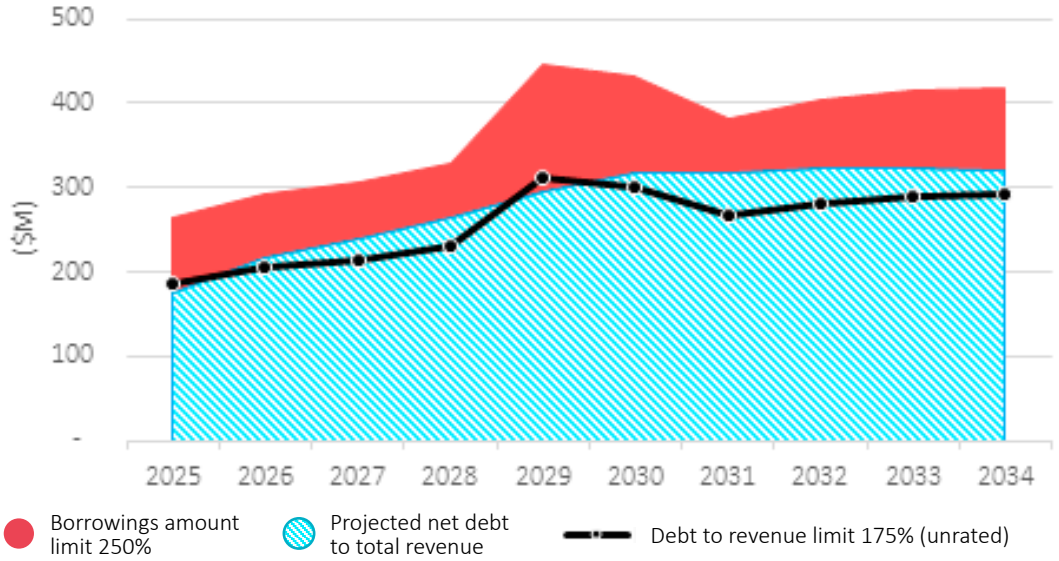
Transport Connections: 65 percent of the Transport capital expenditure of $207 million projected in this Plan is anticipated to be funded through subsidies particularly from Land Transport New Zealand Waka Kotahi.

Matatā Wastewater Project: 39 percent of the $42 million capital expenditure identified in the plan is anticipated to be funded by subsidies and grants.

Rex Morpeth Recreation Hub: Approximately 58 percent of the $107 million capital budget associated with this project is assumed to be funded from external sources (external third party subsidies of $49 million and development contributions of $14 million). The majority of this capital budget is related to the second stage of the project, budgeted at almost $100 million including inflation and contingencies across 2028-30.

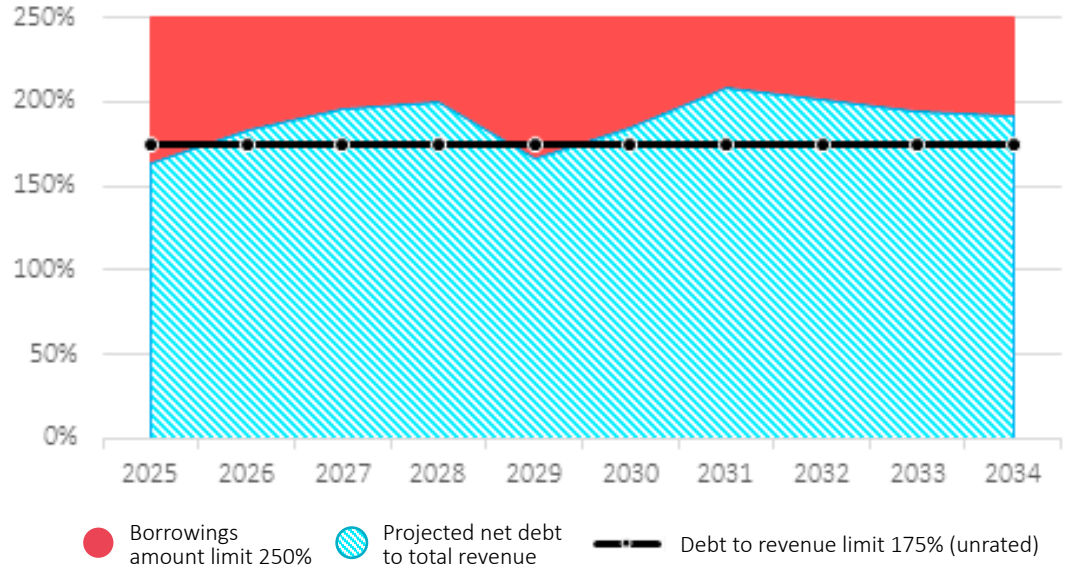
With respect to Matatā and Rex Morpeth where there is a higher level of uncertainty over the ability to secure external funding in line with these assumptions, on the basis that the project capital expenditure would be cancelled or deferred if external funding levels are not received, there are no anticipated negative financial implications or risks associated with not achieving the external funding. In the Group of Activities in Volume 1, based on the assumption of investment in these projects, we have indicated anticpated increases in levels of service for the Wastewater and Halls activities respectively. If these projects were not to proceed, based on not achieving the assumed external funding, the level of service for these activities would be 'maintain' rather than 'increase'. Additional detail on these assumptions is provided in the Significant Assumptions section of Volume 2 of the Long Term Plan.

FIGURE 10: PROJECTED NET DEBT PROJECTED NET DEBT AMOUNT COMPARED TO TOTAL REVENUE LIMIT OF 250%



Note: The spike in limit value in 2029 and 2030 is caused by the one-off impacts of subsidies associated with Rex Morpeth Recreation Hub

FIGURE 11: PROJECTED NET DEBT RATIO COMPARED TO TOTAL REVENUE LIMIT OF 250%



Managing interest and repayment of debt

Our risk management strategies for debt are outlined in the Council's Treasury Management Policy, including strategies to manage interest rate risk, limits to manage liquidity and funding exposure, counterparty credit exposure, debt repayment, borrowing limits, maintaining financial covenants and security arrangements. Interest rate swaps are held as part of the interest rate risk management strategy, in line with the Treasury Risk Management.

Our Financial Strategy ensures provision is made for funding the repayment of principal on debt associated with previous investment in improving assets, based on the anticipated benefit over the life of that investment to the ratepayers who benefit from it. Over the 10 years of this Long Term Plan that equates to over $100 million in repayments, of which over 40 percent relate to Three Waters.

As can be seen from the graph to the right critical decisions associated with Three Waters and Rex Morpeth Recreation Hub will need careful consideration as we head into the next Long Term Plan to ensure interest as a ratio of revenue is able to be maintained at a sustainable level.

FIGURE 12: PROJECTED RATES REVENUE COMPARED TO TOTAL REVENUE LIMIT OF 80%

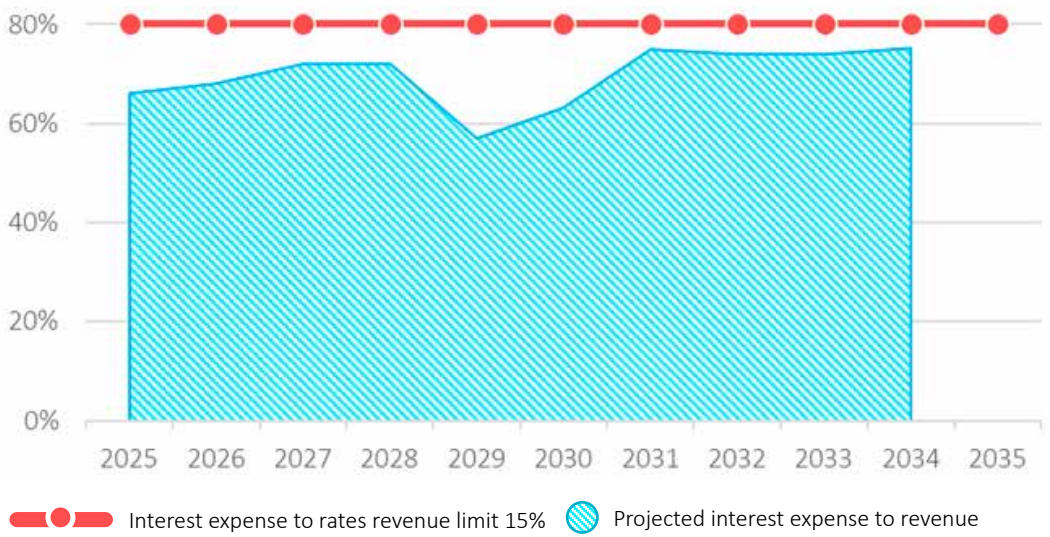
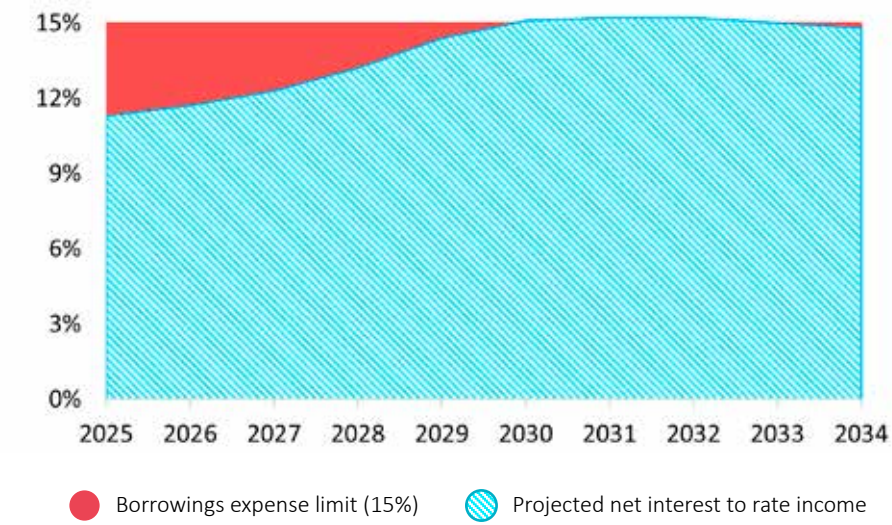


FIGURE 13:PROJECTED NET INTEREST COMPARED TO RATES REVENUE LIMIT OF 15%



NOTE: Annual Rates Revenue includes general rates, targeted rates including metered water rates, rates settled by rebate and rates penalties less rates remissions.

Rates and rates increases – *Ngā Tāke Kaunihera me ngā pikinga tāke kaunihera*

Rates revenue is the amount Council requires to provide services to residents and ratepayers after allowing for other income, such as fees and charges, grants and subsidies. The Council has a high dependency on rates revenue as its principal source of income. 70 percent of operating expenditure is funded from rates over the life of the 10 year plan.

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

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

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

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

Further information about the indicative rating impact for the average ratepayer by category and location is available in the Rates Funding Impact Statement which can be found in Volume 3: Our Finances.

Quantified limits and targets – *Ngā Arotakenga Tāke Kaunihera*

Rates and agreed limits on rates

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

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

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

Additional information on the relationship of rates and other sources of income, including the approach to fees and charges can be found in the Revenue and Financing Policy on page 113 of this document.

Quantified limit on rates income

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

For this Long Term Plan, the limit set by the Council is that the amount of rates revenue as a percentage of total revenue will not exceed 80 percent. Based on the assessment of funding needs, the Council believes this reflects the appropriate overall mix in funding sources to support delivery of services in line with the principles of the Revenue and Financing Policy, which can be found on page 113 of this document.

Quantified limit on rates increases

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

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

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

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

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

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

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

What is Local Government Cost Index?

The Local Government Cost Index, is a measure of inflation, as it relates to costs specifically affecting the Local Government sector. Local Government Cost Index inflation figures are produced for the local government sector by Business and Economic Research Limited (BERL).

The inflation assumptions used in this Long Term Plan are based on the Local Government Cost Index forecast at the time this Financial Strategy was written. As annual updates are made to the Local Government Cost Index, the limits will be adjusted accordingly.

Quantified limits on borrowing

Consistent with the Council's Treasury Management Policy, Council will adhere to the following limits on borrowing:

- Net interest on external debt as a percentage of rates revenue will not exceed 15 percent.
- Net external debt as a percentage of total revenue will not exceed the lower of 250 percent or the borrowing limits set by the covenants of the Local Government Funding Agency.

Additional detail on the Council's projected performance against these limits, and the other prudence benchmarks are provided in the Financial Prudence Benchmarks section of Volume 3: Our Finances.

Ensuring the funding decisions of Council don't materially impact market neutrality

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

Balancing the budget – *E whārite ana i te mahere pūtea*

One of the principles to our Financial Strategy which guides this Long Term Plan and is set out in detail in Volume 2, is prudent sustainable financial management, reflected here as the importance of a balanced budget.

Over the 10 years of the Long Term Plan it costs almost $1.38 billion to keep the services the Council delivers to the community operating. This means that everyday costs are paid by everyday revenues. If we are not balancing the books it means we're borrowing money (debt) to cover the shortfall, which also means we have to cover the interest costs on that debt and it reduces our ability to borrow for future projects.

Over the lifetime of the Long Term Plan revenues need to be set at a level sufficient not only to cover operating costs, but also to pay interest and principal on previous debt used to fund improvement to assets, ensuring that current ratepayers are contributing an appropriate amount towards the cost of the services they receive or can access.

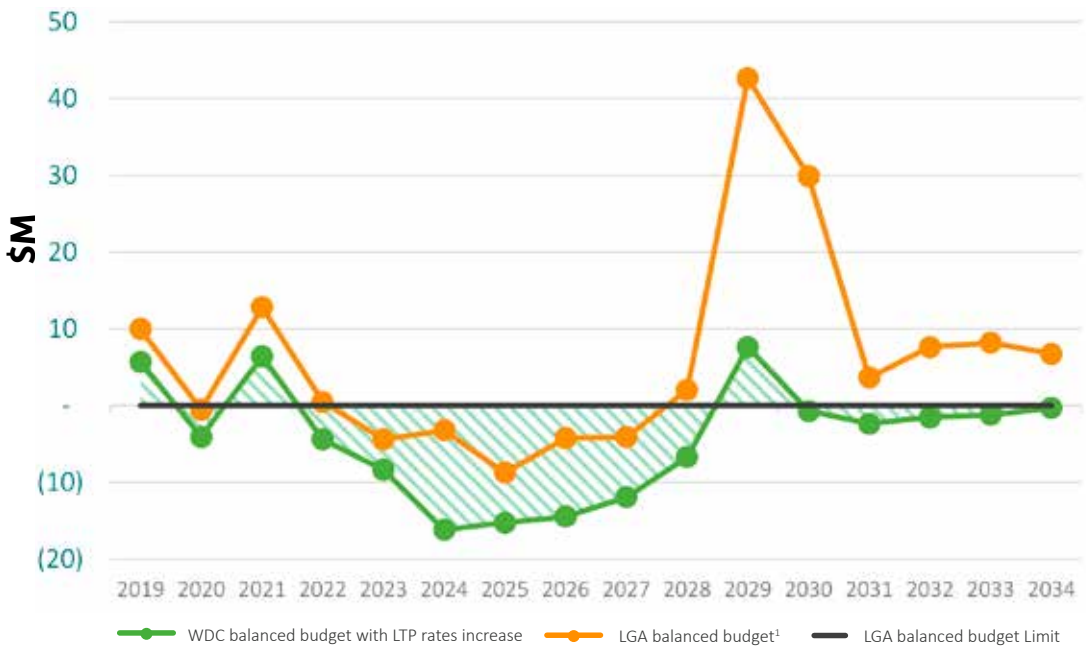
As a result of the financial challenges within this Financial Strategy our starting position is now in deficit.

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

The Local Government Act requires Council to budget each year for operating revenue at a level sufficient to meet operating expenses budgeted for that year. This is known as the 'balanced budget' requirement. The Act, however, does allows councils to budget for a deficit, if it resolves that it is financially prudent to do so, including consideration of the well-beings of the community.

Feedback to this topic in the Long Term Plan consultation document largely supported the approach of returning to a balanced budget over the first six years of this Long Term Plan. The 10 year plan projects that we will essentially achieve a balanced budget target from 2027-28 onwards. Recognising, though not ideal, this represents a pragmatic balance between managing the pressures on current ratepayers and ensuring the Council remains financially sustainable into the future, whereby the actions of today do not significantly impact unfairly on ratepayers in the future.

FIGURE 14: PROJECTED COUNCIL BALANCED BUDGET POSITION



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

Note: The spike in performance in 2029 and 2030 is caused by the one-off impacts of subsidies associated with Rex Morpeth Recreation Hub.

Uncertainty and risk – *Te pōkaikaha me te tūraru*

The Council has made a number of forecasting assumptions in preparing the 2024-34 Long Term Plan. These are outlined in the Significant Forecasting Assumptions section at the at the start of this document.

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

- Planned external funding to support the infrastructure capital programme, including from Ministry of Transport, NZ Transport Agency Waka Kotahi and other agencies, does not eventuate.
- Planned external funding from capital subsidies and grants to support the Rex Morpeth Park Redevelopment project, does not eventuate.
- The ability of the civil construction sector to deliver the volume of capital investment proposed in our district in the Long Term Plan.
- Unforeseen cost increases beyond the inflation levels assumed which could impact ability to pay (affordability).
- Unforeseen costs and challenges in delivering our capital investments (deliverability).
- Potential impact of unplanned failure of assets.
- The impact of a change in timing or quantity of projected population growth which would affect demand for services and revenue from development contributions.
- The impacts of climate change and the risk of unforeseen natural events such as earthquakes, tsunamis, major storms and flooding.
- Uncertainty about the future including disruptive technologies and changing lifestyles and living choices.
- Local government reform such as 'Local Water Done Well' (Three Waters) and resource management act reforms indicated in the coalition agreement of the current government which are likely to occur during the period of this Long Term Plan, but the specifics of which are at present uncertain.

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

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

Securities and financial investment disclosure – *Te puakanga taonga tauhokohoko me ngā haumitanga*

Policy on the giving of securities for borrowing

To borrow money, the Council has to offer lenders security. Like most councils, we secure our debt against our rates income, rather than against physical assets like land or buildings.

This means that lenders can make us increase rates to repay debt under certain circumstances. Using this form of security helps to keep the interest rates on our debt low.

The Council uses financial derivatives to arrange interest rate risk.

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

Objective for holding and managing financial investments and equity securities

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

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

The Council holds these funds to:

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

The Council has an Investment Policy in place, incorporated within its Treasury Management Policy, which can be found at whakatane.govt.nz/documents/policies-and-bylaws setting out its approach to managing any investments.

Infrastructure Strategy 2024-54

Te Rautaki Hangaroto 2024-54

Part A: Introduction – *Kupu Arataki*

1.1 OVERVIEW *– Tirohanga Whānui*

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

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

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

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

1.2 PURPOSE OF THE INFRASTRUCTURE STRATEGY *– Te Take o te Rautaki Hangaroto*

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

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

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

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

The Infrastructure Strategy outlines:

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

1.3 ABOUT THE WHAKATĀNE DISTRICT – *Mō Whakatāne*

The Whakatāne District is located in the Eastern Bay of Plenty and comprises a total area of 4,465 square kilometres. Sandy beaches line much of the 54 kilometres of coastland that stretches from Ōtamarākau in the west to Ōhiwa in the east. Central areas include fertile lowlands and farming areas on the Rangitāiki Plans through to Murupara. Te Urewera in the south makes up 41 percent of the district. In 2023 the Whakatāne township was awarded the title of Most Beautiful Large Town and in 2021 was a Supreme Winner at the Keep New Zealand Beautiful awards.

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

Significant industrial activity includes the Fonterra dairy factory in Edgecumbe, the Whakatāne Board Mills and two of the country's largest aluminium boat builders. The neighbouring Kawerau District is also home to other and varied heavy industrial operations and related geothermal power supply companies.

1.4 PLANNING FOR GROWTH – *E whakarite ana ki te tipuranga taupori*

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

TABLE 1.1 – POPULATION FORECAST

17,975	2018	2022	2023	2024	2025	2026	2027	2034	2053
Source	Census	**NZ Stats (Subnational Population TA)**						MR Cagney	
Population	35,700	38,500	38,800	39,230	39,665	40,105	40,550	42,618	46,020
+/- % p.a.		1.9%	0.8%	1.1%	1.1%	1.1%	1.1%	0.7%	0.3%
Households	14,280	14,560	14,754	14,950	15,149	15,350	15,526	16,205	17,530
Rating Units	16,711	17,039	17,081	17,308	17,538	17,771	17,975	18,898	19,218
Rateable rating units	15,698	16,007	16,046	16,080	16,261	16,444	16,604	17,331	17,624

1.5 EASTERN BAY OF PLENTY SPATIAL PLAN *– Te Mahere Whaitua o Te Moana a Toi*

Whakatāne, Kawerau and Ōpōtiki councils are working collectively with iwi and central government project partners and the Bay of Plenty Regional Council to prepare a spatial plan for the Eastern Bay of Plenty. The Plan is due for completion in mid-2025.

The Eastern Bay Spatial Plan is about the places we live in and how we want them to be for our future generations. When completed, it will provide a roadmap for our future spaces and places (which is evidence based) and a direction to align other strategies and planning processes towards common outcomes.

In late 2022, local authorities and iwi authorities in the Eastern Bay of Plenty began to work collaboratively with government agencies to scope and develop a spatial plan for the sub-region. The intention is for a plan that reflects the partners aspirations for our rohe, informs the Council long term plan processes and government infrastructure investment decisions.

Key considerations include these options include Three Waters infrastructure (costs and environmental limits), transport links, access to jobs and services, and resiliency and climate change impacts. In particular, new development areas are likely to require new wastewater and water infrastructure, which will be confirmed in time for the next Long Term Plan and Infrastructure Strategy.

The Spatial Plan will support government agencies by guiding the delivery of infrastructure, housing development, and other critical services (such as health and education) needed to support growth across the Eastern Bay of Plenty and fulfill partner aspirations. To ensure that the project and funding implications arising from the Spatial Plan can be implemented, the Eastern Bay Spatial Plan is being developed collaboratively with Government agencies including NZ Transport Agency Waka Kotahi, the Ministry of Housing and Urban Development, Kāinga Ora and Ministry for Education.

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

1.6 OUR CHANGING CONTEXT – *E mānenei ana te tai*

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

In particular, key areas of change are:

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

1.7 KEY INPUT DOCUMENTS – *Ngā Tuhinga Matua*

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

1.7.1 Three Waters Asset Management Plan

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

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

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

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

1.7.2 Transport Asset Management Plan

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

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

- **Community expectations** – the Long Term Plan strategic priorities represent our community's reasonable expectations and needs.
- **Our funded programme** – the Regional Land Transport Plan represents regional priorities and is consistent with the Government Policy Statement for land transport.
- **Network priorities** – defines and prioritises the key problems and opportunities in the network, and the benefits we want to achieve through investment.

1.8 THE COUNCIL'S VISION AND STRATEGIC PRIORITIES – *Te Matakitenga me ngā Rautaki Matua a Te Kaunihera*

1.8.1 Planning for the long-term

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

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

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

1.8.2 Council's vision

Our vision and community outcomes are set out below. These set the high-level direction and goals which the Council works towards to support and enhance the well-being of Whakatāne District and its people.

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

FIGURE 1.2 – OUR VISION

1.8.3 Council's strategic priorities

The Council has identified five strategic priorities that underpin the development of the Long Term Plan 2024-34. These drive the priorities and projects the Council is proposing over the next 30 years and form the basis of both the Long Term Plan 2024-34 and the Council's Financial Strategy. The five strategic priorities are supported by significant strategies, programmes of work, and projects.

FIGURE 1.3 – STRATEGIC PRIORITIES

Enhancing the safety, wellbeing and vibrancy of communities

Me mātua whakanui i te marutau, te oranga, me te wana o ngā hapori

Strengthening relationships with iwi, hapū and whānau

Me mātua whakawhanake i ngā kōtuituinga ā-iwi, ā-hapū, ā-whānau anō hoki

Building climate change and natural hazard resilience, including our infrastructure

Me mātua whakakaha i te aumangea ki te huringa āhuarangi me ngā tūraru matepā taiao tae ana ki te hangaroto

Facilitating economic regeneration and responding to development pressures

Me mātua whakahaere i te tipuranga o te taiōhanga me ngā tonotono whare

Shaping a green district

Kia toitū te rohe

1.8.4 Council's approach to asset management

The Council seeks to achieve best practice asset management to meet the agreed levels of service for the community and takes a coordinated approach across the entire lifecycle of all its assets. The comprehensive asset management plans for drinking water supply, wastewater, stormwater and transport are reviewed and updated every three years. A significant part of asset management is to operate, maintain and manage existing assets. Renewals planning includes the collection of an extensive amount of asset data, including as-built information, maintenance costs, failure analysis and condition assessments. This data helps us predict and plan when to renew assets so that we do it at the best and most affordable time.

1.8.5 Council's Three Waters activity and assets

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

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

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

1.8.6 The Council's transport activity

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

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

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

Part B: Infrastructure Challenges – Ngā Wero Hangaroto

2.0 RESPONDING TO OUR CHALLENGES – *E urupare ana ki ngā wero*

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

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

TABLE 2.1 – INFRASTRUCTURE CHALLENGES AND OUTCOMES SOUGHT

Challenge	Implications for the District
Challenge one: **Funding and financing of infrastructure**	• The provision of infrastructure required to support our centres and communities is extensive, and with that comes significant costs. • Costs to maintain and deliver new infrastructure have significantly increased, meaning more funding is required each year to deliver. • Increased costs for essential infrastructure are placing significant pressure on families and our communities at a time where affordability and cost of living is an everyday challenge. • Current funding sources within New Zealand to support the provision and operation of infrastructure, are stretched and access to alternative funding sources is limited. **OUTCOME SOUGHT** ***Identify, investigate, and explore funding and financing opportunities to support the future needs of our communities.***
Challenge two: **Maintaining our assets**	• A large number of the Council's core infrastructure assets are coming to the end of their useful life and will need replacing within the 30 year period of this strategy. There are also a number of source water supply issues and vulnerabilities that need to be addressed. • Robust Asset Management Plans ensure that core infrastructure is maintained and that a long-term prioritised programme of works, along with' whole of life' costs are balanced and shared across multiple planning periods. • A number of projects and programmes ensure that the Council is able to maintain and upgrade infrastructure as required in order to deliver core transport and Three Waters services. **OUTCOME SOUGHT** ***Maintain current levels of service within budget limitations.***

TABLE 2.1 – INFRASTRUCTURE CHALLENGES AND OUTCOMES SOUGHT (continued)

Challenge	Implications for the District
Challenge three: **Responding to the regulatory environment**	• Three Waters reforms are being repealed. This hands Three Waters management squarely back to councils. • Environmental standards regarding the quality of water continue to increase. New and upgraded infrastructure is needed to meet these standards. • There are no nationally consistent standards for the discharge of treated wastewater, which creates significant uncertainty during planning stages. • Tightening of environmental discharge rules will affect renewal of wastewater consents i.e. the National Policy Statement For Freshwater Management (NPS-FM) was updated in 2024. This contains specific requirements (Cl. 3.34) for the Bay of Plenty. • Updated health and safety regulations for temporary traffic management activities have increased costs to the Council. • The cconomic and performance oversight regulatory framework for Three Waters is unclear and still developing. **OUTCOME SOUGHT** ***Council has flexibility/agility to cope with a changing regulatory environment.***
Challenge four: **Meeting the demands of future growth**	• Forecasts show the district's population is expected to grow by nearly 7,200 people (over 3,000 households) by 2053. Much of the challenge is forecasting where this growth will occur. Agility is required. • The National Policy Statement on Urban Development (NPS-UD) requires land to be zoned and infrastructure provided for such development, and costs to be recouped where possible. • Growth in primary industries will result in more heavy vehicles on our roading network leading to increased deterioration of the network. **OUTCOME SOUGHT** ***Delivery of assets do not impose limitations on planned growth.***
Challenge 5: **Improving resilience and responding to climate change**	• Climate change is expected to generate more frequent and more severe weather events which cause increased flooding, coastal inundation and erosion, and droughts. • Large parts of the district are low lying and prone to flooding while changes to groundwater levels could have a significant impact on Council's transport and three waters infrastructure and assets. • Extreme temperatures and drought will affect Three Waters operations while the capacity of the stormwater network will need to be increased to manage more severe and more frequent storms. **OUTCOME SOUGHT** ***Improve resilience across our asset base.***

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

TABLE 2.2 – CHALLENGES AND ISSUES

Infrastructure Challenge	Significant Issue	Significant Investment Decisions
Funding and financing of infrastructure	How should the Council endeavour to tackle its infrastructure deficit – in particular the funding and financing tools for three waters?	• Do nothing. Continue with current funding and delivery model for Three Waters infrastructure. • Investigate and agree an alternative delivery and funding model for Three Waters infrastructure (e.g. rating, water charging, alternatively debt options).
Maintaining our assets	Is our asset renewal program right sized?	• Invest aggressively in renewals to get ahead of the curve. • Renew selectively based on asset condition, level of service delivered and criticality. • Scale back renewal program.
Responding to the regulatory environment	How should the Council tackle the requirement for new wastewater and water abstraction consents?	• Progress full reconsenting within mandated timeframes. Not possible with funding constraints. • Understand and assess risks. Prepare consenting plan. Engage with consenting authority. Propose delayed implementation. • Apply for renewals. No further action.
Meeting the demands of future growth	How proactively should the Council invest in infrastructure for growth? (Note that growth is largely private sector initiated and it is very difficult to establish a direct linkage to any particular capacity constraint).	• Invest fully in infrastructure to enable growth. • Limited investment in identified areas to assist growth. • No pro-active investment for growth.
Improving resilience and responding to climate change	How actively should Council be investing in managing resilience and climate change risks?	• Invest significantly to address resilience and climate change risks. • Limited investment to mitigate some risk. • No investment to manage resilience and climate change risks.

2.0.1 Supporting notes for significant challenges section

TABLE 2.3 – SCALE, FORECASTS, SCENARIOS

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

2.1 CHALLENGE 1: FUNDING AND FINANCING INFRASTRUCTURE – *Wero 1: Ngā Tahua Hangaroto*

2.1.1 Introduction to challenge 1

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

2.1.1.1 Funding and financing challenges

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

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

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

2.1.1.2 Supporting Council strategies and plans

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

2.1.1.3 Three Waters reform

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

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

As part of the information gathering to support the Three Waters Reform, a draft Asset Management Plan (AMP) was developed by each Council. This AMP identified all projects and programmes considered necessary to meet the district's needs and aspirations over the planning period. This was labelled the 'Needs Based Three Waters Programme'. This programme totalled $440 million of investment over the ten year period, which would have represented a very ambitious programme of capital works and funding.

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

2.1.1.4 Impacts on the Council's capital works program

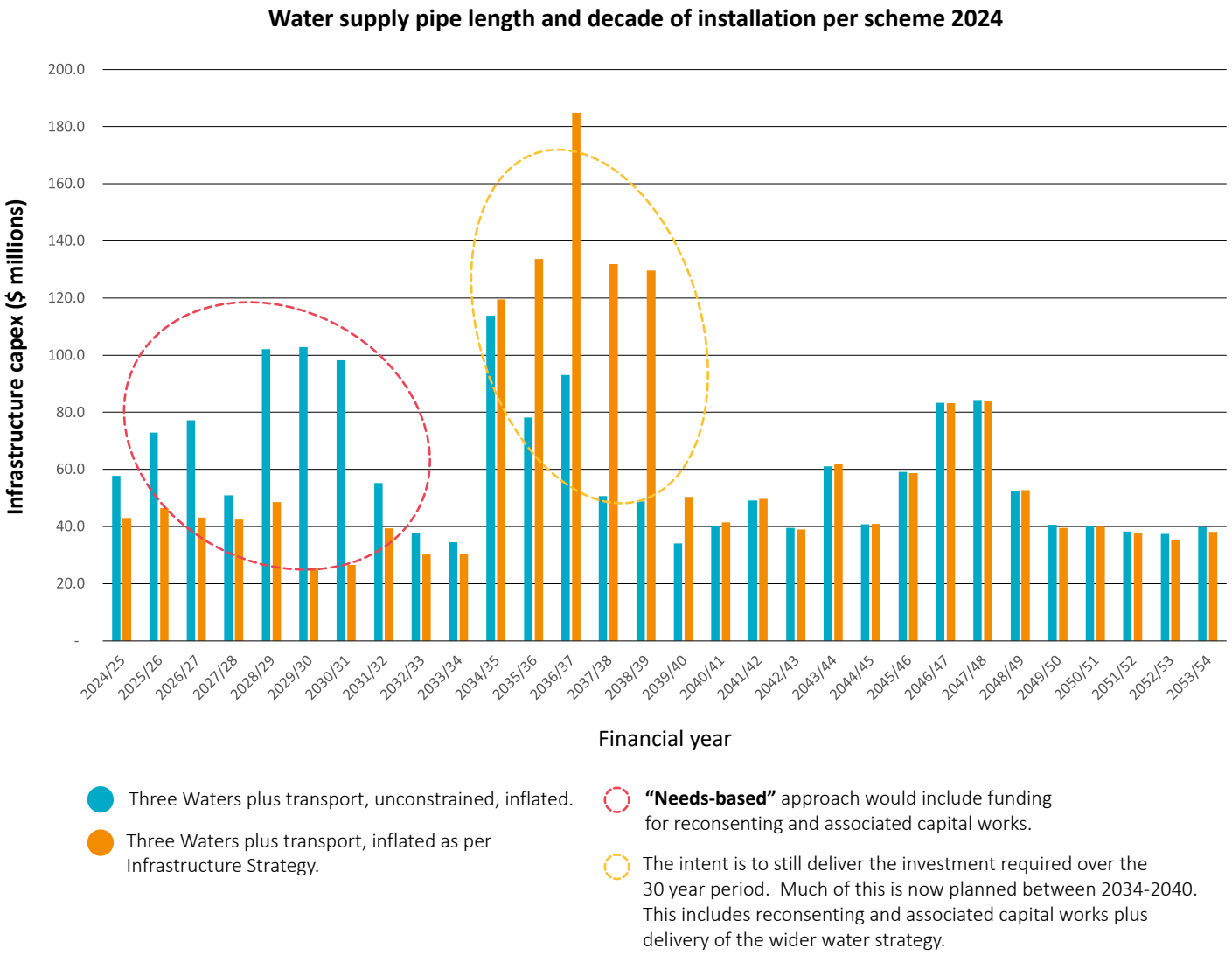
Council has a financially constrained allowance of some $180 million milllion (excluding inflation) available for Three Waters capex over year one to 10 of the planning period. Therefore, the Council proposes to defer the balance – i.e. $260 million until the latter years of the planning period – i.e. year 11 to year 30. This is due to the debt constraints on the Council from our primary lender Local Government Funding Agency.

For year one to 10 this has resulted in:

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

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

FIGURE 2.4 – CAPEX – CONSTRAINED VERSUS 'NEEDS-BASED' CAPEX



2.1.2 Significant investment decision – investigate alternative delivery and funding models for three waters infrastructure?

The local government sector generally fund infrastructure through a combination of Borrowing, depreciation reserves, rates, user fees and charges, grants and subsidies, and development or financial contributions. Capital works are predominantly funded through borrowing, reserves, and rates, whilst operating expenditure is largely funded through rates.

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

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

Date decisions required: 2024/25.

TABLE 2.5 – OPTIONS AND IMPLICATIONS, DECISION 2.1.2

Option(s)	Positive implications	Negative implications	Cost scale of option
Continue with current funding and delivery model for three waters infrastructure.	Perceived to be "fairer" - typically by those currently exposed to lower costs.	• Continued complicated model that treats and funds capital projects differently across the district. • Funding model that does not support a fair and equitable allocation of costs across communities.	Low
Investigate and agree an alternative delivery and funding model for three waters infrastructure. **This option is the preferred and most likely scenario.**	• Simple and transparent funding model that treats and funds all capital projects the same way. • Promotes the principle of inter-generational equity and allocates a fair share of infrastructure costs to ratepayers. • Takes into account the nuances of funding long life infrastructure assets. • Allows more flexibility in accounting for and recovering costs from drivers for the project.	• Possible increases, and decreases, in rates for properties, to achieve a more fair and equitable approach.	Low

TABLE 2.6 - ADDITIONAL INFORMATION FOR DECISION 2.1.2

Decision number	Decision 2.1.2
Topic	Funding and delivery model – three waters.
Preferred and most likely scenario	**Make changes to current funding and delivery model.**
Timing	2024-25 financial year.
Options and implications	High level options. • Status quo • Change **'Change'** is likely to move/combine most or all of the various separate schemes into fewer schemes (perhaps a single scheme). Sub-options. There will be sub options e.g. timing of the change from the current model with a gradual harmonisation of differing factors and costs.
Costs to prepare and make decisions	Low. Staff time. Scenario modelling. Financial models and forecasts.
Costs to implement/deliver	Low. Staff time. Professional advice.
Costs faced by current scheme customers	Could result in significant change.

2.1.2.2 Risk management

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

1. **Failure to meet current regulatory requirements**
   - » Failures to meet current discharge consent conditions [accept]
   - » Failure to meet current drinking water quality assurance rules [accept]
2. **Deferral of treatment plant upgrades**
   - » Failures due to age and condition [manage using limited budget]
   - » Consents expire 2026. Propose to use Resource Management Act s124 to operate on expired consents [accept]
   - » Negative iwi / community perception – discharging into rivers [accept]
3. **Deferral of desludging**
   - » Degraded pond performance [accept]
   - » Increased odours – residents [accept]
   - » Infringement / abatement notices [accept]
   - » Note: Staff reviewing potential options to mitigate
4. **Limited magnitude of wastewater network renewals**
   - » Increase in blockages / pipe collapses / breaks / spills [manage using limited budget]
5. **Risks**
   - » Lack of resilience – storm events [accept]
   - » Potential rising main failures result in environmental consequences [manage using limited budget]
   - » Budgets could be exceeded if storm events / significant failures [accept]
   - » Limited magnitude of wastewater network renewals
6. **Limited magnitude of drinking water network renewals**
   - » Increased pipe failures, reactive cost more expensive [manage using limited budget]
7. **Limited drinking water treatment plant upgrades/renewals (excludes Rūātoki and Murupara, both included in year one to three)**
   - » All other issues (moderate / minor) from Water Safety Plans [manage using limited budget]
   - » Taste issues at Whakatāne plant [accept}
   - » Risk of rural pollution, saline intrusion and possible cyanobacterial event at Whakatāne plant [accept].
8. **Johnson road upgrades**
   - » May be able to re-scope or reduce. This will become clearer as we learn about the performance of the newly upgraded Braemar Water Treatment Plant and consent renewal implications. [manage]
9. **Various smaller projects**
   - » Reservoirs ageing and not earthquake complaint – risk of damage or failure during seismic events [accept]
   - » Coastlands watermain – lack of resilience and configuration issues [Accept]
   - » Budgets could be exceeded if storm events / significant failures [accept]
10. **Edgecumbe drainage improvements**
    - » Poor performance SW network in Edgecumbe [accept]
    - » Budgets could be exceeded due to storm events / significant failures [accept]

2.1.2.3 Drinking water supply projects that are not substantially planned in the first 10 years of the Long Term Plan

TABLE 2.7 – DEFERRED DRINKING WATER PROJECTS

Project Name	Risks with not delivering	Negative implications
410037 - District Wide - Equalised New Drinking Water Treatment Plant. (year 1-10 $5.545 million, year 11-20 $105.829 million)	Dissatisfaction with performance of existing plant, nearing end-of-life. Continuing taste issues due to surface water source. No flexibility of separated, non-interconnected plants. Plant prone to saline, cyanobacteria and rural runoff pollution events.	Agile and active management of existing plant. (Upgrade funds programmed for Y7-Y15). Accept risk of rural pollution, saline intrusion and possible cyanobacterial events. Accept continuing taste issue.

