

## Section 2 Informing our planning

# Rautaki Hangahanga Infrastructure Strategy

Infrastructure provides the foundation on which our District is built and supports most of what we do in our daily lives; the water we drink; the parks we plan in, the way we get to work and it doesn't end there! The decisions we make as a community on infrastructure investment have a huge influence on shaping the future of our District.

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# Introduction

Infrastructure plays a crucial role in our lives and provides an important base for many of the activities we pursue; things like roads, water pipes, footpaths, playgrounds, libraries and swimming pools. It is key to our community outcomes and the ability to enjoy a healthy and safe lifestyle, have a thriving economy and a clean, green and valued environment.

The decisions we make on infrastructure have a big influence on shaping the future of our District. That is why Council identified 'providing resilient, well-maintained and efficient infrastructure' as a strategic priority for the 2024-2034 Long Term Plan (LTP).

We have lots of positives in place and opportunities to pursue. Compared to other parts of New Zealand, we are fortunate to have a good starting point. Our district has a diverse economy and thriving communities. There has been significant investment in infrastructure over the last 20+ years and we continue to grow.

In the 2024-2034 LTP, we have a perfect storm of political, social, environmental and economic pressures that we need to respond to. Council has made some hard decisions that balance our ability to achieve this strategic priority (resilient, well-maintained and efficient infrastructure), against a backdrop of significant financial challenges.

This strategy helps us to understand the short and longer term implications of these decisions. It provides a comprehensive overview of the infrastructure services Council will deliver to the community over the next 30 years, and the considerations, opportunities and challenges we will face in doing this. It is recognised that there is still a lot of uncertainty that could change our direction along the way, which is why our strategic assumptions are important.

Infrastructure is a core part of what Council provides to the community. In the 2024-2034 LTP, Council spends on average \$92million (capital expenditure) every year on infrastructure and looks after over \$1.8 billion worth of assets. It is not possible to do everything, and choices are made on how Council will manage infrastructure investment. The Financial Strategy helps to achieve the balance between the ability of the community to pay and the need to deliver important infrastructure services to the community.

The following types of infrastructure are included in this strategy:



Stormwater



Water Supply



Wastewater



Transportation



Solid Waste



Recreation and Open Spaces



Community Facilities  
(including Elder Housing)

# What we are working with

This section provides an overview of our District and provides context for the approach taken to infrastructure in this strategy.

## The environment

Western Bay of Plenty District stretches from Waihi Beach in the north to Otamarakau in the south and covers 195,000 hectares of coastal, rural and urban areas. The diverse landscape combined with a favourable temperate climate, provides an area rich in resources including indigenous flora and fauna, highly versatile soils, rivers and harbours.

Almost half of the District is in forest and a further 40% is pastoral land. Less than 1% of the total area is urban and includes the towns of Waihi Beach, Katikati, Ōmokoroa, and Te Puke. Smaller rural settlements are located across the District. Along the Pacific Coast, Waihi Beach and Pukehina Beach have grown from being popular holiday places to places with a higher proportion of permanent residents.

The spread of settlements makes the delivery of infrastructure more expensive compared to a compact single settlement, like a city. The topography and soil types can also increase infrastructure costs, particularly for roading which often suffers from weather-related stormwater damage. Rules in the District Plan help to concentrate development in areas where infrastructure already exists or is planned to occur.

The types of natural hazards that could occur in the Bay of Plenty coastal and harbour areas include tsunamis, storm erosion and storm flooding. The major natural hazard risk in the District is flooding. Long term coastal erosion is evident in coastal settlements (Pukehina/Waihi Beach), seacliffs (Maketu), estuary margins (Little Waihi), and the shoreline of Tauranga Harbour (Ōmokoroa, Te Puna, Opureora) and along the open coast. Natural hazards in neighbouring areas also have the potential to cut off communities for a period of time.

Provision of resilient infrastructure is vital to future proof the district, and a key consideration in the provision of new and renewed assets.

## Our people

In 1991 the District population was 30,000. The Western Bay of Plenty sub-region is one of the fastest growing areas in New Zealand and includes Tauranga City with an estimated 163,000 people and Western Bay of Plenty District with around 60,000 people (2024).

Most growth has come from migration within New Zealand, and it is expected that this will continue. The sub-region is known as a 'sunbelt' destination due to the temperate climate and coastal location, attracting a higher ratio of older people than the national average.

The District is projected to continue to grow to 73,000 by 2054 with another 13,000 people expected to join us over the next 30 years. Ōmokoroa followed by Waihi Beach, Katikati, and Te Puke accommodate most of the population and future growth.



## Our economy

Economic strengths include highly productive soils, exceptional growing climate, a range of lifestyle opportunities and a manufacturing base with an export focus all next to New Zealand's largest export port.

Our economy is underpinned by agricultural and horticultural sectors. These primary sectors drive a multitude of professional businesses and service industries and employ a diverse labour force. Urban growth areas include land zoned for commercial and industrial purposes to support further business development occurring. Our economy is strongly intertwined with Tauranga which provides most of the sub-region's manufacturing and services.

Compared to other areas, our economy has been relatively cushioned from impacts of COVID-19, due to our diversity, strong rural sector (especially horticulture) and low reliance on international tourists.

Western Bay of Plenty district is part of the Golden Triangle (Auckland, Waikato, Bay of Plenty) and our economic growth is expected to be above the national average. Improving business resilience and sustainability will be a key challenge moving forward, along with supply chain, inflation and interest rate pressure, and difficulties in the attraction of talent and skills into the labour market.

Rangiuru Business Park located near Te Puke, and the Tauranga Eastern Link, provides capacity for commercial and industrial growth with around 150 hectares of land available.

The environment, soils and climate are not only attractive for agricultural production but also for people wanting a relaxed outdoor lifestyle. The District is close to the amenities of Tauranga, yet much of the area retains a rural and small-town atmosphere.

## Our infrastructure

Between 1998 and 2008 the District grew rapidly with the population increasing by 18%. Council provided infrastructure for the growing community. Water and wastewater schemes were established predominately for development of urban areas, with water supply also supporting development of the primary sector in rural areas. During this period there were substantial government subsidies for these schemes which Council took advantage of.

Prior to the 2007 Global Financial Crisis, Council's approach to infrastructure was that 'growth pays for growth' and that new infrastructure was installed ahead of time to encourage growth. The slowing down of growth created a conflict between these approaches, substantially increasing debt to fund the shortfall of financial contributions received from growth. This prompted a change in approach, to a policy of 'just in time' infrastructure provision. Where practical, capital expenditure is committed where there is sufficient evidence to show that development will occur. This seeks to ensure that growth-related debt is repaid as growth occurs and that existing infrastructure is used to its full extent. This principle still applies today.

From 2015 to 2018, Council adopted a financial strategy of applying a rates contribution to service the interest payments on growth-related debt. Through the 2018-28 LTP the community supported Council reviewing each year the actual amount of rates applied to service the interest on growth related debt. From 2018 to 2021, the amount we put towards this was reduced, due to increased development activity and favourable interest rates. This approach, coupled with prudent management of the capital works programme, means our net debt<sup>1</sup> reduced from \$144 million in 2015 to \$75.5 million in 2020.

Council provides a significant amount of infrastructure and understands first hand the impact recent events have had on the ability of our infrastructure network to respond to the needs of our communities.

The age of our infrastructure assets is diverse across the different activities, with lifecycles that range from 3 years (for some technology-based equipment), to 80 plus years for some infrastructure assets. The age and the remaining useful life of some of our assets will place additional pressure on renewals funding. These funding pressures must be considered in conjunction with the funding requirements to maintain and/or increase service levels and/or create new assets in respond to growth and demand.

<sup>1</sup> Net debt is total borrowings less cash



## Key strategic issues for infrastructure

<p><b>Population growth</b></p> <p>For further information see pages 32, 33 and 34.</p>	<p>Our district continues to grow. Forward planning and a consistent approach to investment in growth areas over the last two decades means we are continuing to manage how and when growth occurs.</p> <p>A review of the 2024-2034 Structure Plan for district wide growth-related infrastructure projects has been conducted, detailing schedules, cost estimates, funding sources and construction timelines. The project schedules have been updated based on changes in land development timing, construction and design cost estimates and population growth forecasts. Over \$157 million investment (Council funding, growth funding and other agencies such as Waka Kotahi) is in the 2024-2034 LTP for growth related infrastructure in Ōmokoroa - roading, water, water supply, stormwater and reserves. Projects also provide for Te Puke growth including a replacement wastewater treatment plant, library and swimming pool.</p> <p>A decision to increase our net debt to revenue ratio from 180% to 200% recognises the significant investment in growth areas and the need for debt headroom should the unexpected occur.</p>
<p><b>Levels of service</b></p> <p>For further information see pages 45,47, 86, 87 and 88.</p>	<p>We continue to work towards achieving our levels of service with annual reporting helping to identify gaps and areas of focus for future LTP's and Annual Plan processes. We are seeking to absorb reduced funding from Waka Kotahi from 2024-2027 to ensure we continue to achieve our levels of service for transportation activities. Council's funding share will remain so that we continue to invest in our transport network.</p> <p>Key level of service focus areas are the maintenance of roads and stormwater levels of service. Improvements to contracts for road maintenance will seek to improve the level of service of our roads. A review of the stormwater levels of service will determine whether changes are required to better reflect community expectations for stormwater management. Decisions made through the 2024-2034 LTP have meant some projects that deliver on levels of service such as swimming pool and library development are moved out, helping spread the costs of investment in these facilities.</p>
<p><b>Legislative requirements</b></p> <p>For further information see pages 44, 46, 49, 81 and 86.</p>	<p>Legislative change continues to create uncertainty and impact infrastructure costs. Increased environmental standards mean significant increased costs to Council. For example, wastewater and water activities as we respond to Taumata Arowai and investment in UV and water treatment requirements and resource consent conditions requiring significant investment in the Te Puke wastewater treatment plant and replacement options for the Katikati outfall pipe. Changes to the strategic priorities within the Government Policy Statement for land transport (2024-2027) have significantly reduced funding subsidies for our transport activities.</p>
<p><b>Asset renewals</b></p> <p>For further information see pages 53, 89 and 92.</p>	<p>Our approach to renewals is just in time. Renewals continue across the 30 years with peaks in the water and wastewater activities to reflect water bore and reticulation renewals, the Te Puke wastewater treatment plant replacement and management of the Katikati wastewater outfall pipe.</p> <p>We recognise that reduced funding from Waka Kotahi from 2024-2027 means previously subsidised road maintenance, improvement and renewals activities will need to be achieved within a reduced funding envelope. Our transition and move to an efficient and agile contract that provides improved value for money will enable us to do more in this space than what we could via our previous contract which required a more conservative approach.</p>



# How we are responding to challenges and opportunities

This section identifies the key challenges and opportunities that will impact the way we plan for and manage our infrastructure in the future.

We outline what we are doing to respond to each of these key challenges/opportunities with further detail provided later in the strategy.

1. The cost of providing infrastructure
2. Legislative change
3. Population growth
4. Climate change

## 1.

### The cost of providing infrastructure

We have an ambitious work programme for capital investment that is required to respond to population growth. This includes the costs associated with designing infrastructure to ensure the effects of growth on our natural environment are managed. Overall, our capital programme has increased by 42% since the last LTP and includes new significant projects.

#### Issues include:

- Cost of living impacts.
- Increased cost of materials and labour due to high inflation.
- Increased cost of borrowing for projects.
- Availability of contractors.
- Disruption to supply chains.
- Legislative change (see below).
- Resource consent delays.
- Detailed project investigation exposing unanticipated issues.

#### Opportunities include:

- New ways of doing things to create efficiencies.
- The pace of change driven by technological advancements will continue to influence the way we provide our infrastructure, for example, demand for electric vehicle charging stations.
- Smarter infrastructure can improve the way services work and help create spaces that are better to live in (e.g. public safety, air quality, efficient car parking, smart streetlights, emptying bins, water management etc).

#### What we are doing about it:

- Using our Financial Strategy to apply an affordability lens.
- Using robust Asset Management Plan (AMP) approaches to develop scenarios, and risk profiles that enable us to understand where we can sweat assets (noting that our wastewater and stormwater assets are relatively young however we are experiencing some issues) and where we need to prioritise the renewal of critical assets.

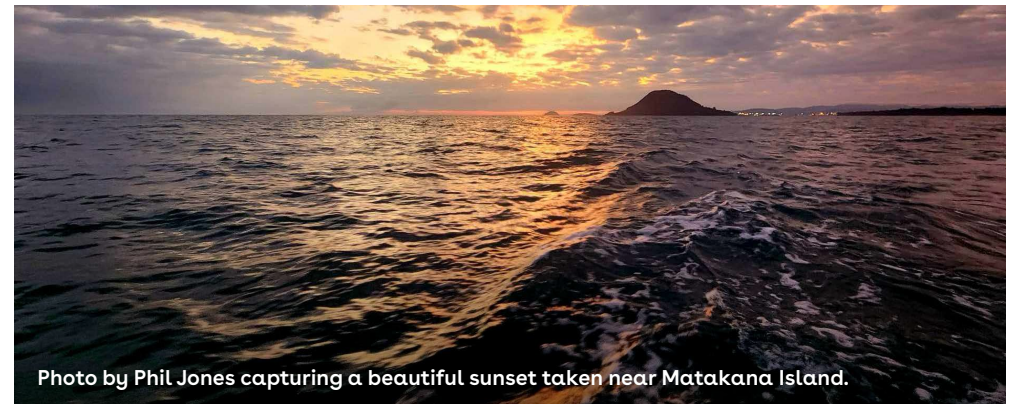


Photo by Phil Jones capturing a beautiful sunset taken near Matakana Island.

## 2.

## Legislative change

The ongoing uncertainty of central government reform and legislative changes makes it difficult to plan ahead with clarity.

### Issues include:

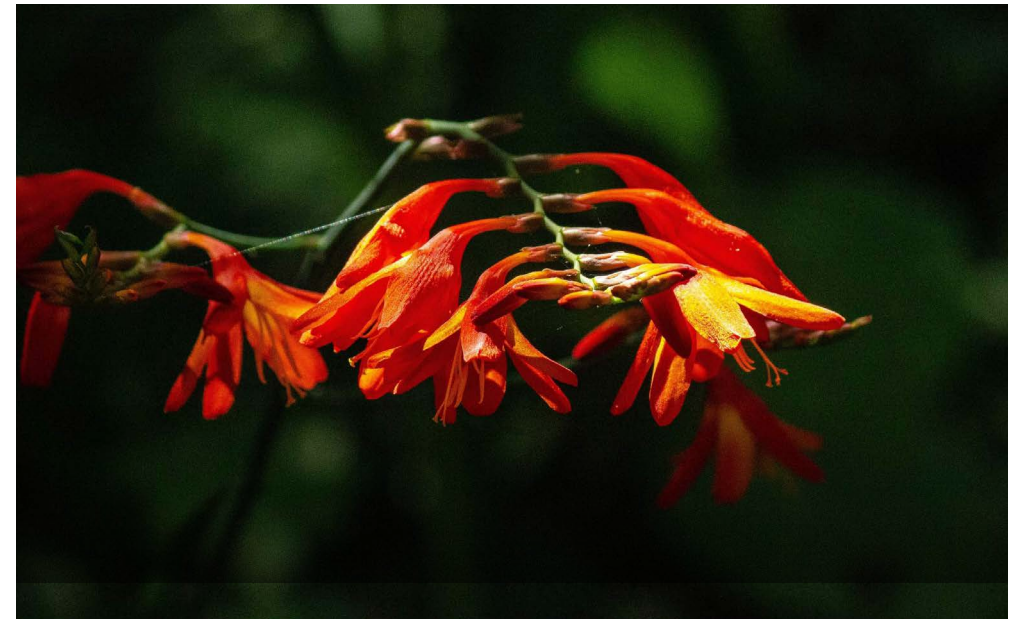
- A change in direction from three waters reform to implementing Local Water Done Well. In accordance with the Local Water Done Well framework, Council is assessing options for the delivery of water services. By August/September 2025 a Water service delivery plan will be in place and a decision made on a future delivery model (stand-alone or joint).
- The government has set out a three-year work programme to reform the resource management system. The Minister proposes three phases of reform, the first of which has been completed with the repeal of the Spatial Planning Act and Natural and Built Environment Act. Consultation has begun for Phase 2 changes including fast track consenting, changes to specific National Policy Statements and making it easier to build Granny Flats. The Minister has announced his intent to implement the Going for Housing Growth Policy, which is likely to require councils to make more land available for development, remove planning barriers and implement new funding and financing tools. At its core, it seeks to encourage councils to support housing growth. There will likely be challenges in servicing new areas for development with required infrastructure. As the proposed policy is yet to be implemented through legislation, it is difficult to anticipate the specific implications for our District. The first of new legislation for fast track consenting and National Policy Statements for biodiversity, highly productive land and freshwater management is expected later this year. Wider changes including an integrated national direction package and RMA replacement legislation is planned to be in place by 2026.
- Central government funding priorities have changed. The Government Policy Statement for land transport (GPS 2024) prioritises boosting economic growth and productivity, increasing resilience and maintenance, improving safety and focusing on value for money from transport expenditure. It also reintroduces the Roads of National Significance programme that was started under the previous National Government in 2009. Funding subsidies are no longer available for improvements and multi modal funding has been reduced to a third. Further to this, Government has chosen not to keep with inflation and market trends with regards to funding road maintenance and renewals.
- While new funding priorities have been signalled there is still uncertainty for waste minimisation activities.
- The time and resources required to adjust to changes impacts on the organisation.