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

TABLE 2.8 – DEFERRED WASTEWATER PROJECTS

Project Name	Risks with not delivering	Negative implications
511054 - Ōhope Wastewater Treatment Plant upgrade. (year one to 10 $1.106 million, year 11 to year 20 $5.175 million)	Plant is relatively modern.	Actively manage and monitor performance of existing plant. (Renewal funds programmed for year 13).
New Wastewater Treatment Plants: Whakatāne, Edgecumbe, Tāneatua ($156 million)	Failures due to age of plants. Operating with expired consents. Negative iwi/community perception – e.g. discharge to surface waters.	Likely need to invest in end-of-life-asset (to keep it running). Carry out planning and scientific work to identify future options. Actively and openly communicate with interested parties about the situation that Council finds itself in.
New Wastewater Treatment Plant Murupara ($30 million)	As above.	As above.
Wastewater ponds desludging ($17 million)	Reduced pond performance. Increasing odours. Infringement abatement notices.	Agile and active management. Communicate challenges to the community. Engage up-front with Bay of Plenty Regional Council.
Climate Change Adaption plan actions – PV generation and others ($4.62 million)	Concern that Council is not implementing its own plans	Explore options for staged implementation. Communicate options with community.

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

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

2.1.2.5 Roads and footpaths

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

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

2.2 CHALLENGE 2: MAINTAINING OUR ASSETS – *Wero 2: Te whakaukauka o ngā Rawa*

2.2.1 Introduction to challenge 2

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

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

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

2.2.2 Supporting Council strategies and plans

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

2.2.3 Significant investment decisions – Renewing our aging assets

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

Our renewal approach endeavours to renew assets when they reach the end of their useful lives. Several factors come into play when assessing the renewal of an asset.

The following information is used when making renewal decisions:

- Asset installation date
- Expected asset lifetime (top down)
- Local knowledge of longevity factors (e.g. special ground conditions, construction materials)
- Climate change (e.g. incorporate climate change considerations when renewing assets)
- Knowledge of asset condition (e.g. inspection or testing records)
- Comparison with other peer assets
- Opportunities (e.g. roading or other service upgrades)
- Level of service delivered information (e.g. breaks, leaks, bursts)
- Maintenance history (e.g. work orders, costs)
- Obsolescence (e.g. availability of parts)
- Compatibility (e.g. interface with other components, fittings)
- Criticality
- Consequence of failure
- Grouping with other assets nearing renewal

In many instances some of these matters conflict with others. The weight of these factors also differs. Accordingly, renewal decision making is seldom simple.

Where appropriate, renewals for Three Waters are undertaken as a 'like for like' replacement. New (2024) materials are typically superior to the original material resulting in an inevitable improvement. A level of service improvement will therefore occur. In many cases, especially in the rural environment, renewal of assets is also requiring an upsizing in capacity to respond to increased resilience and climate change events as well as future proofing for growth over the long term. This upsizing means increased costs to renew.

Council has been underinvesting in road surfacing renewals for the last decade, due to funding constraints, and has a significant backlog of overdue resurfacings. Council currently has capacity in our lower classification roads condition ratings to absorb some managed decrease in levels of service. However, our higher classification roads are already showing signs of deterioration and require increased surfacing renewals to bring them back in line, deal with the overdue renewals and reduce the risk of large scale (and far more costly), premature failure of the underlying road pavements.

Date decisions required: 2024 onwards.

2.2.3.1 Key options for decisions

Three Waters renewal program

TABLE 2.9 – OPTIONS AND IMPLICATIONS, DECISION 2.2.3A

Option(s)	Positive implications	Negative implications	Cost scale of option
Lower scale implementation of renewals programme, i.e. lower investment than that described in the significant projects table below.		• Level of service decreases – water – drinking water standards compliance and water losses. • Level of service decreases – wastewater – satisfaction, dry weather overflows and resource consent breaches. • Lower system and infrastructure standards achieved. • Increased risk of failure with operations and maintenance implications.	Medium
Medium scale implementation of renewals programme. i.e. investment described in the significant projects table below. **This option is the preferred and most likely scenario.**	• No change to level of service. • Bring system and infrastructure up to a higher standard at a quicker pace. • Decreased risk of failure.		High
Higher scale implementation of renewals programme. i.e. higher investment than that described in the significant projects table below.	• Level of service – increases water. • Level of service – increases wastewater – satisfaction, dry weather overflows and resource consent breaches. • Deliver robust fit-for purpose system and infrastructure. • Decreased operational and maintenance costs over time.	• Significant investment required that could be potentially unaffordable for the district.	High

TABLE 2.10 - ADDITIONAL INFORMATION FOR DECISION 2.2.3A

Decision number	Decision 2.2.3A
Topic	Three waters renewal programme.
Preferred and most likely scenario	**Medium** scale implementation of renewals.
Timing	The scale of the programme will be thoroughly investigated and considered for each LTP – 3 yearly. It is expected that more minor changes may occur annually via Annual Plans.
Options and implications	• Lower • **Medium** • High Each of these scenarios has sub-options for how the renewal funds are split across the three activities. Within each activity there are sub-sub-options for how renewal funds are split across the asset classes. E.g. linear assets, point assets, treatment plants. Staff advice will result in work programmes. These can cover one or more years and are typically prepared at one or three yearly intervals. Over time, the implications of the options may lead to a gradual change in LoS. Long Term Plan intervention would be used to correct any negative change observed.
Costs to prepare and make decisions	Medium. Staff time.
Costs to implement/deliver	High. Staff time. Professional advice. Physical implementation.
Costs faced by current scheme customers	High. Ongoing increases to general and targeted rates and fees and charges.

Transport Maintenance and Renewal Programme

TABLE 2.11 – OPTIONS AND IMPLICATIONS, DECISION 2.2.3B

Option(s)	Positive implications	Negative implications	Cost scale of option
Proactive response - focuses primarily on renewals and more frequent maintenance to reduce failure risk on all corridors.	• Improve the level of service on higher classification roads. • Maintain level of service on lower classification roads.	• Higher up-front cost	High
Balanced response provides a proactive approach to higher classification roads and a reactive approach to lower classification roads. **This option is the preferred and most likely scenario.**	• Frequent maintenance through a proactive response.	• Decrease in level of service on lower classification roads.	High
Reactive response - focuses on maintaining the higher classification roads and only do repair works to lower classification roads when they fail.	• Lower upfront cost.	• Failure of lower classification roads before maintenance is carried out. • Increased costs to bring roads back to appropriate level of service.	High

TABLE 2.12 - ADDITIONAL INFORMATION FOR DECISION 2.2.3B

Decision number	Decision 2.2.3B
Topic	Transport maintenance and renewal programme.
Preferred and most likely scenario	**Balanced response.**
Timing	The scale of the programme will be thoroughly investigated and considered for each LTP – 3 yearly. It is expected that more minor changes may occur annually via Annual Plans.
Options and implications	• Proactive • **Balanced** • Reactive 'Balanced' proposes differing responses primarily based on road classification. There are sub-options for how maintenance and renewal funds are split across the asset classes. E.g. Surfacing and pavement treatments, drainage assets, road furniture. Staff advice will result in work programmes. These can cover one or more years and are typically prepared at one or three yearly intervals. LoS changes may occur over time. Long Term Plan intervention would be used to correct any negative change observed.
Costs to prepare and make decisions	Medium. Staff time.
Costs to implement/deliver	High. Staff time. Professional advice. Physical implementation.
Costs faced by current scheme customers	High. Ongoing increases to general and targeted rates.

Significant projects / programmes

TABLE 2.13 - SIGNIFICANT PROJECTS, MAINTAINING AND RENEWING

Option(s)	Positive Implications	Years 1-3 ($000)	Years 4-10 ($000)	Years 11-20 ($000)	Years 21-30 ($000)
Transport renewals *(uninflated)* • Pavements • Surfacing	• Renewal	29,286	69,043	85,130	85,130
Transport renewals *(uninflated)* • Structures • Drainage • Traffic Services • Active Modes • Carparking	• Renewal	7,861	13,010	31,160	31,540
Wastewater renewals *(uninflated)*	• Renewal	16,455	21,596	194,827	26,671
Drinking water renewals *(uninflated)*	• Renewal	10,171	31,954	68,757	21,816
Stormwater pump station and other renewals *(uninflated)*	• Renewal	6,371	5,268	15,273	9,080

2.3 CHALLENGE 3: RESPONDING TO THE REGULATORY ENVIRONMENT – *Wero 3: E urupare ana ki ngā ture taiao*

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

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

2.3.1 Three Waters reform and beyond

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

The main trigger, among other significant failures of three waters assets across the country, was the 2016 Havelock North campylobacter drinking water contamination event. The entities would have been excised from Council control and were to have balance sheet separation from the councils. It was considered that the newly formed entities would have much greater debt carrying capacity than councils. Via increased debt it was considered possible to make a step change in addressing a nationwide Three Waters infrastructure deficit.

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

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

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

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

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

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

2.3.2 Supporting Council strategies and plans

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

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

Date decisions required: 2024 onwards.

2.3.3.1 Key options for decisions

TABLE 2.14 – OPTIONS AND IMPLICATIONS, DECISION 2.3.3

Option(s)	Positive implications	Negative implications	Cost scale of option
Do not apply for consent renewals.	• Low cost	• This course of action is bordering on reckless. • Regional Council actions may follow.	Low
Apply for S124 consent renewals – basic level.	• Low cost	• S92 requests for further information would follow. • There is a risk that the consenting authority would return the applications as insufficient S104(6). • Regional Council actions may follow.	Low
Prepare and lodge "best-practice standard" consent applications. **This option is the preferred and most likely scenario.**	• A credible application will be provided for serious consideration. • An improvement plan will be prepared and considered.	• The lack of time bound actions will make it difficult to issue consents. • Moderate cost.	Moderate

TABLE 2.15 - ADDITIONAL INFORMATION FOR DECISION 2.3.3

Decision number	Decision 2.3.3
Topic	Three waters consent renewals. Primarily wastewater treatment and discharge but also drinking water abstraction.
Preferred and most likely scenario	**Best practice consent applications.**
Timing	If best practice consent applications are to be prepared, work needs to begin during the financial year 2024/25. If either of the lesser two options are adopted, timing is less critical. However, to allow continuation of an existing activity, consent applications must be lodged at least six months before consent expiry in 2026.
Options and implications	• No consent application. • Basic application. • **Best practice application.**
Costs to prepare and make decisions	Low. Staff time.
Costs to implement/deliver	Moderate. Staff time. Professional and legal advice.
Costs faced by current scheme customers	Moderate. Ongoing increases to general and targeted rates and fees and charges.

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

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

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

Once limits are set through the National Policy Statement for Freshwater Management specific discharge limits will likely be placed on the wastewater consents that the Council hold.

As part of obtaining new consents for both wastewater and water supply, updated consent conditions and upgrades will need to occur.

2.3.4 Significant investment decisions – expiring consents. Include new wastewater consent related cost allowances for physical works in year one to 10 of the Long Term Plan?

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

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

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

Date decisions required: 2024 onwards.

2.3.4.1 Key options for decisions

TABLE 2.16 – OPTIONS AND IMPLICATIONS, DECISION 2.3.4

Option(s)	Positive Implications	Negative implications	Cost scale of option
Include new wastewater consent related cost allowances for physical works in year one to 10 of the Long Term Plan.	• This option would ordinarily be used. • Consent application processing and issuance would be more straightforward.	• This course of action is not possible given Council's financial position. • Will make consent processing more straightforward.	Extremely high
Do not include new wastewater consent related cost allowances for physical works in year one to 10 of the Long Term Plan. **This option is the preferred and most likely scenario.**	• Low cost. • Can be modified as time passes, and further information becomes available in relation to the consent application and financial implications.	• Will make consent processing difficult.	Low

TABLE 2.17 - ADDITIONAL INFORMATION FOR DECISION 2.3.4

Decision number	Decision 2.3.4
Topic	Wastewater consent-related cost allowances for physical works in year one to 10.
Preferred and most likely scenario	**Exclude** new wastewater consent related cost allowances for physical works in year one to 10.
Timing	This decision needs to be made now as part of the current Long Term Plan preparation.
Options and implications	• Include physical works costs. This is not a viable option given Council's current and forecast financial position. This would trigger affordability or balance sheet issues or both. • Exclude physical works costs.
Costs to prepare and make decisions	Low. Staff time.
Costs to implement/deliver	Low - moderate. Staff time. Professional and legal advice.
Costs faced by current scheme customers	Low - Moderate. Ongoing increases to general and targeted rates.

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

Date decisions required: 2025/26.

2.3.5.1 Key options for decisions

TABLE 2.18 – OPTIONS AND IMPLICATIONS, DECISION 2.3.5

Option(s)	Positive Implications	Negative implications	Cost scale of option
Retain current infrastructure without upgrades.	• Lower cost.	• Ongoing challenges to meet current discharge requirements. • Likely odour issues. • Regulator may become assertive – abatement/ infringement etc.	Low
Implement limited upgrades to extent plant performance. **This option is the preferred and most likely scenario.**	• Cost to be between low and moderate. • Demonstrates resolve to make environmental investment.	• No improvement compared to current situation.	Low
Implement upgrades to improve plant performance.	• Quality of discharges may improve.	• Moderate cost, possibly for little observed benefit. • May result in over-capitalising end-of-life assets.	Moderate

TABLE 2.19 - ADDITIONAL INFORMATION FOR DECISION 2.3.5

Decision number	Decision 2.3.5
Topic	Implement short term upgrades to carry wastewater treatment plant performance through until implementation of future consent condition related works.
Preferred and most likely scenario	Implement **limited upgrades** to extend plant performance.
Timing	This decision needs to be made in approximately 2025/26.
Options and implications	• Retain current infrastructure without upgrades. • **Implement limited upgrades to extent plant performance.** • Implement upgrades to improve plant performance.
Costs to prepare and make decisions	Low. Staff time.
Costs to implement/deliver	Low - moderate. Staff time. Professional and legal advice. Physical implementation.
Costs faced by current scheme customers	Low - Moderate. Ongoing increases to general and targeted rates.

Significant projects / programmes

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

TABLE 2.20 - SIGNIFICANT PROJECTS, REGULATORY

Option(s)	Positive Implications	Years 1-3 ($000)	Years 4-10 ($000)	Years 11-20 ($000)	Years 21-30 ($000)
Wastewater Resource Management Act reconsenting (excludes physical works) *(uninflated)*	• Level of service	4,887	300	280	2,619
Drinking water Resource Management Act reconsenting (excludes physical works) *(uninflated)*	• Level of service	870	100	206	856
Wastewater treatment plant interim upgrades *(uninflated)*	• Level of service	591	637	5,425	923
Boundary backflow prevention *(uninflated)*	• Level of service	1,702	750	Nil	Nil

2.4 CHALLENGE 4: MEETING THE DEMAND OF FUTURE GROWTH – *Wero 4: E urupare ana ki ngā tono o te tipuranga taupori*

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

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

TABLE 2.21 – POPULATION FORECAST

17,975	2018	2022	2023	2024	2025	2026	2027	2034	2053
Source	Census	NZ Stats (Subnational Population TA)						MR Cagney	
Population	35,700	38,500	38,800	39,230	39,665	40,105	40,550	42,618	46,020
+/- % p.a.		1.9%	0.8%	1.1%	1.1%	1.1%	1.1%	0.7%	0.3%
Households	14,280	14,560	14,754	14,950	15,149	15,350	15,526	16,205	17,530
Rating Units	16,711	17,039	17,081	17,308	17,538	17,771	17,975	18,898	19,218
Rateable rating units	15,698	16,007	16,046	16,080	16,261	16,444	16,604	17,331	17,624

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

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

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

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

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

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

This Infrastructure Strategy contains few discrete projects attributable to growth pressures.

2.4.1 Supporting Council strategies and plans

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

2.4.2 Significant investment decision – new wastewater scheme at Matatā?

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

Date decisions required: 2024- 2027.

2.4.2.1 Key options for decisions

TABLE 2.22 – OPTIONS AND IMPLICATIONS, DECISION 2.4.2

Option(s)	Positive Implications	Negative implications	Cost scale of option
Continue with the current wastewater system operations and practices in Matatā i.e. septic tanks.	• Lower capital costs.	• Increased public health and environmental risks. • Won't meet Bay of Plenty Regional Council regulations and compliance. • Cultural sensitivities with the operations and management of wastewater. • Won't support any future growth opportunities (if appropriate).	Low
Implement a new solution to manage and dispose of wastewater in Matatā. **This option is the preferred and most likely scenario.**	• Increased resilience in the system. • Decreased environmental and public health incidents and risks. • Support cultural sensitivities with the operations and management of wastewater.	• Considerable capital cost.	High

TABLE 2.23 - ADDITIONAL INFORMATION FOR DECISION 2.4.2

Decision number	Decision 2.4.2
Topic	New wastewater scheme at Matatā.
Preferred and most likely scenario	**Implement a new solution to manage and dispose of wastewater in Matatā.**
Timing	This decision needs to be made now as part of the current Long Term Plan preparation.
Options and implications	• Continue with current wastewater practice at Matatā. • Implement a new solution to manage and dispose of wastewater in Matatā.
Costs to prepare and make decisions	Low. Staff time.
Costs to implement/deliver	High. Staff time. Professional co-design costs. Physical implementation.
Costs faced by current scheme customers	High. Ongoing increases to general and targeted rates and fees and charges.

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

Date decisions required: 2026.

2.4.3.1 Key options for decisions

TABLE 2.24 – OPTIONS AND IMPLICATIONS, DECISION 2.4.3

Option(s)	Positive Implications	Negative implications	Cost scale of option
Renewal Johnson Road drinking water scheme assets in near term year one to three.	Provides greater operational flexibility. Greater reliability.	Medium capital cost. Could deliver assets to early before operational requirements are fully understood and scoped.	Medium
Upgrade Johnson Road drinking water scheme assets in medium term year four to 10. **This option is the preferred and most likely scenario.**	Allows time to bed-in the new Braemar treatment plant. Will provide greater reliability and flexibility - albeit slightly delayed.	Medium capital cost.	Medium
Do not upgrade Johnson Road drinking water scheme assets.	Low capital cost.	Higher opex costs likely. More reactive maintenance and outages. Less flexibility.	Low

TABLE 2.25 - ADDITIONAL INFORMATION FOR DECISION 2.4.3

Decision number	Decision 2.4.3
Topic	Significant upgrade of Johnson Road drinking water scheme.
Preferred and most likely scenario	**Upgrade Johnson Road drinking water scheme assets in medium term year four to 10.**
Timing	This decision needs to be made in 2026.
Options and implications	• Near term upgrade. • **Year four to 10 upgrade.** • No upgrade.
Costs to prepare and make decisions	Low. Staff time.
Costs to implement/deliver	Medium. Staff time. Professional costs. Physical implementation.
Costs faced by current scheme customers	Medium. Ongoing increases to general and targeted rates and fees and charges.

2.4.4 Significant investment decision – Significant upgrade of Coastlands Watermains?

Date decisions required: 2026.

2.4.4.1 Key options for decisions

TABLE 2.26 – OPTIONS AND IMPLICATIONS, DECISION 2.4.4

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

TABLE 2.27 - ADDITIONAL INFORMATION FOR DECISION 2.4.4

Decision number	Decision 2.4.4
Topic	Significant upgrade of Coastlands watermain.
Preferred and most likely scenario	**Upgrade Coastlands watermain in medium term year four to 10.**
Timing	This decision needs to be made in 2026.
Options and implications	• Near term upgrade. • **Year four to 10 upgrade.** • No upgrade.
Costs to prepare and make decisions	Low. Staff time.
Costs to implement/deliver	Low. Staff time. Professional costs. Physical implementation.
Costs faced by current scheme customers	Low. Ongoing increases to general and targeted rates and fees and charges.

2.4.5 Significant investment decision – Upgrade Keepa Road?

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

Date decisions required: 2024- 2026.

2.4.5.1 Key options for decisions

TABLE 2.28 – OPTIONS AND IMPLICATIONS, DECISION 2.4.5

Option(s)	Positive Implications	Negative implications	Cost scale of option
Continue with current levels of service for maintenance and operations programme on strategically identified transport corridors.	• Low capital cost.	• Decreased level of service as use increases resulting in increased safety, resilience, congestion and efficiency issues. • Increased impacts on operations and maintenance of key strategic routes. • Does not plan or cater for projected growth.	Low
Increase levels of service including improvements, maintenance and operations on strategically identified transport corridors. **This option is the preferred and most likely scenario.**	• Caters to and plans for projected growth. • Ensures efficient movement of people and goods within and through Whakatāne. • Meets the NZ Transport Agency Waka Kotahi classification standards and customer levels of service.	• Increase in capital cost.	Medium

TABLE 2.29- ADDITIONAL INFORMATION FOR DECISION 2.4.5

Decision number	Decision 2.4.5
Topic	Upgrade of Keepa Road.
Preferred and most likely scenario	**Upgrade Keepa Road in medium term year four to 10.**
Timing	This decision needs to be made between 2024 and 2026.
Options and implications	• Near term upgrade. • **Year four to 10 upgrade.** • No upgrade.
Costs to prepare and make decisions	Low. Staff time.
Costs to implement/deliver	Medium. Staff time. Professional costs. Physical implementation.
Costs faced by current scheme customers	Medium. Ongoing increases to general and targeted rates.

2.4.6 Significant investment decision – transport planning to enable growth?

The Council is undertaking three transport planning activities in the first three years of the Long term Plan 2024-34 to support development and delivery of the Easten Bay of Plenty Spatial Plan. These include transport system programme, modelling and further investigation for a second river crossing. These transport planning activities will lead into growth related transport improvements, progressively rolled out over the next 30 years, aligned with growth.

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

Date decisions required: 2024- 2026.

2.4.6.1 Key options for decisions

TABLE 2.30 – OPTIONS AND IMPLICATIONS, DECISION 2.4.5

Option(s)	Positive Implications	Negative implications	Cost scale of option
Do not undertake transport planning and respond to growth reactively.	• No cost implications.	• Reactive approach to growth management resulting in unaligned infrastructure to support growth. • Increased overall costs and increased uncertainty in future investments. • Likely increases in safety risks, emissions and other transport problems, due to reactive approach.	Low
Undertake transport planning activities to support growth planning. **This option is the preferred and most likely scenario.**	• Enables a methodological response to anticipated growth. • Increases ability to implement measures at the optimal time to enable, rather than react to growth. • Provides the evidence cases to attract national funding opportunities. • Enables, informed decision making for investment values and timing in growth related infrastructure. • Increases ability to support a safe, efficient and lower emission transport system.	• Minor cost implications.	Low

TABLE 2.31 - ADDITIONAL INFORMATION FOR DECISION 2.4.6

Decision number	Decision 2.4.6
Topic	Carry out transport planning to enable growth.
Preferred and most likely scenario	**Undertake transport planning activities to support growth planning.**
Timing	This decision needs to be made between 2024 and 2026.
Options and implications	• Do not undertake transport planning and respond to growth reactively. • **Undertake transport planning activities to support growth planning.**
Costs to prepare and make decisions	Low. Staff time.
Costs to implement/deliver	Low. Staff time. Professional costs.
Costs faced by current scheme customers	Low. Ongoing increases to general and targeted rates.

Significant projects / programmes

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

TABLE 2.32 - SIGNIFICANT PROJECTS, GROWTH

Option(s)	Positive Implications	Years 1-3 ($000)	Years 4-10 ($000)	Years 11-20 ($000)	Years 21-30 ($000)
Matatā wastewater scheme *(uninflated)*	• Level of service/growth	14,041	22,210	750	750
Johnson Road drinking water upgrades *(uninflated)*	• Upgrade/growth	201	4,720	327	327
Coastlands watermain upgrade *(uninflated)*	• Level of service/growth	-	2,350	2,500	-
Keepa Road upgrade *(uninflated)*	• Growth	4,433	-	-	-
Transport Planning *(uninflated)* • Transport System Programme • Modelling • Second River Crossing	• Planning	950	-	-	-
Transport system business case implementation including second river crossing *(uninflated)*	• Level of service • Growth	-	11,915	39,200	165,200

2.5 CHALLENGE 5: IMPROVING RESILIENCE AND RESPONDING TO CLIMATE CHANGE – *Wero 5: E whakakaha ana te aumangea me te urupare atu ki te huringa āhuarangi*

2.5.1 Introduction to challenge 5

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

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

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

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

The Council has started work on a Climate Change Adaptation Plan, which will develop over time to define risk areas (that we do not already know about) and put in place an adaptive planning framework to respond. This will also build on Council's existing knowledge of where our vulnerable infrastructure is located and help define what we need to consider, as decisions around land use (residential and businesses use) are made. This will also get covered through the Spatial Plan work to be completed by December 2025 but probably at a higher strategic level.

The Council is reviewing the current District Plan rules and defined risk areas that manage response to sea level rise (and erosion and inundation) based on updated information being commissioned by the Bay of Plenty Regional Council. The current rules manage this risk including applying an adaptive planning framework. As erosion is monitored this enables relocation and demolition of dwellings entirely built within the current 2060 and 2100 coastal erosion risk areas.

2.5.2 Supporting Council strategies and plans

- The Climate Change Strategy provides clear direction, including a range of action plans that identify initial actions the Council is committed to undertaking over the short-term, medium-term and long-term to increase the resilience of our transport and three waters infrastructure against the potential impacts of climate change.
- Climate Change Adaptation Plan will build on the Climate Change Strategy and identify communities and Council infrastructure at highest risk from climate change, prioritise risk and identify appropriate community-led adaptation plans and works required to Council's infrastructure. This will inform the Infrastructure Strategy 2024-54.
- Comprehensive stormwater catchment strategy outlines the best options and techniques for the future management of stormwater. It also supports Council's Comprehensive Stormwater Consent processes with Bay of Plenty Regional Council.
- Water loss, Pressure and Demand Management Strategy to reduce levels of leakage and demand.
- Inflow and Infiltration Reduction Strategy to economically target a reduction in the levels of wet weather flows.
- Transport System Programme (to be developed) in the form of a programme business case, covering the transport response to enable the spatial plan outputs. The programme business case will provide a programme of identified new transport investments, projects and their expected timeframes for delivery, based on the expected growth patterns and locations.

2.5.3 Significant investment decision – improve Edgecumbe gravity drainage system?

Date decisions required: 2024 onwards.

2.4.6.1 Key options for decisions

TABLE 2.33 – OPTIONS AND IMPLICATIONS, DECISION 2.5.3

Option(s)	Positive Implications	Negative implications	Cost scale of option
Invest in Edgecumbe drainage system upgrade in near term year one to 10.	Improved stormwater drainage performance. Wastewater network less prone to overflows.	Moderate cost. May result in stranded assets due to climate change.	Medium
Invest in Edgecumbe drainage system upgrade in medium term year four to 20. **This option is the preferred and most likely scenario.**	Improved stormwater drainage performance. Wastewater network less prone to overflows.	Moderate cost. May result in stranded assets due to climate change. Delayed benefits realisation.	Medium
Do not invest in Edgecumbe drainage system upgrade	Low cost No potentially stranded assets.	Poor performance of wastewater and stormwater drainage systems. Resource consent breaches.	Low

TABLE 2.34 - ADDITIONAL INFORMATION FOR DECISION 2.5.3

Decision number	Decision 2.5.3
Topic	Edgecumbe gravity drainage system. This includes both the stormwater and wastewater systems.
Preferred and most likely scenario	**Invest in Edgecumbe drainage system upgrade in medium term year four to 20.**
Timing	This decision needs to be made between 2024 and 2026.
Options and implications	• Invest in Edgecumbe drainage system upgrade in near term year one to 10. • **Invest in Edgecumbe drainage system upgrade in medium term year four to 20.** Do not invest in Edgecumbe drainage system upgrade. Note that there are 'only stormwater' or 'only wastewater' options. There are however strong synergies in treating the two systems in tandem. During heavy rainfall or flood events the two systems become interconnected.
Costs to prepare and make decisions	Low. Staff time.
Costs to implement/deliver	Medium. Staff time. Professional costs. Physical implementation.
Costs faced by current scheme customers	Medium. Ongoing increases to general and targeted rates.

2.5.4 Significant investment decision – Improve Rūātoki drinking water scheme?

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

Date decisions required: 2024 onwards.

2.5.4.1 Key options for decisions

TABLE 2.35 – OPTIONS AND IMPLICATIONS, DECISION 2.5.4

Option(s)	Positive Implications	Negative implications	Cost scale of option
Invest in Rūātoki drinking water scheme upgrade in near term year one to 10. **This option is the preferred and most likely scenario.**	Improved system resilience. Less emergency intervention required. Ability to adhere to water safety plan.	It may be necessary to purchase some land for a bore and/or treatment plant.	Low
Invest in Rūātoki drinking water scheme upgrade in medium term year four to 20.	Expenditure is delayed.	Council is not able to comply with the water safety plan at present.	Medium
Do not invest in Rūātoki drinking water scheme.	Expenditure is avoided.	An ongoing poor level of service for scheme customers. Council is not able to comply with the water safety plan at present. Water of poor quality (and potentially contaminated with pollutants enters the scheme.	Low

TABLE 2.36 - ADDITIONAL INFORMATION FOR DECISION 2.5.4

Decision number	Decision 2.5.4
Topic	Rūātoki drinking water scheme.
Preferred and most likely scenario	**Invest in Rūātoki drinking water scheme upgrade in near term year one to 10.**
Timing	This decision needs to be made in 2024.
Options and implications	• **Invest in Rūātoki drinking water scheme upgrade in near term year one to 10.** • Invest in Rūātoki drinking water scheme upgrade in medium term year four to 20. • Do not invest in Edgecumbe drainage system upgrade. Note that current practice at Rūātoki during river fresh events is not in accordance with the drinking water safety plans nor with drinking water QA rules. The issue here is lack of available land for a new bore and treatment facility – not with a lack of funds.
Costs to prepare and make decisions	Low. Staff time.
Costs to implement/deliver	Low. Staff time. Professional costs. Physical implementation.
Costs faced by current scheme customers	Medium. Ongoing increases to general and targeted rates and fees and charges.

2.5.5 *Significant investment decision – commit budget to deal with unforeseen, emergency reactive recovery works – three waters?*

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

Date decisions required: 2024 onwards.

2.5.5.1 *Key options for decisions*

TABLE 2.37 – OPTIONS AND IMPLICATIONS, DECISION 2.5.5

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

TABLE 2.38 - ADDITIONAL INFORMATION FOR DECISION 2.5.5

Decision number	Decision 2.5.5
Topic	Funding for unforeseen, emergency reactive recovery works, three waters.
Preferred and most likely scenario	**Allocate budget for emergency, unforeseen reactive works.**
Timing	This decision needs to be made in 2024.
Options and implications	• **Allocate budget for emergency, unforeseen reactive works.** • Do not allocate budget. (Note that there may be the option of ring fencing unused funding from any particular financial year for use in a future financial year.) Also note that allocation of funding does not equate to use of funding – in non-cyclone climate years for example.
Costs to prepare and make decisions	Low. Staff time.
Costs to implement/deliver	Medium. Staff time. Professional costs. Physical implementation.
Costs faced by current scheme customers	Medium. Ongoing increases to general and targeted rates.

2.5.6 Significant investment decision – improve risk and resilience to cope with roading flooding events?

Date decisions required: 2024 onwards.

2.5.6.1 Key options for decisions

TABLE 2.39 – OPTIONS AND IMPLICATIONS, DECISION 2.5.6

Option(s)	Positive Implications	Negative implications	Cost scale of option
Do nothing.	No additional capital cost.	• Re-occurring flooding of key access routes, resulting in frequent road closures. • Impacts on communities to access key services (food, health, work, education). • On-going operational costs to respond to flood events, road closures and impact on the roading asset (pavement and surfacing).	Low
Undertake resilience improvements on identified routes (Tāneatua and Rūātoki), undertake further resilience focused transport planning to identify and prioritise other resilience improvements across the transport network. **This option is the preferred and most likely scenario.**	• Basic access to key services is retained during severe weather events. • Transport planning work allows proactive and methodical approach to resilience improvements, enabling better value for money and timed investments.	• Considerable capital cost and transport planning cost.	High

TABLE 2.40- ADDITIONAL INFORMATION FOR DECISION 2.5.6

Decision number	Decision 2.5.6
Topic	Risk and resilience to cope with roading flooding events.
Preferred and most likely scenario	**Improve risk and resilience to cope with roading flooding events.**
Timing	This decision needs to be made in 2024.
Options and implications	• Do nothing. • **Improve risk and resilience to cope with roading flooding events.** The implications of 'do nothing' are reduced reliability in the roading network and travel time confidence.
Costs to prepare and make decisions	Low. Staff time.
Costs to implement/deliver	High. Staff time. Professional costs. Physical implementation.
Costs faced by current scheme customers	High. Ongoing increases to general and targeted rates.

2.5.7 Significant investment decision – improving mode shift in our urban areas?

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

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

Date decisions required: Ongoing 2024-34 (and beyond).

2.5.7.1 Key options for decisions

TABLE 2.41 – OPTIONS AND IMPLICATIONS, DECISION 2.5.7

Option(s)	Positive Implications	Negative implications	Cost scale of option
Continue with primarily roading improvement-related interventions that prioritises vehicles.	• No additional costs.	• Not aligned with government direction and priorities around mode shift, emission reduction and alternative transport choice. • Increased congestion on key transport corridors as more people drive. • Increased costs to operate and maintain the transport system over time.	Low
Increase transport options and choice within the Whakatāne District. **This option is the preferred and most likely scenario.**	• Aligns with local and government direction and priorities. • Supports and plans for growth-related travel. • Increases community's choice and options to access and be able to live, learn, work and play • Aligns with local and government direction and priorities. • Supports and plans for growth-related travel. • Increases community's choice and options to access and be able to live, learn, work and play.	• Capital investment required.	Medium

TABLE 2.42- ADDITIONAL INFORMATION FOR DECISION 2.5.7

Decision number	Decision 2.5.7
Topic	Improving mode shift in our urban areas.
Preferred and most likely scenario	**Increase transport options and choice within the Whakatāne District.**
Timing	This decision needs to be made in 2024 and beyond.
Options and implications	• Continue with primarily roading improvement-related interventions that prioritises vehicles. • Increase transport options and choice within the Whakatāne District. The implications of 'continue' are a greater reliance on vehicles, decreased safety for non-vehicle road users and an insatiable desire for more and wider roads.
Costs to prepare and make decisions	Low. Staff time.
Costs to implement/deliver	Medium. Staff time. Professional costs. Physical implementation.
Costs faced by current scheme customers	Medium. Ongoing increases to general and targeted rates.

Significant projects / programmes

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

TABLE 2.43 - SIGNIFICANT PROJECTS, GROWTH

Option(s)	Positive Implications	Years 1-3 ($000)	Years 4-10 ($000)	Years 11-20 ($000)	Years 21-30 ($000)
Otumahi drinking water storage *(uninflated)*	• Levels of service	6,324	300	-	-
Edgecumbe stormwater, inflow and infiltration *(uninflated)*	• Levels of service	884	2,043	4,242	192
Emergency, unforeseen, reactive works – Three Waters *(uninflated)*	• Levels of service	2,130	4,970	10,000	10,000
Rūātoki drinking water *(uninflated)*	• Levels of service	3,745	-	-	-
Tāneatua and Rūātoki network resilience improvements *(uninflated)*	• Levels of service	-	-	-	-
Transport Planning Network Resilience Programme Business Case and expected future implementation costs *(uninflated)*	• Levels of service	4,430	7,000	10,000	10,000
Active Whakatāne implementation *(uninflated)*	• Level of service • Growth	1,022	5,250	7,500	7,500

Part C: Infrastructure Activities Summary
Whakarāpopototanga Mahi Hangaroto

3.1 DRINKING WATER SUPPLY – *Te Puna Wai-inu*

3.1.1 Overview of this activity

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

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

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

3.1.2 Key focus

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

3.1.3 Summary context

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

3.1.4 Asset condition

The condition of the piped drinking water supply network has been largely assessed. This amounts to between 92 percent and 100 percent of the asset (having been assessed) depending on asset type. The results of the assessment are shown below in table 3.2. Between six percent and 17 percent falls into the poor or very poor category depending on the different asset types.

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

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

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

In 2020, the Council carried out a condition assessment and seismic assessment of all the critical reservoirs in the district including four timber reservoirs. The visual condition assessment was undertaken in accordance with the Visual Assessment Manual guidelines provided by the New Zealand Water and Wastes Association, and the seismic resilience assessment was undertaken in accordance with NZS 3106: 2009 – Design of Liquid Storage Structures.

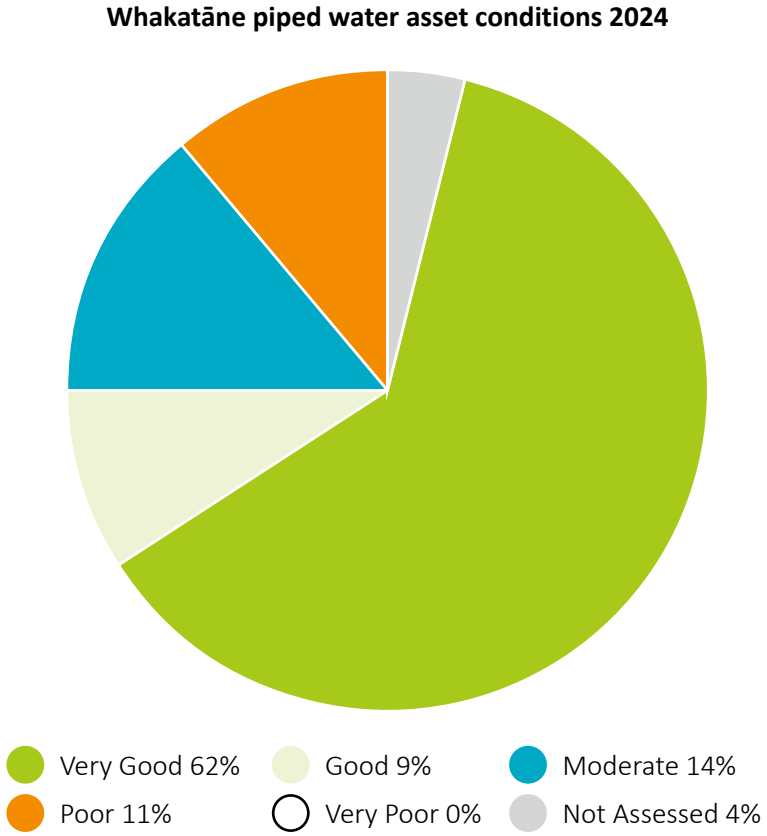
The five reservoirs at Melville Place have since been removed and the remaining condition data is shown in table 3.1 below.