### Opportunities include:

- Potential for new funding and financing tools.

### What we are doing about it:

- Council will continue to fund its share of previously subsidised transportation activities and invest in the network with a reduced funding envelope, seeking efficiencies wherever possible. Levels of service will be reviewed in 2025/2026 to determine our community's priorities within a changed government context.
- Making the best strategic assumptions we can with the information we have presently.
- Continuing to carefully monitor the path of proposed legislation and its implications for the LTP.
- Being flexible to change and ensuring we have the financial headroom to respond.





# 3.

## Population and economic growth

We are a high growth district. Population growth brings benefits to the district but also creates challenges for the delivery of services and funding of infrastructure. Population projections help us plan the infrastructure required for growth. Most growth will be experienced in Ōmokoroa over the next ten years. Te Puke will continue to grow too. During this planning horizon, we will complete the Te Puke Spatial Plan and the Te Puke Wastewater Treatment Plant which will enable the capacity for further growth in this community. This growth is not limited to our district. Tauranga City will continue to experience significant growth over the next 30 years. Given the interconnectedness of our districts, growth planning is undertaken at a sub-regional level via SmartGrowth.

### Issues include:

- Balancing the need to look after existing infrastructure assets with the need to provide new infrastructure to service growth areas. Consideration of asset needs, and potential deficits is important.
- The affordability and availability of housing is a significant issue for New Zealand and our district. This is exacerbated by population growth, as demand outstrips supply.
- Our primary industries are heavily reliant on having an efficient road network, (particularly for freight movement), and security of water supply. Tourism also relies on access to accommodation options and tourist destinations such as historic sites, coastal and harbour parks, and recreational experiences. Seasonal demand will continue. Horticultural workers and holidaymakers continue to create large seasonal increases in population, placing greater demand on infrastructure during this time.

### Opportunities include:

- Growth brings significant benefits including increased prosperity, attracting investment, community vibrancy and diversity.
- Existing growth areas are at Waihi Beach, Katikati, Ōmokoroa and Te Puke. These towns have been growing since the 1980s and still have varied capacity for additional residential dwellings, and commercial/industrial development.
- The Rangiuru Business Park is underway with construction of the interchange with the Tauranga Eastern Link well advanced. Council has agreed to assist with the financing approach for this project, with costs also financed by Quayside Holdings Ltd.
- Future growth areas are determined through the Future Development Strategy (as part of the wider SmartGrowth Strategy). Investigations in the eastern and western corridor are underway to determine future development areas.
- Digital infrastructure planning needs to align with growth plans for our district to achieve economic transformation, digital equity and improve capabilities.

### What we are doing about it:

- Council has identified the need to enable housing as one of our five strategic priorities. The focus is on working with others to ensure the provision of housing that is affordable, accessible and appropriate to the different needs within our community.
- SmartGrowth sets the strategic vision and direction for the growth and development of Tauranga City and the Western Bay of Plenty District. SmartGrowth is a collaboration between Western Bay of Plenty District Council, Bay of Plenty Regional Council (BOPRC), Tauranga City Council (TCC) and Tangata Whenua working in partnership with Central Government, businesses, education groups, industry and the community. It provides a shared pathway to guide us all toward a single vision - making the Western Bay a great place to live, learn, work and play.
- Planning tools such as spatial plans and structure plans are used in growth areas. They help to provide a comprehensive approach to how growth might be accommodated and what is required for our communities. They are a good tool for a community conversation as they provide a visual perspective of what an area might look in the future and set the expectation for the outcomes and actions required.
- Population projections and monitoring of uptake and development trends help keep track of what is occurring on the ground. That way we can adjust our investment accordingly, so we continue to enable growth and achieve a balance between providing infrastructure too far in advance and providing it 'just in time'.
- The Financial Strategy has been prepared to position Council's finances to allow for future investment as necessary to deliver on expected growth.
- Council has prioritised significant infrastructure investment to service existing growth areas over the last 5-6 years and will continue to do so. In the 2024-2034 LTP, this investment will help to service the Ōmokoroa Stage 3 structure plan area (between the railway and State Highway 2) and ongoing growth in Te Puke.
- A comprehensive review of financial contributions is underway in 2024. This will seek to ensure the approach we take to collecting contributions from development (or 'growth pays for growth') is easy to understand, consistent and equitable, well documented, with robust models in place to ensure continuity of approach.

## 4.

## Climate change

Council must respond to climate change now to ensure a level of preparedness for future impacts. Failure to respond may lead to significant future challenges and costs.

### Issues include:

- Providing increased capacity within the stormwater network, to cope with increased rainfall intensities and sea level rise.
- The location of roads close to the coast may require sea defences to protect from coastal erosion or may need to be relocated. Storm damage to roads and bridges from major events is an increasing concern.
- The potential for severe weather events and natural erosion to impact on waste and contamination overflows from our closed landfills.
- The future approach to the renewal, upgrade and provision of public land and infrastructure in coastal and harbour areas.
- Increased expenditure on operational responses and repairs due to the damage from storms increasing the need to provide sufficient debt headroom to be able to respond to unexpected events.
- Decline in resident satisfaction with roading and stormwater (based on the 2022-2023 Resident Survey) likely reflecting the impacts of Cyclone Gabrielle and other flooding events, on the roading network and in residential areas like Waihi Beach.

### Opportunities include:

- Developing resilient infrastructure.
- Encouraging modal shift and transport choice.

### What we are doing about it:

- Council has identified climate change as one of our five strategic priorities. The focus is on working with communities to build understanding and deciding together how to respond. We want to build community resilience across all our strategic priorities, so the community is in a better position to adapt and manage impacts of any changes.
- We are measuring our operational emissions and setting corporate emission reduction targets to assist with climate change mitigation.
- Better understanding the level of risk to our assets and beginning to develop options for reducing this risk. Infrastructure exposure and risk assessments have been developed for some of our most susceptible assets to inform climate change adaptation actions as a next step. Continuing to grow understanding of how climate change may impact our communities and infrastructure assets is key to our climate change response.
- Supporting development of local climate change action plans and providing support in response to local extreme events such as the recent Waihi Beach flooding, in collaboration with local response networks.
- Our next focus is to identify potential adaptation actions. To manage risks we need to think about where we build, how we build and what can be done with existing infrastructure to protect it or make it more resilient through upgrades. Local adaptation planning is a way for communities to work together to reduce the risks posed by natural hazards. It is possible that Council will need to consider this in the future in areas that are already susceptible to flooding and erosion, such as parts of Waihi Beach, Ongare Point, Te Puna West, Maketu, Te Rereatukahia and Omokoroa. We may need to consider a DAPP<sup>1</sup> approach for our high risk assets and areas.

<sup>1</sup> Dynamic Adaptive Pathways - works to establish potential scenarios - what the options are and identifying points when you decide to change track. Ideally four options - starting with lowest cost option and then trigger points for when you change.

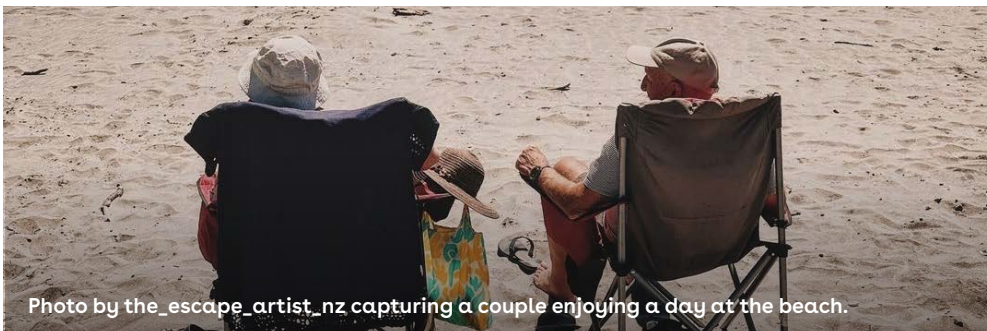


Photo by the\_escape\_artist\_nz capturing a couple enjoying a day at the beach.

# What we want to achieve

**Infrastructure sits across all the strategic priorities. It is needed to enable housing to occur, it can help our communities thrive, Council facilitates and partners with Māori to identify infrastructure requirements that achieve their aspirations, and resilience of infrastructure is key to responding to climate change.**

Our community outcomes are what we collectively aim to achieve to promote the social, economic, environmental, and cultural well-being of our district now and for the future:

- We can all enjoy a healthy and safe lifestyle.
- Our communities are vibrant and welcoming to all.
- Leaders are effective, informed and inclusive.
- Our environment is clean, green and valued.
- Our economy is thriving.
- We have authentic Te Tiriti based relationships with Tangata Whenua.

Our strategic priorities are what we consider to be the most important issues facing our community, and are a key focus of our 2024-2034 Long Term Plan and other work we do:

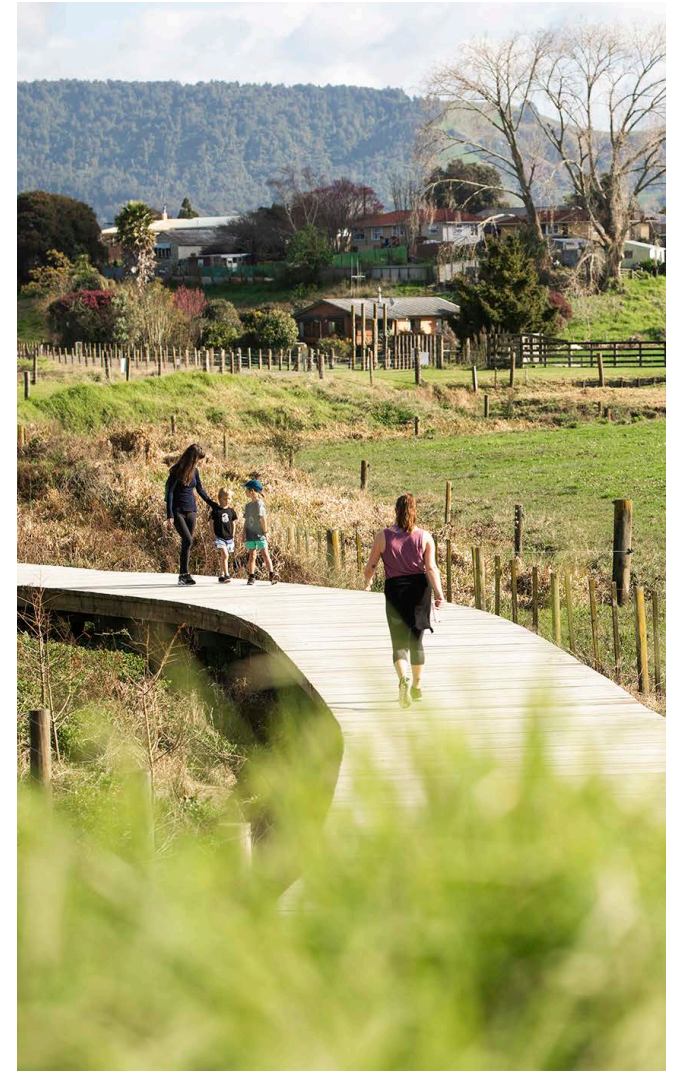
- Enabling housing.
- Empowering communities.
- Growing authentic Te Tiriti based relationships.
- Providing well maintained, resilient and efficient infrastructure.
- Responding to climate change.

The focus of this strategy is to demonstrate how we will give effect to our strategic priority 'providing resilient, well-maintained and efficient infrastructure' so we can continue to meet the needs of our communities and enable further growth to occur.

- Resilient means knowledge of our assets, understanding asset risk, exposure, identifying critical assets, incorporating resilience into our approach to renewals, upgrades and new assets, and for this to become business as usual (BAU) thinking.
- Well-maintained means sufficient renewals funding, good asset knowledge, ongoing renewal and upgrade programmes.

We can't do this alone. We need to work in partnership with tangata whenua and a range of organisations including Central Government, local authorities and community groups. SmartGrowth is a good example of where this collaboration already exists.

Efficient means integrated, streamlined, do it once do it right, systems and processes that encourage efficiencies in everything we do.



# What this means for our infrastructure approach

Our goals for infrastructure planning, provision and management over the next 30 years are outlined below.

Goal	What we will do	Financial considerations
<p><b>1. Maintain the infrastructure and services we provide as efficiently and effectively as possible.</b></p>	<p>Regular condition assessments, renewals and upgrades to ensure infrastructure meets the needs of our community and we get the most out of our assets.</p> <p>Continue with a 'just in time' approach to the renewal and replacement of assets.</p> <p>Review of the AMP framework to implement a more consistent and streamlined approach to AMP development.</p> <p>Prioritise improvement of long term asset information for reserves and community facilities.</p> <p>Resilience is a key component of our asset management process. This includes understanding asset resilience, and implementing improvements when renewing, upgrading and developing assets.</p>	<p>Enduring programme of renewal and operational expenditure, guided by AMPs. Loan fund renewals when required to ensure intergenerational equity.</p> <p>Optimise use of infrastructure and streamline operational costs.</p>
<p><b>2. Provide the infrastructure required to support a growing community.</b></p>	<p>Continue to invest in the development of growth areas, recognising the benefits of growth to our community.</p> <p>Continue with a 'just in time' approach to the provision of growth infrastructure.</p> <p>Regular monitoring of growth uptake and development trends to better align infrastructure investment with growth patterns.</p> <p>Comprehensive review of our growth funding approach (financial contributions) to ensure growth pays for growth in a fair and equitable manner.</p> <p>Develop spatial plans and structure plans for growth areas to provide a comprehensive plan that identifies infrastructure requirements.</p> <p>Improve Council's project management structure and delivery model to ensure greater oversight and risk identification of projects, and sufficient pre-planning so that projects are delivered on time.</p>	<p>Debt limits provide capacity for growth funded capital expenditure to occur.</p> <p>Just in time approach provides greater certainty of growth funding revenue.</p> <p>Manage debt profile within identified debt limits.</p>
<p><b>3. Identify and plan for potential changes to levels of service in the future.</b></p>	<p>Anticipated level of service reviews are included in the significant infrastructure decisions. Funding subsidies from central government, particularly for transportation activities impact our ability to achieve our levels of service. We need to adjust to changes in central government priorities in the short term, and understand the longer term implications of this.</p>	<p>Flexibility in Financial Strategy debt and rates limits to adjust to a potential increase or decrease of costs with a change in levels of service.</p>
<p><b>4. Continually improve our knowledge of infrastructure, particularly in terms of asset condition, performance, asset efficiency and the impact of technology.</b></p>	<p>Improve asset condition information. The more we understand our assets the better informed we are on the risks and trade offs of investment decisions particularly when challenged with affordability issues.</p> <p>It's important that Council keeps pace with the changing world of infrastructure and technology and applies this thinking to future planning and investment decisions.</p>	<p>Flexibility in Financial Strategy to adjust to a potential increase or decrease of costs with a change in approach.</p>

# Significant infrastructure decisions

Significant infrastructure decisions are those which are likely to cost a lot, have an impact across several infrastructure activities, and/or have the potential to be a big change to the current approach and levels of service.