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

TABLE 3.1 - DRINKING WATER SUPPLY ASSET CONDITION PROFILE

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

FIGURE 3.2 – DRINKING WATER PIPED ASSETS CONDITION RATINGS



3.1.5 Critical assets

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

TABLE 3.1 - DRINKING WATER SUPPLY ASSET CONDITION PROFILE

Asset Type	Description of criteria	Base Approach Rating
Pipes	✓ Less than 100mmØ ✓ 100mmØ to 300mmØ ✓ Greater than 300mmØ ✓ All falling and rising mains to and from sources, reservoirs and pump stations ✓ Pipes that are important to supply critical customers. ✓ Single pipes serving more than 1,000 customers. ✓ Potential pipe failures which may cause significant social, environmental or economic impact	Low (1) Medium (3) High (5) High (5) High (5) High (5) High (5)
Valves	Valves located along the critical water mains. All other valves	High (5) Low (1)
Water pump stations	Drinking water pump stations without resilience (i.e. backup alternative power supply) Drinking water pump stations with resilience (i.e. backup alternative power supply)	High (5) Medium (3)
Water reservoirs	Active drinking water reservoirs Decommissioned / unused water reservoirs	High (5) Medium (3)
Water treatment plants	All drinking water treatment plants	High (5)

3.1.6 Asset renewal

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

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

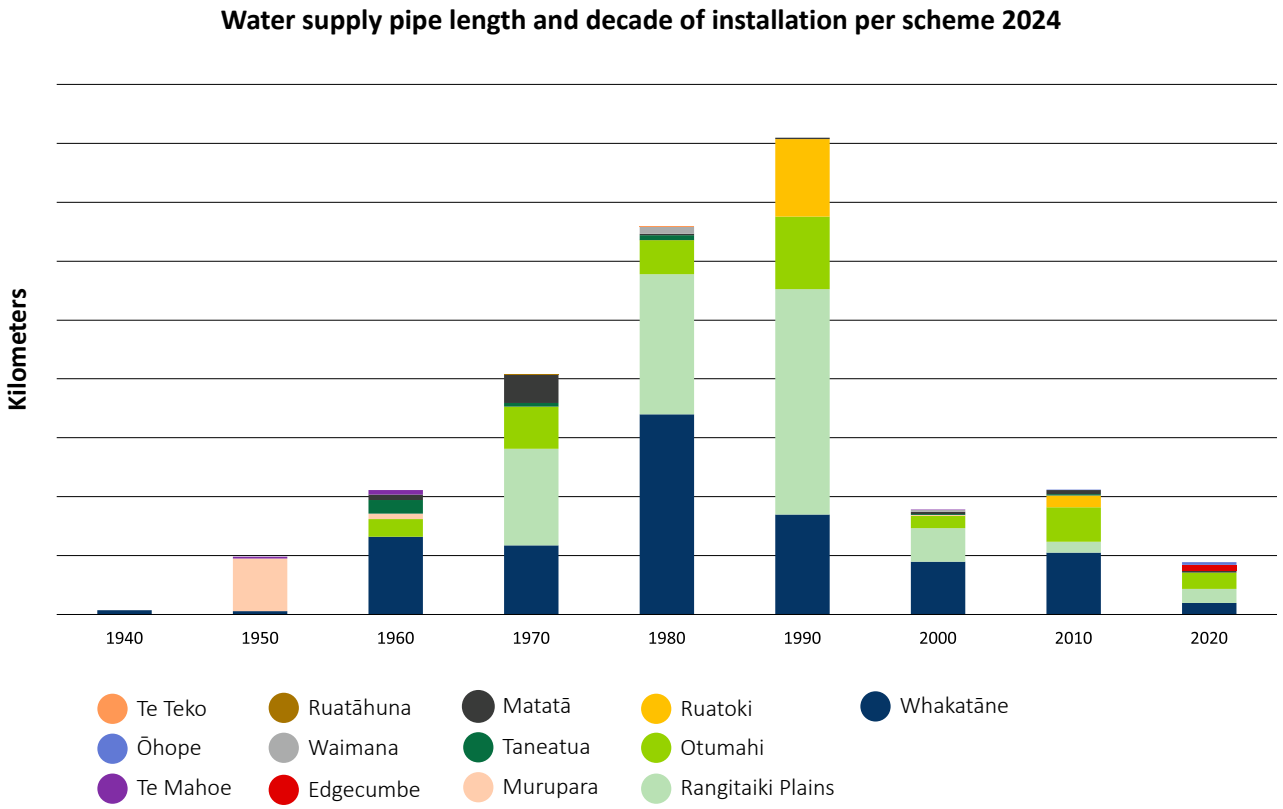
3.1.7 Asset summary

Asset data confidence and asset reliability information have been developed for various asset classes and are detailed within the Drinking Water Supply Asset Management Plan.

3.1.8 Asset age

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

FIGURE 3.4 – DRINKING WATER INSTALL DATE - LINEAR



3.1.9 *Infrastructure level of service (LoS) – drinking water supply*

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

The level of service material below has been sourced from the 2022/23 Annual Report. As can be seen it is quite challenging to meet all of the measures for all of the schemes/plants for all of the time. For the most recent reporting year Council does not meet many of the measures.

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

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

The following results have been sourced from Whakatāne District Council's 2022/23 Annual Report.

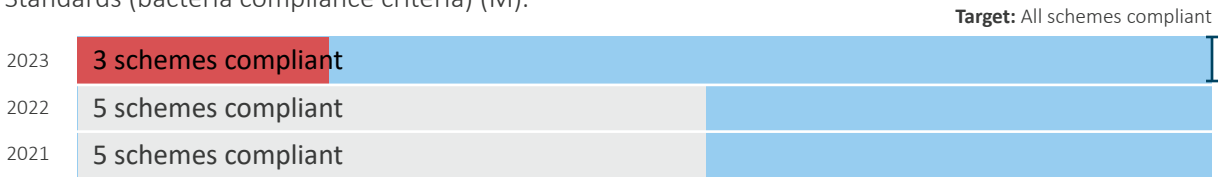
Performance measures (how we will measure our service delivery)

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

The first two performance measures below are mandated by the Department of Internal Affairs which we are required to report against in in the upcoming annual report. There are currently no mandated performance measures pertaining to the new Drinking Water Quality Assurance Rules and as such the results below are against the Drinking Water Standards 2018 for the full financial year.

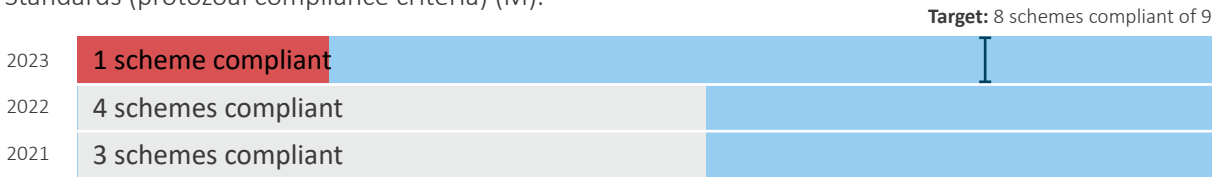
In the graphs below, 'Target' relates to the 2024/2034 LTP performance measures outlined in the Group of Activities in Volume 1.

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



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

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



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

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

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

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

Council's drinking water supplies compliance

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

Performance standard and general criteria

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

Assessment summary

Water Supply Scheme	Section and Component	DWSNZ 2018 Jul-Dec 2022	DWQAR outcome Jan-Jun 2023	*E. coli* review outcome Jan-Jun 2023
Whakatāne	Bacterial criteria • one treatment plant • owo zones	**Met**	**Met**	**Met**
	Protozoa criteria • one treatment plant	**Met**	**Met**	**N/A**
Matatā	Bacterial criteria • one treatment plant • two zones	**Met**	**Not met** No UV disinfection was in place for several days in March 2023 due to a major treatment plant upgrade. Treatment plant chlorine rules were not met on one or more days during the audit period. No online UVT monitoring was in place during the audit period.	**Met**

Assessment summary (continued)

Water Supply Scheme	Section and Component	DWSNZ 2018 Jul-Dec 2022	DWQAR outcome Jan-Jun 2023	*E. coli* review outcome Jan-Jun 2023
	Protozoa criteria • one treatment plant	**Not met** Low UV intensity event in July 2022.	**Not met** No UV disinfection was in place for several days due to a major treatment plant upgrade. No online UVT monitoring was in place during the audit period.	**N/A**
Murupara	Bacterial criteria • one treatment plant • one zone	**Met**	**Not met** No bacterial treatment option was in place, zone residual disinfection rules not met during the audit period.	**Not met** E. coli detected at multiple locations on the 8 and 9 February 2023, and 28 of February.
	Protozoa criteria • one treatment plant	**Not met** No recognised protozoa barrier in place during the audit period.	**Not met** No recognised protozoa barrier in place during the audit period.	**N/A**
Otumahi	Bacterial criteria • one treatment plant • one zone	**Met**	**Not met** Low chlorine event in April 2023 and high turbidity across several days in April 2023 that were suspected to be a monitoring equipment issue.	**Met**
	Protozoa criteria • two treatment plants	**Met**	**Not met** Paul Road Treatment Plant: no DWQAR-recognised protozoa barrier in place during the audit period. Te Teko Treatment Plant: no online UVT monitoring was in place during the audit period.	**N/A**
Rangitāiki Plains	Bacterial criteria • 2 treatment plants • one zone	**Not met** Johnson Road Treatment Plant: data loss event 8 and 9 September 2022.	**Not met** Braemar Treatment Plant and the Johnson Road Treatment Plant: treatment plant DWQAR chlorine rules were not met on one or more days during the audit period.	**Met**
	Protozoa criteria • two treatment plants	**Not met** Braemar Treatment Plant and the Johnson Road Treatment Plant: no protozoa barrier in place during the audit period.	**Not met** Braemar Treatment Plant and the Johnson Road Treatment Plant: no DWQAR-recognised protozoa barrier in place during the audit period.	**N/A**

Assessment summary (continued)

Water Supply Scheme	Section and Component	DWSNZ 2018 Jul-Dec 2022	DWQAR outcome Jan-Jun 2023	*E. coli* review outcome Jan-Jun 2023
Rūātoki	Bacterial criteria • one treatment plant • one zone	**Not met** The maximum interval between E. coli samples exceeded the requirement each month between July and November 2022.	**Not met** Multiple days during the audit period, usually associated with events where poor-quality source water overwhelmed the treatment plant processes, affecting chlorine and UV disinfection rules, no online UVT monitoring was in place during the audit period.	**Met**
	Protozoa criteria • one treatment plant	**Not met** Multiple days during the audit period, usually associated with events where poor-quality (high turbidity) source water overwhelmed the treatment plant processes.	**Not met** Multiple days during the audit period, usually associated with events where poor-quality (high turbidity) source water overwhelmed the treatment plant processes, no online UVT monitoring was in place during the audit period.	**N/A**
Tāneatua	Bacterial criteria • one treatment plant • one zone	**Not met** High turbidity and low UV intensity events between July and November 2022.	**Not met** Low chlorine event in June 2023.	**Met**
	Protozoa criteria • one treatment plant	**Not met** High turbidity and low UV intensity events between July and November 2022.	**Not met** No online UVT monitoring was in place during the audit period.	**N/A**
Te Mahoe	Bacterial criteria • one treatment plant • one zone	**Met**	**Met**	**Met**
	Protozoa criteria • one treatment plant	**Met**	**Not met** No DWQAR-recognised protozoa barrier in place during the audit period.	**N/A**
Waimana	Bacterial criteria • one treatment plant • one zone	**Met**	**Met**	**Met**
	Protozoa criteria • one treatment plant	**Met**	**Not met** No online UVT monitoring was in place during the audit period.	N/A

3.1.10 Murupara drinking water issues

E. coli transgressions in Murupara during 2022/23

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

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

3.1.11 Upgrades during 2022/23

During 2022/23, the Awakaponga Water Treatment Plant (which supplies Matatā township) was upgraded including the installation of an upgraded UV treatment system and chlorine contact tank.

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

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

3.1.12 Further drinking water performance measures

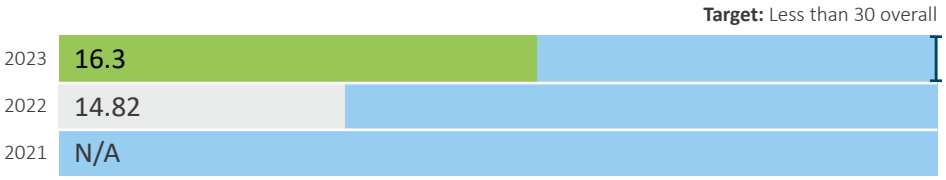
The following material has been sourced from Whakatāne District Council's 2022/23 Annual Report.

Performance measures (how we will measure our service delivery)

In the graphs below, 'Target' relates to the 2024/2034 Long Term Plan performance measures outlined in the Group of Activities in Volume 1.

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

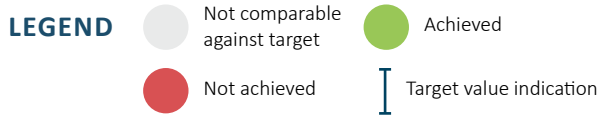
- Drinking water clarity
- Drinking water taste
- Drinking water odour
- Drinking water pressure or flow
- Continuity of supply
- The Council's response to any of these issues (M)



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

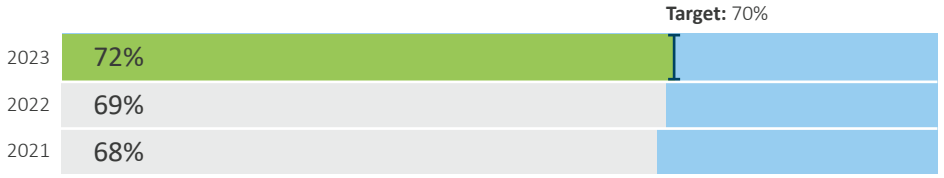
**The method of restatement has enabled a comparative to be completed for 2021.*

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



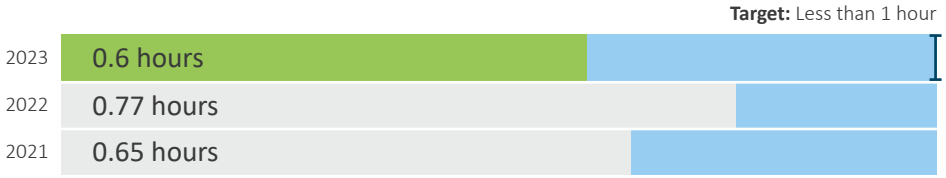
(M) – This performance measure is mandatory for all Councils to report on, set under the 'Non-Financial Performance Measures Rules 2013' in accordance with section 261b of the Local Government Act 2002.

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

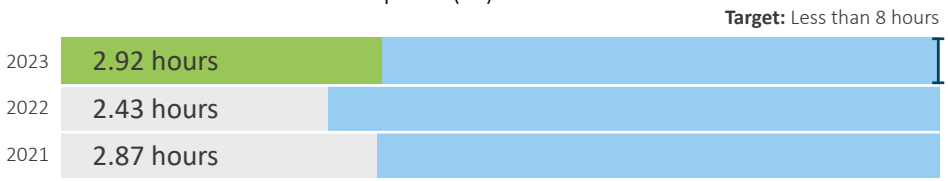


Note: Margin of error 4%.

Median response time to attend urgent call-outs for a fault or unplanned interruption to Council's networked reticulation system from the time that the Council receives notification to the time that the service personnel reach the site (M).



Median response time to resolve urgent call-outs for a fault or unplanned interruption to Council's networked reticulation system from the time that the Council receives notification to the time that the service personnel confirm resolution of the fault or interruption (M).



Performance standard and general criteria

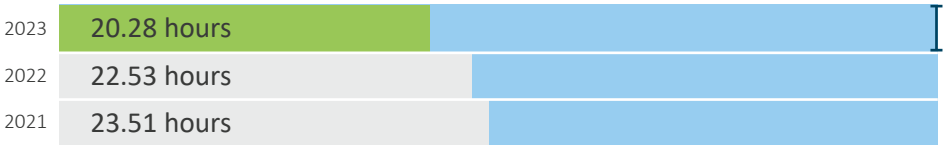
In the graphs below, 'Target' relates to the 2024/2034 Long Term Plan performance measures outlined in the Group of Activities in Volume 1.

Median response time to attend non-urgent call-outs for a fault or unplanned interruption to Council's networked reticulation system from the time that the Council receives notification to the time that the service personnel reach the site (M).

Target: Less than 24 hours

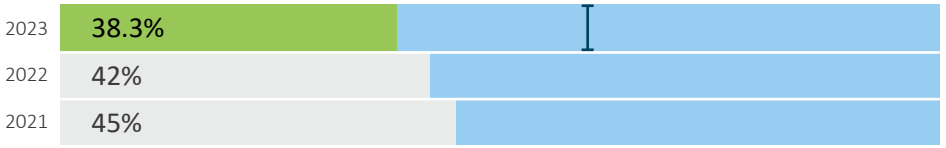
Median response time to resolve non-urgent call-outs for a fault or unplanned interruption to Council's networked reticulation system from the time that the Council receives notification to the time that the service personnel confirm resolution of the fault or interruption (M).

Target: Less than 48 hours



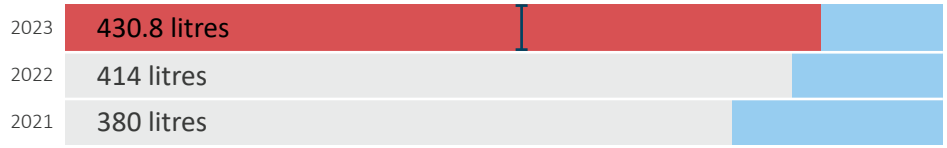
Percentage of real water loss from council-networked reticulation system for unmetered schemes based on the standard International Water Association (IWA) methodology assessing water loss (M).

Target: Less than 40% for year 2024/25 to 2026/27. Less than 30 % for year 2027-34



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

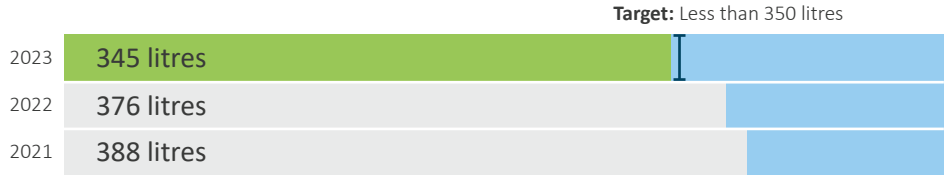
Target: Less than 450 litres for 2024/25 to 2026/27. Less than 400 litres for 2027-2034.



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

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

Target: Less than 350 litres



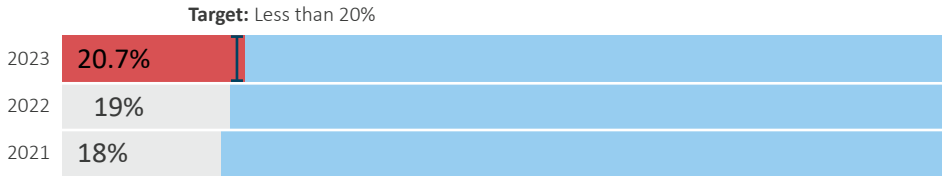
LEGEND Not comparable against target | Achieved | Not achieved | Target value indication

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

Performance measures (how we will measure our service delivery)

In the graphs below, 'Target' relates to the 2024/2034 Long Term Plan performance measures outlined in the Group of Activities in Volume 1.

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



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

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

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

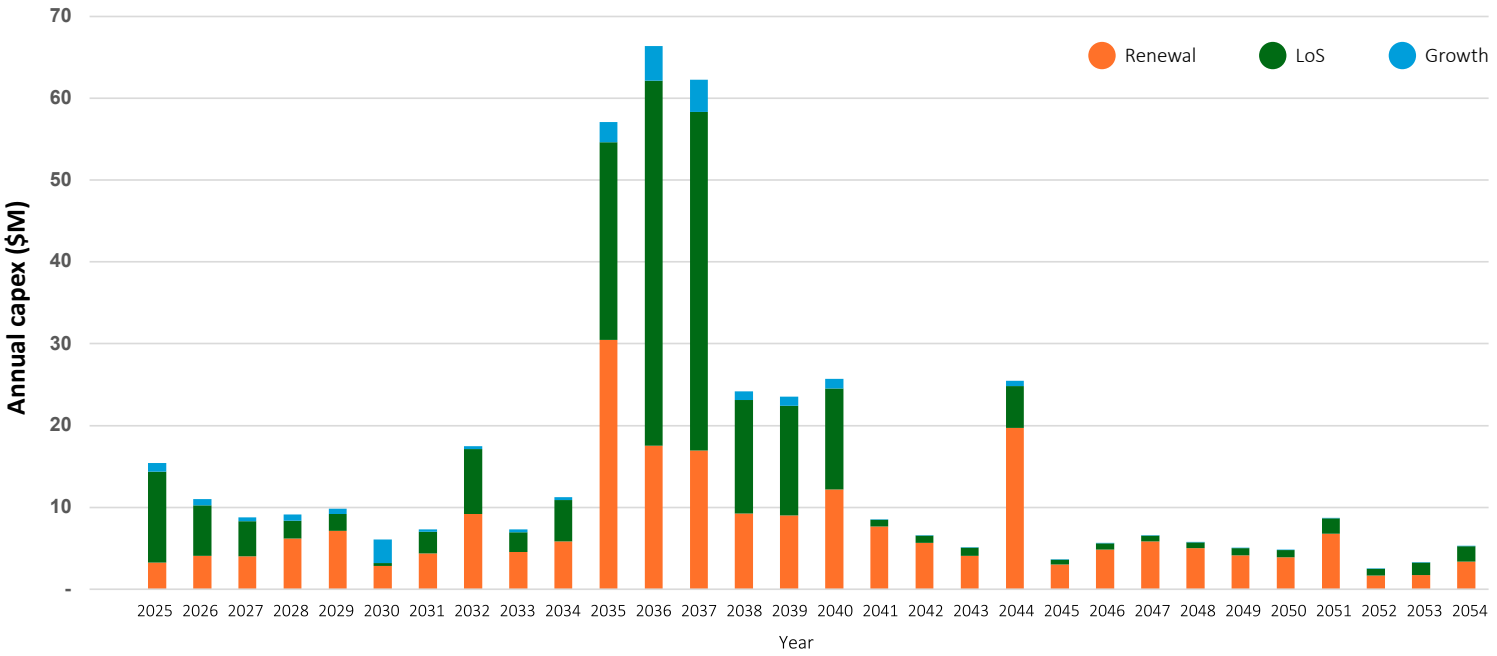
3.1.13 Capital expenditure

The chart to the side shows the capital expenditure for the drinking water supply activity during the 30 year period.

TABLE 3.5 – DRINKING WATER CAPEX (INFLATED)

Financial Year	Renewal ($)	LoS ($)	Growth ($)	Total ($)
2025	3,279,329	11,079,321	1,042,112	**15,400,761**
2026	4,089,611	6,138,055	799,730	**11,027,396**
2027	3,994,994	4,309,689	465,768	**8,770,452**
2028	6,192,165	2,175,130	783,786	**9,151,082**
2029	7,153,693	2,028,549	657,518	**9,839,760**
2030	2,866,729	346,792	2,837,162	**6,050,683**
2031	4,345,055	2,645,951	327,672	**7,318,678**
2032	9,182,171	7,918,898	377,384	**17,478,453**
2033	4,575,324	2,369,393	350,790	**7,295,507**
2034	5,854,698	5,028,287	377,290	**11,260,275**
2035	30,442,727	24,160,350	2,497,598	**57,100,675**
2036	17,553,783	44,573,299	4,225,434	**66,352,516**
2037	16,947,083	41,377,981	3,963,618	**62,288,682**
2038	9,276,322	13,838,250	1,069,812	**24,184,384**
2039	9,035,913	13,394,111	1,092,249	**23,522,273**
2040	12,217,389	12,324,612	1,155,124	**25,697,125**
2041	7,671,919	840,065	54,348	**8,566,332**
2042	5,672,877	857,701	55,489	**6,586,067**
2043	4,098,548	1,004,970	42,330	**5,145,848**
2044	19,683,657	5,135,352	667,277	**25,486,286**
2045	3,022,133	604,511	14,765	**3,641,409**
2046	4,856,574	763,632	15,074	**5,635,280**
2047	5,839,880	733,943	15,391	**6,589,214**
2048	4,991,165	749,338	15,714	**5,756,217**
2049	4,110,931	922,759	16,044	**5,049,734**
2050	3,912,689	859,763	16,381	**4,788,833**
2051	6,804,584	1,867,915	16,725	**8,689,224**
2052	1,682,193	827,923	17,076	**2,527,192**
2053	1,731,482	1,548,671	17,434	**3,297,587**
2054	3,386,500	1,890,067	40,482	**5,317,049**
Total	**224,472,117**	**212,315,278**	**23,027,578**	**459,814,973**

FIGURE 3.6 – DRINKING WATER CAPEX



3.2 STORMWATER – *Wai Āwhā*

3.2.1 *Overview of this activity*

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

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

3.2.2 *Key focus*

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

3.2.3 *Summary context*

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

TABLE 3.7 – STORMWATER METRICS

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

3.2.4 *Asset condition*

The condition of the piped stormwater network has been largely assessed. This amounts approx. 70 percent of the asset (having been assessed). The results of the assessment are shown below in table 3.8. Approx. 10 percent falls into the poor or very poor category.

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

The network generally delivers as per expectations – it accepts stormwater and conveys it away. A characteristic of the stormwater system for the towns of Whakatāne and Edgecumbe is that they are protected by stopbanks from the Whakatāne and Rangitāiki rivers.

The stopbanks incorporate a series of floodgates and pumps. These protective flood schemes are generally under the control of the Bay of Plenty Regional Council. To ensure the successful interface between district and regional schemes and assets it is necessary to ensure very close operational linkages between the two organisations. Previous flood events have tested these linkages, generally with very positive outcomes.

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

FIGURE 3.9 – STORMWATER PIPED ASSETS CONDITION RATINGS

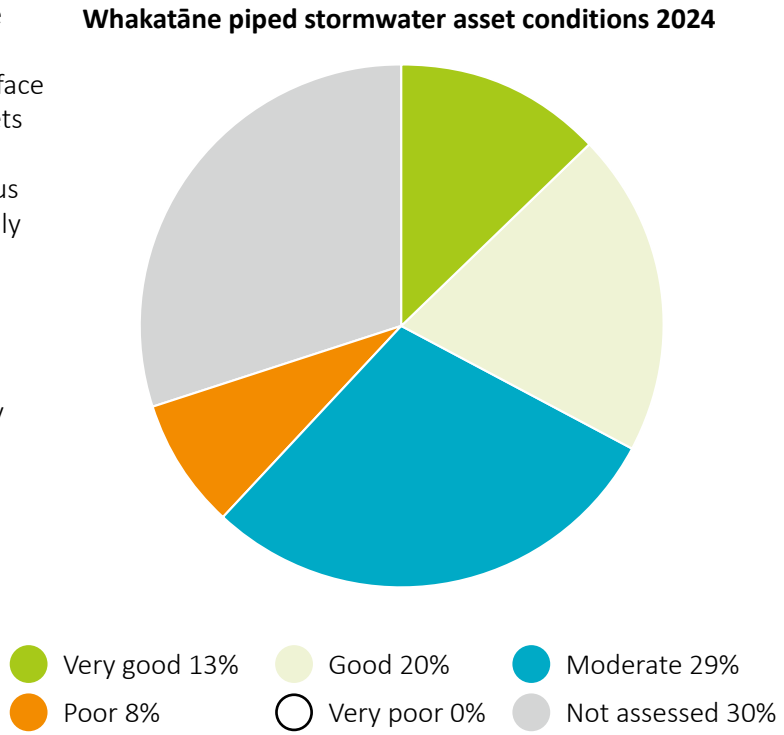


TABLE 3.8 – STORMWATER LINEAR ASSET CONDITION PROFILE

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

3.2.5 Critical assets

The selection criteria for stormwater critical assets include size and functionality of assets as set out in table 3.10. In the future it may be possible to add criteria for significant environmental impact or significant, specific vulnerability.

Critical asset selection criteria

TABLE 3.10 - CRITICAL ASSET SELECTION CRITERIA - STORMWATER

Asset Type	Description of criteria	Base Approach Rating
Pipes	✓ Less than 150mmØ ✓ 150mmØ to 600mmØ ✓ Greater than 600mmØ	Low (1) Medium (3) High (5)
Open drains/ channels, stream and watercourse banks	Minor drains/channels Medium drains/channels, minor stream and watercourse banks Large drains/channels, all other stream and watercourse banks	Low (1) Medium (3) High (5)
Stormwater outlets	Stormwater outlet to 'dry' stream/watercourse Stormwater outlet to 'wet' stream/ watercourse	Low (1) High (5)
Storage pond/ retention dams	Dry Wet	Low (1) High (5)
Manholes	Manholes on critical pipes (pipes greater than 600mmØ All other manholes	High (5) Low (1)
Floodgates	Floodgates at 'dry' locations Floodgates at 'wet locations	Low (1) High (5)
Pump stations	All	High (5)

3.2.6 Asset renewal

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

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

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

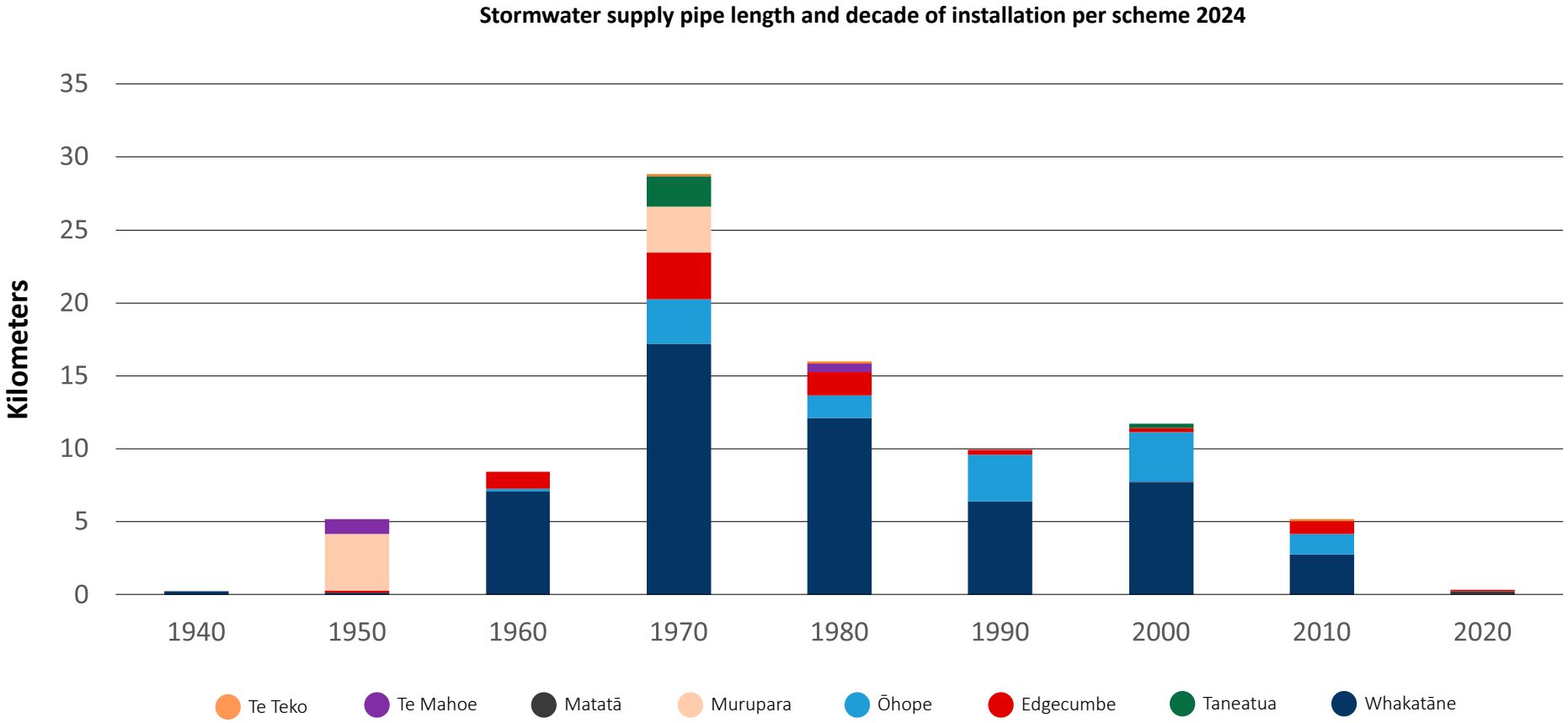
3.2.7 Asset summary

Asset data confidence and asset reliability information have been developed for various asset classes and are detailed within the Stormwater Asset Management Plan.

3.2.8 Asset Age

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

TABLE 3.11 – AGE PROFILE OF PIPED STORMWATER ASSET



3.2.9 *Infrastructure level of service (LoS) – stormwater*

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

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

'Target' relates to the 2024/2034 Long Term Plan performance measures outlined in the Group of Activities in Volume 1.

LEGEND

- Not comparable against target
- Achieved
- Not achieved
- Target value indication

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

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

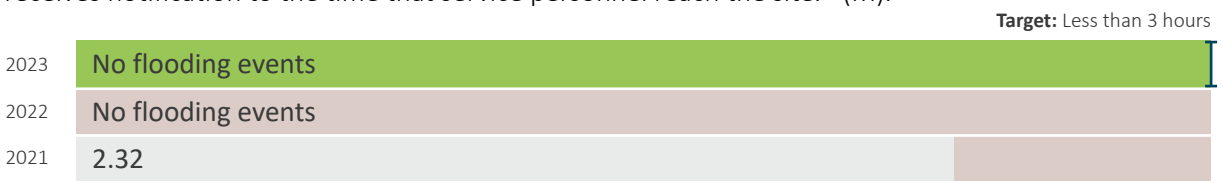
'Flooding event' - an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor. 'Stormwater system' - the pipes and infrastructure (excluding roads) that collect and manage rainwater run-off, from the point of connection to the point of discharge.

Performance measures (how we will measure our service delivery)

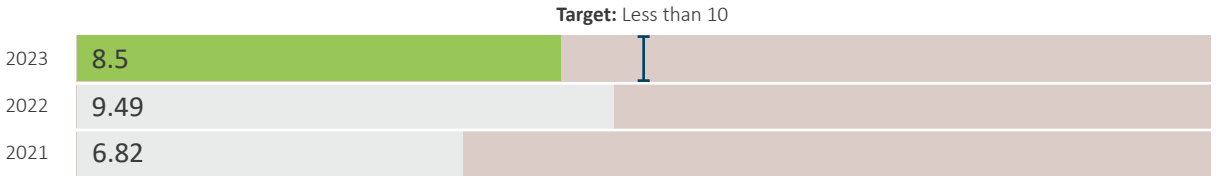
Number of flooding events* in the district.

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

The median response time to attend a flooding event, measured from the time that the Council receives notification to the time that service personnel reach the site.* (M).



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



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

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

Performance measures (how we will measure our service delivery)

In the graphs below, 'Target' relates to the 2024/2034 LTP performance measures outlined in the Group of Activities in Volume 1."