We deliver infrastructure to support our community wellbeing, with all our projects providing a range of benefits across the four aspects of community wellbeing - social, cultural, economic and environmental. Below are the significant infrastructure decisions that require Council direction over the next 10-30 years.

	Topic	Why	2024 - 2034 LTP Funding	Approach or options	Implications
1.	<b>Council's response to Local Water Done Well</b>	<ul style="list-style-type: none"> <li>Stormwater, water and wastewater are significant investment activities of Council.</li> <li>Government's Local Water Done Well framework is being used to determine the future delivery approach.</li> </ul>	<ul style="list-style-type: none"> <li>Over \$365 million investment for stormwater, water and wastewater capital and operational projects.</li> </ul>	<ul style="list-style-type: none"> <li>Assessing options for delivery</li> <li>Development of water services plan</li> <li>Decision on stand alone or joint delivery options made by August/September 2025.</li> </ul>	<ul style="list-style-type: none"> <li>Impact on staff resources to gather information and respond, to inform decision-making processes.</li> </ul>
2.	<b>Addressing issues with pavement deterioration</b>	<ul style="list-style-type: none"> <li>Transportation (roading, footpaths etc) is a significant investment activity of Council.</li> <li>Significant increases in costs of delivering this activity.</li> <li>The state of pavement assets has deteriorated over time.</li> <li>Opportunity to localise delivery as maintenance contract requires renewal.</li> <li>Reliance on Waka Kotahi funding subsidy (via the Funding Assistance Rate).</li> </ul>	<ul style="list-style-type: none"> <li>Significant investment in capital and operational roading and transport related projects.</li> <li>This includes subsidised and unsubsidised projects. Council will continue with its share of funding for these projects in 2024-2027 recognising a reduced funding envelope from Waka Kotahi.</li> </ul>	<ul style="list-style-type: none"> <li>Continue with Council's funding portion of subsidised activities to maintain LOS and reduce pavement deterioration. Absorb reduced funding from Waka Kotahi through seeking delivery efficiencies.</li> <li>OR</li> <li>Remove unsubsidised transport projects and reduce LOS and maintenance programme.</li> </ul>	<ul style="list-style-type: none"> <li>Determines Council's approach and investment on road maintenance.</li> </ul>
3.	<b>Transportation levels of service review</b>	<ul style="list-style-type: none"> <li>Transportation (roading, footpaths etc) is a significant investment activity of Council.</li> <li>Significant increases in costs of delivering this activity.</li> <li>Reliance on Waka Kotahi funding subsidy (via the Funding Assistance Rate) with a reduced funding envelope provided and changed priorities for 2024-2027.</li> <li>We need to fully understand the financial implications of this, options, the risk of any change to status quo and our current levels of service.</li> </ul>	<ul style="list-style-type: none"> <li>As above.</li> </ul>	<ul style="list-style-type: none"> <li>In 2024/2025, commence detailed analysis based on the Waka Kotahi funding changes.</li> <li>In 2025/2026, discuss options and potential level of service changes with the community.</li> </ul>	<ul style="list-style-type: none"> <li>Impact on investment and delivery approach in future LTPs.</li> </ul>

	Topic	Why	2024 - 2034 LTP Funding	Approach or options	Implications
4.	<b>Ōmokoroa infrastructure investment for growth</b>	<ul style="list-style-type: none"> <li>Significant investment required in the highest growth area in the district.</li> </ul>	<ul style="list-style-type: none"> <li>Over \$157 million investment (Council funding, growth funding and other agencies) over 10 year period in growth related infrastructure for Ōmokoroa -roading, water, water supply, stormwater and reserves.</li> </ul>	<ul style="list-style-type: none"> <li>Council will continue to align the programme with growth patterns and implement a just in time approach where feasible.</li> <li>Other options that are not viable include adopting a lead or lag approach to infrastructure provision or stopping infrastructure investment.</li> </ul>	<ul style="list-style-type: none"> <li>Balance between enabling growth in a timely manner and reducing financial risk to council if growth was to slow down.</li> <li>Other options impact the ability for growth to occur in a managed and financially sustainable way and are therefore discounted.</li> </ul>
5.	<b>Katikati wastewater outfall</b>	<ul style="list-style-type: none"> <li>Sections of the pipe are failing much earlier than the pipe design life.</li> <li>Investigation work in first 3 years.</li> <li>Consent expires in 12 years.</li> <li>Additional funding to 'manage' breaks in the pipe until a longer term solution is found.</li> </ul>	<ul style="list-style-type: none"> <li>\$68 million with majority of costs in 2028/2029 onwards.</li> <li>Funding for potential breaks in the pipe until a solution is implemented.</li> <li>Higher maintenance to 2030 then decreases. Average over 10 years - \$740,000 per annum.</li> </ul>	<ul style="list-style-type: none"> <li>Options will be determined via the investigation and feasibility process from 2024-2027.</li> <li>Decision (based on investigation outcomes) to be made in the 2027-2037 LTP.</li> </ul>	<ul style="list-style-type: none"> <li>Potential compliance implications or prosecution risk if treated wastewater leaks continue.</li> </ul>
6.	<b>Waihi Beach stormwater Level of Service (LOS) review</b>	<ul style="list-style-type: none"> <li>LOS being met but there is a need to test this to ensure it still meets community expectations.</li> <li>LOS only looks at habitable floors whereas there are incidences where people's lives are at risk.</li> </ul>	<ul style="list-style-type: none"> <li>\$10.5 million for LOS projects +\$14.8 million for renewals projects for Waihi Beach stormwater</li> </ul>	<ul style="list-style-type: none"> <li>Level of service decision in 2027-2037 LTP.</li> <li>Will need to be considered in the context of decisions made on the Local Water Done Well framework.</li> </ul>	<ul style="list-style-type: none"> <li>Impact on investment and delivery approach in future LTPs.</li> </ul>
7.	<b>Te Puke Spatial Plan</b>	<ul style="list-style-type: none"> <li>Comprehensive approach to enable growth.</li> <li>Opportunity to understand community expectations.</li> </ul>	<ul style="list-style-type: none"> <li>No specific funding included for implementation.</li> <li>Includes planned investment in Te Puke e.g. new swimming pool (\$17m), library and service centre (\$15m), replacement of the Te Puke Wastewater Treatment Plant (\$77 million).</li> </ul>	<ul style="list-style-type: none"> <li>Outcomes and funding requirements to be determined through spatial plan process.</li> </ul>	<ul style="list-style-type: none"> <li>Impact on investment and delivery approach in future LTPs.</li> </ul>
8.	<b>Te Puke Wastewater Treatment Plant (replacement plant)</b>	<ul style="list-style-type: none"> <li>Meeting environmental quality requirements. Compliance with resource consent conditions.</li> <li>Providing capacity for growth.</li> <li>Service Rangiora Business Park (approx. 45% funded by Quayside) and Te Puke growth.</li> <li>Cost efficiencies to develop as one project rather than staged.</li> </ul>	<ul style="list-style-type: none"> <li>\$78 million from 2025 - \$33 million funded from Council (a portion of this is growth related).</li> </ul>	<ul style="list-style-type: none"> <li>Proceed with replacement facility and timing as per 2024-2034 LTP. Time critical due to existing plant being at capacity, the timing of the Rangiora Business Park and new discharge quality limits set in the new resource consent by 2026.</li> </ul>	<ul style="list-style-type: none"> <li>Capacity and compliance consequences if replacement plant does not proceed.</li> </ul>

	Topic	Why	2024 - 2034 LTP Funding	Approach or options	Implications
9.	<b>Library level of service implementation</b>	<ul style="list-style-type: none"> <li>Existing facilities no longer fit for purpose.</li> <li>Investment needed. Achieve levels of service.</li> </ul>	<ul style="list-style-type: none"> <li>Waihi Beach Library and Service Centre (\$5.5m)</li> <li>Te Puke Library and Service Centre (\$15m)</li> <li>Ōmokoroa Library and Service Centre in the new town centre (\$754,000)</li> </ul>	<ul style="list-style-type: none"> <li>Proceed with timing as per 2024-34 LTP.</li> <li>OR</li> <li>Delay projects for future LTPs.</li> </ul>	<ul style="list-style-type: none"> <li>Delivers on LOS.</li> <li>Delays risk increased maintenance costs and impact on the ability of current facilities to provide services to the community.</li> </ul>
10.	<b>Solid Waste – closed landfill and resource recovery and transfer station.</b>	<ul style="list-style-type: none"> <li>Closed landfill - Resource consents expire in 3-10 years for closed landfills (Te Puke, Waihi Beach and Athenree).</li> <li>Potential for more stringent requirements due to increased environmental standards.</li> <li>Demand for resource recovery and transfer station.</li> </ul>	<ul style="list-style-type: none"> <li>Allowed for initial costs of \$1m for early work on resource recovery and transfer station facility but will need to be addressed within the 30 year timeframe of this strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Gap analysis underway to assist with consent application.</li> <li>Future decision and potential collaboration with neighbouring councils on resource recovery and transfer station (estimated cost of \$50million).</li> </ul>	<ul style="list-style-type: none"> <li>Potential for significant cost to mitigate issues with closed landfills (as experienced in other parts of New Zealand).</li> </ul>
11.	<b>Community and recreation facility development</b>	<ul style="list-style-type: none"> <li>Council involvement in terms of ownership, management and funding occurs on an ad hoc basis.</li> <li>Lots of known proposals for facility development by community groups.</li> <li>Limited funding options and cost increases to develop these facilities.</li> </ul>	<ul style="list-style-type: none"> <li>Development of a community investment framework with a clear process, criteria and funding priorities in 2024-2026.</li> <li>Inclusion of a community facility targeted rate in 2026/2027 and onwards.</li> </ul>	<ul style="list-style-type: none"> <li>Implement a structured approach to determine Council's role, or</li> <li>Continue to consider Council's role on a case by case basis.</li> </ul>	<ul style="list-style-type: none"> <li>Impacts the ability of community groups to deliver initiatives.</li> <li>Impacts the ability to deliver an equitable approach to the provision of community facilities (not covered by an existing level of service).</li> </ul>
12.	<b>The potential for new future growth areas (identified by SmartGrowth)</b>	<ul style="list-style-type: none"> <li>Further work to understand investment required to enable development.</li> <li>Eastern and western corridor feasibility underway and Industrial Land Study complete.</li> </ul>	<ul style="list-style-type: none"> <li>No specific funding included.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to be part of the feasibility process and SmartGrowth to understand implications and opportunities for our district.</li> </ul>	<ul style="list-style-type: none"> <li>Impacts on existing communities, financials, environment.</li> <li>Growth brings benefits as well as challenges.</li> </ul>
12.	<b>Swimming Pool level of service implementation</b>	<ul style="list-style-type: none"> <li>Existing facilities are no longer fit for purpose.</li> <li>Helps to achieve level of service over a 30 year period.</li> </ul>	<ul style="list-style-type: none"> <li>Te Puke swimming pool - \$16.8 million.</li> </ul>	<ul style="list-style-type: none"> <li>Council invests in indoor swimming pool facilities, or</li> <li>Council maintains the current outdoor swimming pool as it is.</li> </ul>	<ul style="list-style-type: none"> <li>Delivers on Levels of service.</li> <li>Delays risk increased maintenance costs and impact on the ability of current facilities to provide services to the community.</li> </ul>

# The Big Picture

The 'Big Picture' captures what we plan to do over the next 30 years, based on what we know at this point in time. This is the most likely scenario that we will take for capital and operational expenditure on infrastructure from 2024 to 2054.

## Expenditure Highlights

The most likely scenario for Council is that we will be spending approximately \$2 billion on capital projects for infrastructure over the next 30 years and \$4 billion on operational costs over this time.

Council has a focus on infrastructure investment in urban growth areas. In the short term this investment is predominately in Ōmokoroa, and beyond 10 years in identified urban growth areas. No specific funding has been allocated to potential new growth areas in the eastern and western corridor as our infrastructure response will be subject to further feasibility work in these areas via the SmartGrowth strategic partnership.

Our infrastructure investment also focuses on achieving agreed levels of service, and in progressing a steady programme of asset renewals.

The expenditure peaks put pressure on Council's finances and debt limits have been increased to allow for this and provide room to move if needed.

We have included the four activities of Council that collectively have a significant spend and that we have 30-year financial information on: those activities being stormwater, water, wastewater and transportation.

A separate overview is provided of the remaining infrastructure activities - Recreation & Open Space, Solid Waste and Community Facilities. A 10-year profile is provided as we need to do more work in this space to determine what the long term future looks like for these activities.

Over the next 30 years there are a number of significant issues and decisions required that will impact on the 'Big Picture' scenario. This information is included in the previous "Significant Infrastructure Decisions" section, along with reference to when decisions will need to be made and the budget process they are likely to be considered in.

The main spikes in capital expenditure are attributable to the wastewater, transportation and water activities as follows:

- The Te Puke wastewater treatment plant requires major infrastructure upgrades expected to cost \$78 million from 2025. This is needed primarily to meet more stringent resource consent standards relating to discharge quality, provide capacity for the Rangiu Business Park and to provide capacity for anticipated future population growth in Te Puke. Council's funding share of this total project cost is \$33 million (15% of this is growth related) with the balance funded from Quayside Holdings Ltd who are developing the Rangiu Business Park.
- The Katikati ocean outfall renewal in 2028/2029 at a total project cost of \$68 million is also a significant peak in expenditure. This project is identified as a significant issue as it is anticipated that Council will need to explore a range of options for wastewater disposal due to changing consent requirements.
- Transportation continues to have peaks throughout the 30 years. A significant focus over the first ten years is the implementation of the Ōmokoroa structure plan with most of these projects funded from financial contributions, with some external funding. A comprehensive review of the structure plan has sought to ensure investment aligns with land development timing and population growth forecasts. This was included in the Financial Contributions consultation following the adoption of the draft LTP. This resulted in a \$30 million increase from the draft LTP for growth related transport costs to 2025 and 2026. There has also been a significant increase in funding of renewals compared to the previous 10 years. Noting as well the reduced subsidy from Waka Kotahi from 2024-2027 and the need for council to seek efficiencies to deliver within a reduced funding envelope and to review our levels of service with the community in future annual plan/LTP processes.

## Update – September 2024

On 3 September 2024 we received certainty from Waka Kotahi on the transportation funding subsidy, amount provided and funding priorities for 2024-2027. This is set in accordance with the Government Policy Statement on land transport 2024. The amount approved is less than what we requested, and the priorities have changed.

Over the first three years of the LTP, we received 61% of the funding requested from Waka Kotahi for our capital and operational programme. We did not receive any funding towards our improvement projects (of which we requested \$10 million) as this did not meet the threshold for this funding subsidy.

This is a significant change that has been received too late in the LTP process to enable significant rework of budgets and further meaningful community consultation.