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

Target: Zero

2023	Zero
2022	Zero
2021	Zero

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

Target: Zero

2023	Zero
2022	Zero
2021	Zero

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

Target: Zero

2023	Zero
2022	Zero
2021	Zero

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

Target: Zero

2023	Zero
2022	Zero
2021	Zero

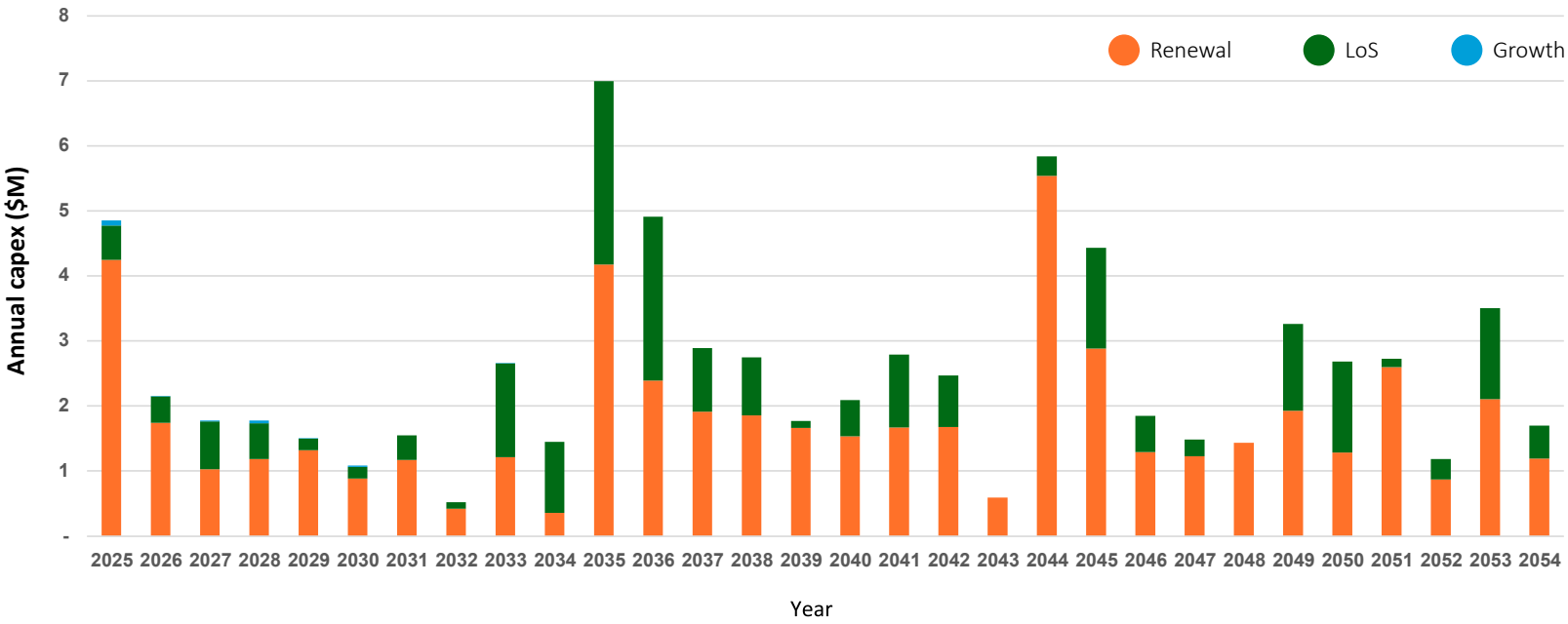
LEGEND Not comparable against target | Achieved | Not achieved | Target value indication

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

TABLE 3.12 – STORMWATER CAPEX (INFLATED)

Financial Year	Renewal ($)	LoS ($)	Growth ($)	Total ($)
2025	4,249,182	528,834	74,586	**4,852,602**
2026	1,745,636	400,172	11,150	**2,156,958**
2027	1,030,398	736,169	12,466	**1,779,033**
2028	1,182,098	554,364	38,184	**1,774,645**
2029	1,322,260	179,433	3,011	**1,504,703**
2030	882,070	182,944	18,479	**1,083,493**
2031	1,173,948	373,041	-	**1,546,990**
2032	419,438	104,779	-	**524,217**
2033	1,216,290	1,442,085	5,260	**2,663,635**
2034	357,821	1,090,917	-	**1,448,737**
2035	4,178,199	2,816,994	-	**6,995,193**
2036	2,393,316	2,516,481	-	**4,909,797**
2037	1,910,573	978,865	-	**2,889,438**
2038	1,855,848	891,449	-	**2,747,297**
2039	1,663,883	104,272	-	**1,768,155**
2040	1,534,284	558,475	-	**2,092,759**
2041	1,671,589	1,123,451	-	**2,795,040**
2042	1,675,768	792,700	-	**2,468,468**
2043	590,825	-	-	**590,825**
2044	5,539,850	297,486	-	**5,837,336**
2045	2,883,767	1,552,408	-	**4,436,175**
2046	1,290,378	561,633	-	**1,852,011**
2047	1,227,782	255,055	-	**1,482,837**
2048	1,436,720	-	-	**1,436,720**
2049	1,927,114	1,338,528	-	**3,265,642**
2050	1,282,388	1,404,075	-	**2,686,463**
2051	2,595,681	133,798	-	**2,729,479**
2052	870,369	312,240	-	**1,182,609**
2053	2,108,065	1,394,750	-	**3,502,815**
2054	1,192,099	508,575	-	**1,700,674**
Total	**53,407,639**	**23,133,972**	**163,135**	**76,704,746**

FIGURE 3.13 – STORMWATER CAPEX



3.3 WASTEWATER – *Te Parakaingaki*

3.3.1 Overview of this activity

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

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

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

3.3.2 Key focus

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

3.3.3 Summary context

Six wastewater schemes serve 8,992 customer connections and cover 1,690 hectares of land, providing wastewater services to the urban and residential areas of Whakatāne, Edgecumbe, Tāneatua, Ōhope, Te Mahoe, and Murupara.

3.3.4 *Asset condition*

The condition of the piped wastewater network has been largely assessed. This amounts to between 95 percent and 100 percent of the asset (having been assessed) depending on asset type. The results of the assessment are shown below in table 3.14. Between zero and 14 percent falls into the poor or very poor category depending on the different asset types.

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

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

FIGURE 3.15 – WASTEWATER PIPED ASSETS CONDITION RATINGS

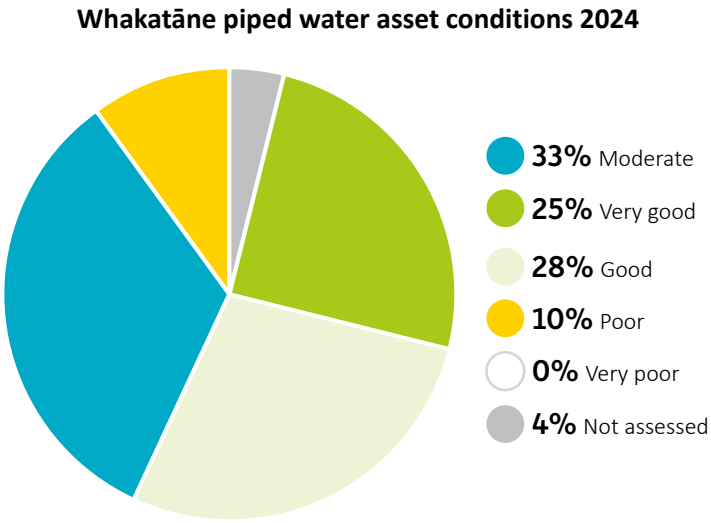


TABLE 3.14 – WASTEWATER ASSET CONDITION PROFILE

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

3.3.5 Critical assets

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

Critical asset selection criteria

FIGURE 3.16 – WASTEWATER ASSET CRITICALITY

Asset Type	Description of criteria	Base Approach Rating
Pipes	✓ Less than 250mmØ ✓ 250mmØ to 375mmØ ✓ Greater than 370mmØ ✓ All rising mains ✓ Outfall mains ✓ Potential pipe failures which may cause significant social, environmental or economic impact	Low (1) Medium (3) High (5) High (5) High (5) High (5)
Treatment plants/ oxidation ponds	All	High (5)
Manholes	Manholes on critical pipes (pipes greater than 375mmØ) All other manholes	High (5) Low (1)
Pump stations	Wastewater pump stations without resilience (i.e. backup alternative power supply, by-pass pumping arrangement) Wastewater pump stations with resilience (i.e. backup alternative power supply, by-pass pumping arrangement)	High (5) Medium (3)

3.3.6 Asset renewal

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

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

3.3.7 Asset summary

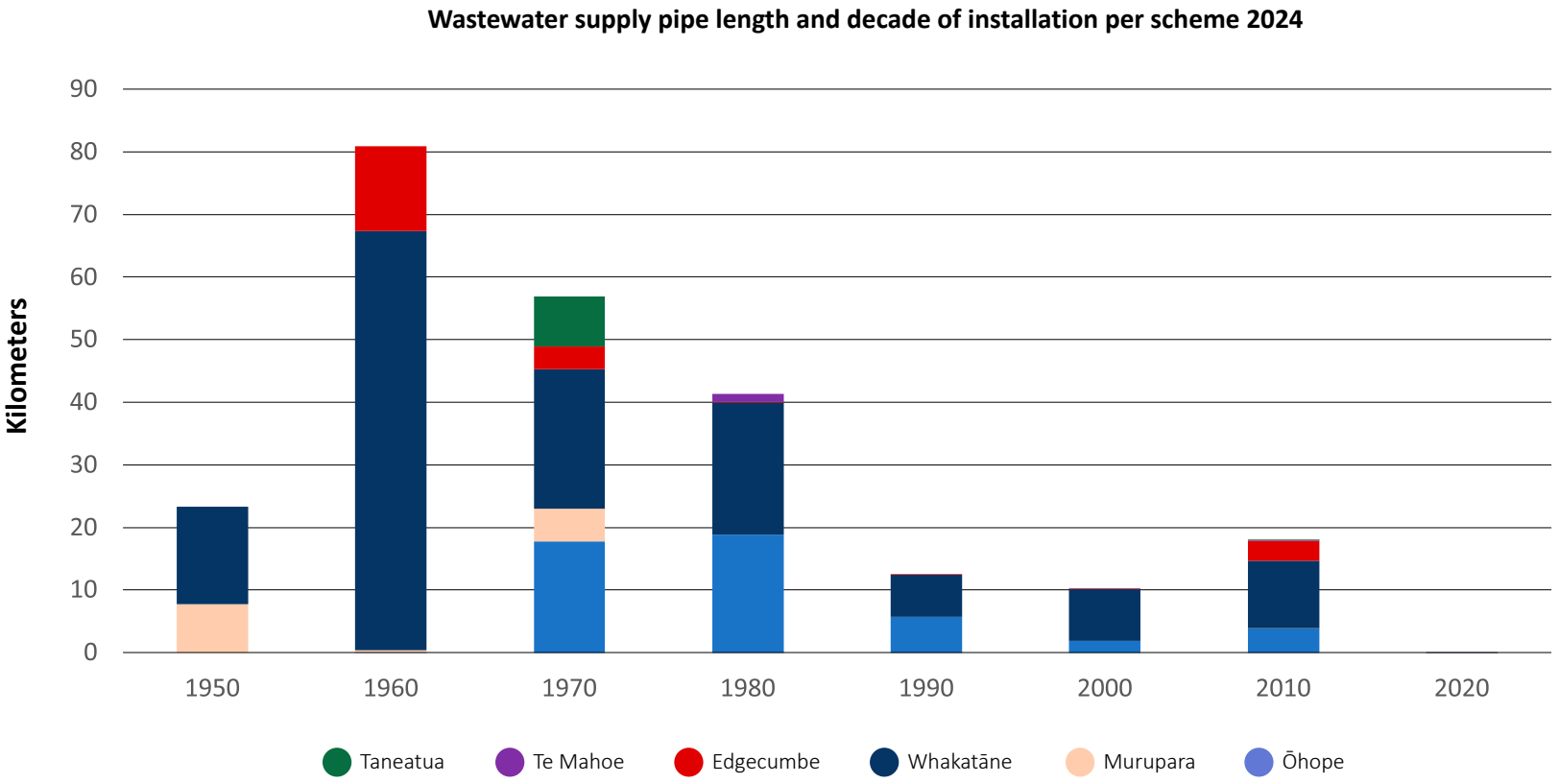
Asset data confidence and asset reliability information have been developed for various asset classes and are detailed within the Wastewater Asset Management Plan.

3.3.8 Asset Age

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

2023 wastewater data:

FIGURE 3.17 – AGE PROFILE OF WASTEWATER PIPED ASSET



3.3.9 Infrastructure level of service (LoS) – wastewater

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

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

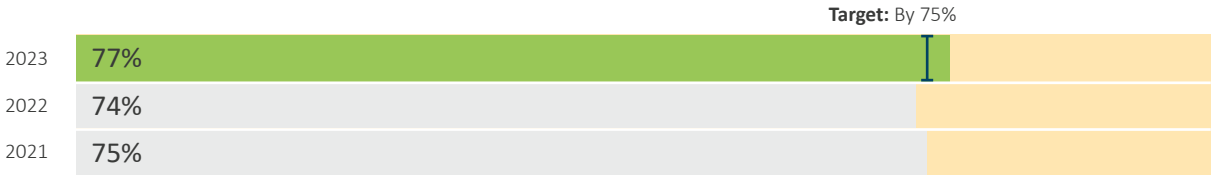
Note that adherence to consent conditions is measured outside this framework. For 2022/23 there were instances of not meeting consent conditions.

The following material has been sourced from Whakatāne District Council's 2022/23 Annual Report.

Performance measures (how we will measure our service delivery)

In the graphs below, 'Target' relates to the 2024/2034 Long Term Plan performance measures outlined in the Group of Activities in Volume 1.

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



Note: Margin of error 4%.

The total number of complaints received by the Council about any of the following:

- sewage odour
- sewerage system faults
- sewerage system blockages
- the Council's response to issues with its sewerage system,

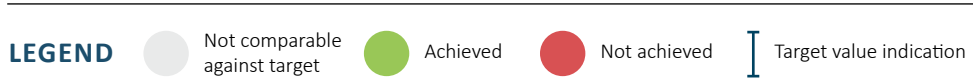
expressed per 1,000 connections to the Council's sewerage system (M).

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

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

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

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



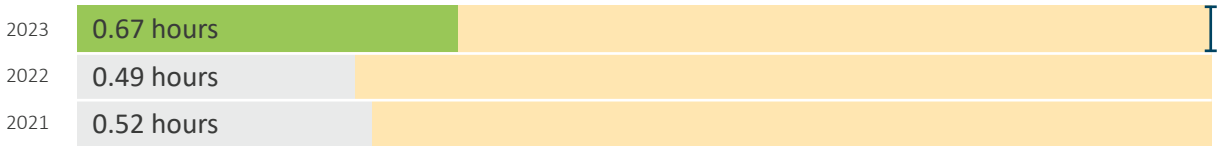
(M) – This performance measure is mandatory for all Councils to report on, set under the 'Non-Financial Performance Measures Rules 2013' in accordance with section 261b of the Local Government Act 2002.

Performance measures (how we will measure our service delivery)

In the graphs below, 'Target' relates to the 2024/2034 Long Term Plan performance measures outlined in the Group of Activities in Volume 1.

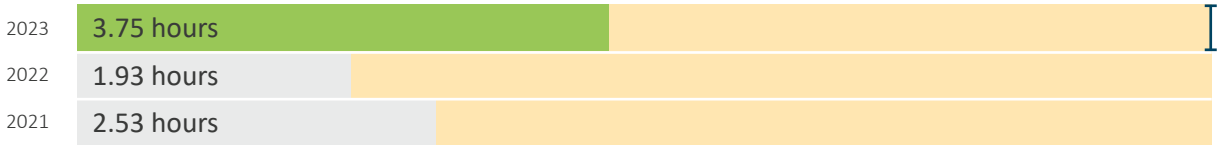
Median response time to attend a sewage overflow resulting from a blockage or other fault in the Council's sewerage system, from the time that the Council receives notification to the time that service personnel reach the site (M).

Target: Less than 2 hours



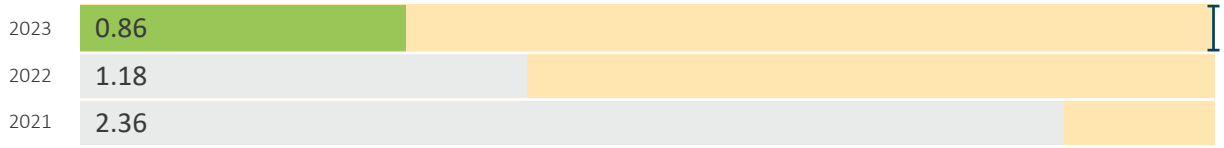
Median response time to resolve a sewage overflow resulting from a blockage or other fault in the Council's sewerage system, from the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault (M).

Target: Less than 8 hours



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

Target: Less than 3 overflows



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

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

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

Target: Zero

2023	Zero
2022	Zero
2021	Zero

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

Target: Zero

2023	Zero
2022	Zero
2021	Zero

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

Target : Zero

2023	Zero
2022	Zero
2021	Zero

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

Target: Zero

2023	Zero
2022	Zero
2021	Zero

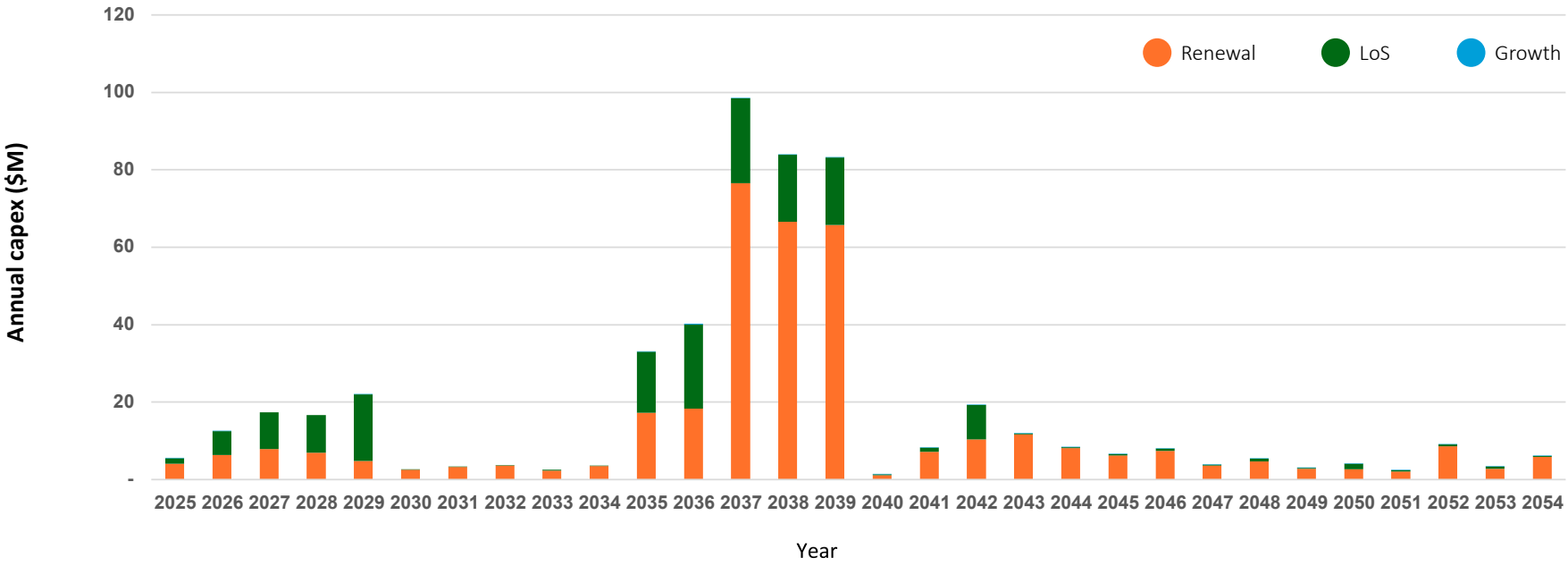
LEGEND Not comparable against target | Achieved | Not achieved | Target value indication

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

TABLE 3.18 - WASTEWATER CAPEX (INFLATED)

Financial Year	Renewal ($)	LoS ($)	Growth ($)	Total ($)
2025	4,084,923	1,488,480	34,113	**5,607,517**
2026	6,418,469	6,072,708	99,904	**12,591,081**
2027	7,951,000	9,417,875	-	**17,368,875**
2028	6,919,059	9,760,840	-	**16,679,899**
2029	4,785,713	17,247,141	67,438	**22,100,291**
2030	2,515,010	30,799	-	**2,545,808**
2031	3,234,500	97,671	-	**3,332,171**
2032	3,580,647	99,821	-	**3,680,468**
2033	2,319,223	257,487	-	**2,576,710**
2034	3,466,766	198,043	-	**3,664,809**
2035	17,311,697	15,723,281	131,529	**33,166,507**
2036	18,339,729	21,740,056	132,123	**40,211,908**
2037	76,559,318	21,938,937	148,473	**98,646,728**
2038	66,583,946	17,260,627	40,633	**83,885,206**
2039	65,805,464	17,342,445	50,721	**83,198,630**
2040	1,175,960	200,683	43,878	**1,420,521**
2041	7,245,676	1,040,608	105,047	**8,391,331**
2042	10,380,644	8,934,521	115,497	**19,430,662**
2043	11,750,062	238,678	59,245	**12,047,985**
2044	8,143,265	230,139	53,712	**8,427,116**
2045	6,252,154	371,144	122,927	**6,746,225**
2046	7,403,819	635,627	57,714	**8,097,160**
2047	3,603,135	308,792	61,653	**3,973,580**
2048	4,719,264	656,492	121,492	**5,497,248**
2049	2,769,745	298,969	81,412	**3,150,126**
2050	2,654,731	1,463,887	61,780	**4,180,398**
2051	2,146,980	269,985	64,032	**2,480,997**
2052	8,645,048	400,937	128,019	**9,174,004**
2053	2,829,151	616,876	66,749	**3,512,776**
2054	5,829,796	285,311	67,132	**6,182,239**
Total	**375,424,246**	**154,629,507**	**1,915,223**	**531,968,976**

FIGURE 3.19 – WASTEWATER CAPEX



3.4 TRANSPORT CONNECTIONS – *Ngā Hononga Waka*

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

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

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

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

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

3.4.2 *Key focus*

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

3.4.3 *Summary context* The transport system is made up of:

FIGURE 3.20 – TRANSPORT CONNECTIONS ASSETS

3.4.4 Critical assets

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

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

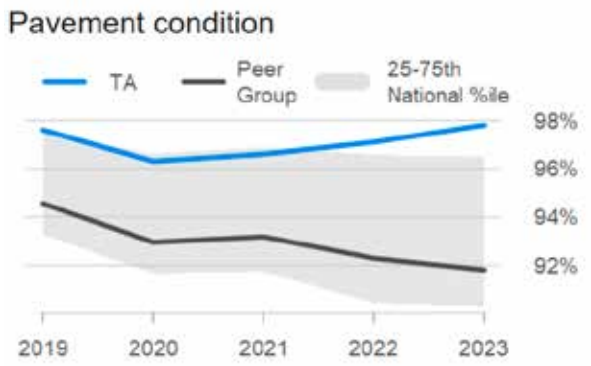
3.4.5 Asset condition

Pavements and Surfacing: Good

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

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

FIGURE 3.21 – PAVEMENT AND SURFACE CONDITION



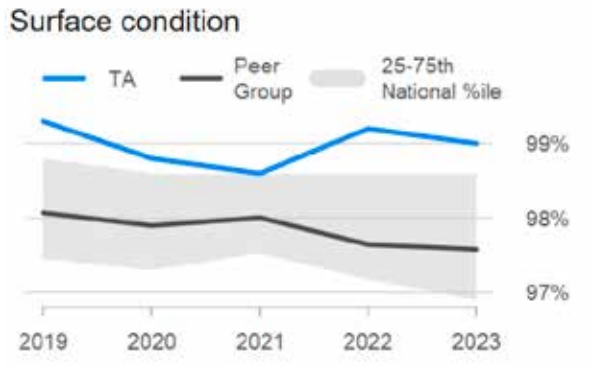
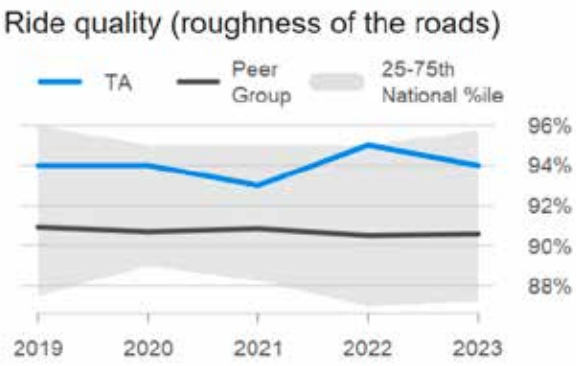


FIGURE 3.22 – ROAD ROUGHNESS



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

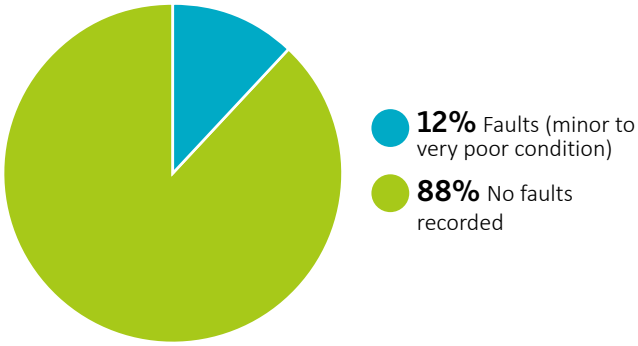
Condition rating also shows increasing potholes, edgebreak, and cracking which is consistent with observed changes. A change in rutting and shoving of the extent indicated implies a significant investment in pavement renewals, which has not occurred. Rutting and shoving are a significant component of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

Footpaths and cycleways: Good

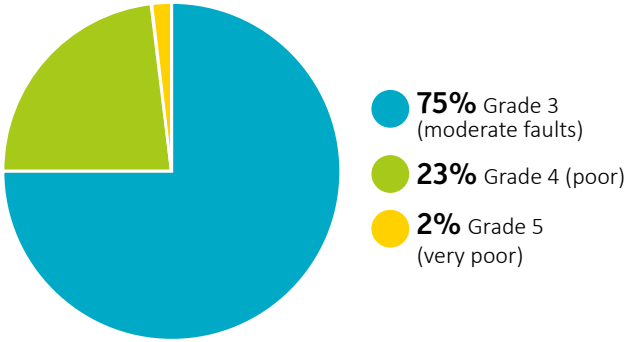
- Indicator: 88 percent of footpath sections record no faults. Only three percent of total footpath sections record grade 4 (poor) or 5 (very poor) faults.

FIGURE 3.23 – FOOTPATH FAULTS

Portion of footpath network with faults recorded 2023 survey



Extent of faults recorded



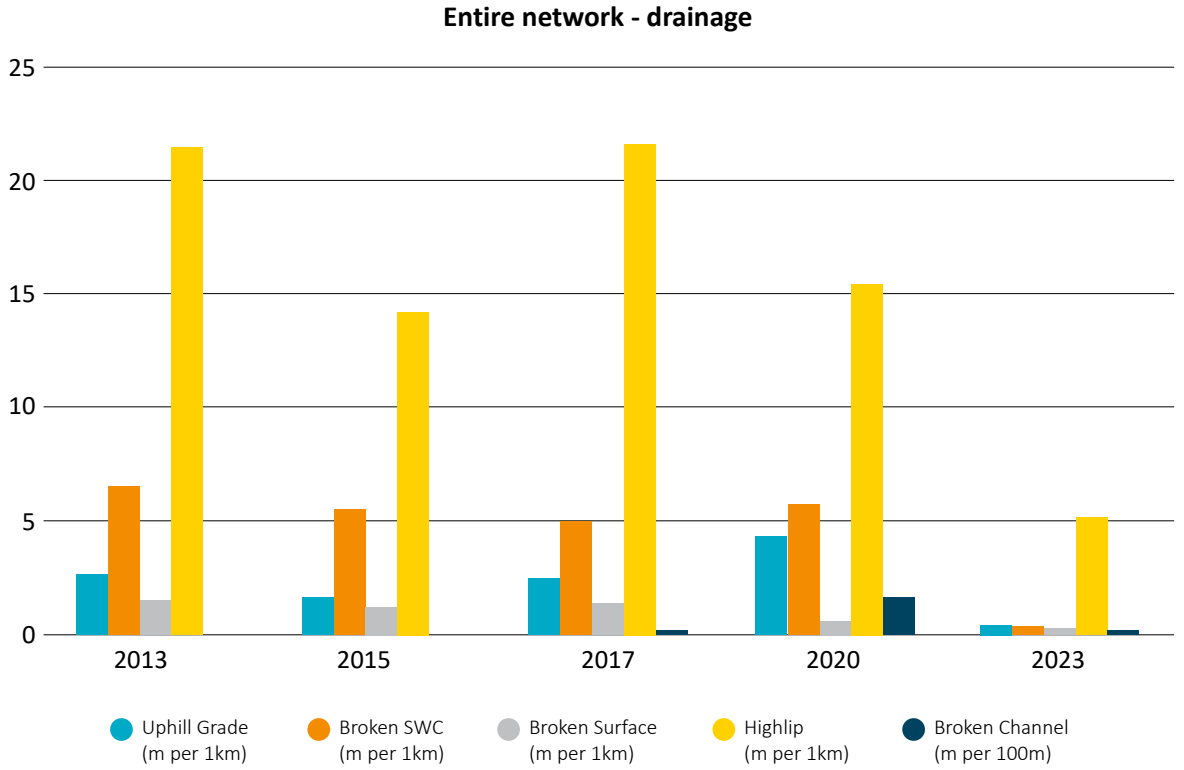
Bridges and Structures: Good

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

Drainage: Good

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

FIGURE 3.24 – ROADING DRAINAGE CONDITION



Traffic Services: Good

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

TABLE 3.25 – TRAFFIC SERVICES CONDITION CRITERIA

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

3.4.6 Customer levels of service (LoS) – Transport Connections

The benefits and measures associated with delivery of the transport activity are described in the following tables. This is currently a work in progress with the recent change from the One Network Road Classification Framework to the new One Network Framework as per the NZ Transport Agency Waka Kotahi direction. An improvement item is included in our Transport Activity Management Plan, improvement plan section, to determine methods for capturing current performance, trend, and benchmarking for these new measures.

Pavements

TABLE 3.26 – PAVEMENT MEASURES

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

** Invest Logic Map*

Structures

TABLE 3.27 – STRUCTURES MEASURES

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

Drainage

TABLE 3.28 – DRAINAGE MEASURES

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

Traffic Services

TABLE 3.29 – TRAFFIC SERVICES MEASURES

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

Footpaths and Active Modes

TABLE 3.30 – FOOTPATH AND ACTIVE MEASURES

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

In addition to these level of service measures, we are required to report performance using the framework outlined in the Transport Connections activity of volume 1.

3.4.7 Capital expenditure

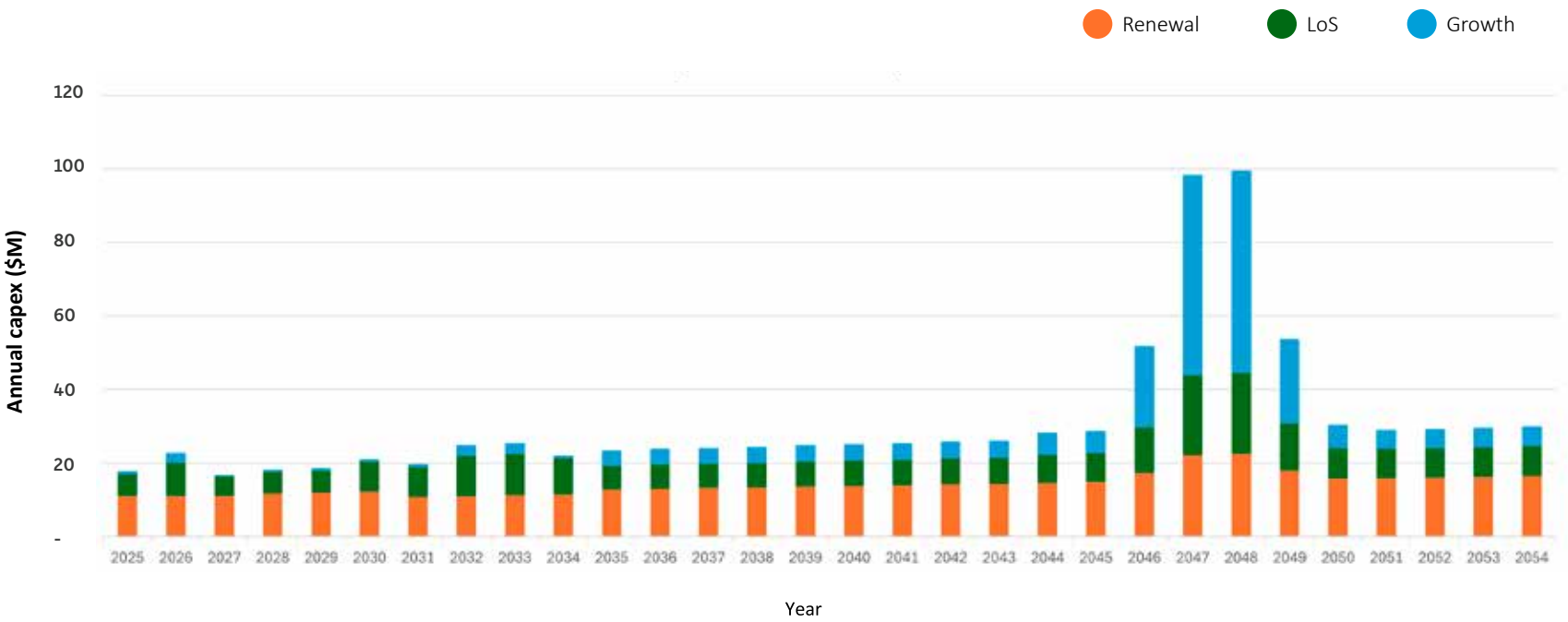
The chart below shows the capital expenditure for the transport activity during the 30-year period.

TABLE 3.31 – TRANSPORT CAPEX (INFLATED)

Financial Year	Renewal ($)	LoS ($)	Growth ($)	Total ($)
2025	11,102,900	5,870,075	905,001	**17,877,975**
2026	11,096,558	9,110,549	2,566,928	**22,773,366**
2027	11,020,391	5,312,033	434,441	**16,766,865**
2028	11,709,399	5,889,474	580,910	**18,179,783**
2029	11,967,006	6,019,043	593,689	**18,579,738**
2030	12,259,953	8,076,935	726,913	**21,063,801**
2031	10,791,685	8,209,957	739,630	**19,741,272**
2032	11,007,519	11,035,369	2,796,749	**24,839,637**
2033	11,271,858	11,285,746	2,854,578	**25,412,181**
2034	11,447,428	9,861,796	655,480	**21,964,704**
2035	12,814,788	6,443,295	4,124,727	**23,382,811**
2036	13,047,650	6,568,196	4,186,745	**23,802,590**
2037	13,187,796	6,630,844	4,244,788	**24,063,429**
2038	13,374,300	6,724,619	4,304,819	**24,403,738**
2039	13,609,157	6,850,859	4,366,922	**24,826,937**

Financial Year	Renewal ($)	LoS ($)	Growth ($)	Total ($)
2040	13,747,308	6,912,168	4,424,880	**25,084,356**
2041	13,933,812	7,005,942	4,484,910	**25,424,665**
2042	14,170,664	7,133,522	4,547,099	**25,851,284**
2043	14,306,820	7,193,491	4,604,971	**26,105,283**
2044	14,670,504	7,641,626	5,905,262	**28,217,392**
2045	14,968,460	7,775,104	5,983,496	**28,727,060**
2046	17,377,373	12,381,795	21,959,493	**51,718,661**
2047	22,195,879	21,738,129	54,438,483	**98,372,491**
2048	22,525,223	22,043,948	55,115,303	**99,684,472**
2049	18,031,391	12,847,798	22,785,964	**53,665,154**
2050	15,863,647	8,231,633	6,361,205	**30,456,485**
2051	15,916,346	7,981,510	5,087,629	**28,985,486**
2052	16,047,239	8,037,462	5,145,246	**29,229,947**
2053	16,234,465	8,131,236	5,205,276	**29,570,978**
2054	16,480,019	8,264,173	5,267,806	**30,011,999**
Total	**426,177,186**	**267,208,036**	**245,399,344**	**938,784,566**

FIGURE 3.32 – TRANSPORT CONNECTIONS CAPEX



Part D: Financial Forecasts – *Ngā Matapae Ahumoni*

4.1 OVERALL EXPENDITURE SUMMARY – *Whakarāpopototanga Whakapaunga Utu*

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

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

4.1.1 Balancing the work programme against cost and capacity

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

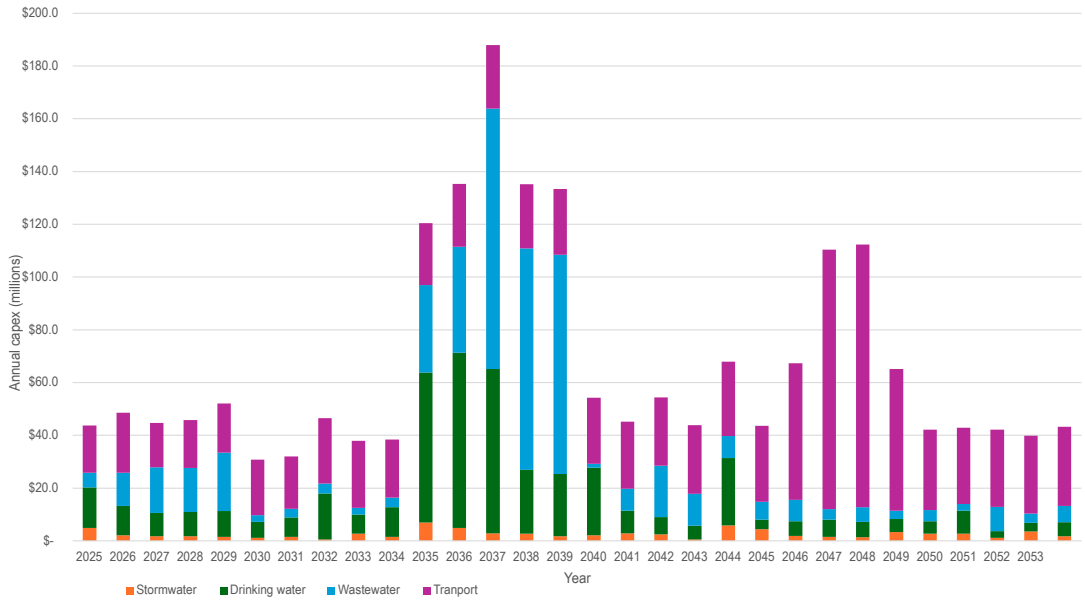
Over the next 30 years, there are a number of significant challenges and decisions required to deliver the overall plan. Addressing all of these challenges will require significant planning and investment. Council will need to ensure that we balance affordability with the delivery of essential services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

Ensuring the Council is able to deliver on the programme of works is another key consideration. The Council is taking steps to develop and deliver an achievable work program. This includes prioritising the work programme, sequencing projects, building capacity within the Council, managing our project pipeline, having a long-term view of rates and debt, and staying flexible. It also includes fostering relationships with civil contracting services and other contractors to ensure robust thriving businesses who can help us to deliver.

4.2 TOTAL PROJECTED CAPITAL EXPENDITURE 2024-2054 – *Te Tapeke Whakapaunga Utu Rawa 2024-2054*

Figure 4.1 shows the expected capital expenditure year-on-year up to 2054 for the various contributing activities.

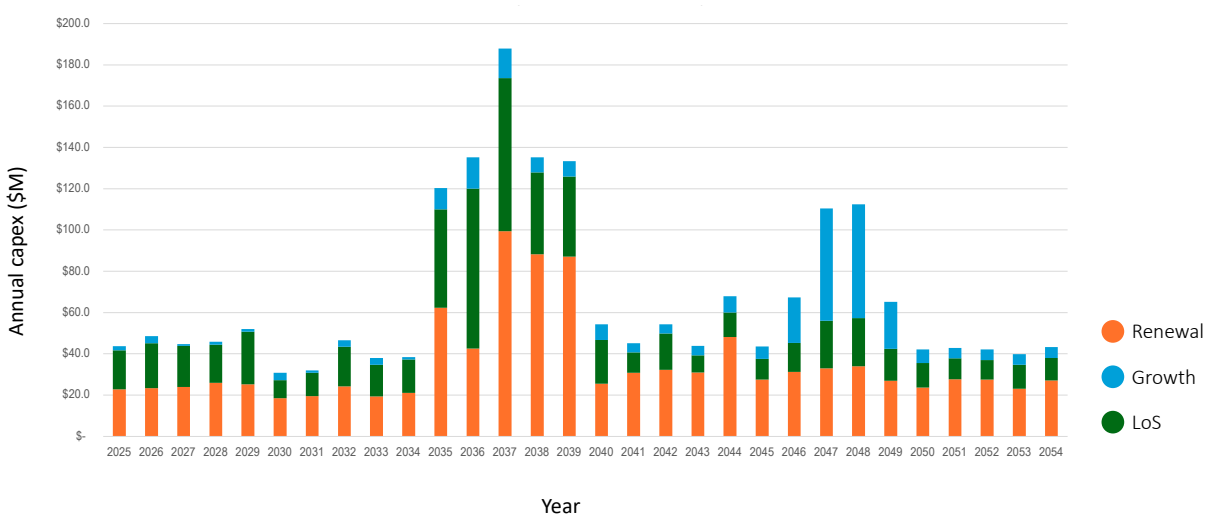
FIGURE 4.1 – ANNUAL COMBINED CAPEX (BY ACTIVITY)



Projected infrastructure capital expenditure by activity classification 2024-2054

Figure 4.2 shows expected capital expenditure year-on-year up to 2054 by the main cost driver (growth, level of service or renewal.