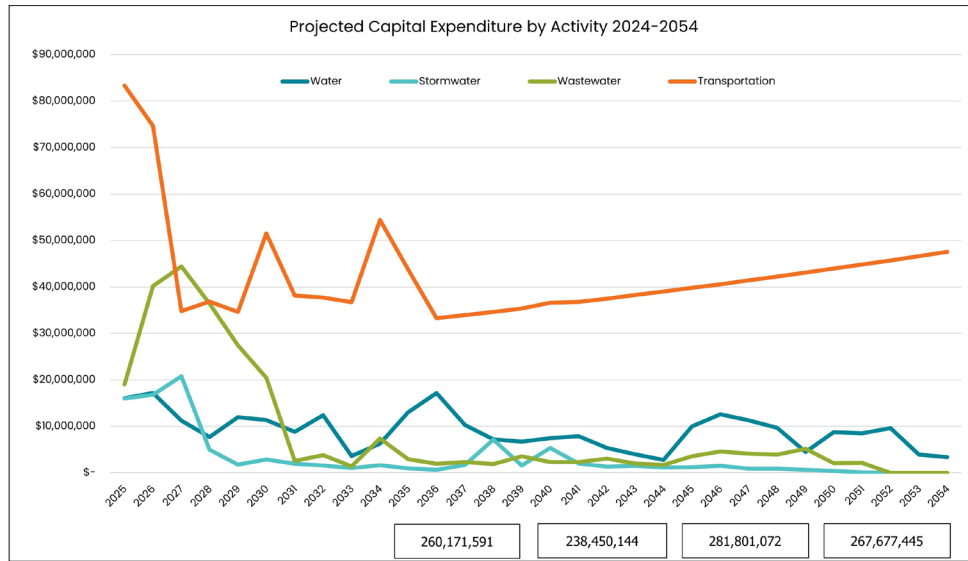
The financial graphs throughout this strategy do not reflect the implications of the reduced Waka Kotahi funding due to this information being received so late in the process leaving insufficient time to completely rework the budget to accommodate this change.

The financials continue to include Council's share of the transportation activity funding as consulted on with the community in May/June 2024 (subject to any changes through the deliberations process). Therefore the rates portion does not change as an outcome of the reduced Waka Kotahi funding.

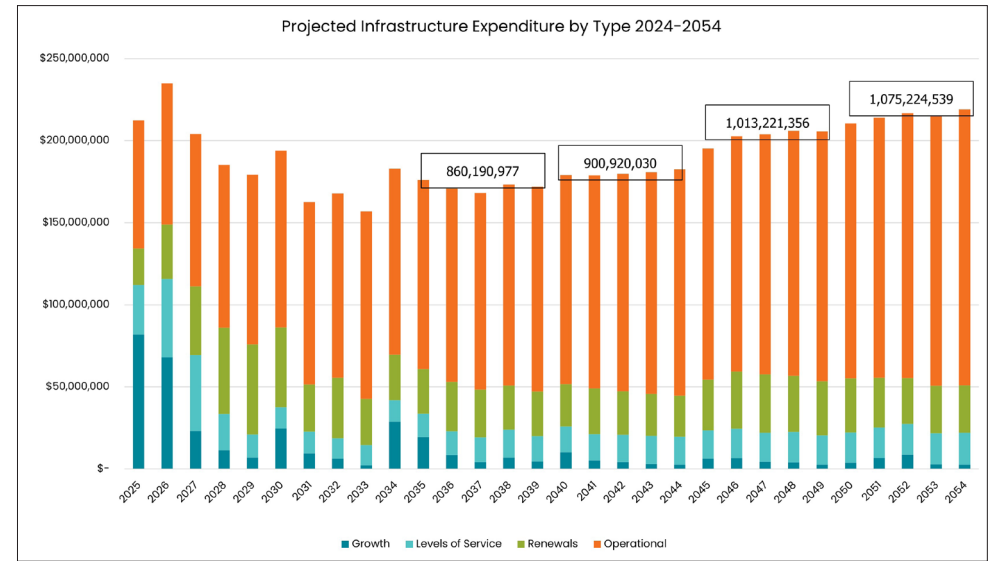
Please refer to the Significant Issues section and the Transportation Activity section for more detail on our response to this change in funding.



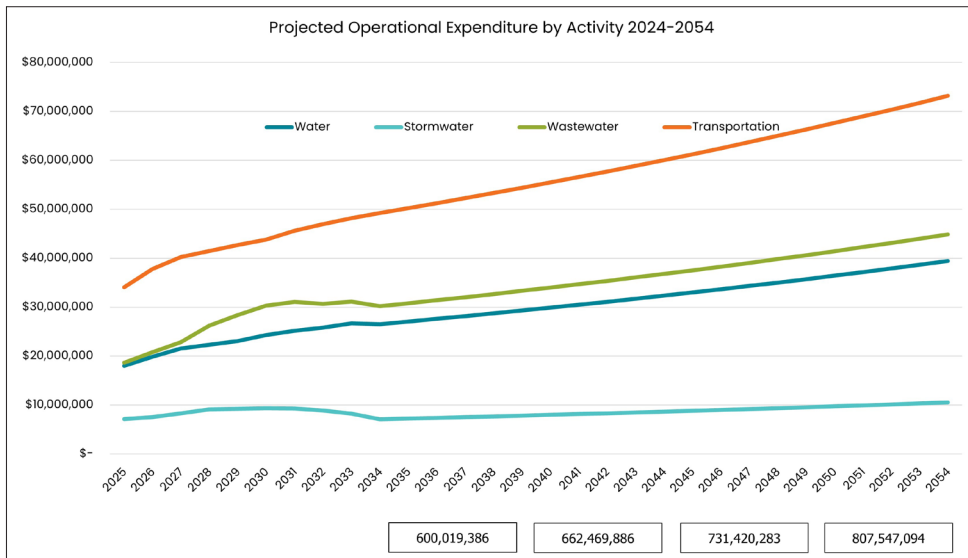
Note: Graphs align with the full project list and do not allow for the capital delivery assumption.



Projected Capital Expenditure by activity 2024 - 2054



Projected Infrastructure Expenditure by type 2024 - 2054



Projected Operational Expenditure by activity 2024 - 2054

### Explanation:

- **Growth** is used to describe new projects identified in structure plans for the urban growth areas and funded (either wholly or partially) from financial contributions.
- **Level of service (LOS)** is used to describe projects that deliver on Council's adopted levels of service and are not growth related or renewals. It is not about new levels of service or any specific change in levels of service.
- **Renewals** are used to describe projects that replace or upgrade existing assets.
- **Operational** is what we need to do on a day-to-day basis to plan for and deliver services and ensure our assets are maintained. Operational expenditure includes costs, interest (expenses only), depreciation and overheads.
- **2025** is the 2024/25 financial year.
- All financial information includes inflation from 2025 onwards (as per the Strategic Assumptions these match the BERL forecast and from 2035 to 2054 an assumption of 2% inflation has been used).

# Key assumptions

<b>General assumptions</b>	The 'Big Picture' is determined by applying several assumptions, including population increases, climate change and demographic changes. The assumptions are outlined in the Strategic Assumptions from page 30.
<b>Funding assumptions</b>	<p>Waka Kotahi's Funding Assistance Rate (FAR) is assumed to remain at 51% which is consistent with what Waka Kotahi has previously agreed.</p> <p>September 2024 update - The funding outcome from Waka Kotahi has resulted in Council only receiving 61% of the requested funding for operating and capital expenditure, and 0% for improvements. Council has had to review its strategy and will continue with its share and rate funding of some operating, capital and improvements within a reduced funding envelope. Council will be able to maintain LOS for operating and capital however improvements will now focus only on safety improvements with what funding is available (approx. \$10m due to Waka Kotahi not providing the additional \$10m requested for a total budget of \$20m).</p> <p>The Ministry for the Environment waste management levy is assumed to continue as per current rates (2024).</p>
<b>Capital programme deliverability assumptions</b>	<p>The planned capital works programme is an ambitious one. There are risks outside of Council's control that can impact on the ability to deliver regardless of the size of the programme. This includes availability of contractors, supply chain disruptions, legislative change, resource consent delays and further project investigation exposing unanticipated issues. Council is proposing to change the delivery model for the programme to respond to these challenges as follows:</p> <ul style="list-style-type: none"> <li>• Awarding of construction work contracts is often over multiple years. Designing projects and awarding construction work contracts will be undertaken in the prior year for an immediate start in the allocated year.</li> <li>• Project Steering Groups will be in place for all major projects across the five activities to ensure they are delivered on time and on budget.</li> <li>• A comprehensive risk management plan for each capital project will identify potential risks, assess their impacts and outline mitigation strategies.</li> </ul> <p>A delivery assumption is that Council will deliver 80% of its planned capital works programme in 2024/2025, 90% in 2025/2026 and full delivery in 2026/2027 which enables time for a new project management structure to be effectively deployed and operating. Over the life of the LTP we are expecting \$39.1m will not be delivered, however it will be addressed outside the 10 year period of the Long Term Plan. These are all growth projects that are expected to be delivered over the next 30 years.</p> <p>Our infrastructure strategy does not include this assumption however, the timing of these projects will be addressed through our asset management plans.</p>

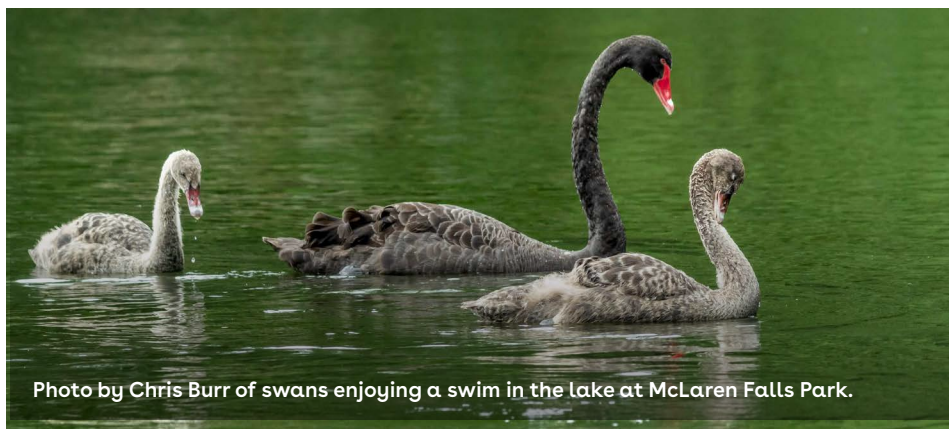


Photo by Chris Burr of swans enjoying a swim in the lake at McLaren Falls Park.



Photo by Nick Gavey taken at Pukehina Beach.

# How we manage our assets

**Council provides the community with infrastructure matched to agreed levels of service, that is cost effective and within an acceptable level of delivery risk. To do this, Council must make decisions and manage its assets throughout their entire lifecycle: build, operate, maintain and renew.**

## Asset Management Planning Framework

Asset management plans (AMPs) are in place for all activities included in this strategy. The plans have been prepared based on standard industry practice and are used to forecast expenditure needed to operate, maintain and renew assets.

The financial forecasts in AMPs are a result of analysing asset requirements based on three key assumptions:

- The future service level being delivered to the community,
- The future demand for the service, and
- The age, performance and life of the asset.

The Strategic Asset Management Plan sits above the individual AMPs and outlines overall asset management objectives and principles. It demonstrates an organisational approach to the coordination of asset management outcomes across asset portfolios.

The LTP, Financial Strategy and Infrastructure Strategy seek to balance the forecasted spending needs identified in AMPs with Council and ratepayer affordability.

Council is undertaking a review of the Asset Management Planning Framework.

It is intended that the review will encompass the whole AMP 'eco-system' and aims to implement a more consistent and streamlined approach to developing, maintaining and updating AMPs across Council's activities and to bring to the forefront, critical asset information.

### Objectives and principles include:

- Long term sustainability guiding all investment decisions,
- Accurate asset information to improve the use of data in decision making,
- Non-asset solutions such as demand management and improved productivity are considered before initiating any new works, and
- Opportunities to progressively improve the resilience of our services to the adverse effects of extreme weather events, natural disasters and economic events is encouraged.
- Proactively identify, manage and monitor asset related risks including asset performance, compliance (regulatory/contractual) and financial risks.



## Replacement of assets

Council has a renewal and upgrade programme to replace assets before they fail or do not have sufficient capacity to service demand. When considering the renewals programme, Council looks at both the condition and performance of the asset, taking into account the level of service being delivered and whether the asset is still fit for purpose. The aim is to get the best possible use of an asset from when it is constructed to the point when it is no longer usable. This includes the servicing and maintenance of assets to extend the asset life and gain additional service benefits.

Council also receives new assets from developers, which are checked for compliance before they become a Council asset. The expected useful lives of Council assets are detailed in AMPs and an overview is provided in the significant accounting policy regarding depreciation.

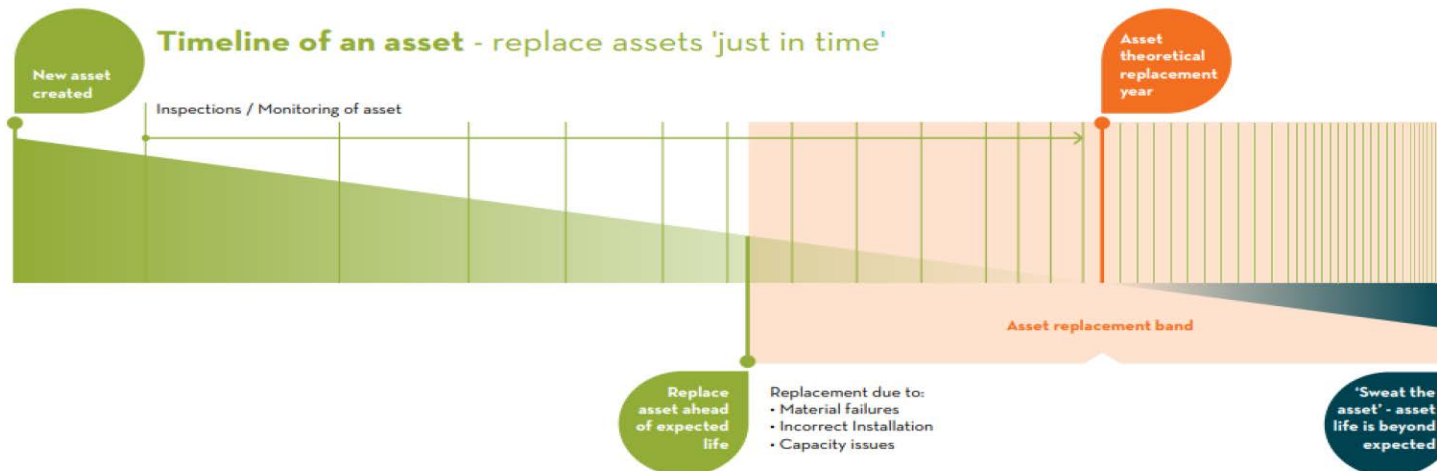
The diagram below illustrates the timeline of an asset and application of the 'just in time' approach.

Most infrastructure in the District is relatively new and only a short way into its asset life. This means that most significant asset renewals sit outside the 30-year strategy. The focus is instead on regular monitoring of the condition and performance of the assets. The exception to this is water assets, and some recreation and open space and road assets. Generally, Council has been investing appropriately in renewal and growth, such that there is no catch-up investment required.

## Changes in demand and growth

Growth and demand, although related, have different implications for each activity. Growth generally relates to the growth of or change in population, these changes will in turn create demand. Demand however may also be influenced by factors separate to growth such as a change in trends and community expectations.

Council's infrastructure is analysed and modelled to determine when and how additional capacity should be implemented to cater for forecasted population growth. Growth rates are regularly monitored so that the investment programme can be adjusted if required to recognise a slowing down or speeding up of development on the ground. Other demand factors are identified in the AMPs.