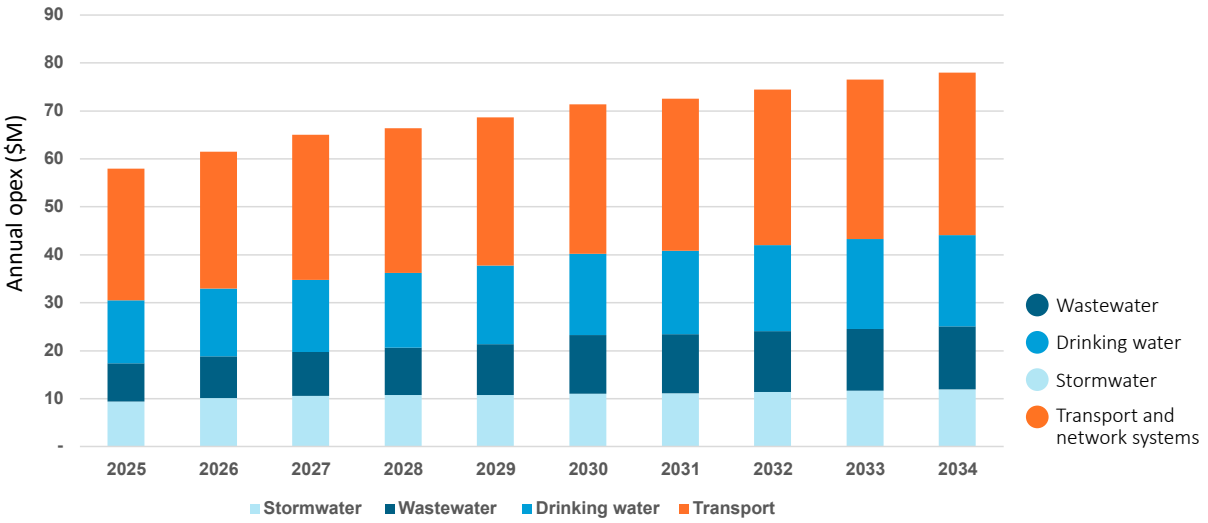
FIGURE 4.2 – ANNUAL COMBINED CAPEX (THREE WATERS PLUS TRANSPORT)



4.2.1 Total projected operational expenditure 2024-2054

Figure 4.3 shows expected operating costs, including personnel costs, direct costs, finance costs and depreciation up to 2034 by infrastructure activity area classification (i.e. for transport, waster supply, wastewater and stormwater).

FIGURE 4.3 – TRANSPORT AND THREE WATERS OPEX



4.3 SIGNIFICANT ASSUMPTIONS – *Ngā Matapae*

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

Note the following Infrastructure Strategy specific matters when reading the Significant Forecasting Assumptions.

Topic	Issue	Assumption for Infrastructure Strategy	Level of uncertainty	Potential effect on the financial estimates (if assumption is incorrect)
Renewal of assets	Future replacement of assets - water assets not strictly 'like-for-like'.	Where appropriate, renewals for three waters are undertaken as a 'like for like' replacement. New (2024) materials are typically superior to the original material resulting in an inevitable improvement. A level of service improvement will therefore occur. In many cases, especially in the rural environment, renewal of assets is also requiring an upsizing in capacity to respond to increased resilience and climate change events as well as future proofing for growth over the long term. This upsizing means increased costs to renew.	**MEDIUM**	**MEDIUM**
Renewal of assets	Future replacement of assets - maintenance and renewal of transport assets not strictly 'like-for-like'.	The Council has been under-investing in road surfacing renewals for the last decade, due to funding constraints, and has a significant backlog of overdue resurfacings. The Council currently has capacity in our lower classification roads condition ratings to absorb some managed decrease in levels of service. However, our higher classification roads are already showing signs of deterioration and require increased surfacing renewals to bring them back in line, deal with the overdue renewals and reduce the risk of large scale (and far more costly), premature failure of the underlying road pavements.	**MEDIUM**	**MEDIUM**

Revenue and Financing Policy

Te Kaupapa here Pūtea whiwhi me te Ahumoni

REVENUE AND FINANCING POLICY
Te Kaupapa here Pūtea whiwhi me te Ahumoni

1.0 PURPOSE – *Te Take*

The purpose of the Revenue and Financing Policy is to provide certainty about how the Council manages its finances prudently and in a way that promotes the current and future interests of the community.

This policy is a framework to ensure the appropriate funding sources for operating and capital expenditure are allocated, based on decisions in the Long Term Plan.

It also outlines how the decisions were made and how it will guide future decisions.

Under sections 102 and 103 of the Local Government Act 2002, the Council must adopt a Revenue and Financing Policy.

2.0 POLICY PRINCIPLES – *Ngā Mātāpono*

Section 101 of the Local Government Act 2002 requires local authorities to consider certain matters when determining the sources that will be used to meet funding needs.

To assist with the identification of the appropriate funding methods, incorporating the matters set out in section 101, the Council has used a set of guiding principles, set out in table 2.0.1 below:

TABLE 2.0.1: PRINCIPLE/RATIONALE FOR ITS APPLICATION
Ensuring compliance with legislation
This principle reflects the Council complies with legislative requirements as a minimum standard. The Local Government Act 2002 and related legislation, specifically the Local Government Act 2002 and related legislation.
Honouring our obligations under Te Tiriti o Waitangi
This principle reflects the policy appropriately supports the principles set out in Te Ture Whenua Māori Act 1993, and more broadly the principles of the Treaty of Waitangi. The Council will specifically take these into account when considering funding decisions that impact Māori landowners.
Aligned to our strategic goals
This principle reflects the Revenue and Financing Policy supports the broader strategies and priorities as set out in the council's vision and Long Term Plan 2024-34. It should also show how investment in infrastructure is funded.
Ensuring we maintain financial prudence and sustainability
This principle ensures that the Council is able to operate both short- and long-term in a financially sustainable manner that promotes the current and future interests of the community.
Delivering community outcomes
This principle guides the Council's decisions on how revenue requirements will be met (by ratepayers and other groups), taking into account the impact of such decisions on the achievement of the strategic goals and community outcomes from each activity, while minimising the effect of changes from those decisions.

There are some inherent conflicts between these guiding principles. In practice, establishing the Council's specific revenue and financing policies involves balancing competing guiding principles. For example, the principle of paying for benefits received may call for a high degree of user pays for an activity, but this must be balanced against the principle of affordability. In practice, when the Council applies these principles to assess how to fund the separate activities, Council then considers the overall impact of any allocation of liability on the community.

Focusing on broader wellbeing outcomes
This principle guides the Council to consider the revenue requirements, and consider the impact of such decisions on the current and future social, economic, environmental and cultural wellbeing of the community.
Considering the affordability of funding decision
This principle guides the Council to consider the impact of funding methods on people's ability to pay, balanced against the delivery of services through Council activities, as this can have implications for community wellbeing.
Ensuring transparency in how activities are delivered and funded
This principle guides Council to ensure transparent decision-making that enables the funders and users of services to assess whether they get value for money and to make more informed decisions in using Council services.
Ensuring accountability in how activities are delivered and funded
This principle guides the Council to ensure transparent decision-making that enables funders and users of services to assess whether they get value for money and to make more informed decisions in using Council services.
Aligning who benefits and who pays
This principle guides the Council's decisions to consider who benefits from the services provided in each activity and the impact on costs this creates, (whether for the community as a whole, any identifiable part of community, or individuals); as well as the period in which benefits and costs are expected to occur (current or future funding).
Ensuring efficiency in the use of funding sources used for activities
This principle influences the Council's decisions on the best mix of funding (between rates income, other revenue sources, borrowings and asset sales) to pay for its assets and activities. The Council's limited financial resources should be used in such a way to maximise the benefits provided to the community, while minimising the burden on ratepayers.
Ensuring the funding decisions of the Council don't materially impact market neutrality
This principle is relevant when the Council is competing with the private sector in producing or delivering services. To avoid the Council being placed in an advantageous position or discouraging private enterprise, the Council will apply commercial best practice when providing such services, in tandem with other principles.
Ensuring this policy is practical and fit for purpose for the period intended
This principle ensures the Council's Revenue and Financing Policy is achievable and retains relevance in the face of challenging circumstances.

3.0 FUNDING SOURCES – *Ngā Mātāpuna Pūtea*

Legislation requires the Council to make adequate and effective provisions in its Long Term Plan to meet the expenditure needs identified. Generally, this will mean that all expenditure is funded: a 'balanced budget'.

The sources of funding applied under this policy are limited to those set out under section 103 (2) of the Local Government Act 2002.

3.1 Funding of operating cost

Operating costs are the every day spending on activities the Council provides. This includes recognising the costs of previously developed or acquired assets with the benefits they provide over time (depreciation), as well as interest charged on borrowing for capital projects and overhead costs.

The nature of depreciation, as a non-cash charge, does make it distinct from the majority of other operating costs that are generally cash. Further detail on the funding of depreciation is provided in 3.2 below.

We must consider the funding for operating costs of each activity individually. Some activities may be best funded by user charges, such as swimming pool admission fees, others with targeted rates, such as a stormwater schemes, and others from the general rate, such as parks, reserves and gardens.

Often the benefit of outcomes from a particular activity of council may include a mix of direct user benefits as well as wider community benefits, so the funding for the activity may appropriately include a mix of different sources.

The funding sources for operating costs are listed below, and are defined in more detail in 3.3 definition of funding sources:

- General rates, including uniform annual general charges
- Targeted rates, including fixed targeted rates
- Subsidies and grants - operating
- User fees and charges
- Interest and dividends from investments
- Other sundry operating income; and operating reserves.

The Council has determined the proportion of operating costs that needs to be funded from each of the sources through a Fundings Needs Analysis for each activity. These are summarised in table 3.8.1.

The Council will consider forecasting future debt levels when deciding whether it is prudent to budget for an operating surplus for debt repayment.

Investments are managed within the framework specified in the Council's Investment Policy in accordance with section 102(2)(c) of the Local Government Act 2002.

The Local Government Act 2002 requires the Council to produce a Funding Impact Statement that provides details on the funding mechanisms to be used for each year covered. This statement is included in the Long Term Plan and Annual Plan, and 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.

3.2 Funding of depreciation

Depreciation is a non-cash charge that reflects the reduction in the usability of our assets over time. Because this is a non-cash expense, any revenue raised to cover depreciation (referred to as 'funding depreciation') generates a cash surplus that is used to fund capital expenditure.

Fully funding depreciation from rates and current revenue would mean that, on average, over the long run, we are not relying on borrowing to fund asset replacement expenditure. This represents a sustainable approach.

The use of borrowings and depreciation reserves may be appropriate to smooth the matching of cashflows between revenues and the funded capital expenditure over time.

In some cases, it is not financially prudent to fund depreciation. In determining the level of non-funded depreciation, the Council will consider:

- Whether at the end of its useful life, the replacement of an asset will be or is likely to be funded by way of a grant or subsidy from a third party.
- Whether the council has elected not to replace an asset at the end of its useful life.
- Whether a third party has a contractual obligation to maintain the service potential of an asset throughout all or part of its useful life or to replace the asset at the end of its useful life.

- Where a portion of the capital expenditure on the asset cost on which depreciation is being amortised has been subsidised by a third party such as capital grants from NZ Transport Angency Waka Kotahi, or development contributions.
- Whether fully funding depreciation in the short-term will result in an unreasonable burden on ratepayers, presenting conflict between funding principles, for example between affordability and financial prudence and sustainability. In such circumstances, the Council will remain prudent and ensure it promotes both the current and future interests of the community by forecasting to reach a position over time where it fully funds depreciation (apart from the exceptions above).

3.3 Funding of capital expenditure

Capital expenditure reflects investment in buying or building new assets. It also includes replacing, improving or extending the useful life of an existing asset contributing to community outcomes and the district's growth and operational capabilities.

Where possible, the Council offsets the impact of cash flow required for capital expenditure, minimising the impact of debt repayments on both current and future rate payers, by first looking for other funding sources for capital expenditure. These may include:

- Subsidies and grants – capital, including from agencies such as NZ Transport Agency Waka Kotahi, Ministry of Business, Innovation & Employment - Hīkina Whakatutuki and Kānoa- Regional Economic Development & Investment Unit.
- Development contributions and financial contributions.
- Lump sum contributions.
- Proceeds from the sales of assets.

Development contributions and financial contributions are managed within the framework specified in the Councils' Development and Financial Contributions Policy in accordance with section 102(2)(d) of the Local Government Act 2002.

After allowing for the offset from the other funding sources above, the Council usually funds the balance of capital expenditure from the following sources:

- Funding of depreciation as provided for in 3.2;
- Depreciation from reserves; and
- Borrowings.

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.

Borrowing is managed within the framework specified in the Council's Liability Management Policy in accordance with section 102(2)(b) of the Local Government Act 2002.

3.4 Funding of operating cost

This section provides some simple definitions of the different sources that are available to fund the Council's activities. Activities may be funded from 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. The first portion is set based on capital value (value of land plus improvements), and the second portion is by fixed amount per rating unit (Uniform Annual General Charges – UAGC).

A more detailed specification of the rating policy is detailed in 3.5 below.

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.

Grants and subsidies

Proceeds through grants and subsidies from external entities must 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.

In some cases, financial assistance relates to a specific project and the ongoing management of the infrastructure e.g. Waka Kotahi NZ Transport Agency subsidises capital costs, and contributes towards the operational costs of the transport team.

User 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 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 is generally used to fund activities of public good.

Other sundry operating income

The Council receives income across its activities from a number of other sundry income sources unique to each activity, such as royalties, sponsorships, insurance claims and expense recoveries.

Development contributions

To levy these, there must be a specific policy. The Revenue and Financing Policy must signal why these are going to be levied. There must be a high component of private good. The Council generally considers development contributions as its main funding tool for development-related costs.

Financial contributions

The Council may also require a financial contribution to mitigate environmental effects of a development or subdivision. This may be in the form of money or land, or a combination of both. The Resource Management Act restricts the charging of financial contributions to only those activities that avoid, remedy or mitigate environmental effects.

Lump sum contributions

Lump sum contributions are for the recovery of specific capital expenditure and are 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.

Proceeds from asset sales

Proceeds from asset sales will be applied to reduce debt either within the activity from which the sale arose or by the Council allocating the proceeds to retire debt in a specific activity, or as otherwise provided for within other policies.

Borrowing

Borrowing refers to 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.

Council reserves

Council-created reserves are used to fund a number of activities, where the activity meets the purpose for which the reserve was created.

Operating reserves are used for a specific purpose or activity usually to cover short-term financial fluctuations, ensuring smooth operations and mitigating cash flow issues, such as unexpected expenses or revenue delays.

Depreciation reserves are used for funding asset renewals. In some instances where it is considered appropriate by the Council (excluding reserves which have specific restrictions), and where appropriate approval is granted, reserves are used to fund items outside their original purpose.

Restricted reserves are specific funds set aside for designated purposes, often by donors, granting institutions or through other legal requirements, and can't be freely used by the Council but are applied against the expenditure associated with the specific purpose intended, ensuring compliance and transparency.

Harbour Endowment Fund: The Council owns a number of harbour properties in the Whakatāne Central Business District. The income from these properties and any sale of harbour endowment assets are held as the Harbour Endowment Fund as a specific reserve. Rules associated with the Harbour Endowment Fund have been set through legislation and govern the use of income derived from leases or the sale of assets.

The Long Term Plan 2024-34 operates within the required parameters of all restricted reserves.

Any other source

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

The Council's final consideration of funding by rates comes:

- after considering how other funding sources will be used to fund operating costs and capital expenditure
- after that has been applied to activities in the Funding Needs Analysis; and/or
- after being adjusted for the overall funding considerations.

3.5 Setting of rates

The Council sets its rates on an annual basis under resolution in accordance with the Local Government (Rating) Act 2002 section 23, with due consideration of the Long Term Plan, this policy and other policies.

General rates

The general rate is allocated to all rateable properties based on the capital value of the property.

The Council differentiates the general rate into differential rating categories based on one or more of the uses to which the land is put, the provision or availability to the land of a service provided, the activities permitted, controlled, or discretionary for the area in which the land is situated and the rules to which the land is subject under the operative district plan, and the location of the land.

The current differential rating categories set within this policy are:

- Residential properties capital value up to $30 million
- Commercial properties capital value up to $30 million
- Industrial properties capital value up to $30 million
- Farming and horticultural properties capital value up to $30 million
- District-wide rateable properties capital value portion greater than $30 million.

In setting the differential categories, and the differential factors, the Council considers the requirements of the Local Government Act 2002 and a number of other considerations, including:

- The activities funded by the general rate and the s101(3) considerations for the activities.
- The impact of any change, or rate of change to the differential.
- The views of those impacted by the differentials.
- Other reasonable options, and the advantages and disadvantages of those options.
- The overall impact of the differential on ratepayers.

The full definition of these differential rating categories and the general rate differential factors calculation is contained in the Funding Impact Statement.

Uniform annual general charge

A portion of general rates is assessed as a Uniform Annual General Charge. The Uniform Annual General Charge is set under section 15(1)(b) of the Local Government Rating Act 2002. The Uniform Annual General Charge is a fixed general rate that Council uses to cover charges for services most residents benefit from, being a flat dollar charge for each Separately Used or Inhabited Part of a rating unit. The Uniform Annual General Charge is a fixed charge regardless of the value of a property.

The Uniform Annual General Charge is not a direct allocation of the cost of a single activity or targeted at a single rating category, it is allocated equally to all Separately Used or Inhabited Part's of all rating units.

The definition of a Separately Used or Inhabited Part is contained in the Funding Impact Statement.

The Uniform Annual General Charge will not be charged on each division of a rating unit unless it is evident that the divided rating unit is separately used or inhabited. Revenue collected from the Uniform Annual General Charge for all rateable properties is set out in the Funding Impact Statement. The amount of rates revenue collected from the Uniform Annual General Charge is limited to a maximum of 30 percent of the total rates revenue collected as prescribed by the Local Government Rating Act 2002.

Targeted rates

Targeted rates are set in accordance with sections 16, 18, and 19, and schedules 2 and 3 of the Local Government Rating Act 2002.

Targeted rates are rates used to fund an activity or group of activities and may be set on a on a single rating category or multiple rating categories.

Targeted rates may be applied either uniformly on all rating units or at different amounts for different groups of rating units.

One or more of the requirements of schedule 2 of the Local Government Rating Act 2002 must be used when defining a category to set targeted rates differentially.

Targeted rates are used to fund the following activities which the Council feels all, or part of, the cost of an activity is best met by a defined category.

- Democracy - community boards
- Economic development - district growth
- Events and tourism - EPIC
- Transportation connections - roading
- Stormwater
- Wastewater - sewerage
- Water supply
- Waste management - refuse removal

General revaluation

The Council is required to revalue each rating unit at least once every three years. This is a set out in the Rating Valuation Act 1998 (RVA). Along with decisions made by the Council, values established under general revaluation are used for assessing and setting rates. The valuation changes do not change the rates budget, instead they change the allocation of the budget on individual properties.

The next effective date of general revaluation for the Whakatāne District is September 2025. The new values will be used for setting rates for a three-year period commencing 1 July 2026.

Calculating differentials following general revaluation

Following general revaluation, the Council may consider changes to differentials used for each rating category when assessing and setting rates in the year following.

Rates remissions and postponements

The Council may remit rates where it is considered appropriate to do so and as allowed for in the Rates Remission and Postponement Policies (All Land) and Rates Remission and Postponement Policies (Maori Freehold Land). These policies address social matters and adjusting rates for benefits that differ for some rates assessments (e.g. additional or no provision of some services).

The remission or postponement of rates is done in accordance with the Council's Rates Remission and Postponement Policy as required under the Local Government Act section 102(3).

The remission of rates reduces the overall income from rates as such it conceptually results in a shift across the balance of the rating base in future years. This impact is significantly diminished because historically the level of penalties Council collects on rates revenue has been equivalent to, or often greater than, the level of rates remitted per annum, meaning general rates have not had to be increased to fund the revenue reduction from rates remissions.

The remission or postponement of rates on Māori Freehold Land is done in accordance with the Councils' Remission and Postponement of Rates on Māori Freehold Land Policy as required under Local Government Act section 102(2)(e) and with additional reference to Te Ture Whenua Māori Land Act 1993,
Local Government (Rating of Whenua Māori) Amendment Act 2021, and the Local Government Rating Act 2002.

3.6 Setting of user fees and charges

User fees and charges are one of the ways the Council can fund the costs of delivering an activity or service directly from those who use, and therefore benefit, from the activity or service.

The Council sets fees and charges to share costs between ratepayers and the people using a particular service (user pays model) in line with the principles of this policy and its supporting activity level.

There is no perfect balance between the two, but generally where an activity has greater public good, such as libraries and sport fields, a higher proportion of that activity will be funded by general rates.

In general, the process of setting user fees and charges typically involves several key steps:

- Identification of services within an Activity
- Cost identification
- Funding requirement
- Who benefits from the services
- User fee setting
- Consideration of affordability
- Consideration of the efficiency in recovering the fees and charges
- Public consultation
- Approval.

Periodic review

User fees and charges are not static. Councils regularly review and adjust these fees, usually in coordination with setting a long term plan or annual plan, to ensure they remain fair, transparent and aligned with the costs of providing activities. Adjustments may be made in response to changes in costs, inflation, or shifts in community needs.

Waiving or discounting of user fees and charges

The Council may waive or discount fees and charges where they're considered appropriate to do so. Considerations include social reasons, the promotion of events and facilities, commercial reasons, poor service, or to minimise risk.

3.7. Assessing the impact of funding needs

In accordance with the Local Government Act 2002 section 101(3), and guided by the principles documented in the Financial Strategy and identified in this policy, the Council has considered the above sources of funding against each of its activities. This includes determining the amount of the funding required, understanding the sources of funding, mix of funding and timing of funding. The detail to support the Council assessment is included in the Funding Needs Analysis, which is adopted in support of this policy.

This Policy uses the bands in table 3.7.1 below as a percentage of the revenue required to fund each activity and is indicative only. They may change over time because of changes in expenditure requirements. Actual funding sources may differ from budgeted funding sources. Therefore, in line with good practice, these are set as funding bands rather than specific funding percentages to allow for minor changes over time e.g. a one-off subsidy or grant.

TABLE 3.7.1: FUNDING BANDS

Description	Range	Key
Unlikely	0% (-)	⊗
Low	0% - 30%	☆
Medium	30% - 70%	☆
High	70% - 100%	☆
Potential to be Used		☆

3.8 Summary of sources of funding for operational cost by activity

The table below shows the indicative percentages of each funding source which is used to fund the operating costs of the activities.

TABLE 3.8.1: SUMMARY OF SOURCES OF FUNDING FOR OPERATIONAL COSTS BY ACTIVITY

Activity Grouping/Activity	General rates	Targeted rates	User fees and charges	Development and financial contributions	Subsidies and grants	Investment income	Other income	Operating reserves
Democracy								
Governance	☆	⊗	⊗	⊗	☆	⊗	☆	☆
Community Support and Grants	☆	⊗	⊗	⊗	☆	⊗	☆	☆
Community Boards	⊗	☆	⊗	⊗	☆	⊗	☆	☆
Arts and Culture								
Libraries and Galleries	☆	⊗	☆	⊗	☆	⊗	☆	☆
Museums and Archives	☆	⊗	☆	⊗	☆	⊗	☆	☆
District Partnerships								
Māori Relationships	☆	⊗	⊗	⊗	☆	⊗	☆	☆
Community Development	☆	⊗	⊗	⊗	☆	⊗	☆	☆
Community and Road Safety	☆	⊗	⊗	⊗	☆	⊗	☆	☆
Aquatic Centres								
District Aquatic Centres	☆	⊗	☆	⊗	☆	⊗	☆	☆
Events and Tourism								
Visitor Information	☆	⊗	☆	⊗	☆	⊗	☆	☆
Marketing and Events	☆	☆	☆	⊗	☆	⊗	☆	☆
Economic Development								
Economic Development	☆	☆	⊗	⊗	☆	☆	☆	☆
Strategic Property	☆	⊗	☆	⊗	⊗	☆	☆	☆

Activity Grouping/Activity	General rates	Targeted rates	User fees and charges	Development and financial contributions	Subsidies and grants	Investment income	Other income	Operating reserves
Climate Change and Resilience								
Emergency Management	☆	☆	⊗	⊗	☆	⊗	☆	☆
Climate Change	☆	☆	⊗	⊗	☆	⊗	☆	☆
Stormwater								
Waters Management	☆	⊗	⊗	⊗	⊗	⊗	☆	☆
Stormwater and Drainage Services	☆	☆	⊗	⊗	☆	⊗	☆	☆
Wastewater								
Wastewater Services	☆	☆	☆	⊗	☆	⊗	☆	☆
Trade Waste Services	☆	⊗	☆	⊗	☆	⊗	☆	☆
Water Supply								
Water Supply Services	☆	☆	☆	⊗	☆	⊗	☆	☆
Ports and Harbour								
Ports and Harbour	☆	⊗	☆	⊗	☆	⊗	☆	☆
Parks and Reserves								
Parks Reserves and Gardens	☆	⊗	☆	⊗	☆	⊗	☆	☆
Cemeteries	☆	⊗	☆	⊗	☆	⊗	☆	☆
Holiday Park								
Whakatāne Holiday Park	☆	⊗	☆	⊗	☆	⊗	☆	☆
Transportation Connections								
Transport Network Connections	☆	☆	☆	⊗	☆	⊗	☆	☆
Shared Use Pathways	☆	⊗	☆	⊗	☆	⊗	☆	☆
Parking Enforcement	☆	⊗	☆	⊗	☆	⊗	☆	☆

Activity Grouping/Activity	General rates	Targeted rates	User fees and charges	Development and financial contributions	Subsidies and grants	Investment income	Other income	Operating reserves
Building and Resource Management								
Building Services	☆	⊗	☆	⊗	☆	⊗	☆	☆
Resource Consents	☆	⊗	☆	⊗	☆	⊗	☆	☆
Resource Management Policy	☆	⊗	⊗	⊗	☆	⊗	☆	☆
Waste Management								
Waste Disposal	☆	☆	☆	⊗	☆	⊗	☆	☆
Waste Minimisation	☆	☆	☆	⊗	☆	⊗	☆	☆
Community Regulation								
Animal Control	☆	⊗	☆	⊗	☆	⊗	☆	☆
Environmental Health	☆	⊗	☆	⊗	☆	⊗	☆	☆
Liquor Licensing	☆	⊗	☆	⊗	☆	⊗	☆	☆
Regulation Monitoring	☆	⊗	☆	⊗	☆	⊗	☆	☆
Community Facilities								
Halls	☆	⊗	☆	⊗	☆	⊗	☆	☆
Public Conveniences	☆	⊗	☆	⊗	☆	⊗	☆	☆

Corporate Services

Corporate Services overhead costs are the indirect costs incurred by the Council that are not directly tied to the production or delivery of a specific activity or service. Examples of corporate overhead costs include administrative salaries, rent for council offices, utilities, and other general expenses.

The costs of Corporate Services are allocated to each activity using an appropriate allocation base. For example, the cost of the People and Capability service may be allocated based on the number of employees each activity has. This overhead allocation methodology, which is good practice, means the costs of Corporate Services is funded through the indicative percentages of each actual activity, reflected in table 3.8.1 above, in the ratio to which they are allocated.
It's important to note that overhead allocation may not perfectly reflect the actual consumption of resources by each activity. The goal is to provide a reasonable and consistent method for assigning indirect costs to the activities in a way that aligns with the Council's overall financial objectives.

3.9 Summary of sources of funding for capital expenditure by activity

The table below shows the indicative percentages of each funding source, which is used to fund the capital expenditure costs of the activities. Where an activity has little or no depreciation, it has been excluded.

TABLE 3.9.1: SUMMARY OF SOURCES OF FUNDING FOR CAPITAL EXPENDITURE BY ACTIVITY

Activity Grouping/Activity	Development contributions	Subsidies, grants and other third parties	Assets replacement depreciation reserves	Borrowings
Arts and Culture				
Libraries and Galleries	⊗	☆	☆	☆
Museums and Archives	⊗	☆	☆	☆
Aquatic Centres				
Aquatic Centre Services	⊗	☆	☆	☆
Events and Tourism				
Marketing and Events	⊗	☆	☆	☆
Economic Development				
Strategic Property	⊗	☆	☆	☆
Stormwater				
Stormwater and Drainage Services	☆	☆	☆	☆
Wastewater				
Wastewater Services	☆	☆	☆	☆
Water Supply				
Water Supply Services	☆	☆	☆	☆
Ports and Harbour				
Ports and Harbour	⊗	☆	☆	☆

Activity Grouping/Activity	Development contributions	Subsidies, grants and other third parties	Assets replacement depreciation reserves	Borrowings
Parks and Reserves				
Parks Reserves and Gardens	☆	☆	☆	☆
Cemeteries	☆	☆	☆	☆
Holiday Park				
Whakatāne Holiday Park	⊗	⊗	☆	☆
Transportation Connections				
Transport Network Connections	⊗	☆	☆	☆
Waste Management				
Waste Disposal	⊗	☆	☆	☆
Waste Minimisation	⊗	☆	☆	☆
Community Facilities				
Halls	☆	☆	☆	☆
Public Conveniences	☆	☆	☆	☆

Development Contributions Policy

Te Kaupapa Here Tāpaetanga Whakawhanake

1.0 INTRODUCTION – *Kupu Arataki*

This policy sets out what monetary contributions or contributions in the form of land are required when development occurs that will result in a growth-related impact.

Under the Local Government Act 2002, the Council is required to adopt a Development Contributions Policy to fund or partly fund capital projects from development contributions. This allows Council to adopt a framework to manage growth and ensure that its associated costs are attributed to those generating the impact on infrastructure and community facilities.

The Council first adopted a Development Contributions Policy in June 2004, and it has been regularly reviewed since. The current policy aligns with the 2024-34 Long Term Plan.

Development contributions under the Local Government Act are in addition to and need to be clearly separate contributions to financial contributions imposed as a condition of a resource consent under section 108 of the Resource Management Act 1991.

Development contributions taken by the Council under the Long Term Plan relate directly to the assumed cost of development on current and future community facilities.

2.0 PURPOSE – *Te Take*

Population and business growth create the need for new subdivisions and developments, and these add increased demand on the assets and services provided by the Council. As a result, significant investment in new or upgraded assets and services is required to meet the demands of growth.

The purpose of the development contributions provisions (and the need for a policy) is to ensure that a fair, equitable and proportionate share of the cost of the infrastructure required to meet growth demands over the long term, is funded by development contributions under the Local Government Act 2002.

The policy has been developed to meet the principles of the act that (amongst other principles) require development contributions to be required:

- If the effects or cumulative effects of developments will create or have created a requirement for the Council to provide or to have provided new or additional assets or assets of increased capacity.
- Once consideration has been given to the capacity life of the assets in a way that avoids over recovery of costs allocated to development contribution funding.
- Once consideration has been given to the persons who will benefit from the assets, including the community as a whole, as well as those who create the need for those assets.
- For or towards the purpose of the activity or the group of activities for which they were required, and for the benefit of the district or the part of the district where they were required.

3.0 APPLICATION OF THE POLICY – *Ngā Tōno*

The policy will apply to the type and/or location of development, where applications are received for:

a) Resource consent (land use and subdivision consents); or

b) Building consents; or

c) Authorisations for service connection.

This policy applies to any applications received for resource consent, building consent or authorisations for service connections on or after 1 July 2024, for the type of activity or within a defined area as stipulated in this policy. The policy also applies if payment has not been received before this date based on an earlier assessment, with the Council reserving a right to reassess the development contribution based on this new policy.

4.0 PREAMBLE TO TE TURE WHENUA MĀORI ACT 1993 – Kupu Whakataki ki Te Ture Whenua Māori 1993

Section 102(3A) (a) of the Local Government Act 2002 states a development contributions policy must support the principles set out in the preamble to the Te Ture Whenua Māori Act 1993. That preamble reads:

Nā te mea i riro nā te Tiriti o Waitangi i motuhake ai te noho a te iwi me te Karauna: ā, nā te mea e tika ana kia whakaūtia anō te wairua o te wā i riro atu ai te kāwanatanga kia riro mai ai te mau tonu o te rangatiratanga e takoto nei i roto i te Tiriti o Waitangi: ā, nā te mea e tika ana kia mārama ko te whenua he taonga tuku iho e tino whakaaro nuitia ana e te iwi Māori, ā, nā tērā he whakahau kia mau tonu taua whenua ki te iwi nōna, ki ō rātou whānau, hapū hoki, a, a ki te whakangungu i ngā wāhi tapu hei whakamāmā i te nohotanga, i te whakahaeretanga, i te whakamahitanga o taua whenua hei painga mō te hunga nōna, mō ō rātou whānau, hapū hoki: ā, nā te mea e tika ana kia tū tonu he Kooti, ā, kia whakatakototia he tikanga hei āwhina i te iwi Māori kia taea ai ēnei kaupapa te whakatinana.

Whereas the Treaty of Waitangi established the special relationship between the Māori people and the Crown: And whereas it is desirable that the spirit of the exchange of kawanatanga for the protection of rangatiratanga embodied in the Treaty of Waitangi be reaffirmed: And whereas it is desirable to recognise that land is a taonga tuku iho of special significance to Māori people and, for that reason, to promote the retention of that land in the hands of its owners, their whānau, and their hapū, and to protect wāhi tapu: and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whānau, and their hapū: And whereas it is desirable to maintain a court and to establish mechanisms to assist the Māori people to achieve the implementation of these principles.

The policy recognises land is a taonga tuku iho of special significance and the importance of retaining that land and facilitating its occupation, development and use for the benefit of its Māori owners, their whānau and hapū. This policy provides for greater flexibility in relation to the assessment of development contributions in relation to iwi/hapū and whānau seeking to occupy, develop and utilise land for the benefit of their owners, whānau and hapū. This policy will only apply to papakainga housing development on Māori land (as defined under the Te Ture Whenua Māori Land Act) as follows: Roading/ transportation development contributions; and water, wastewater and stormwater reticulated services where connection is proposed.

5.0 POPULATION AND LABOUR FORCE CHANGE
– Ngā panonitanga ki te Taupori me te Hunga Mahi

The policy has been informed by the report titled "Eastern Bay of Plenty Housing and Business Needs Research" by MRCagney (July and September 2023). The report identifies the following trends:

- Population is expected to grow by about 20 percent in the next 30 years across the Eastern Bay.
- Net migration was responsible for about 70 percent of population change between the period 2013 and 2020. While there is a positive natural increase in population, this rate is declining.
- The average household size is likely to remain at 2.6 to 2.7 people per household.
- While there is still a pattern of an aging population, it is moderated in the Whakatāne District by a younger Māori population.
- There is an increasing number of seasonal employer workers in the Eastern Bay.
- Employment is expected to grow by 21 percent over the next 30 years. Based on the 2023 assessment by Infometrics, the average number of employees of a business in the district is a modest 3.8, with 93 percent of all businesses employing 10 or fewer employees.
- Recent construction trends show that more is being built and that the typologies are changing, albeit at a moderate rate.

The report concludes that this will result in an additional 7,700 people by 2055 (38,300 in 2022 (base) to 46,000 in 2055.

For this Long Term Plan, it means that the population is likely to increase from 39,230 (est. 2024) to 42,618 by 2034 – an increase of 3,388 people, with an estimated additional 1,255 units of accommodation being needed over this period. For the purposes of this policy, 1,255 additional dwellings will be consented or built over the next ten years, with an additional 2,048 over the next 20 years. This is based on 14,950 existing dwellings in 2024, increasing to 16,998 by 2044.

The labour force is predicted to increase by 1,500 people between 2022 (base) and 2034, with 45 percent in commerce, 18 percent in heavy industry, 13 percent in light industry and 24 percent in other (rural based or intensification of existing business).

The building consent data for the last three years (2020/21, 2021/22, 2022/23) show there have been on average 84 building consents issued per year for new dwellings in the district, with the majority of these being built in the Whakatāne/Ōhope (56.2 percent) and Rangitāiki (35 percent) Wards. These figures exclude a number of building consents issued for "pods" constructed in the district, but which may or may not have been located within the Whakatāne District.

5.0 POPULATION AND LABOUR FORCE CHANGE (continued) *– Ngā panonitanga ki te Taupori me te Hunga Mahi*

The level of development throughout the district is variable with the demand for new dwellings and new commercial investment higher in the north of the district, particularly in the urban areas of Whakatāne and Ōhope, and on the Rangitāiki Plains (Matatā/Otakiri, Onepū Springs, Te Teko Lakes and Thornton/Awakeri).

There has been increased interest in building on Māori land, either as papakainga development (housing for whānau) or housing to provide broader socio-economic benefit, although this is yet to be realised. For the purposes of this policy, the additional houses that are projected to be built will include Papakāinga and other housing on Māori land. The policy exempts some contributions being charged for housing recognising the 102(3A) of the Local Government Act. As the exemption is not in total, it is not appropriate to amend the assessed total number of additional household units to reflect papakainga housing developments. However, the uptake of papakāinga and other housing on Māori land will be monitored over time.

Investment in industrial development in Kawerau and Ōpōtiki Harbour in Ōpōtiki, and the Te Rāhui Herenga Waka (Whakatāne Commercial Boat Harbour) in Whakatāne through Government investment by Kanoa Regional Economic Development & Investment Unit will also also provide opportunities to leverage off these investments.

The actual number of new dwellings being consented and built is less the projected demand described above, and this could be due to a number of factors including the diminishing amount of available residential zoned land, funding constraints, construction costs, and burgeoning but unrealised housing developments on Māori land.

The amount of land available for development will be considered as part of the Eastern Bay of Plenty Spatial Plan and subsequent review of the Whakatāne District Plan, starting in 2025.

While the MRCagney report outlines demand for growth into the future, it is unlikely to be fully realised based on the constraints identified above. The Long Term Plan 2024-34 does not yet include the full suite of capex projects required to meet the demand in the MRCagney report, and this will be more informed once the Eastern Bay Spatial Plan is completed by December 2025, alongside the completion of the Waters Strategy (drinking water) and Open Spaces Strategy.