## Levels of service

Infrastructure planning enables the relationship between levels of service and the cost of the service to be determined. Council agrees levels of service with the community and then these provide the platform for infrastructure decisions. Climate change, natural hazards, community expectations, affordability and improving public health and environmental outcomes tend to be the main drivers that result in a change to levels of service. While the strategy identifies a 'business as usual' approach for infrastructure, it also identifies where potential level of service changes may occur in the future.

## Public health and environmental outcomes

With increasing knowledge of public health and the environment, and corresponding increasing community expectations, the requirements to improve public health and environmental outcomes inevitably increase.

This is identified as a key strategic issue and key challenge for Council. Significant decisions and investment is required particularly in the areas of water quality and wastewater discharge to achieve compliance with increased water and environmental standards.

The AMPs and activity overviews in this strategy identify the likely implication of these changes on the management of infrastructure.

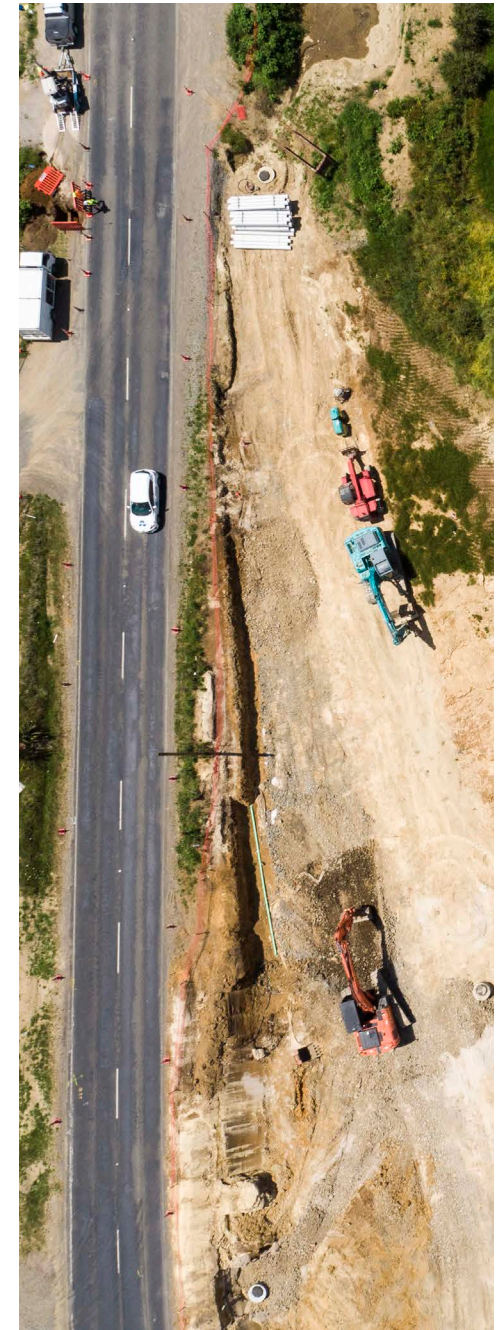
## Natural hazards and risk management

Council is part of the Bay of Plenty Lifelines Group with other utility and service providers. The group aim to reduce the vulnerability of Bay of Plenty lifelines including improving disaster preparedness planning. Work is underway to examine the risk profile of lifelines assets against the impacts of climate change.

The Risk Management Policy (2013) provides the framework for the management of risks by Council and is applied at an activity level within AMPs. Critical asset data is included in the AMP and the management approach to these assets. For example, in the AMP for water supply, it is recognised that severe failure of critical water assets could compromise levels of service, provision of supply or ability to meet normal demands and risks contamination of supply. A 'Vulnerability Analysis' for water assets identifies critical assets and the likely impact of failure from natural events and asset priority ratings. Refer pages 115 and 116 and the list of critical assets.

Council has a Disaster Contingency Fund which currently sits at \$9.26 million and insurance cover. However, in the event of major infrastructure failure this amount would not cover the total cost of replacement or repair. The Financial Strategy outlines the options for funding infrastructure repairs if this situation was to occur.

Council undertakes modelling to better understand the impact of extreme events on underground and above ground assets to ensure that the appropriate level of insurance is in place for replacement. This will highlight areas of vulnerability and ensure that the appropriate financial and management response is in place. The resilience of assets is a key consideration in asset renewal, replacement and investment decisions.



## Depreciation of assets

Depreciation is provided on a straight line basis on all buildings, reticulation assets, and other structures and library books, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. Diminishing value is used for motor vehicles, office equipment and furnishings, library books and computer hardware. Land and drains are non-depreciable. The useful lives and associated depreciation rates of major classes of assets have been estimated and noted in the significant accounting policies.

## Asset condition

Overall asset condition data is extensive and reasonably accurate, particularly in the transportation activity due to the nature of the previous performance based contract.

Wastewater and stormwater assets are relatively young which lessens the need to confirm condition assessments. However, the Katikati outfall pipe failure before its expected end of life indicates the need to undertake regular assessments despite the young age of these assets. In some cases there is still data to be obtained (such as recreation and open space assets) and this is a focus moving forward to ensure all asset condition data is captured. This information will improve future investment decisions. For example, the installation of water meters has significantly improved data and information on water usage patterns and provides us with a solid evidence base for future water infrastructure planning.

Regular condition assessments help to inform the maintenance and renewals approach. For underground assets a variety of methods are used to assess asset condition including CCTV and maintenance contracts.

A full network audit of the transportation network was completed in January/February 2024 to determine the condition of our pavement assets, and to develop a forward work programme for pavement renewals. This has been used to inform the LTP and NZTA request for subsidised funding.

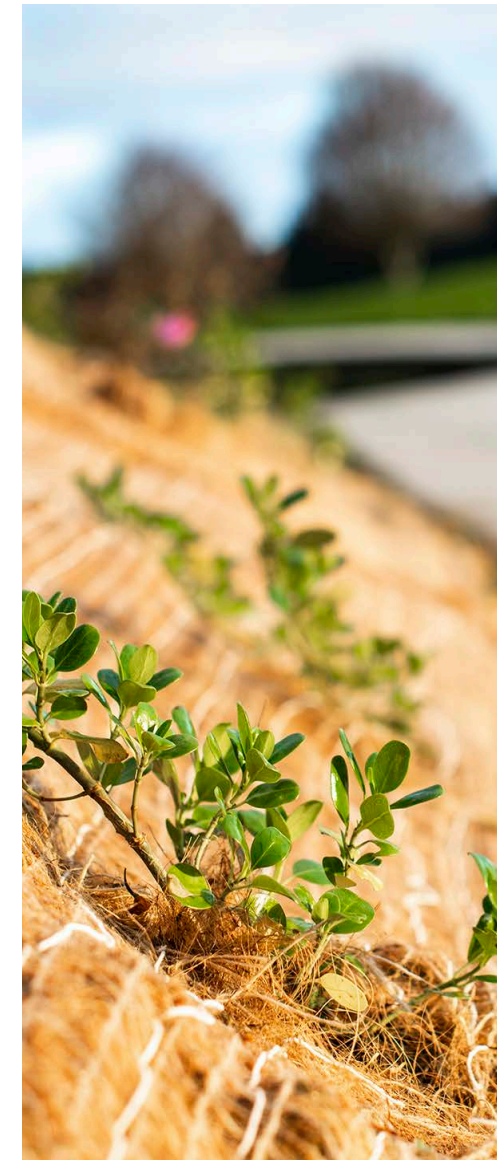
From a long term planning perspective, there is good information in place for the three waters and transport to determine a financial capital and operational programme of expenditure and highlight any forecast issues. Recreation and open space, solid waste and community facility activities have begun to improve the information outside of the 10 year period but still require further improvements for planning beyond this timeframe.



Photo taken by Jo Cameron along the Trig and Loop Track at Waihi Beach.



Photo taken by Jhen Alfonso capturing the views from Papamoa Hills.





## Activity Overviews

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Note: Graphs align with the full project list and do not allow for the capital delivery assumption.





## Stormwater

Stormwater is water that originates during rainfall events. If stormwater quantity is not managed correctly, the volume and timing of the surface run-off can create flooding. If stormwater quality is not managed correctly, the run-off can collect contaminants from the land it crosses to the waterways, and this can result in water pollution.

### What we provide

Council is responsible for urban stormwater networks that generally protect buildings and property from the effects of flooding and coastal erosion. The network is made up of pipes and open channels linked to guide stormwater to streams, rivers and the ocean.

Council's philosophy is to use natural contours and waterways rather than hard infrastructure, wherever practical. The road network (managed within the Transportation Activity) also helps to capture and manage stormwater flows in urban growth areas and small/rural settlements.

Reticulated stormwater assets are relatively young with 85% of stormwater pipes being less than 30 years old. The average life expectancy is between 80 and 100 years. Due to climate change and increased rainfall placing pressure on the capacity of existing assets, some pipes require an upgrade before their end of life. These have a component of renewal cost as a portion of the asset life has been used.

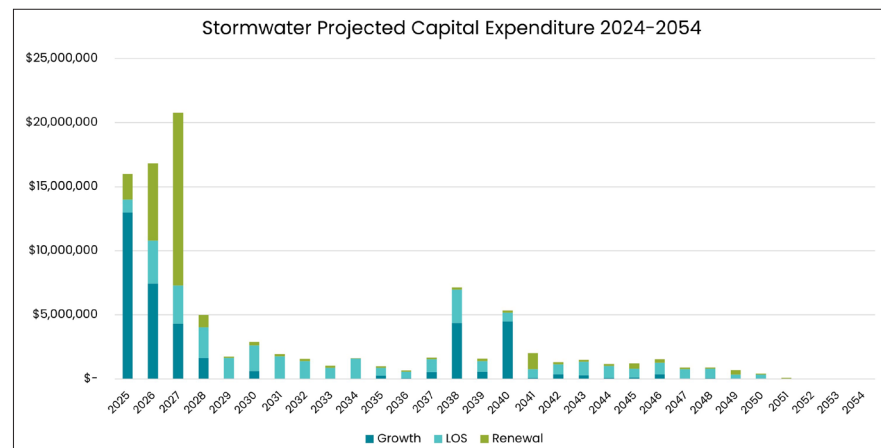
### Key projects include:

- Ōmokoroa and Te Puke stormwater growth projects.
- Waihi Beach stormwater levels of service projects.
- Ōmokoroa structure plan works in 2038 and 2040.

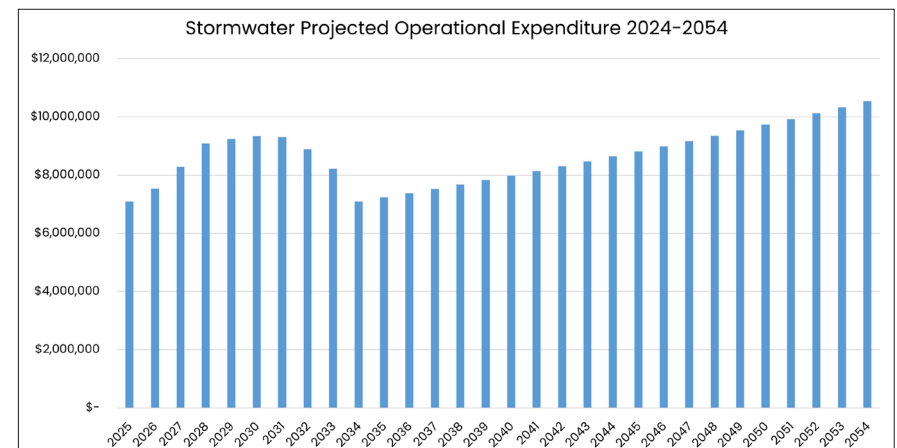


<p><b>What our key drivers are</b></p>	<p><b>Demand for infrastructure</b> - Stormwater demand is directly related to the creation of impervious surfaces and rainfall. Demand for new or upgrade of existing stormwater infrastructure arises due to changes in land use, rainfall patterns and the regulatory environment which aims to improve stormwater discharge quality. Council only allows network extensions beyond planned growth zones in very limited circumstances.</p> <p><b>Climate change</b> - Flooding events due to increased rainfall intensities and sea level rise particularly in coastal and low-lying areas. New and upgraded stormwater infrastructure has the latest climate change information influencing the design and implementation.</p> <p><b>Level of service</b> - For a one-in-ten year flooding event, the number of habitable floors affected. Expressed per 1000 properties connected to Council’s stormwater system and the targets are different in each area to reflect local characteristics. Community expectations are changing regarding what is an acceptable amount of regular flooding.</p>
<p><b>What our focus is over the next 30 years</b></p>	<p>Council’s stormwater management system manages flood risk, contributes to improving water quality, and to enhancing ecological and cultural values. Our focus is on:</p> <p><b>Increased standards</b> - Continuing to obtain and implement comprehensive stormwater consents for sub-catchments, based on an integrated catchment management plan. Carrying out monitoring and modelling to ensure compliance with consent conditions. Recognise higher costs for upgrades and operations.</p> <p><b>Level of service</b> - Following extreme weather events in early 2023, district wide levels of service will be reviewed to explore whether they should not only consider the affects of flood waters on habitable floors but also the flood hazard risk to people. This will need to be considered in the context and timing of Local Water Done Well decisions.</p> <p><b>Asset condition assessments</b> - Most reticulated stormwater assets are assumed to be in good condition due to age, however a condition assessment programme, prioritising critical assets first, will test this assumption. Regular maintenance and inspections provide a good understanding of the condition of above ground assets such as pump stations and treatment plants.</p> <p><b>Increased costs</b> - The value of stormwater assets has increased by 27% from 2020 due to new assets for growth, and increased inflation. This increase is expected to continue due to development mainly in Te Puke and Ōmokoroa. Additional operational funding is required to service these assets.</p>

## Expenditure Forecast 2024 - 2054



Stormwater Projected Capital Expenditure 2024 - 2054



Stormwater Projected Operational Expenditure 2024 - 2054



## Water Supply

Council is responsible for the sourcing, treatment, storage, distribution and management of the District's water supply. Currently approximately 67% of the population is connected to Council supply. Water is supplied from nine bore fields which tap into deep reliable, plentiful and high-quality water in underground aquifers. Nine water treatment plants are located throughout the District. Water supply customers include residential, commercial, horticultural and agricultural users.

### What we provide

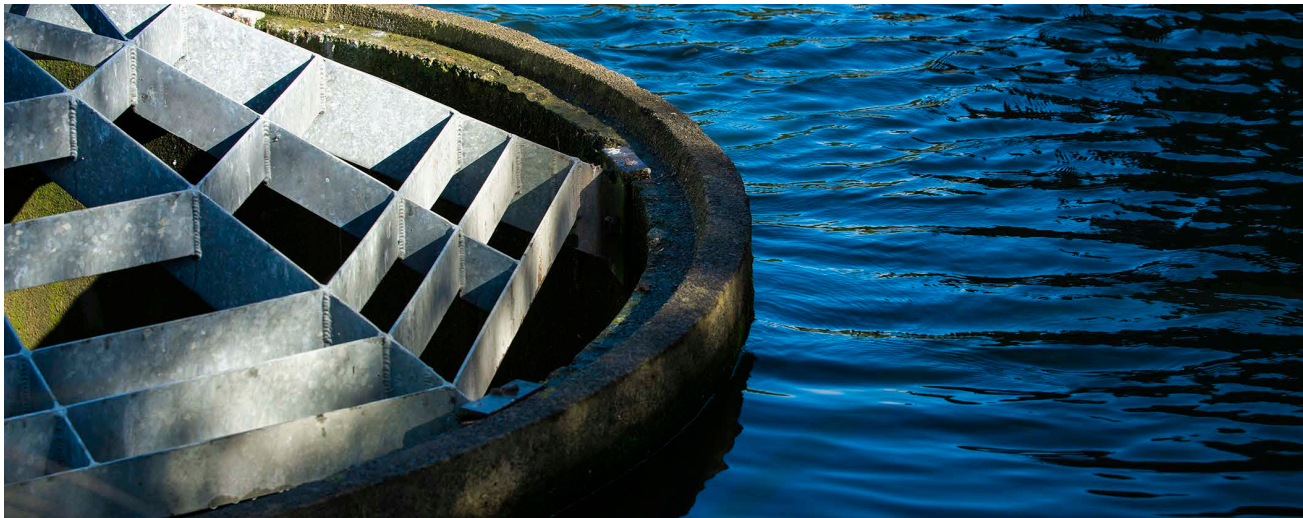
Council's water supply network services three water supply zones:

- Western Water Supply Zone: Waihi Beach, Athenree, Kauri/Tanners Point, Ongare Point, Aongatete and Katikati areas.
- Central Supply Zone: Te Puna, Minden, Pahoia and Ōmokoroa areas.
- Eastern Supply Zone: Te Puke urban and surrounding rural areas and areas east of Te Puke, Paengaroa, Maketu, Pukehina and Pongakawa.