On this basis, this Development Contribution Policy will continue to seek contributions for projects that have been historically provided to meet growth and/or are currently planned to support growth at a rate consistent with what has occurred over the last three years.

Hence, the number of household equivalent units in some planning areas has remained the same as in the previous Long Term Plan for consistency. This can be reviewed once further census data is available and amendments to the estimated household equivalent units can be made through the next review of the development contributions policy.

6.0 SPATIAL PLAN *– Te Mahere Whaitua*

Council is working together with Kawerau District Council, Ōpōtiki District Councils and the Bay of Plenty Regional Council to prepare an Eastern Bay of Plenty Spatial Plan. The plan outlines a 30-year strategy to meet and plan for new housing and business growth and provide the infrastructure to support that growth but to also develop a spatial strategy that supports the delivery of broader social, cultural, environmental, and economic benefits. This will support investment into the Eastern Bay of Plenty through a coherent and agreed strategic direction. The plan is being developed with iwi partners, and key agencies such as Kainga Ora, The Ministry of Housing and Urban Development, The Ministry of Education, NZ transport Agency Waka Kotahi and representatives from key business and social sectors (such as Horizon Energy and Te Whatu Ora). The key challenges for the Plan include determining the economic drivers for the next 30 years, its implications on employment opportunities and job creation, and population increases. Climate change impacts will also be a significant determinant to new growth areas, as several existing settlements may be affected by the impacts of more frequent weather events and changes in coastal areas through sea level rise and other coastal processes.

The Eastern Bay Spatial Plan is not scheduled to be completed until the end of 2025, so this policy assumes that development will generally follow the pattern outlined in the District Plan for this next three-year period.

7.0 POLICY DIRECTION – *Te Arotahi o tēnei Kaupapa Here*

This policy is not intended to unnecessarily hinder or obstruct investment opportunities in the Whakatāne District, but it recognises the demand for services and infrastructure to support new developments should not place unfair costs on the wider ratepayer base.

The Council will charge development contributions for new residential development as described below:

Household Unit or other Accommodation Unit, or a residential lot or service connection for a Household Unit or Accommodation Unit for the following activities and areas:

- Water, wastewater and stormwater infrastructure in Whakatāne, including Coastlands and Bunyan Road, or otherwise connecting to the Whakatāne reticulated supply.
- Water and wastewater in Ōhope (or connecting to the Ōhope wastewater or Whakatāne/Ōhope Water scheme).
- Water and wastewater infrastructure for the Huna Road/Shaw Road Structure Plan Area. This is staged with the development zoned residential in the Whakatāne District Plan prior to 2024 being known as Stage 1, and the subsequent residential zoned land (through Plan Change No. 8) being known as Stage 2.
- Roads and other transport infrastructure, including walking and cycling, throughout the Whakatāne District.
- Reserves Contribution throughout the Whakatāne District.
- Community Infrastructure throughout the Whakatāne District.

The Council will charge development contributions for new commercial and industrial development; or per subdivision lot for this purpose, as described below:

- Water, wastewater and stormwater infrastructure in Whakatāne, Coastlands, Bunyan Road, Huna/Shaw Road Structure Plan, and Ōhope or elsewhere if connected to one of these reticulated services.
- Roads and other transport infrastructure, including walking and cycling, throughout the Whakatāne District.

The Council will update the Development Contributions Policy at least every three years, alongside the Long Term Plan cycle, to account for:

a) The Eastern Bay of Plenty Spatial Plan and associated place-based development strategies or plans that will be developed over the next three years.

b) The review of the Whakatāne District Plan which is planned to start in 2025.

c) Legislative changes that may occur.

d) Any changes to the significant assumptions to the Development Contributions Policy (refer to section 15.0).

e) Any other changes in policy as the Council deals with growth issues (or a lack of growth).

f) Any changes in the capital works programme for growth.

g) Changes in growth assumptions.

h) Any changes in the pattern and distribution of development in the district.

i) The regular reviews of the Financial Strategy, including the Revenue and Financing Policy.

j) The use of financial contributions under the Resource Management Act.

8.0 FINANCIAL CONTRIBUTIONS – *Ngā Tāpaetanga Pūtea*

Development contributions under the Local Government Act 2002 are different from financial contributions under the Resource Management Act 1991.

A financial contribution may be in the form of money or land or a combination of both. The Resource Management Act 1991 restricts the charging of financial contributions to only those activities that avoid, remedy or mitigate environmental effects.

While the Council generally considers development contributions as its main funding tool to meet the costs associated with community facilities resulting from growth, it may also require financial contributions for other activities as set out in the District Plan. It is recognised that a financial contribution cannot be charged for the same purpose as a development contribution. Therefore, a financial contribution will be more commonly charged as a condition of resource consent to mitigate or remedy the environmental effects of a specific development or subdivision. These effects are often localised or unanticipated and arise from the land use activity or subdivision itself, rather than the incremental or cumulative effects on a broader infrastructure network or the district as a whole.

The Whakatāne District Plan was made operative in June 2017, and includes objectives, policies and rules regarding the charging of financial contributions. These enable financial contributions to be taken to mitigate the environmental effects of a development or subdivision. Financial contributions may be taken to mitigate the effects on roads, public car parking and service lanes (for business activities), water supply, sewage collection and disposal, stormwater detention, collection and disposal, and community facilities, including reserves.

This Development Contributions Policy has been changed so reserve contributions are collected through this policy, rather than as a financial contribution as a condition of resource consent. This change is for administrative efficiencies.

It is not anticipated financial contributions will be utilised for the vast majority of subdivisions or land use consents, and the anticipated income from this source will be less than $100,000 per year.

A review of the Whakatāne District Plan will commence (subject to legislative reform) during the life of this policy. That will include a review of the Financial Contributions Policy in the District Plan.

9.0 CAPITAL EXPENDITURE FOR COMMUNITY FACILITIES – *Te Whakapaunga Utu Rawa mō ngā Hua o te Hapori*

Development contributions reflect the impact a development (or a development in conjunction with other developments) has in requiring new or additional assets or assets of increased capacity.

Capital works that are needed to improve the level of service to existing ratepayers or for renewal of existing assets are funded from other sources.

The Council will spend all collected contributions on the asset classes they are taken under to deliver the benefit, or equivalent benefit, for which they are collected.

The following table summarises:

a) The total estimated capital expenditure for projects that include a growth component over the next 10 years or 20 years.

b) The amount of total estimated capital expenditure that will be funded from development contributions by asset group.

TABLE 1 - ESTIMATED TOTAL CAPITAL EXPENDITURE AND AMOUNT TO BE FUNDED BY DEVELOPMENT CONTRIBUTIONS

Asset Group	Total Cost of Capital Works Project ($)	Amount Funded by Development Contributions ($)
Water supply	16,536,898	1,764,604.52
Stormwater drainage	2,304,899	38,722.30
Wastewater treatment and disposal	3,044,821	212,224.02
Roading and transportation	32,423,949	2,720,369.33
Community facilities (other than Rex Morpeth)*	3,870,512	324,735.96
Community facilities (Rex Morpeth)+	107,477,296	14,229,993.99
Reserves	3,219,849	270,145.33
TOTAL	**168,878,224**	**19,560,795.45**

The capital expenditure costs are based on the best current estimate of total cost. These costs will be refined in subsequent revisions of the policy based on updated information about assets and growth.

In most cases, a percentage estimate of what is growth related costs has been used to determine the capital expenditure required for growth. This is based on additional household units within defined catchments or the district over the next ten years or beyond.

** Amount funded over 10 years.*
+ Amount funded over 20 years.

10.0 HISTORIC CAPITAL EXPENDITURE – *Te Whakapaunga Utu Rawa o ngā rā o mua*

In addition to the proposed capital programme, the Council has already incurred capital expenditure to cater for future development, and the development contributions include fees to continue to recover this growth component.

TABLE 2: HISTORICAL CAPITAL EXPENDITURE AND AMOUNT TO BE FUNDED BY DEVELOPMENT CONTRIBUTIONS

Asset Group	Total Cost of Capital Works Projects budgeted in previous Policy ($)	Amount Funded under previous Development Contributions Policy ($)
Water supply	2,914,012	564,447 *($402,455 to collect)*
Wastewater treatment disposal	4,046,012 est.*	2,277,216 *($1,967,388 to collect)**
Stormwater drainage	7,255,014	164,760 *($760 to collect)*
Roading and transportation	-	-
Community facilities	-	-
TOTAL	**14,215,038**	**3,0006,423** ***$2,370,603 to collect***

** Includes one project that is subject to a separate development agreement and valued at $1.3 million.*

In some cases, the Council has received development contribution income through the current and previous long term plans, and this, as well as interest accrued on reserve balances reflecting timing of capital expenditure and timing of receipts, has determined the balance of the amount needed to be further collected.

11.0 FUNDING CONSIDERATIONS – *Ngā Whaiwhakaaro Pūtea*

The Council sets out its funding philosophy through the Revenue and Finance Policy.

The Council has determined the use of development contributions is appropriate for the above capital expenditure with regard to community outcomes, strategic priorities, the distribution of benefits across the community over time, those driving the need for the expenditure, costs and benefits and impact on future revenue requirements.

11.1 Community outcomes and strategic projects

The Council has four community outcomes. These were set through the Long Term Plan 2021-31 and identify the main goals the Council aims to achieve in order to fulfil its vision and purpose. They are:

The Council has also identified strategic priorities that underpin the development of the Long Term Plan 2024-34. These drive the priorities and projects the Council is proposing over the next 30 years and form the basis of both the Long Term Plan 2024-34 and the Council's Financial Strategy. The eight strategic priorities are set out on the next page. Each priority is supported by significant strategies, programmes of work, and projects.

Strategic Priorities

Enhancing the safety, wellbeing and vibrancy of communities

Me mātua whakanui i te marutau, te oranga, me te wana o ngā hapori

Strengthening relationships with iwi, hapū and whānau

Me mātua whakawhanake i ngā kōtuituinga ā-iwi, ā-hapū, ā-whānau anō hoki

Building climate change and natural hazard resilience, including our infrastructure

Me mātua whakakaha i te aumangea ki te huringa āhuarangi me ngā tūraru matepā taiao tae ana ki te hangaroto

Facilitating economic regeneration and responding to development pressures

Me mātua whakahaere i te tipuranga o te taiōhanga me ngā tonotono whare

Shaping a green district

Kia toitū te rohe

In terms of community outcomes, community infrastructure, in principle, contributes to T*hriving Circular Economies*, but more particularly the strategic priority of *Facilitating economic regeneration and responding to development pressures – Me matua whakaaere I te tipuranga o te taiohanga me ngā tonotono whare.*

Development contributions are necessary to service and facilitate new developments, contributing to the above outcomes and priorities.

11.2 Distribution of benefits between the community as a whole, any identifiable part of the community, and individuals

It is appropriate that development contributions fund the additional capacity benefiting new households or equivalent units of development, as it is these units that will benefit. The use of development contributions not only allows the specific community benefitting from the new works to be identified but also, through catchments, is further refined to specific areas where the benefit will occur.

The Council recognises that users from across the district enjoy the benefits of roading, reserves, and community infrastructure. Therefore, all new lots, developments, or service connections in the district will be required to pay development contributions for these asset groups.

The Council runs a number of water, wastewater and stormwater schemes across the district. Growth-related capital expenditure improvements will mainly have benefits related to those people connected to that system.

For this reason, development contributions for water, stormwater and wastewater are collected on the basis of defined catchments (planning areas). Only those lots and developments or service connections that are located within those catchments that will benefit from the works are required to pay a development contribution for water, stormwater and sewerage.

The identified catchments and their census area unit equivalents are noted below.

TABLE 3: CATCHMENTS OF BENEFIT AND CENSUS AREA UNITS (CAUS)

Project Catchments	Census Area Units (CAUs)
Transportation (roading and other transport)	District wide – All CAUs
Community infrastructure	District wide – All CAUs
Reserves	District wide – All CAUs
Whakatāne wastewater treatment and reticulation - Whakatāne township, Huna/Shaw Road Structure Plan and Coastlands	Allandale, Mokorua Bush, Trident, Whakatāne North, Whakatāne West, part of Coastlands statistical area
Whakatāne Water treatment and reticulation - Whakatāne, Ōhope, Coastlands, Huna/Shaw Road Structure Plan	Whakatāne Water treatment and reticulation-Whakatāne, Ōhope, Coastlands, Huna/Shaw Road Structure Plan
Whakatāne Stormwater (south of Whakatāne River)	Allandale, Mokorua Bush, Trident, Whakatāne North, Whakatāne West, part of Coastlands statistical area, and Ōhope

11.3 The period over which benefits are expected to occur

It is expected the benefits of the capital works projects identified, some of which are already available to the district, may extend beyond the 10-year timeframe used according to the life of the particular asset built. The cost recovery timeframe is set for reasons of fiscal prudency and to recognise intergenerational equity. This approach helps manage the significant financial risks faced by the Council in creating infrastructure in anticipation of growth and is a fair balance of developer and wider community interests.

For some projects that will exclusively benefit new developments in a defined catchment, cost recovery is made across the whole development, and the timeframe for recovery will be set by the timeframe of completion of the development in the catchment.

While the 10-year timeframe is the basis of capital expenditure forecasting information held by the Council, growth rates longer than 10 years can be used where the benefits of capex currently proposed District Plan and household growth figures suggest not all anticipated growth will be realised within the next 10 years.

11.4 The extent to which an exacerbator can be identified

The need to install new capacity in Council-provided networks is directly linked to those undertaking subdivision, development or connection to a service resulting in the creation of new household equivalent units. Accordingly, it is appropriate that the costs of installing additional capacity are passed on through development contributions, payable by developers on the granting of resource or building consent or an application for a service connection.

The degree to which a development exacerbates a need for new assets or increased capacity can depend on its function. The Council will charge development contributions for residential development, in the identified catchment area. This recognises the increased pressure put on the Council water, stormwater and wastewater schemes as well as roading and other transport, reserves and community infrastructure as a result of more people living in an area.

Commercial and industrial developments or subdivisions will be charged specific development contributions to reflect the impact of vehicle movements on our roading network and demand for water, wastewater and stormwater services.

11.5 The costs, benefits and overall impact

Development in the district will place a strain on the capacity of community facilities if it is not well managed. The challenge is to put in place a transparent, consistent, and equitable basis for requiring contributions so that those undertaking developments pay a fair share of the required growth capital expenditure without inhibiting growth.

If development contributions are not taken from developments, then either:

- the Council will not be able to provide the necessary community facilities to meet new demands
- or more revenue will need to come from other funding sources, such as rates.

The latter scenario means existing ratepayers meet the costs for growth capacity for new development. This situation does not necessarily align with the Council's funding philosophy, given the exacerbators and high level of private benefit can be identified. However, the Council also recognises that development contributions fall on those developing land at a time of high cost through land development or construction costs. Therefore, the Council is mindful to recognise that new development can bring wider economic, social and cultural benefits to the district over time, and that this benefit can outweigh the initial cost of a development contribution.

The Council considers that requiring an appropriate level of development contributions from development, applied alongside other funding tools, is the best overall solution in achieving the best community outcomes, while balancing the costs and benefits in terms of funding between the community, the Council, and those undertaking developments.

The benefits of collecting development contributions are expected to outweigh the administrative costs of collection.

The Development Contributions Policy will provide certainty about the sources and levels of funding for the costs of growth and continue to ensure the sustainable development of the district as a whole, without negatively impacting on growth.

12.0 SCHEDULE TO DEVELOPMENT CONTRIBUTIONS POLICY – *Kupu Āpiti ki te Kaupapa Here Tāpaetanga Whakawhanake*

The following is the schedule to the Development Contributions Policy that is required under sections 201(2) and 202 of the Local Government Act. The schedule specifies, in summary form where required:

a) Statement on Goods and Services Tax.

b) Explanation of units of demand.

c) The event that will give rise to a requirement for a development contribution (resource consent, building consent or authorisation for service connection).

d) The development contributions required from development for capital expenditure for growth for water, stormwater, sewerage, roading and community infrastructure.

12.1 Requirement for development contributions

Section 197 of the Local Government Act defines 'development' as:

a) any subdivision, building (as defined in Section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but

b) does not include the pipes or lines of a network utility operator.

A development contribution may be required in relation to a 'development' when:

a) The effect of that "development" is to require new or additional assets or assets of increased capacity.

b) The Council incurs capital expenditure to provide appropriately for those assets.

c) This policy provides for it to be required.

The 'effect' of a development, in terms of impact on these assets, includes the cumulative effect that a development may have in combination with another development.

The policy also enables Council to require a development contribution that pays in full or in part for capital expenditure already incurred by the Council in anticipation of development.

The Council will not require a development contribution if:

a) Under s108(2)(a) of the Resource Management Act 1991, it has imposed a condition on a resource consent in relation to the same development for the same purpose.

b) The developer will fund or otherwise provide for the same reserve network infrastructure. community infrastructure.

c) The Council has received, or will receive, full funding from a third party.

Development contributions will be required from new development in the form of money or land or both, at the Council's discretion, for capital expenditure required for new or additional assets or assets of increased capacity arising from that development (or that development in combination with other development) for network infrastructure, community infrastructure and reserves according to the calculation of development contributions specified in section 12.8.

Financial contributions under the Whakatāne District Plan for development or subdivision of land will apply since these charges relate to environmental effects and will only be charged for effects not already anticipated by this policy.

The requirement for a development contribution is subject to the credits and review procedure provided for in section 13 of this policy.

Generally, the maximum level of development contributions will be required on development over and above that existing at the time of an application, where additional units of demand are generated, as assessed by the Council according to section 12.8 of this policy.

Under this policy, development contributions can be assessed with the applicant before the lodgement of a resource consent, building consent or service connection application. However, in the absence of an applicant seeking this assessment before the lodgement of an application, the Council will assess the quantity of the development contribution once it has received the relevant application and will include that assessment with the decision for resource consent or the issuing of the building consent or the granting of a service connection.

12.2 Capital expenditure and cost inflation

All costs from projects in the 10-year plan used in the Development Contributions Policy are based on current estimates of infrastructure construction prices in 2024 dollar terms.

The value of the development contribution will be inflation adjusted in accordance with the Business and Economic Research Limited (BERL) adjustors in time for each financial year.

12.3 Statement on Goods and Services Tax (GST)

The amounts set in this development contributions policy are exclusive of GST.

Development contributions will be required inclusive of GST.

12.4 Units of demand

The Council has apportioned the cost of capital works projects between renewal, additional capacity/growth and improved level of service. The additional capacity/growth component of capital expenditure has been allocated to growth based on units of demand generated by new development only.

Growth assumptions provide an estimate of potential Household Equivalent Units. The number of Household Equivalent Units provides the base unit of demand for cost recovery across the district.

The total estimated Household Equivalent Units for the Whakatāne District over the next ten years are based on the following:

- The Eastern Bay of Plenty Housing and Business Needs Research by MRCagney which recommends a medium (most likely) growth scenario, reflecting the Stats NZ high population projections. This reflects the trend over the last 10 years that population has grown faster than expected and aligns with the experience and expectations of the Council. This report only predicts household and population growth for the district as a whole.
- The estimated number of new Household Equivalent Unit to be provided through defined Structure Plan areas.
- Infill potential and the location of existing residential zoned land in the Whakatāne District Plan and its capacity to meet future demand.

To moderate and validate these estimates, the Council also had regard to:

- The volume of building consents for new dwellings and other forms of residential accommodation, and commercial and industrial development over the last three years.
- The number of new allotments approved and created through subdivision consents granted over the past three years.
- Knowledge of other potential housing or business investment such as papakāinga, iwi or government-led housing initiatives.
- The available information form the development of the Eastern Bay of Plenty Spatial Plan.

The unit of demand is the Household Equivalent Unit, calculated as follows:

a) For green-field residential development, a contribution per Household Equivalent Unit will be applied uniformly for each lot existing or created regardless of size for reasons of administrative simplicity and because lot size is not considered to have a material impact on demand.

b) For an infill residential development, one Household Equivalent Unit is assessed as one household unit as defined in this policy.

c) For household units that are 75m2 in gross floor area or less, the Household Equivalent Unit should be reduced based on the actual gross floor of the proposed household as a percentage of 75m2. For example, a household unit of 60m2 in gross floor area will be assessed as 0.8 of an Household Equivalent Unit, being 80 percent of the size of a 75m2 household unit.

d) For commercial and industrial subdivision, land use and building development, a Household Equivalent Unit 'equivalent' has been assessed based on the characteristics of the development, and demand loading likely to be placed on services and our roading network.

The number of additional Household Equivalent Units that are anticipated to be provided over the 2024-34 period (10 years) is as follows:

a) Whakatāne (south of the river) – 95 Household Equivalent Units in 10 years.

b) Whakatāne (north of the river, including Coastlands/ Opihi) – 200 Household Equivalent Units in 10 years.

c) Ōhope – 50 Household Equivalent Units in 10 years.

d) Huna Road/Shaw Road Structure Plan Area and Kawarehe Trust land – 175 Household Equivalent Units in 10 years (recognising that 60 Household Equivalent Units have been built in the first stage of this development). Hence the complete Structure Plan area will comprise 235 Household Equivalent Units.

e) Whakatāne District – 1,255 Household Equivalent Units in 10 years or 2,048 Household Equivalent Units in 20 years.

Catchments of benefit, primarily for water, wastewater and stormwater assets, have been defined and growth Household Equivalent Units for these catchments have been identified based on analysis by Census Area Unit. The identified catchments are noted in section 8.7 (Calculation of development contributions).

For roads and other transport, reserves and community infrastructure, the catchment of benefit is assumed to be the entire district, as all residents have access to these facilities.

12.5 Household Equivalent Conversion Factors

Units of demand will be reviewed when the policy is reviewed. The Council has prepared the following conversion factors for different land use types as follows:

TABLE 4: UNITS OF DEMAND APPLICABLE TO DIFFERENT LAND USE AND SUBDIVISION TYPES

Activity	HEU Conversion Factors
Subdivision	
One residential lot	1.0 Household Equivalent Unit
Development	
One household unit- more than 75m2 in gross floor area	1.0 Household Equivalent Unit per unit
One household unit of 75m2 in gross floor area or less	Actual floor area as a percentage of 75m2. For example, 60m2/75m2 is 80% or 0.8 Household Equivalent Unit.
Accommodation units that do not meet the definition of a household unit, but otherwise provides overnight, temporary or rental accommodation, including motel units, hotel rooms or backpackers) or retirement units/rooms.	0.5 Household Equivalent Unit per room or unit, or 0.5 Household Equivalent Unit per 5 guest beds for a backpackers. Stormwater - 0.28 Household Equivalent Unit per 100m2 of additional impervious surfaces area associated with the accommodation unit(s).
Service Connection	
A service connection for water, wastewater or stormwater services provided by the Council	The applicable Household Equivalent Unit as defined by the use listed above.

12.6 Commercial/industrial lots or use

In the case of commercial and industrial subdivisions or developments, the Council will make a Household Equivalent Unit 'equivalent' assessment based on the characteristics of the development and demand loadings likely to be placed on the services.
To provide consistency, the demand measures in table 5 have been converted for assessing commercial and/or industrial subdivision developments based on gross floor area and impervious service area. The Council will use these rates for determining Household Equivalent Units for commercial and/or industrial subdivision and developments for water, wastewater, stormwater, roads and other transport services. For clarity, commercial and industrial development will not be assessed for reserves or community facilities as the demand for these services from commercial or industrial users will be minimal.

Given the wide range of commercial and industrial uses that exist and the variability in impacts on The Council services and other methods that could be implemented to reduce that impact, the Council is willing to consider entering into a development agreement to better reflect that impact and to make a fair assessment for the purpose of charging a development contribution.

TABLE 5: HEU PER 100 M2 GFA UNLESS STATED (*EXCEPT STORMWATER, WHICH IS HEU PER 100M2 OF TOTAL IMPERVIOUS SURFACE AREA)

Development Type	Water	Wastewater	Stormwater*	Roads and Other Transport
Industrial	0.40	0.40	0.28	Warehouse/agricultural/forestry - 0.25 Others - 0.8
Commercial, including retail	0.30	0.30	0.28	Commercial office - 0.75 Retail - 1.6 Restaurants/cafés/bars/takeaways - 1.9

Note: Ratios are based on the broad averages of actual usage based on local and national standards.

12.7 Timing

The event that will give rise to the **assessment** of a development contribution is, at Council's discretion, the earlier of:

a) The granting of a resource consent under the Resource Management Act 1991.

b) The granting of a building consent under the Building Act 2004 for building work situated in the Whakatāne District.

c) The granting of an authorisation for a service connection.

Where payment is not made within 12 months of the date of the assessment of a development contribution, the amount of the development contribution will be reassessed in accordance with the latest contributions policy.

The event that will give rise to the requirement for **payment** of the assessed development contribution is, at Council's discretion, the earlier of:

a) The granting of a building consent for the development.

b) The granting of an authorisation of a service connection.

c) A resource consent (land use) has been given effect to.

d) The signing of a section 224(c) certificate under the Resource Management Act 1991 for a subdivision.

12.8 Calculation of development contributions required from development or subdivision

DC = Development contributions payable.

A = The applicable rate of development contribution as specified in tables 6 to 11 below.

B = The total units of demand for the site or total units of demand for the development, whichever is greater.

The total development contribution payable will be the development contributions rate per Household Equivalent Unit (A) times the total Household Equivalent Units for development (B).

Development contributions rate per Household Equivalent Unit includes interest accrued on reserve balances reflecting timing of capital expenditure and anticipated contributions.

12.8.1 Water

The development contributions payable for water will be calculated by:

DC = A x B

TABLE 6: DEVELOPMENT CONTRIBUTIONS FOR WATER

Catchment	Catchment Cost of Capital Works Projects ($)	Growth Component of Capital Works Projects ($)	Number of HEUs	Development Contributions Rate Per HEU ($)
Whakatāne	15,777.308	1,005,014.52	520	1,932.72
Whakatāne All – Historic	2,289,012	125,627	520	241.59
Whakatāne (Huna/Shaw Road - Stage 2)	681,250	681,250	175	3892.86
Whakatāne (Historic- Huna/Shaw Road)	625,000	276,828	175	1,581.87

The dollar figure in the 'development contributions rate per Household Equivalent Unit' column is the rate of development contribution required for water on a catchment basis applicable to the development as listed in table 6. To determine if a site or development falls within the planning areas listed in the table above refer to appendix A (catchments).

Refer also to table 4: Units of demand applicable to different land use and subdivision types for the unit of demand.

Development contributions for water will not be required where:

a) There is no connection to the Council's water service and the development can proceed without this connection.

b) The applicant is required to complete or has elected to complete works to provide water to serve their development to an equivalent standard compliant with any relevant act, regulation or District Plan rule.

12.8.2 Stormwater

The development contributions payable for stormwater will be calculated by:

DC = A x B

TABLE 7: DEVELOPMENT CONTRIBUTIONS FOR STORMWATER

Catchment	Catchment Cost of Capital Works Projects ($)	Growth Component of Capital Works Projects ($)	Number of HEUs	Development Contributions Rate Per HEU ($)
Whakatāne (South of the River)	2,304,899	38,722.30	95	407.60
Whakatane (South of the River) - Historic	7,255,014	760	95	8*

** Represents the balance of $164,760 required to be to collected.*

The dollar figure in the 'development contributions rate per Household Equivalent Unit' column is the rate of development contribution required for stormwater on a catchment basis applicable to the development as listed in table 7. To determine if a site or development falls within the planning areas listed in the table above refer to appendix A.

Refer also to table 4: Units of demand applicable to different land use and subdivision types for the unit of demand.

Note: A development contribution for stormwater is required by all developments and subdivisions as defined in the planning areas shown in Appendix A.

12.8.3 Wastewater

The development contributions payable for sewerage will be calculated by:

DC = A x B

TABLE 8: DEVELOPMENT CONTRIBUTIONS FOR WASTEWATER TREATMENT AND DISPOSAL

Catchment	Cost of Capital Works Projects ($)	Growth Component of Capital Works Projects ($)	Number of HEUs	Development Contributions Rate Per HEU ($)
Whakatāne	3,044,821	212,224	470	451.54
Whakatāne – Historic	5,446,013	272,457	470	579.70
Whakatāne (Huna/Shaw Road)	1,045,000	504,001	175	2,880.01
Whakatāne (Historic - Huna/Shaw Road)	764,001	764,001	200	3,820.00

The dollar figure in the 'development contributions rate per Household Equivalent Unit' column is the rate of development contribution required for sewerage on a catchment basis applicable to the development as listed in table 8. To determine if a site or development falls within the catchment listed in the table above refer to appendix A.

Refer also to table 4: Units of demand applicable to different land use and subdivision types for the unit of demand.

Development contributions for wastewater will not be required where:

a) There is no Council wastewater service to connect to and the development can proceed without this connection.

b) The applicant is required to complete or has elected to complete works to provide sewage facilities to serve their development to an equivalent standard compliant with any relevant act, regulation or District Plan rule.

12.8.4 Transportation - roading and other transport

The development contributions payable for stormwater will be calculated by:

DC = A x B

TABLE 9: DEVELOPMENT CONTRIBUTIONS FOR ROADING AND OTHER TRANSPORT

Catchment	Cost of Capital Works Projects ($)	Growth Component of Capital Works Projects ($)	Number of HEUs	Development Contributions Rate Per HEU ($)
District Transportation	32,423,949	2,320,869.33	1255	1,849.30

12.8.5 Reserves Contribution

The development contributions payable for reserves will be calculated by:

DC = A x B

TABLE 10: DEVELOPMENT CONTRIBUTIONS FOR RESERVES AND OPEN PUBLIC SPACES:

Catchment	Cost of Capital Works Projects ($)	Growth Component of Capital Works Projects ($)	Number of HEUs	Development Contributions Rate Per HEU ($)
District Reserves	2,898,877	112,215.78	1255	89.41

**Previous balance of reserves of $131,000 applied.*

The dollar figure in the 'development contributions rate per Household Equivalent Unit' column is the rate of development contribution required for roading and other transport on a district basis applicable to development as listed in table 10.

Refer also to table 4: Units of demand applicable to different land use and subdivision types for the unit of demand.

12.8.6 Community Infrastructure

The development contributions payable for community infrastructure will be calculated by:

DC = A x B

TABLE 11: DEVELOPMENT CONTRIBUTIONS FOR COMMUNITY INFRASTRUCTURE

Catchment	Cost of Capital Works Projects ($)	Growth Component of Capital Works Projects ($)	Number of HEUs	Development Contributions Rate Per HEU ($)
District Community Infrastructure (10 years)	3,943,667	230,873.67*	1255	183.96

**Reserve balance of $100,000 applied.*

The dollar figure in the 'development contributions rate per Household Equivalent Unit' column is the rate of development contribution required for roading and other transport on a district basis applicable to development as listed in Table 11.

Refer also to table 4: Units of demand applicable to different land use and subdivision types for the unit of demand.

12.7 Total fees per Household Equivalent Unit by location

Table 12 shows the total development contribution payable per ousehold Equivalent Unit by location. These contributions cover growth-related capital expenditure listed in the Long Term Plan and historic capital expenditure incurred in anticipation of growth. These figures are exclusive of GST.

TABLE 12: DEVELOPMENT CONTRIBUTIONS BY LOCATION

	Whakatāne			Ōhope	District
	Whakatāne – South of the Whakatāne River ($)	**Whakatāne -North of River (excluding Huna Road/Shaw Road Structure Plan Area ($)**	**Huna/Shaw Road Structure Plan Area ($)**	**Ōhope, including Ōtarawairere ($)**	**Areas not already covered in this table ($)**
Water	2,174.31	2,174.31	7,649.04	2,174.31	-
Stormwater	415.60	-	-	-	-
Wastewater	1,031.24	1,031.24 77 Bunyan Road – $4,851.24	3,911.25	-	-
Transportation	1,849.50	1,849.50	1,849.50	1,849.50	1,849.50
Reserves	89.41	89.41	89.41	89.41	89.41
Community Infrastructure	183.96	183.96	183.96	183.96	183.96
Total Contribution	**5,744.02**	**5,328.42** ***77 Bunyan Road – $9,148.42***	**13,683.16**	**4,297.18**	**2,122.87**

All figures are GST exclusive.

13.0 CREDITS – *Ngā Pūtea Taurewa*

Credits towards the requirement for development contributions will be considered by the Council on a case-by-case basis. There are two types of credits:

13.1 Credits that recognise previous contributions

In awarding such credits, the Council must take into account:

a) The level of legally established existing development on the site or that occurred within the previous five years where the site is 'between uses'. Where multiple existing uses are established, the Council will have regard to the intensity of those uses in determining the level of credit to be given.

b) Money paid and/or works undertaken and/or land set aside by prior:
   i. Financial contributions taken from a development under the Whakatāne District Plan for capital expenditure that meets the purpose of the development contribution that subsequently applies.
   ii. Developer agreements between a developer and the Council.
   iii. Development contributions paid or land vested that achieves the purpose for the development contribution now being charged.

c) Written confirmation of any other formally acknowledged credit given by the Council towards future development of a site.

13.2 Credits acknowledging historical demand on the site

In awarding such credits, the Council must take into account:

a) Where a subdivision is developed (e.g. a vacant lot is built on) or an existing lot is further subdivided, full credit will be given for the existing use or deemed existing use rights of the parent lot.

b) For residential subdivisions (where the balance lot remains residential), the existing lot has a historic credit equal to one Household Equivalent Unit developed in the catchment.

c) Historical credits for properties will be calculated based on present-day catchments and in terms of present-day assessment methodology.

d) Where a building has been relocated from one site to another, the title holder of the property will be given a credit of the relevant value of development contribution for the site or lot where the building was formerly sited and be required to pay a development contribution of the relevant value for the site or lot where the building will be moved to.

Credits will be associated with the existing title and calculated and assigned on a per-activity basis. Any excess historical credits that are identified as a result of an amalgamation of individual titles will accrue on the new amalgamated title but will lapse if not utilised within a period of five years.

Any excess historical credits that are identified for any other reason other than amalgamation such as through subdivision of a parent lot will not accrue on an individual title.

Generally, development contributions will be required on development over and above that existing at the time of an application, creating additional units of demand, assessed by the Council according to section 12.8 of this policy.

Any credit given for a contribution paid in the past that exceeds the amount of the contribution payable under this policy cannot be credited towards other types of contributions that are otherwise payable. For example, a credit for water supply contributions paid in the past for a site cannot be used as a credit towards stormwater.

Where a development will result in a lesser number of units of demand than that exists on the site at the time of application, the credit will remain with the site for a period of five years and will not be payable to the applicant by the Council.

The units of demand applicable in the calculation of a development contribution required on a development shall be assessed by the Council at the time of application for the necessary consents or service connection and may be re-adjusted prior to the issue of a section 224 Resource Management Act 1991 certificate in the case of a subdivision, or prior to the commencement of a resource consent, the issue of a code compliance certificate under the Building Act or a service connection as applicable, in the case of a development. This is to allow for units of demand for which development contributions may have previously been paid over and above credits provided for in this policy. That is, adjustments will be made by the Council in its assessment to avoid potential double counting of development contributions required for the development.

14.0 RECONSIDERATION PROCESS – *Te Hātepe Whaiwhakaaro anō*

An applicant may formally request the Council reconsider the development contributions required on the development concerned, under section 199A of the Local Government Act.

The applicant must have grounds to believe that—

a) The development contribution was incorrectly calculated or assessed under the territorial authority's development contributions policy.

b) The territorial authority incorrectly applied its development contributions policy.

c) The information used to assess the person's development against the development contributions policy, or the way the territorial authority has recorded or used it when requiring a development contribution, was incomplete or contained errors.

Any such request shall be made by notice in writing to the Council within 10 working days after the Council has advised in writing that development contributions are required on the development. The request will set out the reasons for reconsideration.

15.0 OBJECTIONS – *Ngā Tarawene*

An applicant may formally object to the assessed amount of development contributions required, under section 199C, of the Local Government Act 2002. The objection will be heard by Development Contributions Commissioners.

The applicant must lodge the objection by serving notice of the objection to the Council within 15 working days of having been advised in writing by the Council that development contributions are required on the development or the outcome of a reconsideration process.

16.0 REFUNDS – *Whakahokinga Pūtea*

Sections 209 and 210 of the Local Government Act apply to refunds of development contributions paid to Council, where:

a) Resource consent lapses or is surrendered.

b) Building consent lapses.

c) The development or building does not proceed.

d) The Council does not spend the money to provide the growth infrastructure for which the development contribution was required.

e) Previous overpayment has been made (for whatever reason).

The development contribution will be refunded to the registered titleholders of the subject allotment as at the date of the refund assessment.

17.0 ENFORCEMENT – *Whakauruhi Ture*

Where payment is not received, the Council will, as relevant:

a) Withhold a certificate under section 224(c) of the Resource Management Act 1991.

b) Prevent commencement of a resource consent under the Resource Management Act 1991.

c) Withhold a code of compliance certificate under section 95 of the Building Act 2004.

d) Withhold a certificate of acceptance under section 99 of the Building Act 2004.

e) Withhold a service connection to the development.

f) Register the development contribution under the Statutory Land Charges Registration Act 1928, as a charge on the title of the affected land.

18.0 DEVELOPMENT AGREEMENTS – *Ngā Whakaaetanga Whanake*

The Council may enter into specific arrangements with a developer for the provision and funding of particular infrastructure under a development agreement including the development contributions payable, as provided for under sections 207A-207F of the Local Government Act 2002. For activities covered by development agreement, the agreement overrides the development contributions normally assessed as payable under this policy.

The Council will consider a developer's written request to enter into a development agreement without unnecessary delay. The Council will provide the developer written notice of its decision on the request and reasons for that decision. The Council will take into account the provisions contained in the policy, as well as any other matters it considers relevant. Similarly, where the Council requests a developer enter into a development agreement, the request should be considered by the developer without unnecessary delay, and they must provide a written response to Council.

A development agreement may record specific arrangements with a developer for the provisions of particular infrastructure to meet the special needs of a development, which include (but are not limited to) the situation:

- Where a development involves a large area to be developed in stages, and over time.
- Where a development requires a special level of service or is of a type or scale which is not readily assessed in terms of units of demand.
- Where a development is in an area that the Council is not currently planning to provide infrastructure for the 10-year period covered by the Long Term Plan and the Development Contributions Policy.

The Councils agreement to consider a development agreement may be reliant on confirmed private sector funding of infrastructure; and/or an agreed structure plan.

The content and effect of a development agreement must meet the requirements of the Local Government Act 2002, and in particular s207C.

19.0 METHODOLOGY – *Tukanga Mahi*

The full methodology which demonstrates how the calculations for development contributions are made is set out in this policy.

20.0 SIGNIFICANT ASSUMPTIONS – *Ngā Mōhiohio*

Significant assumptions underlying the calculation of the schedule to the Development Contributions Policy (section 12.8) are as follows:

Best available information: Capital expenditure costs are based on the best available information at the time of preparation and largely represent a 'rough order of costs' rather than specific estimates. In most cases, a percentage estimate of the increase in household units over the next 10 years (or longer) has been used to determine the capital expenditure required for growth.