Council is constantly aiming to achieve an appropriate balance between water production and water consumption. Water supply needs to be sufficient to cope with peak demand and water storage needs to ensure a minimum of 24 hours average daily demand storage in all systems.

Water assets vary in age and condition, from new to 65-70 years across the district. The age, performance, frequency of failure, and the cost of repair of an asset, all contribute to renewals planning. Generally, most water assets are in good or better condition and perform reliably to deliver required levels of service.

A number of water supply assets will be near the end of their useful life within the next 30 years. Renewals work over this time includes water mains, bore pumps, 7 large reservoirs and multiple smaller tanks and all customer meter sets and backflow protection across the district. Council has managed to successfully reduce issues with water leakage over the years. Water meters have played a big part in this reduction.

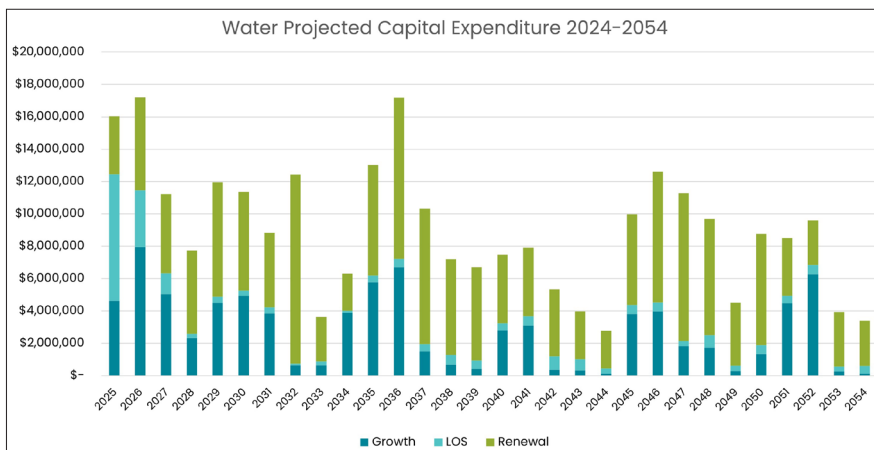


### Key projects include:

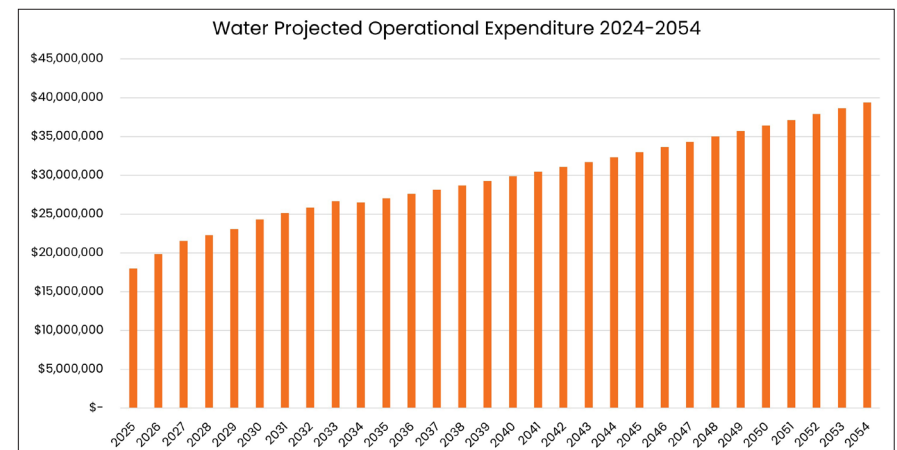
- Western supply zone reticulation capital improvements
- Central supply zone reticulation improvements and additional reservoir to increase storage capacities to cater for growth, particularly in Ōmokoroa
- Eastern supply zone reticulation and reservoir improvements
- Eastern supply zone - Rangiuru Business Park new pipeline

<p><b>What our key drivers are</b></p>	<p><b>Reducing water demand</b> - Water conservation provides additional environmental benefits by reducing volumes of wastewater and protecting the water resource itself. This also lengthens the life of existing treatment, storage and reticulation infrastructure and means we can defer some capital expenditure.</p> <p><b>Providing for growth</b> - Urban areas have a greater concentration of people requiring access to water supply with most demand in Waihi Beach, Katikati, Ōmokoroa and Te Puke. Waihi Beach has a significant impact on peak demand due to the high number of holiday homes and water consumption increase during summer. Horticultural and agricultural users have high water consumption. Modelling helps to determine when additional water sources and supply are needed. Council only allows network extensions beyond planned growth zones in very limited circumstances.</p>
<p><b>What our focus is over the next 30 years</b></p>	<p>Council aims to ensure that water supply is provided in a sustainable manner. This will help to achieve a clean, green and valued environment, a thriving economy, and enjoyment of a healthy and safe lifestyle. Our focus is on:</p> <p><b>Water conservation</b> - Council has developed a Water Conservation Strategy for the use and management of drinking water. Council will continue with water reduction initiatives including monitoring of water meter information, maintenance contracts response to leaks or asset failures, and real time reporting on water production, treatment, storage, and backflow prevention devices to reduce contamination.</p> <p><b>Asset renewals</b> - Currently, about 28% of Council’s water mains are aging asbestos cement (AC) pipes which are programmed for renewal over the next 15 years, mainly in the Western and Eastern Supply zones. Significant other renewals include electrical and communication components, monitoring and treatment plant, pump stations, reservoirs and tanks, bridge and stream crossings, control valves, metering and backflow prevention. A strong water main renewals plan will continue across the district, focusing on AC and aged water main and connection replacements. The renewals plan is structured to prioritise and progressively renew these mains to avoid a ‘bow wave’ of renewals in later years.</p> <p><b>Providing for growth</b> - There are several new water sources (bores), treatment plant upgrades, reservoirs and trunk mains included in structure plans to increase water production capacities to meet growing demand from development and growth, particularly for Ōmokoroa and in the Eastern Supply Zone, during the next decade.</p> <p><b>Increased standards</b> - An increase in compliance standards, monitoring and treatment are expected. All water treatment plants will have significant improvements, such as UV treatment, to meet compliance requirements and improvement water quality resilience.</p>

## Expenditure Forecast 2024 - 2054



Water Supply Projected Capital Expenditure 2024 - 2054



Water Supply Projected Operational Expenditure 2024 - 2054



## Wastewater

Wastewater is the water that comes from toilets, showers, dishwashers, washing machines, taps and commercial or industrial processes. It is made up of 'blackwater' from the toilet and 'greywater' which is household water from the shower, bath, basins and washing machine. Demand for wastewater services is driven principally by population growth, environmental degradation and public health issues.

### What we provide

Council is responsible for wastewater collection, treatment and disposal to its customers in seven urban communities: Waihi Beach; Katikati, Ōmokoroa, Te Puke, Maketu/Little Waihi, Te Puna West and Ongare Point. The service applies to all residential, commercial and industrial users. Wastewater from urban areas is collected and conveyed in pipes, manholes and pump stations to one of five wastewater treatment plants (WWTP) owned and operated by Council. Wastewater from Ōmokoroa and Te Puna West is an exception as it flows through the pressurised Ōmokoroa Transfer Pipeline and gets treated at the Chapel Street WWTP owned by Tauranga City Council (TCC).

The value of the assets has increased by approximately 35% from 2020 due to new assets to cater for growth, and increased inflation. These increases are expected to continue particularly with the planned upgrades at the Te Puke, Katikati and Waihi Beach WWTP including replacement of the Katikati Outfall.

Reticulated assets are relatively young with 48% of wastewater pipes being less than 20 years old, and 2.5% of the pipes over 50 years old. The average life expectancy of wastewater reticulation assets is between 80 and 100 years.

An assumption is that most of these assets are in good condition due to age, however a condition assessment programme which will prioritise critical assets first, is intended to confirm this assumption. Council has a good understanding of the condition of above ground assets such as pump stations and treatment plants through regular maintenance schedules and inspections.

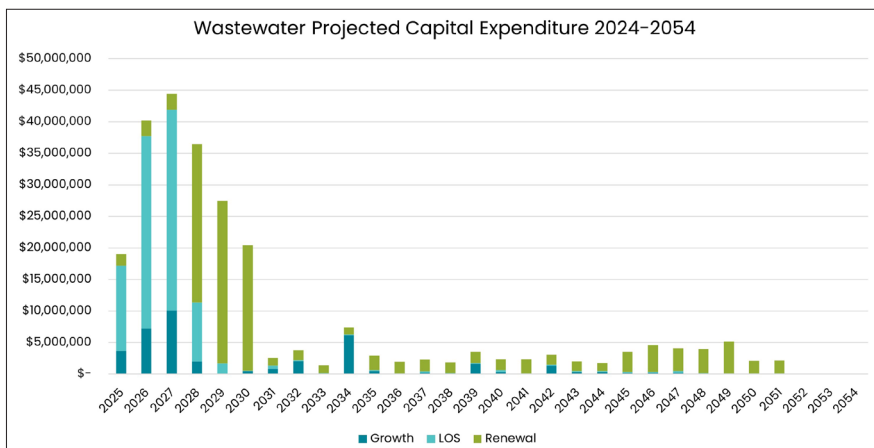
### Key projects include:

- Te Puke Wastewater Treatment Plant replacement facility (2024 - 2027).
- Katikati ocean outfall or alternative discharge (2028 - 2030).

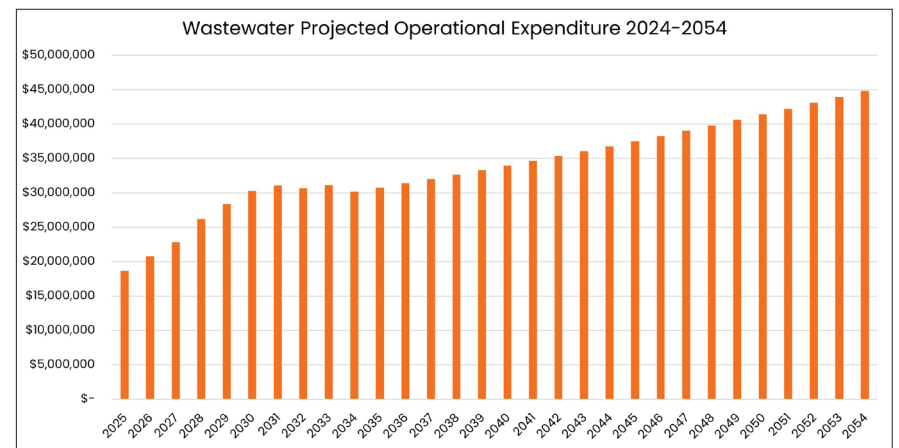


<p><b>What our key drivers are</b></p>	<p><b>Providing for growth</b> - Urban areas have a greater concentration of people that require provision of wastewater services. The greatest areas of demand for wastewater services are Waihi Beach, Katikati, Ōmokoroa and Te Puke. Waihi Beach experiences additional demand driven by holidaymakers. Requests for new wastewater connections are also received from unserved areas, usually on the margins of urban areas and or industrial development proposals. Council only allows network extensions beyond planned growth zones in very limited circumstances.</p> <p><b>Environmental degradation and public health issues</b> -increased compliance requirements to protect public health and the environment. With increased standards comes higher cost for upgrades and ongoing operational costs. Council is currently experiencing this with the Te Puke and Katikati wastewater treatment plant upgrades.</p>
<p><b>What our focus is over the next 30 years</b></p>	<p>Council aims to ensure that wastewater treatment and disposal systems are sustainable and continue to meet environmental and health and safety standards. We will continue to encourage households to explore and implement measures that reduce wastewater volume per person. Our focus is on:</p> <p><b>Providing for growth</b> - Council is implementing demand management strategies in Ōmokoroa to ensure capacity of the main pumpstation which pumps wastewater to Tauranga does not compromise volume limits with Tauranga City Council. This includes a sealed wastewater system in stage 3 Ōmokoroa and infiltration investigations and repairs.</p> <p><b>Providing for growth and increased standards</b> - The Te Puke wastewater treatment plant replacement is required to meet environment standards and support growth in Te Puke and the Rangiuru Business Park. This is Council’s most significant project in the wastewater activity budgeted at approximately \$77 million (Council contribution of \$33 million with a portion of this growth funded).</p> <p><b>Asset renewals</b> - No major reticulation renewals are planned for the 2024-2034 LTP due to the relatively young age of the wastewater network. The focus is to renew the aging pump stations as these assets have a shorter life than the piped network.</p> <p><b>Increased standards and asset renewals</b> - Council is currently achieving all customer satisfaction and compliance level of service performance measures except for compliance at the Katikati Wastewater Treatment Plant. Council faces two challenges for renewals in the wastewater activity:</p> <ul style="list-style-type: none"> <li>• The Katikati Ocean Outfall has failed earlier than expected and early estimates suggest the design, consent and installation of new disposal options for the Katikati WWTP will cost approximately \$68 million. Additional funding has been included in the 2024-2034 LTP to allow for breaks in the outfall pipeline until a suitable disposal method can be built.</li> <li>• Grinder pumps in Maketu are failing at a faster rate than expected. \$300,000 per year has been allowed in the LTP for replacement and implementation of a telemetry system so that Council can monitor performance and mitigate the early failure of these pumps.</li> </ul>

## Expenditure Forecast 2024 - 2054



Wastewater Projected Capital Expenditure 2024 - 2054



Wastewater Projected Operational Expenditure 2024 - 2054



# Transportation

Council is responsible for the management and provision of local roads and their infrastructure including footpaths, bridges, stormwater culverts, streetlights, signage, work site safety, network operations and permitting in the District. Waka Kotahi NZ Transport Agency (NZTA) funds and maintains the state highway network.

## What we provide

Council works in partnership with Waka Kotahi to ensure integration of the state highway network with the local road network. A Funding Assistance Rate (FAR) of 51% is provided by Central Government towards agreed local road maintenance and network improvement projects. . Noting, that there are caps on funding from Waka Kotahi for both operating, capital and improvements.

Transportation currently accounts for 45% of Council's annual capital, renewal and operating expenditure which is approximately \$42 million each year (noting a reduction in revenue/subsidies due to the September 2024 Waka Kotahi funding confirmation). This includes maintenance, asset renewals, capital works such as seal extensions, seal widening, asset upgrades including large urban roading projects and network safety improvements.

New roading assets are obtained from vested land development infrastructure and state highway revocations resulting from new state highways constructed by Waka Kotahi.

Council utilises the Road Asset Maintenance Management system to record where assets are located and their make up and condition. The biggest issue is that pavement assets are aging, and renewal activity is half of our peer group average, indicating the requirement for greater investment. Pavement renewals and resurfacing activity is below the optimum required to minimise the whole of life asset management costs over time. See the significant issues section of this strategy for more on this and our approach to responding to this issue.

### Key projects include:

- Roothing maintenance contract (pavement resurfacing, rehabilitation, widening).
- Ōmokoroa roundabout.
- Ōmokoroa structure plan projects.
- Minor capital roading improvements.

### Funding assumption

Waka Kotahi 51% Funding Assistance Rate (FAR) continues for most activity classes.

## September 2024 Update

On 3 September 2024 we received certainty from Waka Kotahi on the funding subsidy, amount provided and funding priorities for 2024-2027. This is set in accordance with the Government Policy Statement on land transport 2024.

The amount approved is less than what we requested, and the priorities have changed.

Over the first three years of the LTP, we received 61% of the funding requested from Waka Kotahi for our capital and operational programme. We did not receive any funding towards our improvement projects (of which we requested \$10 million) as this did not meet the threshold for this funding subsidy.

This is a significant change that has been received too late in the LTP process to enable significant rework of budgets and further meaningful community consultation.

We need to be transparent with our community so they can fully understand the impact of these changes now and on an ongoing basis. Detailed analysis will take time. It's not something that can be rushed given the importance of this core infrastructure to our community and economy.

### Our course of action for the 2024-2034 LTP is as follows:

	Action	Explanation
1.	Continue to fund Council’s share of the transportation activity work programme.	<p>The total improvement budget was approx. \$20m with half to be funded from Waka Kotahi. As no funding subsidy is available, we will continue to progress improvement projects with the \$10m council rates budget already included in the LTP.</p> <p>We will continue to progress the capital and operational programme with our funding portion together with the reduced subsidy amount.</p> <p>Elected members will identify funding priorities within this reduced funding envelope.</p>
2.	Endeavour to maintain agreed levels of service through further efficiencies and improvements to our delivery approach.	<p>We will seek to absorb reduced funding and the impact of this wherever possible.</p> <p>This recognises our transition and move to an efficient and agile contract that provides improved value for money. This enables us to do more in this space than what we could via our previous contract which required a more conservative approach.</p>
3.	Commence detailed analysis in 2024/2025 based on the Waka Kotahi funding changes.	We need to fully understand financial implications, options, the risk of any change to status quo and our current levels of service.
4.	Discuss options and potential level of service changes with the community.	<p>The detailed analysis will inform these discussions.</p> <p>This will occur through the 2025/2026 Annual Plan process or a potential LTP Amendment if required.</p>
5.	Continue to respond to future central government funding opportunities as they arise.	There is the potential for further specified project based funding to become available that aligns with the governments strategic priorities for transport.
6.	Revise our external funding assumption.	Reflect the changes to the funding amount and priorities, and the implications of this and mitigation measures Council has put in place.

The financial graphs throughout the LTP do not reflect the implications of the reduced Waka Kotahi funding due to this information being received so late in the process leaving insufficient time to completely rework the budget to accommodate this change.

The financials continue to include Council’s share of the transportation activity funding as consulted on with the community in May/ June 2024 (subject to any changes through the deliberations process). Therefore the rates portion does not change as an outcome of the reduced Waka Kotahi funding.





## What our key drivers are

**Providing for growth** - It is expected that traffic volumes will almost triple, in line with forecast population growth. Increasing traffic on rural roads is occurring as a result of the ongoing development of small settlements such as the Minden, lifestyle blocks as well as incremental growth. In some areas, peak time congestion is impacting significantly on travel times between Tauranga and Western Bay. This also increases traffic volumes and results in parts of the roading network being below width and suffering from accelerated pavement deterioration. Economic growth has resulted in substantial network traffic volume increases over recent years. This has impacted on reliable journey times and increased congestion particularly along the state highway network. These traffic levels are expected to continue to increase. The District Plan attempts to limit growth in rural areas but demand for more “lifestyle” properties is expected to increase over time, particularly when stage 1 of the Takitimu Northern Link (SH2) project is complete.

**Community expectations** - There are ongoing concerns from residents who live on unsealed roads in rural areas wanting their roads to be sealed. Council allocated \$2 million per annum towards seal extension in 2021-2024, enabling 3-4 km of new seal extension each year. Prioritisation is based on criteria that includes the volume of traffic, dust exposure to residents and degree of benefit gained relative to the cost of sealing the road. To find savings, Council has decreased the budget to \$1.5 million per annum for the 2024-2034 LTP. Walking and cycling budgets have also decreased to reduce costs and rate increases. Overall satisfaction levels have also dropped significantly over the last 10 years with roads and streets, walking and cycling consistently showing the lowest levels of satisfaction. Council is still committed to development of the walking and cycling network, but this will be achieved over a longer period.

**Climate change** - An increase in the frequency and intensity of rainfall and storm events is expected to impact low lying roading infrastructure assets and increase asset repairs and reinstatement costs over time. Higher than usual rainfall events will increase the pavement deterioration rates and reduce their life expectancy. This can be partially mitigated with increased drainage maintenance. The location of roads close to the coast may require sea defences to protect from coastal erosion or may need to be relocated in response to rising sea levels. Given the increasing impact of climate change there has been a corresponding focus on a low carbon transportation network with significant investment in walking and cycling in the past two LTPs and subregional contributions to studies focused on reducing transportation emissions.



**What our focus is over the next 30 years**

Council aims to deliver transportation networks that are safe, affordable, sustainable and well planned to meet our community needs and support economic development. Provision of a safe and effective transportation network contributes to a thriving economy, and a healthy and safe lifestyle. Our focus is on:

**Asset renewals and upgrades** – Roading contracts are one of the most significant contracts undertaken by council given the variety of activities and services they cover. For Council’s network it equates to more than \$33 million in expenditure per year. Council is in the process of signing up new roading service provider(s), seeking to work closer with local suppliers and businesses to deliver high-quality roading services that meet the needs and expectations of the community. The move to change the approach to our roading maintenance and procurement approach also aligns with the Local Government Act Section 17A requirements, to look at the cost-effectiveness of a service to meet the community’s needs.

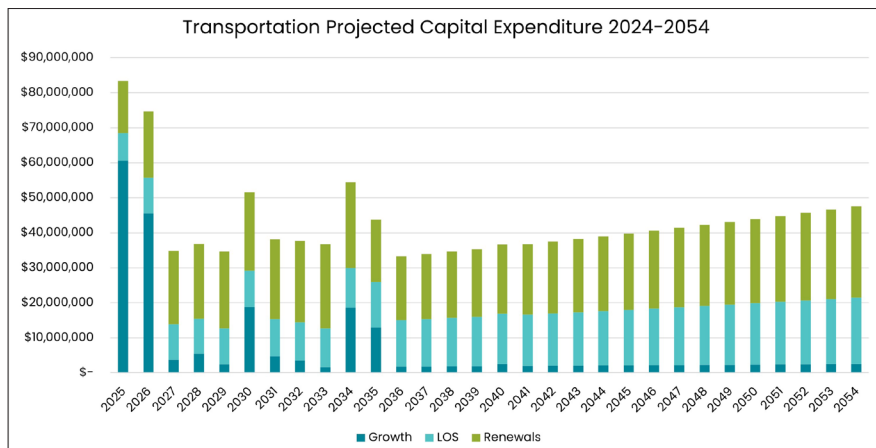
**Confirmation of external funding to assist in looking after our assets** - A Funding Assistance Rate (FAR) of 51% is provided by Central Government towards agreed local road maintenance and network improvement projects. Noting the September 2024 update above where we are operating within a reduced funding envelope for 2024-2027.

**Providing for growth** - Direction provided by the sub-regional UFTI project (Urban Form and Transport Initiative) and the TSP (Transport System Plan) is incorporated into our planning and the LTP where this is considered a priority. We will continue to provide transport infrastructure in priority development areas with most of the investment in Ōmokoroa over the next 10 years.

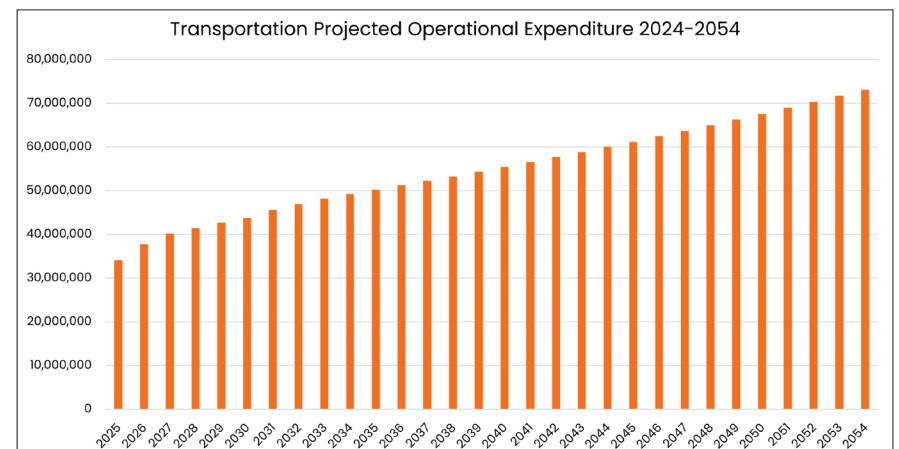
**State Highway Two (SH2) revocation implications** - The future form of SH2 post its transfer to Council upon opening the Takitimu North Link (TNL) depends on whether this new road is tolled. This will affect the road cross section and demand driven maintenance costs. SH2 revocation will result in increasing high demand network assets and network length which will increase Council’s costs unless central government funding is provided to assist. Costs outside of the 2024-2034 LTP are likely to relate to road revocation implications of the current state highway and intersection improvements if not funded by Waka Kotahi.

**The Tauranga North Link Stage 2** - Te Puna to Ōmokoroa is included in the government’s Roads of National Significance and Transport Plan with work currently underway to protect the route for this purpose. The Waka Kotahi business case is expected to identify future investment and timing for asset renewals. At this stage our costs will be outside of the three year LTP period and future costs are at best uncertain.

**Expenditure Forecast 2024 - 2054**



Transportation Projected Capital Expenditure 2024 - 2054



Transportation Projected Operational Expenditure 2024 - 2054



## Solid Waste

Solid waste is the unwanted or unusable materials disposed of or discarded after their primary use. The type of waste is defined by its composition or source, for example organic waste and demolition waste.

### What we provide

Council has a lead role in providing kerbside collection services (commenced July 2021), with recycling and solid waste facilities, and education and enforcement to ensure individuals, households and businesses are dealing with their waste in the most responsible way. This includes provision of recycling and green waste facilities, waste minimisation education, managing illegal dumping and supporting community initiatives to reduce waste.

Council owns, operates and maintains the following facilities:

- Katikati, Te Puke and Athenree Recycling and Green Waste Centres.
- Ōmokoroa Green Waste Drop-off.

Council introduced two mobile recycling trailers that routinely visit three sites in rural areas of our district. They rotate on a fortnightly basis between the sites, to collect recyclables from residents without a kerbside service or located far from a community recycle centre.

Council is also responsible for the ongoing maintenance and resource consent requirements for three closed landfill sites in Waihi Beach, Athenree and Te Puke. The management of closed landfills is necessary to ensure they do not endanger the environment or public health.

All recycling and green waste facilities have been rated in very good condition and landfills in good condition. Kerbside bins and crates have not been included as these will only be included in the Solid Waste asset portfolio at the conclusion of the eight year contract (when they come into Council ownership).



### Key projects include:

- Kerbside collection services contract - ongoing (\$29 million over 10 years)
- Community reuse facility - \$1.2 million over 10 years
- District solid waste - Waste Minimisation Funding Pool - \$1.7 million over 10 years (central government subsidy)
- Placeholder for transfer station estimated cost \$50 million - outside of 2024-2034 LTP. Feasibility work will identify updated project timing and funding requirements, to be assessed as part of the next Long Term Plan 2027-37.

### Funding assumption

Ministry for the Environment Waste Management Levy to continue at the current rate.

<p><b>What our key drivers are</b></p>	<p><b>Waste reduction</b> - The Waste Management and Minimisation Plan (WMMP) sets out what Council will do and how we will work together to reduce and manage waste in the most effective way. Waste minimisation initiatives in the WMMP can be partially funded by the central government Waste Management Levy. A change of government creates uncertainty around the future of this levy and how it is allocated.</p> <p><b>Providing for population and economic growth</b> - Urban areas have a greater concentration of people that produce waste and place greater demand on natural resources. An increase in commercial and industrial activity as a result (most likely) of improved economic conditions will have a direct impact on the amount of waste that is generated. Of particular importance to waste is the ongoing level of construction and demolition activity. Kerbside services are planned to cater for population growth and to make responsible waste management easier.</p>
<p><b>What our focus is over the next 30 years</b></p>	<p>Council aims to ensure effective waste management practices that minimise waste to landfill and encourage efficient use of resources to reduce environmental harm. Our focus is on:</p> <p><b>Community Resource Recovery Centres</b> - Council and the community is working towards establishing Community Resource Recovery Centres at the existing Te Puke and Katikati recycling sites. Council is working with community groups and iwi/hapū to achieve this.</p> <p><b>Implementing priority actions from the WMMP</b> - advance actions from the WMMP including investigating and establishing a resource recovery park/transfer station, investigating options for green waste disposal services and investigations and trialling alternative options for inorganic waste recovery. The funding gap is significant for the land purchase for a Resource Recovery Park. Tauranga City Council indicated financial assistance would available if the location of facilities is beneficial for residents in the sub-region.</p> <p><b>Supporting local waste minimisation efforts</b> - Establish an annual contestable fund to provide grants for local waste minimisation initiatives (using funding Council receives from Central Government's Waste Minimisation Levy). Continuing to support waste education initiatives.</p> <p><b>Waste infrastructure</b> - A waste infrastructure project is underway with Tauranga City Council and other councils to determine the need, location and type of waste infrastructure required for construction and demolition waste, food processing and a transfer station facility in the western side of the district. The Ministry for the Environment indicated that the contestable waste fund is available for projects where there is collaboration between councils for new solid waste infrastructure.</p> <p><b>Changes in legislation and funding</b> - specifically the Waste Minimisation and Management Act and Building Act, and repeal of the Natural and Built Environment Act, pertaining to site Waste Minimisation Plans for construction and demolition wastes, management of closed landfills and requirements for WMMPs. Uncertainty regarding changes in Ministry for the Environment waste levy payments to territorial authorities.</p> <p><b>Closed landfills</b> - Severe weather events and natural erosion can put closed landfills at risk, and see waste and contamination spread in the environment. Council has identified risk factors for all managed closed landfills in the District. Renewal of the resource consents for these landfills is identified as a significant infrastructure issue as there are likely to be increased environmental compliance standards that may require additional cost and/or different ways of managing risk.</p>

## Expenditure Forecast 2024 - 2054

Refer to combined graph on page 114.





## Recreation and Open Spaces

Council is responsible for the provision of parks, reserves and facilities that offer a range of recreational experiences and opportunities to the community. This is the most visible type of infrastructure provided and is highly valued as it contributes to active healthy communities, social interaction, and protection of environmental, ecological and cultural areas. The type of infrastructure provided includes active and passive reserves, public toilets, playgrounds, cycleways and walkways, dog parks, coastal structures and swimming pools.

### What we provide

Condition assessments of assets are undertaken on an annual basis. Information on the performance of assets is generally received through community feedback, and industry benchmarking. Investment in our swimming pools will see performance levels improved or maintained in this area.

Council considers its reserves and facilities networks perform to acceptable standards as determined by levels of service and key performance indicators. However, there is a large amount of generally 'low risk' assets where the asset condition is unknown.

Currently 42% of assets have no condition grading which makes it difficult to prioritise the renewal programme. A programme of work is underway to gain an improved understanding of asset condition.

To date only ad hoc condition grading has been completed of our tree inventory. An inventory and condition grade all trees on reserves (excluding bush or forestry land) is being developed. This may take 3 years to fully complete this work. After that all trees will be assessed on a 3-5 year cycle depending on their risk. Trees on road reserves are being audited too.