Growth assumptions: Growth assumptions underpinning this policy are based on recent growth trends in the district based on analysis by MR Cagney using Stats NZ information, building consent and resource consent data from 2021 to 2023, and Stats NZ census data (from 2018). These figures show there is a deficit of land to meet growth predictions over the medium to long term, and the Eastern Bay of Plenty Spatial Plan will define further growth areas by the end of 2025.

Population growth estimates (MR Cagney), plus new households and other forms of residential accommodation are a proxy for 'growth'.

The Whakatāne District Plan has been relied upon to determine future growth areas, pending the completion of the Eastern Bay Spatial Plan.

Planning horizon: A 10-year timeframe is generally used as a basis for forecasting growth, planning growth infrastructure provision and applying a development contribution. However, it is most unlikely that the capacity for growth in some of the identified catchments will be realised in 10 years. In cases where it is reasonable to assume growth capacity over a longer timeframe, a 20-year time horizon has been used.

Estimates of growth-related capital expenditure: The Council has assumed that its planned growth-related capital expenditure will be undertaken. This is a realistic assumption, given that the Council has planned its capital expenditure in accordance with statutory processes.

Growth affordability: The Council assumes that managed growth in the Whakatāne District is affordable. The Council's contributions to major services can mainly be funded through capital expenditure, with support from development contributions, alongside the Council's core business and other projects.

Community facilities built in anticipation of growth: The Council's policy on development contributions for development will include consistent and equitable contributions towards the impact of growth on existing community facilities. This includes water, stormwater, wastewater, roading and transport, reserves and community infrastructure built in anticipation of growth.

Commercial and industrial development: Based on past commercial and industrial development, most commercial and industrial development occurs as redevelopment of existing sites rather than 'new' growth. The number of additional Housing Equivalent Units arising from commercial and industrial has been minor compared to the number of residential Housing Equivalent Units and has little material difference to the overall number of additional Housing Equivalent Units.

Financial and administrative assumptions:

a) All costs from projects in the Long Term Plan used in the Development Contributions Policy are based on current estimates of infrastructure construction prices in 2023/24 dollar terms. Inflation will be added each year based on advice from BERL.

b) The income generated from rates will be sufficient enough to meet the operating costs of capital expenditure for the future.

c) Operating expenditure will be allocated according to the Council's Revenue and Financing Policy.

d) There will be an impact from the capital expenditure on operating expenditure and an allowance has been made for this based on the type of asset.

e) The adopted methods of service delivery will remain substantially unchanged.

21.0 KEY RISKS – *Ngā Tūraru Matua*

The key financial risks to the Council are:

- The growth assumptions are not met resulting in delayed development and delayed development contributions revenue. If this is the case, the Council faces increased holding costs.
- There is a lag between expenditure being incurred by the Council and contributions received from those undertaking developments.
- Capital expenditure exceeds its forecasted cost.
- The Council's borrowing limits are exceeded.

Other key risks are:

- A volatile and fluctuating residential and commercial/industrial real estate market.
- The pace with which growth can be planned and accommodated through the Spatial Plan, District Plan and Infrastructure Strategy.
- Political pressure to moderate compliance and other costs from the Council.

22.0 POLICY REVIEW – *Te Arotake*

The Whakatāne District Council will review the implementation of the Development Contributions Policy on an annual basis, by monitoring the actual uptake of building consents for dwellings, commercial and industrial activities, and the creation of allotments by subdivision to ensure that the estimates of the units of demand are accurate. The review process will be reported to the Council each year, where a decision will be made on whether to change the policy under the provisions of the Local Government Act.

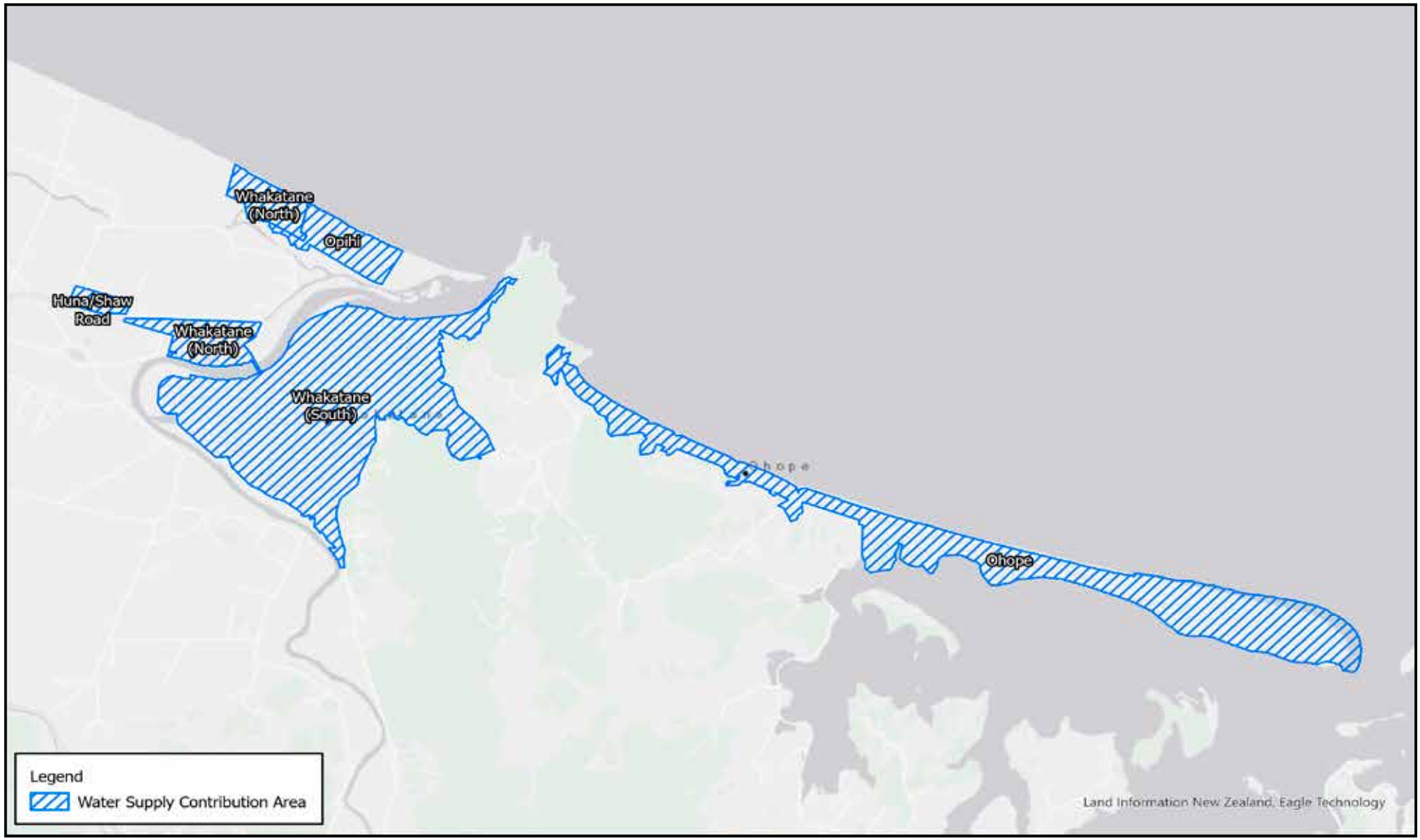
APPENDICES

APPENDIX A: CATCHMENTS – *Ngā Wāhi Kohi Wai*

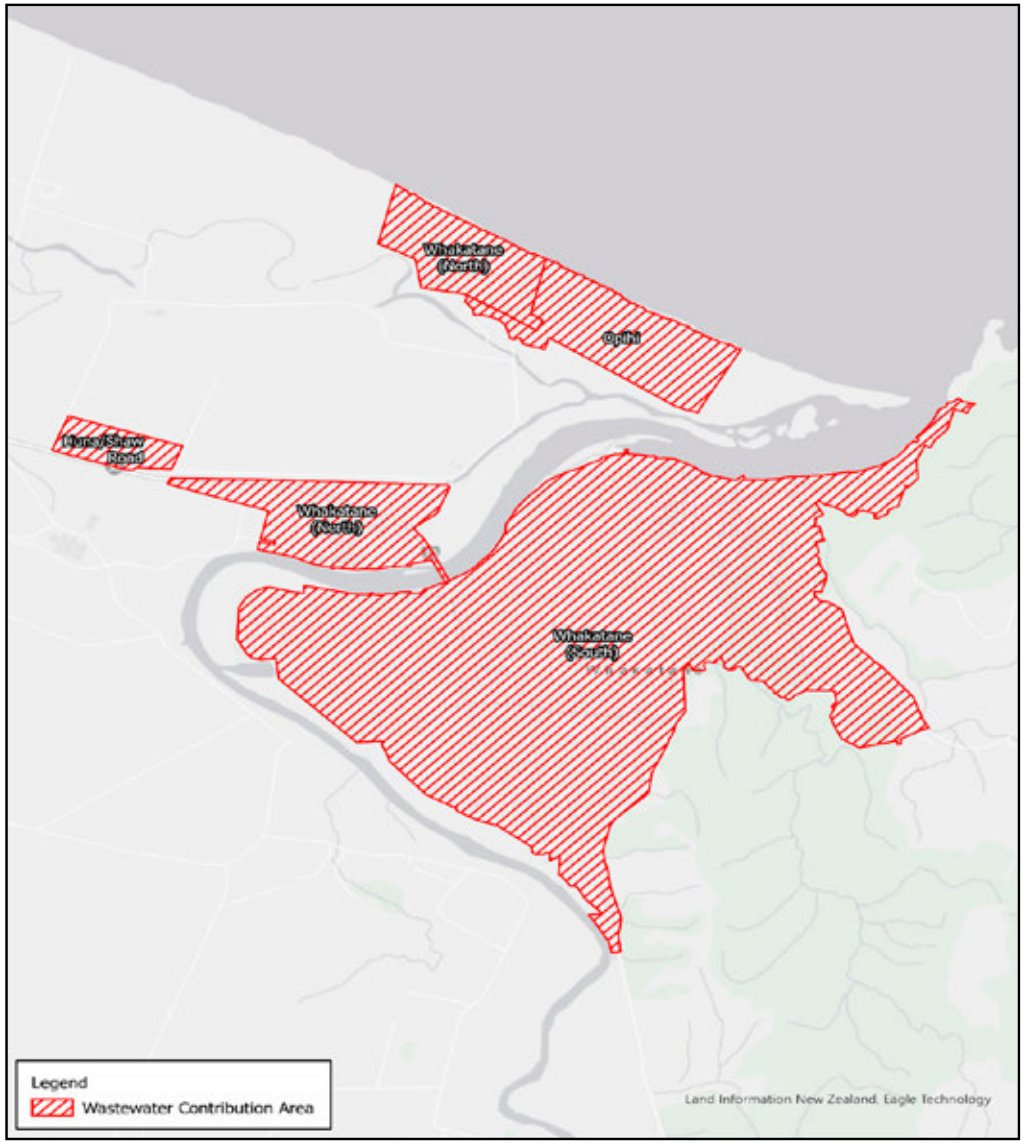
The following maps are included within this appendix:

1. Water – Whakatāne (including Coastlands and Opihi), Huna Road/Shaw Road Structure Plan and Ōhope catchments
2. Wastewater – Whakatāne (including Coastlands) and Huna Road/Shaw Road Structure Plan catchment
3. Stormwater – Whakatāne (South of the River) catchment
4. Huna Road/Shaw Road catchment

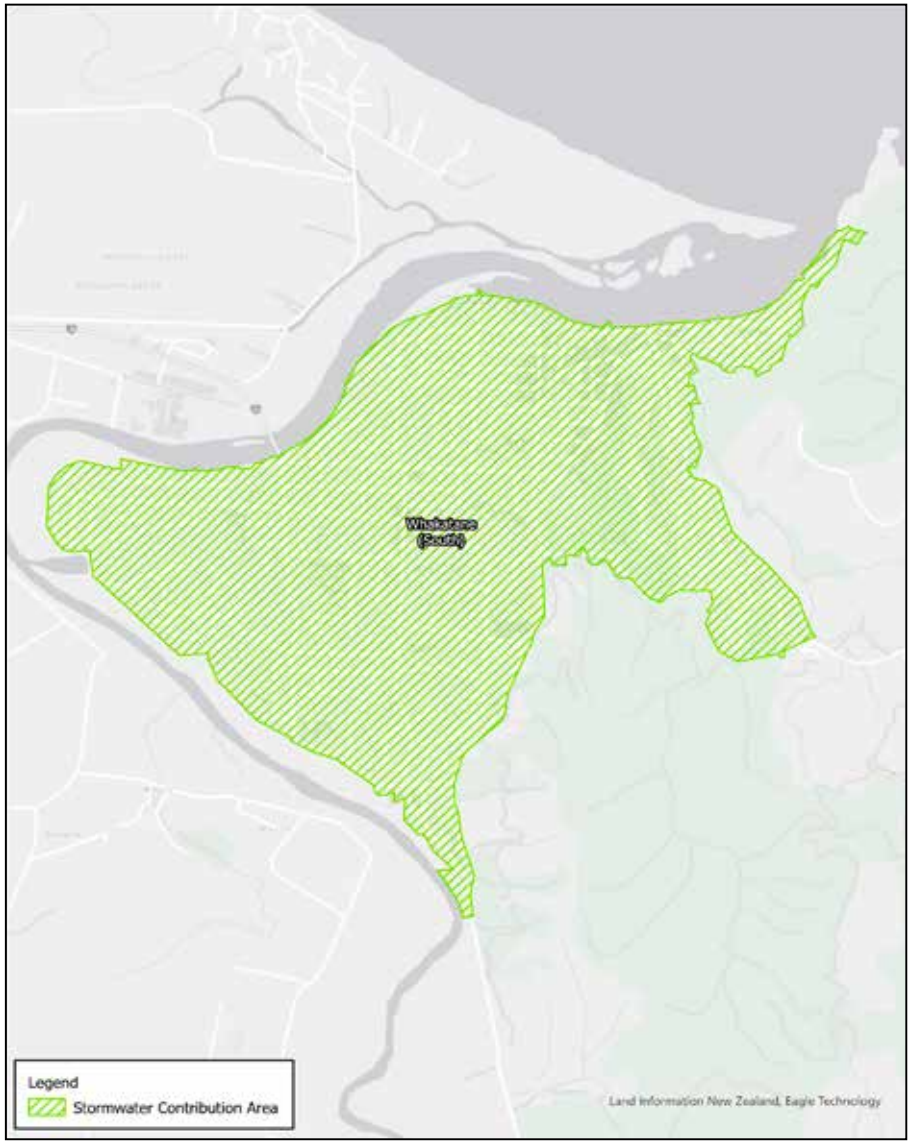
WATER – WHAKATĀNE (INCLUDING COASTLANDS AND OPIHI), HUNA/SHAW ROAD STRUCTURE PLAN AND ŌHOPE CATCHMENTS.



WASTEWATER – WHAKATĀNE (INCLUDING COASTLANDS) AND HUNA/SHAW ROAD STRUCTURE PLAN CATCHMENTS



STORMWATER – WHAKATĀNE (SOUTH OF THE RIVER) CATCHMENT



HUNA/SHAW ROAD CATCHMENT

APPENDIX B: DEFINITIONS – *Kupu Āpiti Hangaroto kua tahuatia*

Accommodation units	Has the same meaning set out in section 197 of the Local Government Act 2002, or any legislation substituted for the same.
Activity	Has the same meaning set out in section 5 of the Local Government Act 2002, or any legislation substituted for the same as below: Section 5 interpretation: (1) In this act, unless the context otherwise requires; activity means a good or service provided by, or on behalf of, a local authority or a council-controlled organisation; and includes: (a) the provision of facilities and amenities; and (b) the making of grants; and the performance of regulatory and other governmental functions.
Community Infrastructure	Has the same meaning set out in section 197 of the Local Government Act 2002, or any legislation substituted for the same as below: Section 197 interpretation in this subpart, community infrastructure means: (a) land, or development assets on land, owned or controlled by the territorial authority to provide public amenities; and includes land that the territorial authority will acquire for that purpose.
Development	Means any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure or community infrastructure; but does not include the pipes or lines of a network utility operator.
Development Contribution	Has the same meaning set out in section 197 of the Local Government Act 2002, or any legislation substituted for the same as below: Section 197 interpretation in this subpart, development contribution means a contribution: (a) provided for in a development contribution policy of a territorial authority; (b) calculated in accordance with the methodology; and (c) comprising: (i) money or land, including a reserve or esplanade reserve (other than in relation to a subdivision consent), but excluding Māori land within the meaning of Te Ture Whenua Act 1993, unless that act provides otherwise; or both.

Development Contribution Policy	Has the same meaning set out in section 197 of the Local Government Act 2002, or any legislation substituted for the same as below: Section 197 Interpretation In this subpart - development contribution policy means: The policy on development contributions included in the long-term council community plan of the territorial authority under section 102(1).
Goods and Services Tax (GST)	Means goods and services tax under the Goods and Services Tax Act 1985 or any legislation substituted for the same.
Hotel	Means temporary accommodation in an establishment with at least one licensed bar and restaurant on the premises (or adjacent) with charge back facilities. All rooms have tea and coffee making facilities and there is on-site management at all times. All provide breakfast whether in a restaurant or breakfast room, or via room service. Some hotels have conferences and banqueting facilities. A standard room usually has one room for both sleeping and living, with an ensuite bathroom. A suite will usually have a living room and at least one separate bedroom and possible a mini kitchen. Hotel apartments usually have both mini kitchens and laundry facilities.
Household unit	A building or part of a building intended to be used as an independent residence, with a kitchen sink, a toilet and a shower or bath (or plumbing for these facilities). It includes an apartment, semi-detached or detached dwelling, townhouse, retirement unit, dwelling unit, flat or home unit or tiny house.
Lot	A parcel of land held in a separate certificate of title (or two or more titles required to be held in one ownership) but does not include a parcel of land which has been or may be disposed of separately as a public reserve or for other public purposes or which is to be amalgamated with adjoining land. In the case of land subdivided under the cross-lease or company lease systems (other than strata titles), lot shall mean an area of land containing: (a) A building or buildings for residential or business purposes with any accessory building, plus any land exclusively restricted to the users of that building, or (b) A remaining share or shares in the fee simple creating a vacant part of the whole for future cross-lease or company lease purposes. In the case of land subdivided under the Unit Titles Act 2010 (other than strata titles), lot shall mean an area of land containing a principal unit or proposed unit on a unit plan together with its accessory units, and an area of land being equivalent to the total land title area divided by the number of principal units located thereon. In the case of strata titles, site shall mean the underlying certificate(s) of title immediately prior to subdivision.

Motel	Means temporary, self-contained and serviced accommodation and includes motor lodges, motor inns, motel apartments, serviced apartments and serviced holiday cottages. Units are usually serviced daily or as otherwise agreed with the guest, and are self-contained providing at least tea and coffee making facilities and a private or ensuite bathroom. Frequently, cooking facilities (microwave and/or range) are provided within the accommodation so guests can prepare their own meals independently. Milk, tea, coffee and sugar are supplied for guests' immediate use. Off-street carparking and all bedding and linen are provided. Communal laundry facilities are available and some units may have their own laundry facilities. Units may have TV's, phone, iron and modem for computer use. At extra cost, breakfasts can usually be ordered the night before. There is a responsible person constantly in charge on site. A studio has one room for both living and sleeping. Other units can have one or more separate bedrooms. For clarity, the area used for permanent accommodation by the motel manager(s) is considered to be a separate household unit for the purposes of this policy, and does not fall within this definition.
Network Infrastructure	Means the provision of roads and other transport, water, wastewater, and stormwater collection and management.
Reserves	Has the same meaning set out in section 2 of the Reserves Act 1977.
Residential Lot	A lot, as defined in this policy that is or will be used for a household unit or units or other accommodation units.
Roading	Has the same meaning set out in section 315 of the Local Government Act 1974.
Service connection	Has the same meaning set out in section 197 of the Local Government Act 2002, or any legislation substituted for the same as below: Section 197 interpretation in this subpart, service connection means: A physical connection to a service provided by, or on behalf of, a territorial authority.
Site Area	The total area of the new and/or additional development proposed, including all buildings, structures and other areas used for car parking, access, manoeuvring areas, loading areas, outdoor storage and display areas, rubbish and waste collection areas and the like, associated with the new and/or additional development.
Solid Waste	Facilities to collect, sort and dispose of waste material (rubbish, refuse) generated from industrial, commercial, agricultural, residential and community use.

Stormwater	Stormwater drainage and any associated infrastructure.
Units of demand	Means those units set out in schedule 13 of the Local Government Act 2002 or any legislation substituted for the same.
Wastewater	Means sewerage, treatment and disposal of sewage wastewater and all associated infrastructure.
Stormwater	Stormwater drainage and any associated infrastructure.
Units of demand	Means those units set out in schedule 13 of the Local Government Act 2002 or any legislation substituted for the same.
Wastewater	Means sewerage, treatment and disposal of sewage wastewater and all associated infrastructure.
Water	Means Water Supply as defined in section 124 of the Local Government Act 2002, or any legislation substituted for the same as below: "124 Interpretation Water Supply means the provision of drinking water to communities by network reticulation to the point of supply of each dwelling house and commercial premise to which drinking water is supplied.

APPENDIX C: SCHEDULE OF ASSETS DEVELOPMENT CONTRIBUTION FUNDED
– Kupu Āpiti Hangaroto kua tahuatia

Asset	New Projects ($)	Total Cost of Project ($)	Percentage funded by DC (%)	DC amount ($)	Historic Projects/ Funding ($)	Total Historic DC value ($)	Total Proposed and Historic ($)	Reserve balance (July 2024) ($)	Balance to be recovered ($)	10 or 20 years	HEU's ($)	DC per HEU ($)	Statistic Area
Reserves	Eve Rimmer Park	704,354											
	Accessible Play Spaces	1,109,711											
	Play Space Improvements	228,723											
	Maraetōtara Improvements	319,110											
	Wairaka Park Upgrade	161,057											
	Murupara Park Improvements	325,334											
	Aniwhenua Camp Water Supply Upgrade	99,999											
	Bike Park/Pump Track	107,371											
	Basketball facilities	164,190											
Total Reserves		**3,219,849**	**8.39**	**270,145.33**			**270,145.33**	**131,000**	**139,145.33**	**10**	**1,255**	**110.87**	**District wide**
Community Infrastructure	New Whakatāne Cemetery	3,346,254											
	Whitehorse Drive Toilets	197,133											
	Appenzell Drive Park Toilets	200,682											
	Tāneatua Cemetery	126,443											
Subtotal		3,870,512	8.39	324,735.96			324,735.96	100,000	324,735.96	10	1,255	179.07	
	Rex Morpeth Park	107,477,296	13.24	14,229,993.99			14,229,993.99	461,000	13,768,993.99	20	2,048	6,723.14	
Total Community Infrastructure		**111,347,808**		**14,554,729.95**			**14,554,729.95**	**561,000**	**13,993,729.95**			**6,902.21**	**District Wide**

** Rex Morpeth Recreation Hub – Final design and cost estimate to be made at a later date. DC Policy change to be made to reflect that decision when made.*

Asset	New Projects ($)	Total Cost of Project ($)	Percentage funded by DC (%)	DC amount ($)	Historic Projects/ Funding (S)	Total Historic DC value ($)	Total Proposed and Historic ($)	Reserve balance (July 2024) ($)	Balance to be recovered ($)	10 or 20 years	HEU's ($)	DC per HEU ($)	Statistic Area
Stormwater	WHK SW Western Catchment Upgrade	2,304,899	1.68	38,722.30			38,722.30		38,722.30	10	95	407.60	Allandale, Mokorua, Trident, Whakatāne West, Whakatāne Central - (95/5744 HEU's)
					Apanui S/W - Pyne Street ($90,000); Whakatāne Western Catchment ($74,760 (1.68% of estimated cost)).	164,760	164,760	164,000	760	10	95	8.00	
Total Stormwater		**2,304,899**	**1.68**	**38,722.30**		**164,760**	**203,482.30**	**164,000**	**39,482.30**		**95**	**415.60**	
Water	EQ Water Network Upgrade	1,648,925											
	EQ Whak WTP Upgrade	672,735											
	WHK Water Coastlands Link Main	2,895,063											
	Whak Cond & Improv-Reservoirs	9,444,206											
	Ōhope-Upgrade Pipes Harbour	1,116,379											
Sub Total		15,777,308	6.37	1,005,014.52			1,005,014.52		1,005,014.52	10	520	1,932.72	Whakatāne (Allandale, Mokorua, Trident, Whakatāne Central, Whakatāne West, Coastlands, Ōhope, Huna Road - (520/8680 HEU's)

Asset	New Projects ($)	Total Cost of Project ($)	Percentage funded by DC (%)	DC amount ($)	Historic Projects/ Funding (S)	Total Historic DC value ($)	Total Proposed and Historic ($)	Reserve balance (July 2024) ($)	Balance to be recovered ($)	10 or 20 years	HEU's ($)	DC per HEU ($)	Statistic Area
Water (Historic)	Whakatāne (Historic)				WTP Filter media replacement ($57,970), WTP Safe Access ($41), Whak Water Storage ($5,882), Mill Road ($52,329), Whak New Source ($24,036), WHK Cond and Improv - Reservoirs ($11,369)	151,627	151,627	26,000	125,627	10	520	241.59	Whakatāne (Allandale, Mokorua, Trident, Whakatāne Central, Whakatāne West, Coastlands,Ōhope, Huna Road - (520/8680 HEU's)
Water - Total		**15,777,308**	**6.37**	**1,005,014.52**		**151,627**	**1,156,641.52**	**26,000**	**1,130,641.52**	**10**	**520**	**2,174.31**	Whakatāne (Allandale, Mokorua, Trident, Whakatāne Central, Whakatāne West, Coastlands, Ōhope, Huna Road - (520/8680 HEU's)
Water - Huna/ Shaw Road	Huna Road (Stage 1 and 2)					412,820	412,820	135,992	276,828	10	175	1,581.87	Huna/Shaw Road - All. Balance of development to pay remaining portion (175/235)
	Huna Road (Stage 2, Plan Change 8)	759,590	100	759,590			759,590		759,590	10	175	4,340.51	Huna/Shaw Road and Kawarehe Trust (175/175) Plan Change 8
Total Water - Huna/Shaw Road		**759,590**	**100**	**759,590**		**412,820**	**1,172,410**	**135,992**	**1,036,418**	**10**	**175**	**5,922.38**	

Asset	New Projects ($)	Total Cost of Project ($)	Percentage funded by DC (%)	DC amount ($)	Historic Projects/ Funding ($)	Total Historic DC value ($)	Total Proposed and Historic ($)	Reserve balance (July 2024) ($)	Balance to be recovered ($)	10 or 20 years	HEU's ($)	DC per HEU ($)	Statistic Area
Wastewater	Whakatāne - ST&D Pump Station	3,044,821	6.97	**212,224.02**			212,224.02		212,224.02	10	470	451.54	Whakatāne (Allandale, Mokorua, Trident, Whakatāne Central, Whakatāne West), Coastlands, Huna/ Shaw Road- (470/6743 HEU's)
Wastewater (Historic)	Whakatāne				Whakatāne Install 150GM MH 111/05 to McAlister St PS ($195,661); Mill Road ($65,657); Whak PS $11,139); Bunyan Road Sewer Pump ($426,929)- funded through developers' agreement.	699,386	699,386	426,929 (Developer Agreement)	272,457		470	579.70	Whakatāne (Allandale, Mokorua, Trident, Whakatāne Central, Whakatāne West, Coastlands, Huna Road (470/6743 HEU's). $426,929 to be recovered by separate developers' agreement.
Total - Wastewater		**3,044,821**	**6.97**	**212,224.02**		**699,386**	**911,610.02**	**426,929**	**484,681.02**		**470**	**1,031.24**	
Wastewater - Coastlands (Historic)	Coastlands (Historic)				Sewer PS ($764,001)	764,001			764,001	10	200	3,820.00	Only applicable for lots /dwellings on 77 Bunyan Road if developed
Wastewater - Huna/ Shaw Road Structure Plan	Huna Road (Stage 1)				Huna Road ($813,829)	813,829		309,828	504,001	10	175	2,880.01	Huna/Shaw Road - All. Balance of development to pay remaining portion (175/235)
Total Wastewater - Coastlands Huna/Shaw Road						**1,577,830**		**309,828**	**1,268,002**	**10**		**6,700.01**	

Asset	New Projects ($)	Total Cost of Project ($)	Percentage funded by DC (%)	DC amount ($)	Historic Projects/ Funding (S)	Total Historic DC value ($)	Total Proposed and Historic ($)	Reserve balance (July 2024) ($)	Balance to be recovered ($)	10 or 20 years	HEU's ($)	DC per HEU ($)	Statistic Area
Transportation	LCLR Future Demand	9,608,358	8.39	806,141.24			806,141.24	99,875	706,266.24	10	1255	642.34	
	LCLR Active Whakatāne	7,866,300	8.39	659,982.57			659,982.57	99,875	560,107.57	10	1255	525.88	
	Keepa Road Improvements	5,165,341	8.39	433,372.11			433,372.11	99,875	333,497.11	10	1255	345.32	
	Shaw Road/ Mill Road Connection	9,783,950	8.39	820,873.41			820,873.41	99,875	720,998.41	10	1255	654.08	
Total Transportation		**32,423,949**	8.39	**2,720,369.33**				**399,500**	**2,320,869.33**	**10**	**1255**	**1,849.30**	**District wide**

APPENDIX D: SCHEDULE OF COMPLIANCE – *Kupu Āpiti Tūtohu*

Provision of LGA 2002	Section of Development Contributions Policy
Section 106(2)(a): summarise and explain the (total cost of capital expenditure) identified in the long-term plan, (or identified under clause 1(2) of schedule 13) that the local authority expects to incur to meet the increased demand for community facilities resulting from growth; and	Section 6 (in particular Table 1)
Section 106(2)(b): state the proportion of that (total cost of capital expenditure) that will be funded by development contributions; financial contributions; other sources of funding	Section 6 (in particular Table 1)
Section 106(2)(c): explain, in terms of the matters required to be considered under section 101(3), why the local authority has determined to use these funding sources to meet the expected capital expenditure.	
Section 101(3): The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,	
Section 101(3)(a): in relation to each activity to be funded,	
Section 101(3)(a)(i): the community outcomes to which the activity primarily contributes; and	Section 7.1
Section 101(3)(a)(ii): the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals.	Section 7.2

WHAKATĀNE DISTRICT DEVELOPMENT CONTRIBUTIONS POLICY SCHEDULE OF LOCAL GOVERNMENT ACT 2002 COMPLIANCE

The following table sets out the requirements under the Local Government Act 2002 for the preparation of a Development Contributions Policy. The sections of the Development Contributions Policy which satisfy the requirements in the Local Government Act 2002 are noted in the second column. The Council considers that the Development Contributions Policy achieves full compliance.

SCHEDULE OF LGA 2002 COMPLIANCE

Provision of LGA 2002	Section of Development Contributions Policy
Section 101(3)(a)(iii): the period in or over which those benefits are expected to occur.	Section 7.3
Section 101(3)(a)(iv): the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.	Section 7.4
Section 101(3)(a)(v): the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.	Section 7.5
Section 101(3)(b): the overall impact of any allocation of liability for revenue needs on the community.	Section 7.5
Section 106(2)(d): identify separately each activity or group of activities for which a development contribution will be required, and in relation to each activity or group of activities, specify the total amount of funding to be sought by development contributions.	Section 6 (in particular Table 1) and Section 8.7
Section 106 (2)(f): Summarise the provisions that relate to financial contributions in the District Plan.	Section 5
Section 106 (2A): This section does not prevent a local authority from calculating development contributions over the capacity life of assets or groups of assets for which development contributions are required, so long as— (a) the assets that have a capacity life extending beyond the period covered by the territorial authority's long-term plan are identified in the development contributions policy; and (b) development contributions per unit of demand do not exceed the maximum amount allowed by section 203.	
Section 106(3): If development contributions are required, the local authority must keep available for public inspection the full methodology that demonstrates how calculations for those contributions were made.	Section 8.7
Section 201(1)(a): an explanation of, and justification for, the way in which each development contribution in the (schedule to Development Contributions Policy) is calculated.	Section 8

Provision of LGA 2002	Section of Development Contributions Policy
Section 201(1)(b): the significant assumptions underlying the calculation of the schedule of development contributions, including an estimate of the potential effects, if there is significant uncertainty as to the scope and nature of the effects.	Section 15
Section 201(1)(c): the conditions and criteria (if any) that will apply in relation to the remission, postponement, or refund of development contributions, or the return of land.	Section 12
Section 201A: 1) If a territorial authority has determined to seek funding for community facilities under this subpart, the policy required by section 102 must include, in addition to the matters set out in sections 106 and 201, a schedule that lists: (a) each new asset, additional asset, asset of increased capacity, or programme of works for which the development contributions requirements set out in the development contributions policy are intended to be used or have already been used; and (b) the estimated capital cost of each asset described in paragraph (a); and (c) the proportion of the capital cost that the territorial authority proposes to recover through development contributions; and (d) the proportion of the capital cost that the territorial authority proposes to recover from other sources. (2) For the purposes of subsection (1), assets for which development contributions are required can be grouped together into logical and appropriate groups of assets that reflect the intended or completed programmes of works or capacity expansion. (3) A schedule under subsection (1) must also include assets for which capital expenditure has already been incurred by a territorial authority in anticipation of development. (4) Information in the schedule under subsection (1) must group assets according to the district or parts of the district for which the development contribution is required, and by the activity or group of activities for which the development contribution is required.	Section 8 (in particular section 8.7)

Provision of LGA 2002	Section of Development Contributions Policy
Section 202- Contents of schedule to development contributions policy (1) The schedule of development contributions required by section 201 (2) must specify: (a) the development contributions payable in each district, calculated, in each case, in accordance with the methodology in respect of- (i) reserves; and (ii) network infrastructure; and (iii) community infrastructure. (b) the event that will give rise to a requirement for a development contribution under section 198, whether upon granting (i) a resource consent under the Resource Management Act 1991; or (ii) a building consent under the Building Act 2004 (iii) an authorisation for a service connection (2) If different development contributions are payable in different parts of the district, subsection (1) applies in relation to the parts of the district. (3) The specifications required under subsection (1) or subsection (2) must be given separately in relation to each activity or group of activities for which separate development contributions are required.	Section 8 (in particular section 8.7)
Section 202A: Reconsideration process to be in development contributions policy (1) If a territorial authority has determined to seek funding for community facilities under this subpart, the policy required by section 102 must, in addition to the matters set out in sections 106 and 201 to 202-201 to 202, and subject to any regulations made under section 259(1)(e) or (f), set out the process for requesting reconsideration of a requirement under section 199A. (2) The process for reconsideration must set out: (a) how the request can be lodged with the territorial authority; and (b) the steps in the process that the territorial authority will apply when reconsidering the requirement to make a development contribution.	Section 10

Provision of LGA 2002	Section of Development Contributions Policy
Section 203- Maximum development contributions not to be exceeded: (1) Development contributions for reserves must not exceed the greater of: (a) 7.5% of the value of the additional allotments created by a subdivision; and (b) the value equivalent of 20 square metres of land for each additional household unit (or accommodation unit) created by the development. (2) Development contributions for network infrastructure or community infrastructure must not exceed the amount calculated by multiplying the cost of the relevant unit of demand calculated under clause 1 of schedule 13 by the number of units of demand assessed.	Section 8
For a development or type of development, as provided for in clause 2 of schedule 13, and as amended for any Producers Price Index adjustment adopted in a development contributions policy in accordance with section 106(2B), as provided for in clause 2 of schedule 13.	

Financial Contributions for Roads and Public Reserves

Ngā Tāpaetanga Ahumoni ki ngā Huarahi me ngā Whenua tāpui Tūmatanui

INTRODUCTION
Kupu Arataki

The Council's objectives, policies and rules for financial contributions are set out in Part 2, FC-Financial Contributions of the Whakatāne District Plan.

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

For the purpose of Part 2, FC-Financial Contributions of the Whakatāne District Plan, the Long Term Plan must include defined information to allow monetary contributions to be charged for subdivision, development and use of land, towards the upgrading of roads and the acquisition of reserves and/or development of reserves.

FINANCIAL CONTRIBUTIONS FOR ROADS
Ngā Tāpaetanga Ahumoni ki ngā huarahi

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

Rule FC-R9 of the Whakatāne District Plan requires the 'cost per km' of improving the affected section of road to the level required as determined by the predicted traffic volume and road hierarchy" arising from a proposed subdivision, development or use to be defined in the Long Term Plan.

This will be assessed based on the following criteria:

- The current traffic volumes and the estimated increase in traffic volumes, or the mix of traffic arising from the proposed subdivision, development or use of land. In this case, a significant change in the volume or mix of traffic that means the existing carriageway width and/or formation is inadequate will lead to a financial contribution being charged. This will reflect the need to increase the width and formation standard of the road to manage the effects of increased vehicles from the subdivision or development or use.
- Along with increasing the width and/or formation of the road, other improvements may be needed, such as provision for or improvement of drainage, acquiring additional land, upgrading of bridges or installation of retaining walls, street lights or other infrastructure required to manage the effects of the change in vehicle numbers or mix of vehicles from the subdivision or development or use.
- The need to provide other infrastructure for other modes of transport, such as footpath or cycle facilities, to manage the effects of increased population arising from the subdivision or development or use. This will generally be relevant in urban situations.
- The Whakatāne Engineering Code of Practice, relevant New Zealand standards and the Whakatāne District Plan.

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

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

TABLE 1

RC - Average $/km for road improvements						Instructions	Example	Cost
	($)	($)	($)	($)	($)			($)
Carriageway width (m)	**6**	**7**	**8**	**9**	**10**			
Pavement	347,000	405,300	463,200	521,000	579,000	Select pavement cost depending on width of pavement required	8m carriageway	463,200
AC surfacing	510,000	595,000	680,000	765,000	850,000	Add either chip seal or AC for the pavement width (or none is remaining unsealed	With AC surfacing	680,000
Chip seal	165,000	192,500	220,000	247,000	275,000			
Drainage	**None**	**One side**	**Both sides**					
	-	151,000	302,000			Add drainage required	Drainage on both sides of the road	1412,500
Footpaths	**None**	**One side**	**Both sides**					
	-	206,000	412,500			Add footpaths required	Footpath on one side of the road	206,250
Cycle facilities	**None**	**Cycle lane urban: Chipseal surface**	**Cycle lane urban: AC surface**	**Off road/ shared use path**				
	-	224,000	336,000	POA		Add cycle facilities required	No cycle lane	-
Streetlights	**None**	**V3 - Arterials**	**V4 - Primary connections**	**P - Pedestrian**	**Rural intersection Flag light**			
	-	100,000	80,000	68,000	20,000	Add streetlights required	Pedestrian lighting	68,000
Land purchase	POA					If land purchase, bridge upgrades or retaining walls are required	Assumed no land purchase/ walls/bridges	
Bridge upgrades	POA							
Retaining walls	POA							
RC ($/km)								**1,829,950**

NOTES:

***Road length** - 1000m*

***Pavement** - Based on 150mm M4 Overlay ($29.50/m2) and 200mm sub-base undercut beyond the 6m width ($28.40/m2)*

***AC Surfacing** - Includes line marking RPMs ($85/m2)*

***Chip seal** - Includes second coat after 1 year and line marking RPMs (1st coat and 2nd coat $27.50/m2)*

***Drainage** - K and C ($70/m) and based on 1 standard cesspit and lead ($3,600/install) every 100m*

***Footpaths** - Based on 1.5m standard footpath ($70/m2)*

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

***Escalations** - No inflationary adjustment has been incorporated into these costs.*
All costs will be reassessed alongside the Annual Plan or the Long-Term Plan 2027-37.