Assets that have both a high probability and a high consequence of failure become the highest priority for condition assessment. Creating a formalised and regular condition assessment regime will strengthen the reliability of renewal forecasting. This will guide development of a renewals profile that responds to condition and grading of assets rather than just a focus on high risk/end of life assets only. The renewals forecast has been rationalised to provide efficiencies in the location and grouping of asset renewals over time.



### Key projects include:

- Implementation of the swimming pool level of service in Te Puke (within the 2024-2034 LTP), Ōmokoroa and Katikati (outside of the 2024-2034 LTP).
- Strategic land purchases - Ōmokoroa active reserve (\$6 million in 2024-2026) and neighbourhood/local reserves (\$15 million from 2024-2034).
- Coastal marine asset replacement - \$14 million from 2024-2034.
- Northern Harbour boat ramp - placeholder outside of the 2024-2034 LTP period.

**What our key drivers are**

**Providing for population growth** - The greatest areas of demand are Waihi Beach, Katikati, Ōmokoroa and Te Puke. Rural and coastal areas provide a range of recreational experiences for residents and visitors to the district. As population increases, pressure on the use of facilities increases. This can lead to increased maintenance costs and increasing expectations. Reserve management plans and levels of service help to understand and respond to community needs, balancing aspirations with competing demands and affordability. Operational Level of Service Guidelines inform decisions on the standard, size and quality of infrastructure required.

**Environmental considerations** - Rising sea levels and changes to rainfall patterns will impact on investment decisions for recreation assets. Many are located to provide a coastal and harbour experience (e.g. reserves, walkways, boat ramps) and some are at risk of increased erosion and inundation. Council's Coastal Erosion Responses Policy is a key consideration in the future approach to renewal, upgrade or provision of public land and infrastructure located in coastal and harbour areas. The design and location of boardwalks in coastal/harbour areas considers sea level rise.

**What our focus is over the next 30 years**

Council aims to provide opportunities to access the recreation and open space network, connect spaces and places, protect and enhance environmental, cultural and heritage values and provides spaces that our community are proud of, that are safe, accessible and that encourage participation. Our focus is on:

**Swimming pool level of service implementation** - Investment in improving swimming pools in Katikati and Te Puke, and investigating the development of a new pool in Ōmokoroa in the future.

**Funding for sport and recreation facilities** - development of an investment framework for assisting with funding or contributing to community and sports facilities.

**Providing for growth** - implementation of the Ōmokoroa Stage 3 structure plan and applying recreation levels of service to the Te Puke Spatial Plan process.

**Coastal structures and resilience** - An assessment of critical assets and facilities that could be potentially affected by coastal flooding, river flooding, erosion and surface flooding, is in place. This resilience project is intended to understand what the risks to infrastructure are, which assets may be affected and what measures may be taken to increase the resilience of the asset portfolio.

**Treaty of Waitangi** - Treaty of Waitangi settlements and strengthened relationships have seen greater levels of involvement of iwi and hapū in planning and decision making processes; through a formal structure such as co-governance and co-management arrangements, or through less formal planning and delivery processes. We are ensuring that new formal structures are integrated into our practices for delivery of this activity.

**Expenditure Forecast 2024 - 2054**

Refer to combined graph on page 114.

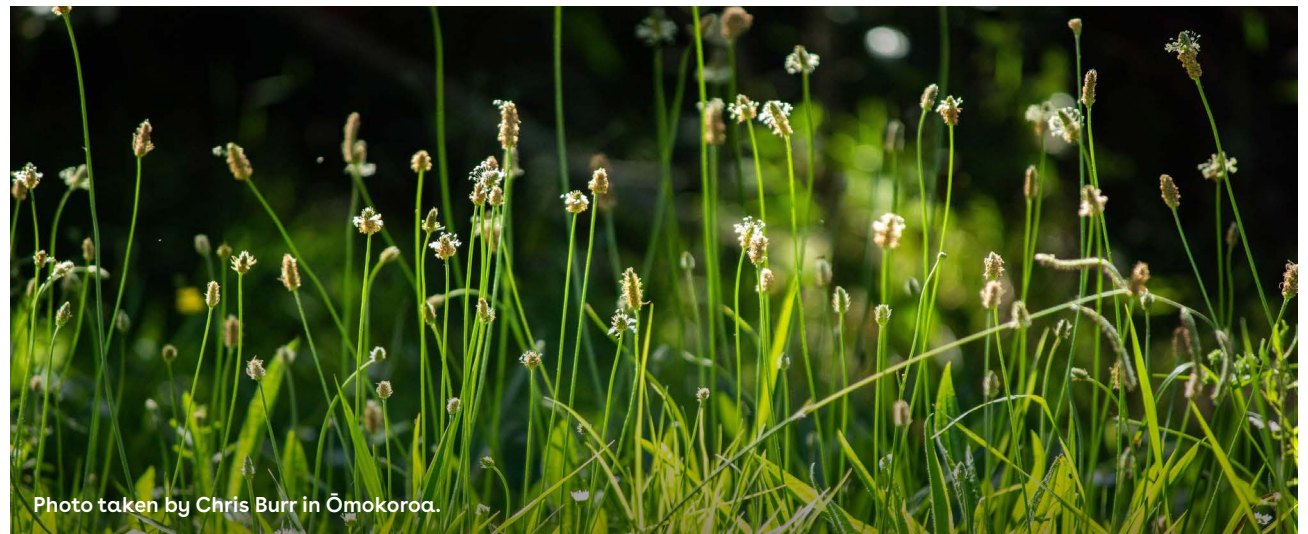


Photo taken by Chris Burr in Ōmokoroa.



## Community Facilities

Council provides library and service centre facilities at Waihi Beach, Katikati, Ōmokoroa, and Te Puke, an information and community centre at Maketu, and a service centre at Barks Corner in Tauranga. The importance of community halls is reflected in local community ownership of 19 halls across the District. Council provides land for 15 of these halls and collects rates on behalf of the hall committees for maintenance/renewals in accordance with condition assessments and agreed capital development requirements.

### What we provide

Councils have had a long standing role in providing housing for older people, enabling older people on low incomes to 'age in place' in a safe, secure and well-maintained environment. Council owns elder housing units in Te Puke, Katikati and Waihi Beach. New units are also being developed to meet increasing demand.

Cemeteries provide families, friends and visitors a place to remember their loved ones. Council is legally required to provide cemeteries to ensure the burial and cremation needs of our District are met now and in the future.

Five cemeteries are provided in Katikati, Maketu, Oropi and Te Puke (old cemetery and new cemetery).

Council considers the community facilities network performs to acceptable standards as determined by levels of service and key performance indicators. A 'hold and maintain' approach is taken to asset management to ensure that facilities are adequate for their intended purpose, and to recognise that due to the age of many of the assets, they may no longer be fit for purpose and future proofed for our growing community.

### Key projects include:

- Waihi Beach Library and Service Centre - \$5.5m in 2025-2027
- Te Puke Library and Service Centre - \$15m in 2027-2029
- Libraries book purchase renewals - \$4.4m from 2024-2034



<p><b>What our key drivers are</b></p>	<p><b>Enabling housing</b> - Enabling housing is a key strategic priority of council. Access to affordable housing is a significant challenge in the District. Older people requiring rental accommodation face challenges, as they often have fixed incomes, and the housing stock is not well suited to their needs. There is a growing number of older people in the district who are seeking good quality, affordable rental accommodation.</p> <p><b>Providing for growth</b> - The greatest areas of demand for community facilities are the urban growth areas of Waihi Beach, Katikati, Ōmokoroa and Te Puke. Increasing population corresponds with increased demand for these facilities and is therefore a key factor in planning for future provision. The cultural diversity of the district is changing and a key consideration in our planning for community facilities is understanding the different needs of our diverse community. For example, different cultural customs regarding burial methods when planning for future cemetery provision. Programmes for library development and increasing cemetery capacity are included in the LTP.</p>
<p><b>What our focus is over the next 30 years</b></p>	<p>Council aims to ensure that social infrastructure (community facilities, services and networks that help individuals, families, groups and communities) meets the diverse needs of communities; and that communities are strong and can influence their futures. This contributes to us all enjoying a healthy and safe lifestyle and our communities being vibrant and welcoming to all. Our focus is on:</p> <p><b>Libraries level of service implementation</b> - Investment in a new Waihi Beach Library and Service Centre and Te Puke Library and Service Centre. Future development or lease of a Ōmokoroa Library and service centre.</p> <p><b>Community halls</b> - Future demand for halls, and the environment in which the halls operate, is being constantly scanned. Some halls are under financial pressure given the alternative hall facilities available. Other halls are particularly well used, and well supported by their community. It is possible that the requirement for halls in their current form will reduce, while other halls will re-invent themselves into offering a wide range of facilities to their communities. Rationalisation may also occur.</p> <p><b>Housing</b> - Council is working in partnership with central government and local providers to ensure more housing options are available. We will continue to operate our elder housing portfolio and take opportunities to redevelop the stock where the redevelopment can be funded either from revenue (rental income) or external funding sources. Over the next 3 years our focus is on redeveloping Heron Crescent in Katikati and addressing flooding issues with the Waihi Beach elder housing units.</p> <p><b>Funding for sport and recreation facilities</b> - development of an investment framework for assisting with funding community and sports facilities.</p>

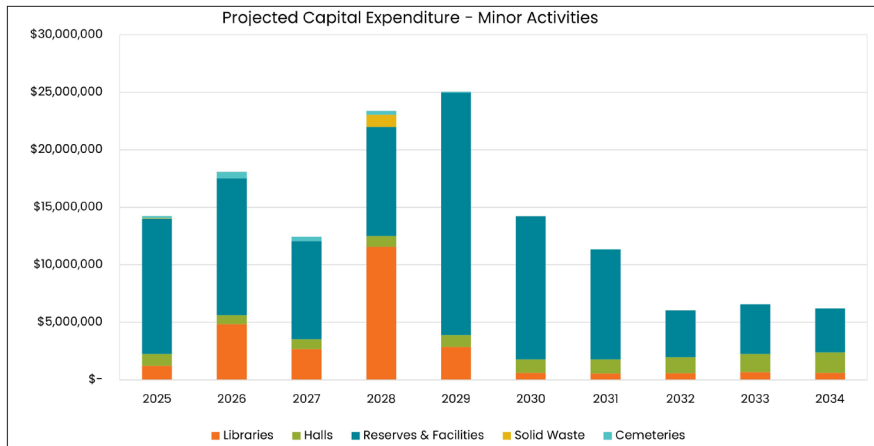
## Expenditure Forecast 2024 - 2054

Refer to combined graph on page 114.

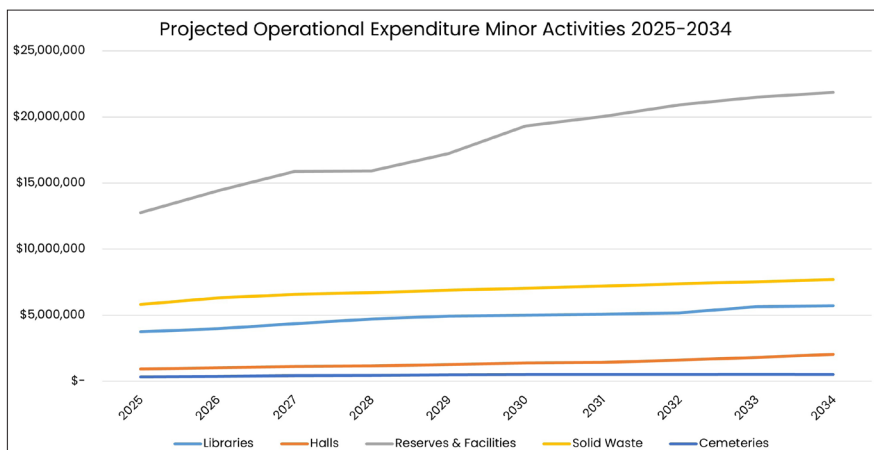




## Combined Expenditure Forecast for Solid Waste, Recreation and Open Space and Community Facilities



Projected Capital Expenditure for Solid Waste, Recreation and Open Space and Community Facilities 2025 - 2034



Projected Operational Expenditure for Solid Waste, Recreation and Open Space and Community Facilities 2025 - 2034



## Infrastructure overview

Activity	Asset type	Approximate asset replacement cost (from AMP)	Critical assets
<b>Stormwater</b>	<ul style="list-style-type: none"> <li>• Reticulation (pipes, pump stations)</li> <li>• Drainage reserves (including stormwater ponds)</li> <li>• Open drains</li> <li>• Coastal protection works</li> <li>• Earth dam</li> </ul>	Optimised replacement cost \$172,474,228 (from AMP overview)	<ul style="list-style-type: none"> <li>• The Waihi Beach earth dam</li> <li>• Stormwater treatment and storage ponds</li> <li>• Stormwater pumpstations and associated rising mains</li> <li>• One-Mile Creek</li> <li>• Darley Drain outlet</li> <li>• Two-Mile Creek</li> <li>• Otawhiwhi Drain</li> </ul>
<b>Water Supply</b>	<ul style="list-style-type: none"> <li>• Source (stream intakes, groundwater bore sites, water treatment plants, 9 bore fields and 9 water treatment plants)</li> <li>• Storage (31 reservoir or tank sites)</li> <li>• Reticulation (mains and submains, booster pump sites, 838km of water mains and connections and 26 booster pump stations)</li> </ul>	Total water replacement cost \$302,441,154 (from 2023 AMP)	<ul style="list-style-type: none"> <li>• Assets relating to water source and treatment e.g. bores and water treatment plants.</li> <li>• Assets relating to water storage e.g. reservoirs</li> <li>• Assets relating to the water distribution network e.g. mains and connections</li> </ul>
<b>Wastewater</b>	<ul style="list-style-type: none"> <li>• 320km of wastewater reticulation, 59 Pumpstations and five treatment plants,</li> <li>• Council owns and maintain 527 and 126 Grinder pumps in Maketu and Te Puna respectively and 57 Septic Tank Effluent Pumps in Ongare Point</li> </ul>	\$262,468,049 Optimised replacement cost	
<b>Transportation</b>	<ul style="list-style-type: none"> <li>• Roads (sealed and unsealed)</li> <li>• Bridge, culverts, footpaths, streetlights, trees and furniture, road signs, bus shelters cycleways</li> </ul>	\$980,530,000 Optimised replacement cost 82% of these asset values are in the road pavements	<ul style="list-style-type: none"> <li>• Bridges</li> </ul>

Activity	Asset type	Approximate asset replacement cost (from AMP)	Critical assets
<b>Solid Waste</b>	<ul style="list-style-type: none"> <li>Recycling and green waste centres (including land)</li> <li>Green waste drop off</li> <li>Closed and capped landfills</li> </ul>		
<b>Recreation and Open Spaces</b>	<ul style="list-style-type: none"> <li>222 reserves and 2 subregional parks.</li> <li>Forestry land</li> <li>76 Public toilets, 28 playgrounds and furniture</li> <li>194 coastal and marine structures (jetties, boat ramps, wharves, seawalls)</li> <li>2 swimming pools</li> </ul>	\$259,167,822 replacement value	<ul style="list-style-type: none"> <li>Public toilets</li> <li>Wharves and jetties</li> <li>Bridges</li> <li>Seawalls</li> <li>Cemeteries (relating to extreme events)</li> <li>May support recovery post a civil defence emergency</li> </ul>
<b>Community Facilities</b>	<ul style="list-style-type: none"> <li>4 library and service centres</li> <li>19 community halls (community owned)</li> <li>5 cemeteries</li> <li>59 Elder housing units</li> </ul>	Elder housing - \$11,920,776 replacement value	<ul style="list-style-type: none"> <li>Barkes Corner civic offices</li> <li>Te Puke Office and Library</li> <li>Katikati Office and Library</li> </ul>