FINANCIAL CONTRIBUTIONS FOR RESERVES
Ngā Tāpaetanga Ahumoni ki ngā whenua tāpui

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

The District Plan allows the Council to seek land to be vested for reserves within a subdivision or development of land. Where land is not vested or additional financial contribution is justified based on the scale of the subdivision or development, then a financial contribution may be charged. This is to allow the Council to acquire additional land to meet the reserve needs of the district, township or neighbourhood or to provide additional facilities, such as playgrounds, seats and barbeques on land vested for recreation purposes.

Rule FC-R12 of the Whakatāne District Plan allows the Council to seek a one-off payment for every new lot or dwelling unit created. It is a fixed sum payment (plus GST) unless a contribution in land or works is to be made.

A financial contribution in the form of money will go towards the programmed purchasing, upgrading and development of the district's public reserves.

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

The service areas have been identified based on areas where substantial residential growth is occurring and planned. A valuation report has been obtained (2021) that provides generic valuation information based on these defined areas. These areas are where growth is anticipated to the degree that either additional reserve land or improvements to existing reserve land will be required. Factors such as coastal frontage, sites with views and other sites have been distinguished to calculate an average value of section sales in the last two years.

The average value for a 650m^2 lot (assumed average lot size) by area is as follows:

Location	Average value based on critical location factors ($)	1% of value to determine financial contribution ($)
Whakatāne	375,000	3,750
Coastlands		
• Coastal frontage/view	1,000,000	10,000
• Inland/no view	500,000	5,000
Ōpihi (Bunyan Road extension)		
• Coastal frontage/view	900,000	9,000
• Inland/no view	425,000	4,250
Huna/Shaw Road Structure Plan Area	475,000	4,750
Ōhope		
• Coastal frontage/view	1,000,000	10,000
• Unrestricted harbour/inlet views	700,000	7,000
• Inland/no view	500,000	5,000

Based on the projected number of lots to be developed over the next 10 years, and their respective location, the Council will charge a financial contribution for any either additional lot or additional dwelling that will not exceed one percent of the average valuation per lot in the defined locations.

The financial contribution will be assessed for each subdivision or development in these locations and charged as a condition of consent if appropriate.

The need to acquire land for public reserves in the general location of the subdivision or development will be assessed for each subdivision or development.

Rates Remission and Postponement Policies (All Land)

Ngā Kaupapa here Whakaiti me te Whakatārewa Tāke Kaunihera (Whenua Whānui)

1.0 INTRODUCTION - *Kupu Arataki*

The Council uses rates remissions to help provide for increased affordability and equity in the rating system. The Council's Revenue and Financing Policy outlines the funding sources for each activity which includes general and targeted rates.

Rates remissions are designed to allow for specific circumstances at an individual level that cannot be effectively or efficiently incorporated into the rating system based on the data that is used to set rates.

2.0 POLICY CONTEXT - *Horopaki Kaupapa Here*

The Council has two policies covering rates remissions and postponements. One sets out the rates relief available to all types of land (this policy) and the other deals with provisions specifically for Māori Freehold Land and land with similar characteristics.

Māori Freehold Land is eligible for rates remissions under both policies, subject to meeting the criteria in each.

3.0 LEGISLATIVE CONTEXT - *Horopaki Ture*

Non-rateable properties

The Local Government (Rating) Act 2002 identifies categories of land that are wholly or partly non-rateable in schedule 1. Properties that are wholly non-rateable under the Local Government Rating Act should be recorded as such in the Rating Information Database so that rates are not assessed on that property. Properties that are partly non-rateable will be recorded in the Rating Information Database as such and may receive further rates relief through remissions provided for in this policy.

Remission of Uniform Annual General Charge and Targeted Rates for Contiguous Properties
Te whakaitinga Tāke Kaunihera ā-tau ki ngā rawa pātata

1.0 OBJECTIVE OF THE POLICY - *Te Whāinga Kaupapa Here*

The objective of this remission Policy is to apply the Uniform Annual General Charge and fixed charges on a fair and equitable basis to ratepayers. Section 20 of the Local Government (Rating) Act 2002 provides for two or more rating units to be treated as one unit for setting a rate if the units are:

a) In the same ownership, and

b) Used jointly as a single unit, and

c) Contiguous or separated by a road, railway, drain, water race, river or stream.

This policy provides for the possibility of a rates remission where the above three conditions are not all met, but where it is nevertheless considered inequitable for the rating units to be treated as separate. In addition, it provides for remission of Uniform Annual General Charges and/or targeted fixed charge rates where a rating unit is liable for multiple charges but it is considered inequitable or excessive to assess full charges. This policy may also be applied to individual lots for subdivisions, before the titles are sold.

2.0 CONDITIONS AND CRITERIA - *Ngā Heipūtanga me ngā Paearu*

2.1 The units may be in separate ownership, but if they are contiguous and are used jointly as a single unit, they will be treated as a single unit, so long as the contiguous rating unit does not contain any habitable dwellings; or

2.2 The remission will be the Uniform Annual General Charges plus targeted fixed charge rates, on all but one rating unit where all of these rating units are:

a) Subdivided into five or more lots where the titles have been issued; and

b) Owned by the original developer who is holding the individual titles pending their sale to subsequent purchasers; and

c) Originally contiguous or separated only by road, railway, drain, water race, river or stream.

3.0 RATES TO BE REMITTED - *Ngā Tāke Kaunihera ki te whakaiti*

3.1 Rating units that meet the criteria under this Policy may qualify for a remission of the Uniform Annual General Charges and any targeted rates set on the basis of a fixed dollar charge per rating unit. The ratepayer will remain liable for at least one set of each type of uniform annual general charge or fixed charge.

Rates remission for educational institutions' sewage (pan) charges
Te whakaitinga tāke kaunihera parakaingaki kura

1.0 OBJECTIVE OF THE POLICY *- Te Whāinga Kaupapa Here*

The objective of this Rates Remission Policy is to enable the Council to reasonably rate educational institutions for sewerage disposal, having regard to the number of toilets and urinals needed for the number of staff and students rather than for the actual number of toilets and urinals available.

2.0 CONDITIONS AND CRITERIA - *Ngā Heipūtanga me ngā Paearu*

2.1 This policy will apply to the following educational establishments:

a) A state school under section (2)(1) of the Education Act 1989;

b) An integrated school under section (2)(1) of the Private School Conditional Integration Act 1975;

c) A special institution under section 92(1) of the Education Act 1989; or

d) An early childhood centre under section 308 of the Education Act 1989, but excluding any early childhood centre operating for a profit.

2.2 This policy does not apply to schoolhouses.

2.3 Upon receipt of an annual written application from the educational establishment, including an annual return of staff and student numbers, the Council may remit the number of pan charges in excess of the deemed number of pans. The excess number of pans will be the number of toilets and urinals available, less the deemed number of pans. The deemed number of pans will be calculated as follows:

a) Number of staff + number of students ÷ 20 = deemed number of pans.

2.4 The number of staff in an educational establishment is the number of teaching staff and administration staff employed by the educational establishment on 1 March, immediately before the year to which the charge relates. The number of students in an educational establishment is the number of students on its roll on 1 March in the year immediately before the year to which the charge relates. If the actual number of toilets and urinals for the educational establishment exceeds the deemed number of pans, the Council will remit the difference.

3.0 RATES TO BE REMITTED - *Ngā Tāke Kaunihera ki te whakaiti*

3.1 The number of pan charges for rates remission shall be 'the number of toilets and urinals available less the number of deemed toilets and urinals'.

Rates remission and postponement for financial hardship
Te whakaitinga me te whakatārewatanga Tāke Kaunihera i te horopaki taumaha ahumoni

PART 1: POSTPONEMENTS IN CASES OF FINANCIAL HARDSHIP - *Ngā whakatārewatanga i te horopaki taumaha ahumoni*

1.0 OBJECTIVE OF THE POLICY - *Te Whāinga Kaupapa Here*

The objective of this remission Policy is to enable the Council to provide reasonable assistance to ratepayers whose financial circumstances affect their ability to pay their rates.

2.0 CONDITIONS AND CRITERIA - *Ngā Heipūtanga me ngā Paearu*

2.1 When considering whether financial hardship exists, all of the ratepayer's personal circumstances will be relevant including the following factors: income from any source, including benefits (whether monetary or otherwise) received from any trust, the ratepayer's age, physical or mental disability, injury, illness and family circumstances.

2.2 If after due enquiry the Council is satisfied that financial hardship exists or would exist if the rates or a portion of the rates were not postponed, the Council may postpone part or all of the rates.

2.3 An application will only be considered where the following criteria are met:

a) The ratepayer must be the current owner of the rating unit which is the subject of the application (the Council may take into consideration the length of time of ownership).

b) The rating unit must be the ratepayer's normal place of residence.

c) The ratepayer must not own any other rating units, investment properties or other realisable assets.

d) The ratepayer must make application to the Council on the prescribed form.

2.4 Even if rates are postponed, as a general rule the ratepayer will be required to pay the first $500 of the rate account.

2.5 The ratepayer must make acceptable arrangements for payment of future rates, for example setting up a system for regular payments.

2.6 The Council will add a postponement fee to the postponed rates for the period between the due date and the date they are paid. This fee will not exceed an amount which covers the Council's administration and financial costs.

2.7 Any postponement will apply from the beginning of the rating year in which the application is made.

2.8 Where an application is granted, the rates will be postponed until the earlier of:

a) The death of the ratepayer(s)

b) Until the ratepayer(s) ceases to be the owner of the rating unit

c) Until the ratepayer(s) ceases to use the property as his/her residence

d) Until a date as determined by the Council in any particular case.

2.9 The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that of which they would be entitled to have postponed pursuant to this policy.

2.10 Postponed rates will be registered as a statutory land charge on the title of the rating unit.

2.11 The financial consideration of the postponement fee to be added under clause 2.6 will be an annual interest rate to be set by the Council by ordinary resolution at the time of setting the rates for any rating year.

2.12 The interest rate to be set under clause 2.11 will be set to be neutral (or as close to neutral as is reasonably possible) on the Council's cash flows.

PART 2: REMISSION IN CASES OF EXTREME FINANCIAL HARDSHIP - *Te whakaitinga i te horopaki taumaha hārukiruki ahumoni*

1.0 CONDITIONS AND CRITERIA - *Ngā Heipūtanga me ngā Paearu*

1.1 When considering whether extreme financial hardship exists, all of the ratepayer's personal circumstances will be relevant including but not limited to the following factors: income from any source, including benefits (whether monetary or otherwise) received from any trust; the ratepayer's age, physical or mental disability, injury, illness and family circumstances.

1.2 If after full enquiry, the Council is satisfied that extreme financial hardship exists or would be caused to the ratepayer, by requiring payment of the whole of the rates, it may remit part or all of the rates.

1.3 If under clause 1.2 the Council remits part of the rates, it may postpone the balance or any part of the balance under part 1 of this Policy.

1.4 Any remission granted under this part of this policy will not apply to future years.

1.5 Applications must be in writing by or on behalf of the ratepayer and will consider the following criteria:

a) The ratepayer must be a natural person.

b) The ratepayer must have continuously owned and occupied the rating unit which is the subject of the application, as their normal place of residence. (The Council may take into consideration the length of time of ownership).

c) The ratepayer must not own any other rating units, investment properties or other realisable assets.

RATES REMISSION FOR PENALTIES ON UNPAID RATES
Te whakaitinga Tāke Kaunihera i ngā utu taurewa

1.0 OBJECTIVE OF THE POLICY - *Te Whāinga Kaupapa Here*

The objective of the remission Policy is to enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the due date.

2.0 CONDITIONS AND CRITERIA - *Ngā Heipūtanga me ngā Paearu*

2.1 In this part of this Policy, the term 'Individuals' means ratepayers who are natural persons. The Council will consider remitting penalties where an applicant meets any of the following criteria:

a) Individuals on benefits or other low-incomes or who have been made redundant/unemployed, without substantial other means and who have exhausted all other avenues of relief.

b) Individuals suffering significant family disruption, e.g. serious illness or accident of self or a close family member, death of a close family member, marriage or separation/divorce.

c) Individuals in cases of extenuating circumstances, e.g. loss of records by fire or theft.

d) Individuals who are no longer able to manage their own affairs because of age and/or health and another person has assumed responsibility for the payment of accounts, etc. (Limited to one application per ratepayer).

e) Individuals who contact the Council prior to a penalty date to advise that they will not have funds available to pay the instalment charge until after the due date, and payment is made within 14 days of the due date. (Limited to one penalty within any two year period for any particular ratepayer).

f) Ratepayers who have paid within seven days after the due date. (Limited to one penalty with any two (2) year period for any particular ratepayer).

2.2 Ratepayers where:

a) There is a proven problem with the delivery of instalment notices to a particular area, i.e. letter of confirmation from New Zealand Post.

b) There is a delay with overseas postage.

c) Penalties may be remitted in other situations where, in the opinion of the Council, it would be just and equitable to do so.

d) Applications for remission of penalties must be in writing.

e) Rates (excluding the penalty) should be paid in full before remission is considered, except where provision is made for the remission of penalties prior to full repayment where regular payment plans, extending beyond 12 months, are in place and performing satisfactorily.

Rates remission for water leakage
Te whakaitinga Tāke Kaunihera i ngā paheke wai

1.0 OBJECTIVE OF THE POLICY - *Te Whāinga Kaupapa Here*

The objective of the remission Policy is to enable the Council to act fairly and reasonably to reduce accounts that are unusually high due to water leakage where there is clear evidence of timely repairs.

2.0 CONDITIONS AND CRITERIA - *Ngā Heipūtanga me ngā Paearu*

2.1 This policy applies only to targeted rates for water consumption and excess water charges.

2.2 Up to 100 percent of water leakage will be remitted unless negligence is shown in regard to timeliness of repair or maintenance of system (i.e. multiple leaks).

2.3 Application under this policy must be in writing and must be made by the ratepayer of the rating unit concerned.

2.4 Application must include evidence the leak has existed, and that the leak has since been repaired.

3.0 DEFINITIONS - *Ngā Tikanga*

Water leakage: The difference between the average consumption of the property and the consumption over and above that average.

Average consumption: The average of the previous four billing periods charged to the customer. Provided that when, by reason of a large variation of consumption due to seasonal or other causes, the average of the previous four billing periods would be an unreasonable estimate of the consumption, the Council may take into consideration other evidence to arrive at a reasonable estimate.

Timely repairs: A repair completed within 90 days of the invoice to which the application refers.

Rates remission and postponement for a rating unit affected by a natural hazard

Te whakaitinga me te whakatārewatanga Tāke Kaunihera i ngā rawa kua pāngia e ngā matepā taiao

1.0 OBJECTIVE OF THE POLICY *- Te Whāinga Kaupapa Here*

The objective of this policy is to provide short term financial assistance to residential properties through providing postponement of rates in the first instance and remission of rates once an application has been received, to those ratepayers that have been detrimentally affected by erosion, subsidence, submersion or another natural hazard event.

Rates remission aims to alleviate some of the financial pressure faced by residents that have had to move out of their homes. In these circumstances, property owners often end up incurring unexpected costs while their homes are not suitable for habitation. For some, this can affect their ability to pay their rates.

2.0 CONDITIONS AND CRITERIA - *Ngā Heipūtanga me ngā Paearu*

The following conditions and criteria apply:

2.1 The Council may postpone and remit rates charged on a rating unit if a dwelling is detrimentally affected by erosion, subsidence, submersion or other natural hazard event to such an extent that the resident ratepayers are no longer able to reside there.

2.2 Applications for rates remission must be made in writing and be received by the Council within a period of 12 months from the date on which the natural hazard event occurred.

2.3 An application will only be considered where the following criteria are met:

a) The ratepayer must be the current owner of the rating unit which is the subject of application.

b) The rating unit must be a residential property.

c) Rates remitted may exclude the following service charges: water, sewage disposal and mobile rubbish bins.

d) Evidence is provided supporting the claim and there is a process to return.

2.4 The Council may remit rates for the duration of the period that the residents are unable to reside in the dwelling for a period of up to 90 days commencing seven days after the natural hazard event.

2.5 At the end of the 90 day period, the Council may extend the remission of rates to a fixed date if applicants can demonstrate adequate reasons for not being able to inhabit the dwelling within the 90 day period e.g. section 124 notice (dangerous or insanitary building) under the Building Act 2004.

Rates remission for community, sporting and other organisations
Te whakaitinga Tāke Kaunihera i ngā rōpū hapori, ngā hākinakina, me rōpū kē atu

1.0 OBJECTIVE OF THE POLICY - *Te Whāinga Kaupapa Here*

The objectives of this policy are:

a) To facilitate the ongoing provision of non-commercial, non-profit, voluntary community and sporting services to the general public.

b) To assist the organisation's financial viability.

c) To make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, elderly and economically disadvantaged people.

d) To recognise the social and health benefits to the community of access to sports and recreation facilities.

e) To support the efforts of volunteers.

2.0 CONDITIONS AND CRITERIA - *Ngā Heipūtanga me ngā Paearu*

The following conditions and criteria apply:

2.1 Remission may be available to land occupied or used by a non-profit organisation which provides voluntary community or sporting services to the general public.

2.2 The organisation's purpose aligns with the policy objectives.

2.3 50 percent remission of rates and charges, excluding those for water, sewerage and refuse disposal, will apply for organisations, including those with a permanent club liquor licence.

2.4 Applications for remission must be made on an approved declaration form.

2.5 An application must include:

a) A signed statement from the organisation's treasurer to prove no profit is derived from its activity.

b) A statement of objectives, information on activities and programmes and details of membership of clients.

If the remission is accepted by the Council, the ratepayer does not need to re-apply annually, however the ratepayer has the responsibility to inform the Council if a change of circumstances has occurred that may result in the remission no longer being appropriate.

2.6 Applications for remission will be reviewed three-yearly.

2.7 Each application will be considered on its merits, and provision of a remission in any year does not set a precedent for similar remission in any future year.

Miscellaneous circumstance remission
Te whakaitinga Tāke Kaunihera whakaehu

1.0 OBJECTIVE OF THE POLICY - *Te Whāinga Kaupapa Here*

It is recognised that not all situations in which the Council may wish to remit rates will necessarily be known about in advance and provided for in the Council's specific policies, or there may be other circumstances in which it is appropriate to apply a remission, but it is not provided for in a policy.

The purpose of this part of the policy is to provide for the possibility of rates remission in circumstances which have not been specifically addressed but in which the Council considers it appropriate to remit rates.

2.0 CONDITIONS AND CRITERIA - *Ngā Heipūtanga me ngā Paearu*

The Council may remit rates on a rating unit where it considers it just and equitable to do so because of:

a) Extraordinary circumstances arising from a change to the Council's rating or rates remission policies have resulted in unintended consequences for a rating unit.

b) Exceptional circumstances where the Council believes that it is equitable to remit the rates.

The amount and duration of any such relief will be determined by the Council on a case-by-case basis.

DECISION-MAKING AND ADMINISTRATIVE MATTERS
Ngā whakataunga me ngā take whakahaere

- Decisions on rates remissions under this policy will be delegated to officers as set out in the Council's delegation register.
- Relief, and the extent thereof, is at the sole discretion of the Council and may be cancelled or reduced at any time if new relevant information is discovered and confirmed.
- Application for a remission must be made in writing and should, where practicable, be made prior to the commencement of the rating year, unless stated below that the Council applies the remission automatically.
- The Council may approve a multi-year remission if the ratepayer(s) provides an undertaking to notify the Council of any changes in circumstance that may affect the remission.
- Where the Council refers to 'land' and 'rating unit(s)' in the conditions and criteria of this policy, it will also consider remitting rates on a part or parts of a rating unit where only part of the rating unit qualifies for remission.

Policy review

This policy will be reviewed every six years, or earlier if required.

Rates Remission and Postponement Policies (Māori Freehold Land)

Ngā Kaupapa here Whakaiti me te Whakatārewa o ngā Tāke Kaunihera (Whenua Māori Herekore)

1.0 INTRODUCTION - *Kupu Arataki*

The Council uses rates remissions to help provide for increased affordability and equity in the rating system. The Council's Revenue and Financing Policy outlines the funding sources for each activity which includes general and targeted rates.

Rates remissions are designed to allow for specific circumstances at an individual level that cannot be effectively or efficiently incorporated into the rating system based on the data that is used to set rates.

2.0 POLICY CONTEXT - *Horopaki Kaupapa Here*

The Council has two policies covering rates remissions and postponements. One sets out the rates relief available to all types of land and the other deals with provisions specifically for Māori Freehold Land and land with similar characteristics (this policy).

Māori Freehold Land is eligible for rates remissions under both policies, subject to meeting the criteria in each.

3.0 LEGISLATIVE CONTEXT - *Horopaki Ture*

Non-rateable properties

The Local Government (Rating) Act 2002 identifies categories of land that are wholly or partly non-rateable in schedule 1. Properties that are wholly non-rateable under the Local Government (Rating) Act should be recorded as such in the Rating Information Database so that rates are not assessed on that property. Properties that are partly non-rateable will be recorded in the Rating Information Database as such and may receive further rates relief through remissions provided for in this policy.

The Local Government Act 2002 requires the Council to adopt policies for the remission and/or postponement of rates on Māori Freehold Land (section 102(2) (e)) but we also consider Te Ture Whenua Māori Act 1993 which is the primary legislation governing Māori Freehold Land, the preamble to which sets fundamental principles within which the whenua Māori framework operates:

a) Recognise whenua Māori as a taonga tuku iho of special significance to Māori.

b) Promote the retention of whenua Māori in the hands of its owners, their whanau, iwi, and their hapū;

c) Protect wāhi tapu.

d) Facilitate the occupation, development, and utilisation of whenua Māori for the benefit of its owners, their whānau, iwi, and their hapū.

Whenua Māori rates remission provisions have been developed against the backdrop of the guiding Te Ture Whenua principles, whilst considering the Local Government (Rating of Whenua Māori) Amendment Act 2021.

4.0 BACKGROUND - *Tirohanga Whakamuri*

The aim of this policy is to recognise that Māori Freehold Land may have particular conditions, ownership structures or other circumstances, which make it appropriate to remit or postpone rates for defined periods. Remission of rates involves reducing the amount owing or waiving collection of rates altogether. Postponement of rates means that the payment of rates is not waived in the first instance, but delayed for a certain amount of time, or until certain events occur.

The Local Government Act 2002 requires the Council to adopt policies for the remission and/or postponement of rates on Māori Freehold Land (section 102(2) (e)). In developing this policy, the Council must consider the matters set out in schedule 11 of the Local Government Act 2002. This includes the recognition that there are cultural, historical and legal factors that distinguish Māori Freehold Land from general land. These factors include:

a) The land is generally multiply owned.

b) There are legislative and cultural constraints on the ability to alienate Māori Freehold Land.

c) The land is undeveloped and/or unoccupied for cultural, spiritual or practical reasons.

d) Māori Freehold Land is not freely tradeable and is difficult to alienate (and in many cases, the owners do not want to alienate the land).

In compliance with the Local Government Act 2002 and in recognition that the nature of Māori Freehold Land is different to general land, the Council has formulated this policy on the Remission and Postponement of Rates on Māori Freehold Land.

The Council does not define Māori Freehold Land. This is determined by the Māori Land Court.

5.0 KEY DEFINITIONS - *Ngā Tikanga*

For the purpose of this policy, Māori Freehold Land means land whose beneficial ownership has been determined by the Māori Land Court by freehold order (section 5, Local Government (Rating) Act 2002), or at the Council's discretion:

- Former Māori Freehold Land whose status was changed to General Land under the Māori Affairs Amendment Act 1967.
- Land whose status is general land owned by Māori (as defined in Te Ture Whenua Māori Act 1993 and administered by the Māori Land Court).
- Any land, regardless of its status, returned to a Māori trust, iwi, hapū or other entity, by the Crown or local government body, as redress or compensation for a historic wrongdoing or breach of the Treaty of Waitangi.

Unoccupied means, in respect of a block of land or a portion[1] of a block of land, that there is no person, whether with a beneficial interest in the land or not, who, alone or with others:

a) Leases the land, and/or

b) Does any of the following things on the land, with the intention of making a profit or for any other benefit

(i) resides on the land

(ii) de-pastures or maintains livestock on the land

(iii) stores anything on the land.

Wāhi Tapu means a place sacred to Māori in the traditional, spiritual, religious, ritual or mythological sense (section 6 of the Heritage New Zealand Pouhere Taonga Act 2014).

General Land means land that is not Māori Freehold Land as defined above.

[1] *See section 98 of the Local Government (Rating) Act 2002, which allows for the apportionment of rates.*

6.0 POLICY OBJECTIVES - *Ngā Whāinga Kaupapa Here*

- To recognise Māori Freehold Land may have particular conditions, ownership structures or other circumstances which make it appropriate to remit or postpone rates for defined periods of time.
- To introduce a policy which promotes the collection of rates from owners of Māori Freehold Land in order to achieve a fair and equitable collection of rates from all sectors of the community.

What is available?

This policy is in three parts. Each part deals with distinct situations.

Part 1 deals with the remission of rates on Māori Freehold Land that is unoccupied and undeveloped.

Part 2 deals with the postponement of rates on Māori Freehold Land to facilitate the development and use of that land for economic purposes, where the Council considers that the utilisation of that land would be uneconomic if full rates were payable immediately.

Part 3 deals with the remission of uniform charges on Māori Freehold Land as encouragement for that land to be used for agricultural purposes in conjunction with other adjacent land.

Policy on the remission and postponement of rates on Māori Freehold land *Te Kaupapa here Whakaiti me te Whakatārewa o ngā Tāke Kaunihera i te Whenua Māori Herekore*

PART 1: UNOCCUPIED AND UNDEVELOPED LAND - *Whenua wātea me te Whenua taramore*

1.0 BACKGROUND - *He Tirohanga Whakamuri*

The Whakatāne District contains areas of Māori Freehold Land that are unoccupied. This land creates a significant rating burden on the Māori owners who may not have the means or in some cases, the desire to make economic use of the land.

The reason why Māori Freehold Land remains unoccupied is due to a number of factors which may include:

a) The nature of land ownership (for example, the land is owned by multiple owners, many of whom do not live near the land).
b) The land has some special significance which makes it undesirable to develop or reside on.
c) The land is isolated, difficult to access and marginal in quality.
d) The land is not suitable for generating income.

2.0 OBJECTIVES - *Ngā Whāinga*

- To recognise situations where land has been set aside for cultural or natural heritage reasons and no income is derived from the land.
- To avoid further alienation of Māori Freehold Land as result of pressures that may be brought on by the imposition of rates on unoccupied land
- To recognise matters relating to the physical inaccessibility of land.
- To provide the ability to grant remission for portions of land that are not occupied
- To support the traditional relationship of kaitiakitanga (guardianship) to the land, including the use of the land by the owners for traditional purposes.

3.0 CONDITIONS AND CRITERIA - *Ngā Heipūtanga me ngā Paearu*

3.1 The Council will consider remitting rates on Māori Freehold Land under part 1 if the following criteria are met:

a) The land is Māori Freehold Land as defined by section 5 of the Local Government (Rating) Act 2002. This definition is set out above under the heading 'Key definitions'.

b) The land is unoccupied, as defined above under the heading 'Key definitions'.

c) The land has been identified as requiring special treatment for rating purposes. This includes land which is:

(i) Unoccupied

(ii) it is uneconomic to use

(iii) no tangible benefit is derived from the use and occupation of the land

(iv) the land is inaccessible

(v) the community benefits from:

» The protection of outstanding natural features on the land

» The protection of significant indigenous vegetation and significant habitats of indigenous fauna on the land

» The land contains wāhi tapu affecting the use of the land for other purposes.

3.2 Any application for a remission of rates is to be made in writing annually, except where a remission has been granted for a longer period or when the Council recognises that a property is unoccupied or uneconomic to use, staff may initiate the application for remission of rates so that arrears are not overstated in the Council's records.

3.3 Where applicable, the Council has the discretion to negotiate remission of rates and penalties as a tool to clear arrears and current rates.

3.4 The Council may consider a portion of a block of Māori Freehold Land to be unoccupied.

3.5 The Council reserves the right to seek such additional information from the applicant/s or from any other source it may determine as necessary in considering that application.

4.0 RATES TO BE REMITTED - *Ngā Tāke Kaunihera ki te whakaiti*

4.1 Rates remissions (for all or part) may be applied to all rates charged on Māori Freehold Land with the exception of any targeted rate for connection to water and wastewater services or where a refuse collection service is provided.

4.2 Any approved remission will generally be for a period of one year but may be considered for up to three consecutive rating years. The exception is that where the Council is considering a remission of rates for past rating years, the three-year maximum period of remission may be extended at the Council's discretion.

PART 2: POSTPONEMENT - *Whakatārewatanga*

1.0 BACKGROUND - *Tirohanga Whakamuri*

The Council recognises significant rate arrears can act as a disincentive to any new or existing occupation of Māori Freehold Land.

Policies for the postponement of rates for Māori Freehold Land encourage the use of the land by occupiers who agree to pay the current and future rates for the period of time that they will use the land.

Postponement means that the rates remain as a debt against the property until they are written off after six years or the status of the land changes. Whilst the rates are postponed, the Council does not seek to collect them.

Part 2 is consistent with the objectives set out in schedule 11 of the Local Government Act 2002, which include the need to facilitate the wish of the owners of Māori Freehold Land to develop the land for economic use.

Part 2 provides for the remission of outstanding penalties and the postponement of rate arrears outstanding at the time that the agreement contemplated under this policy comes into force.

Part 2 provides that in the event that the current rates continue to be paid, the postponed rates will be remitted at the completion of the time period specified by the Council, which will not exceed six years after the date which they were charged to the land.

2.0 OBJECTIVES - *Ngā Whāinga*

- To facilitate the development and use of Māori Freehold Land for economic use where the Council considers that the utilisation of that land would be uneconomic if full rates were payable.
- To support any wish of the owners to develop the land for economic or other purposes by removing the rates burden while they plan for this development.

3.0 CONDITIONS AND CRITERIA - *Ngā Heipūtanga me ngā Paearu*

3.1 The Council will consider agreeing to postpone the arrears of rates on Māori Freehold Land subject to the land being continuously used by a person or persons as defined by section 96 of the Local Government (Rating) Act 2002 and the person or persons agreeing to pay the current and future rates by the due date, while they are using the land, are subject to the following criteria:

3.2 The land is Māori Freehold Land as defined by section 5 of the Local Government (Rating) Act 2002.

3.3 The application must be in writing and signed by the owner(s), their agent, or the person or persons proposing to use the land.

3.4 The person or persons using the land must enter into an agreement in writing with the Council to keep the current and future rates up-to-date while they are using the land.

3.5 All previous instalments of the current year's rates must be paid in full within one month of the agreement date or in part payments, by the 30 June of the applicable year or at the discretion of the Council an agreement may be entered into with the owners or trustees of any Māori Freehold Land, which allows for the staged payment of rates over a five-year period according to the following schedule:

a) Year one: Not less than 20 percent payable for that year
b) Year two: Not less than 40 percent payable for that year
c) Year three: Not less than 60 percent payable for that year
d) Year four: Not less than 80 percent payable for that year
e) Year five: 100 percent payable that year.

3.6 Any agreement negotiated must be supported by the following information:

a) A five-year projected cash flow prepared by a suitably qualified person, which shows the increase in annual cash surplus over the five-year period.

b) An assessment by the Council that the projected cash flow is realistic and can be achieved.

c) An annual report from the owners or trustees.

d) Any other documents the Council considers necessary to make an assessment.

3.7 The Council the sole judgement on whether to grant the application and may seek such additional information as it may require before making the final decision.

3.8 Pursuant to section 88 of the Local Government (Rating) Act 2002, a postponement fee may be added to the postponed rates.

4.0 TERMINATION AND REPAYMENT OF POSTPONED RATES - *Te Whakatepenga me te Utunga o ngā Tāke Kaunihera kua whakatārewahia*

4.1 Postponed rates will remain as a charge on the property for a period of six years from the date on which the rate was assessed, after which time they will be remitted.

4.2 If the current and future rates are not paid within one month of the due dates, the Council reserves the right to reapply the postponed rates to the land, subject to any agreement negotiated under this policy.

PART 3: UNIFORM CHARGES - *Ngā Tāke Kaunihera ā-tau i ngā rawa pātata*

1.0 BACKGROUND - *Tirohanga Whakamuri*

There are situations where opportunities to utilise Māori Freehold Land for agricultural purposes in conjunction with adjacent general land or other adjoining Māori Freehold Land blocks used contiguously are lost due to the rating liability attached to the Māori Freehold Land.

2.0 OBJECTIVE - *Whāinga*

The intent of this part of this Policy is to remove that impediment to facilitate productive use of that Māori Freehold Land.

3.0 CONDITIONS AND CRITERIA - *Ngā Heipūtanga me ngā Paearu*

The Council will consider remitting all uniform charges on Māori Freehold Land under this part if the following criteria are met:

3.1 The land is Māori Freehold Land as defined by section 5 of the Local Government (Rating) Act 2002. This definition is set out above under the heading 'key definitions'.

3.2 There is agreement for the land to be used together with adjacent general land or Māori Freehold Land used contiguously for agricultural purposes.

3.3 Any application for a remission of uniform charges is to be made in writing annually, except where a remission has been granted for a longer period.

4.0 RATES TO BE REMITTED - *Ngā Tāke Kaunihera ki te whakaiti*

4.1 Rates remissions may be applied to all uniform charges assessed on the Māori Freehold Land during the period that the Māori Freehold is utilised together with the adjacent general land for agricultural purposes.

DECISION-MAKING AND ADMINISTRATIVE MATTERS

Ngā whakataunga me ngā take whakahaere

- Decisions on rate remissions under this policy will be delegated to officers as set out in the Council's delegation register.
- Application for a remission must be made in writing and should, where practicable, be made prior to the commencement of the rating year, unless stated below that the Council applies the remission automatically.
- Owners or trustees making applications should include the following information in their applications:
  - (i) Details of the rating unit or units involved.
  - (ii) Documentation that shows the land qualifies as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court.
  - (iii) Supporting information to demonstrate that the remission will help achieve the policy objective.
- Relief, and the extent thereof, is at the sole discretion of the Council and may be cancelled or reduced at any time if new relevant information is discovered and confirmed.
- Where the Council refers to 'land' and 'rating unit(s)' in the conditions and criteria of this policy, it will also consider remitting rates on part or parts of a rating unit where only part of the rating unit qualifies for remission.
- The Council may approve a multi-year remission if the ratepayer(s) provides an undertaking to notify the Council of any changes in circumstance that may affect the remission.

Policy review

This policy will be reviewed every six years, or earlier if required.

Summary of Significance and Engagement Policy

Te Kaupapa Here Whakahirahiratanga me te Tūtakitakitanga

These pages provide a summary of our Significance and Engagement Policy. The full policy is available at **whakatane.govt.nz/documents/policies-and-bylaws**

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

The primary purpose of the Significance and Engagement Policy is to provide clarity to the Council and the public about how and when communities can expect to be engaged in the Council decision-making process. The general underlying principle of this policy is that the higher the degree of significance attached to issues, proposals, decisions, or other matters before the Council, the greater the level of community engagement that will be sought to inform the decision-making process.

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

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

When the Council will seek public participation in the decision-making process

Āhea te Kaunihera e whai i ngā whakaaro o te hunga tūmatanui ki te whakatau

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

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

- When specifically required by legislation.
- For any other matters based on their degree of significance.

When the Council may not seek public participation in the decision-making process

Āhea te Kaunihera e kore e whai i ngā whakaaro o te hunga tūmatanui ki te whakatau

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

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

How the level of significance is determined

Me pēhea e whakatau i te taumata whakahirahiratanga

A set of 'criteria' help us make an assessment of how significant a matter is and, therefore, the degree to which we should engage the public into the decision process. The criteria is set out in section 7.5 of our full policy and includes the following:

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

How we will engage

Me pēhea te tūtakitakitanga

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

Note that these are abridged from the principles set out in section 8.1 of our full Significance and Engagement Policy. Many of the principles have been adapted from the Local Government Act 2002 (sections 78 and 82), while others have been added to reflect the Council's commitment to community engagement.

Our engagement principles

Ngā mātāpono tūtakitakitanga

Customisation

The Council will tailor engagement to meet the particular needs of each project, stakeholders and the situation.

Familiarity

Some aspects of engagement will remain consistent, so that people know how and where to participate. Any engagement process that seeks general public engagement will be made available through the Council's website on the Kōrero Mai - Let's Talk web page, and through the Council service centres in Whakatāne and Murupara.

Information

The Council will provide comprehensive information about the purpose and scope of engagement, including:

- The reasons for engaging.
- The issues that are and are not up for decision-making.
- The timeframes involved.
- How the decisions will be made and who will be making the decisions.

Access

The Council will provide reasonable access to engagement processes in a manner and format that is appropriate to people's needs.

Timeliness

The Council will ensure the public can influence the decision process at appropriate stages and to ensure sufficient time to allow genuine engagement.

Partnerships

The Council will work in partnership with appropriate representatives and special interest groups. Some examples include advisory boards, iwi representatives, user groups, focus groups, community boards, and community groups to name a few.

Encouragement to present views

The Council will encourage all those affected by, or who have an interest in, an issue or project to present their views.

Openness

The Council will receive views with openness and will give those views due consideration when making a recommendation or decision.

Engaging with iwi, hapū and whānau

The Council will maintain processes to provide opportunities for whānau, hapū and iwi to contribute to the Council's decision-making processes.

Responding to diversity

The Council will endeavour to seek the views of a wide cross-section of the community.

Feedback

The Council will provide information regarding the outcome of the decision-making process and the reasons for the decisions.

Coordination

The Council will integrate and combine engagement and decision-making processes across departments where appropriate.

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WHAKATĀNE District Council
Kia Whakatāne au i ahau