



## Section 2 Informing our planning

Rautaki Whakapae mō te Mahere Rae Roa  
2024-2034

# Strategic Assumptions for the Long Term Plan 2024-2034

The Strategic Assumptions are the Council's 'best guess' at how the future may look. They form the basis for planning and are developed from a wide range of sources.

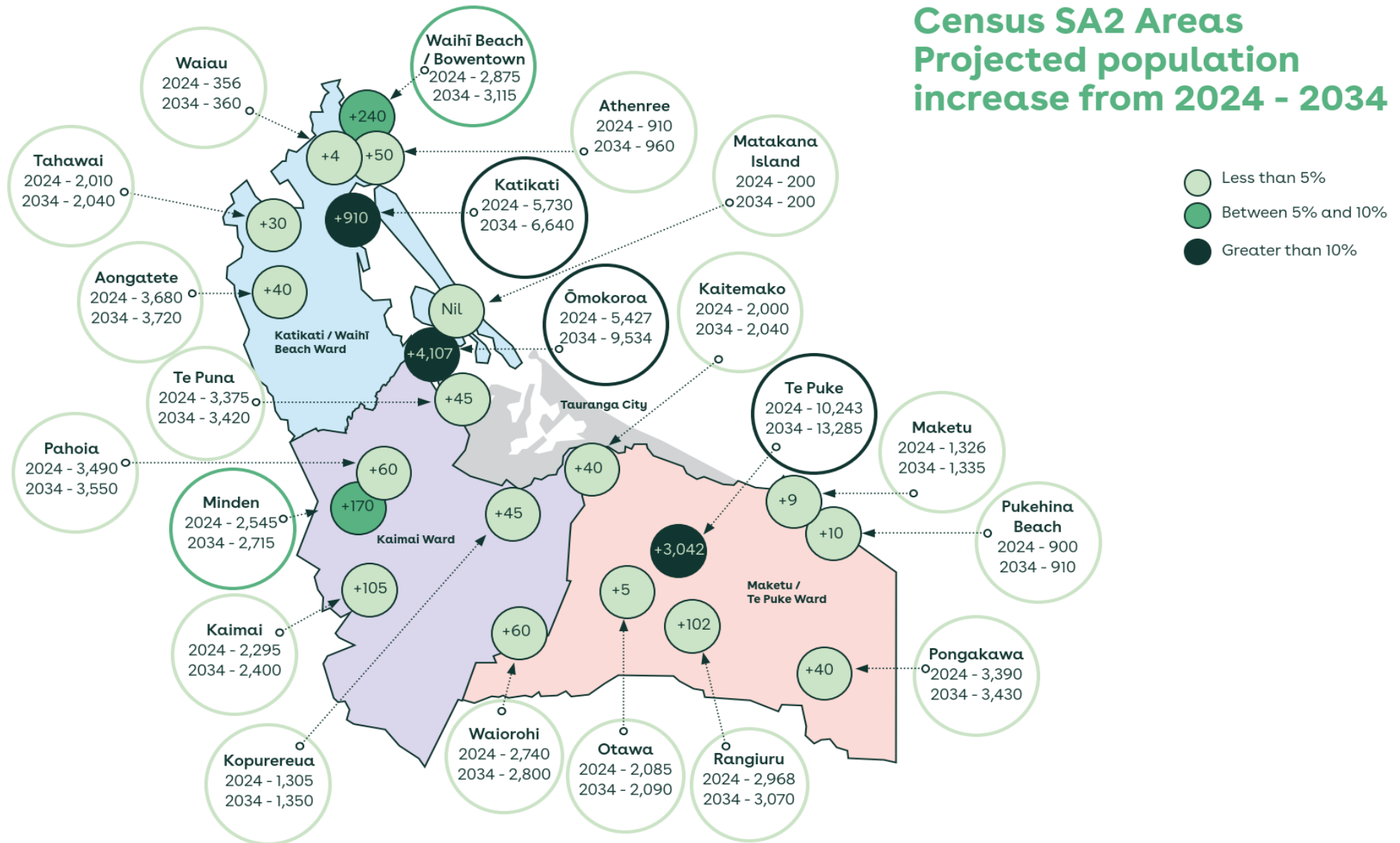
## Strategic Assumptions

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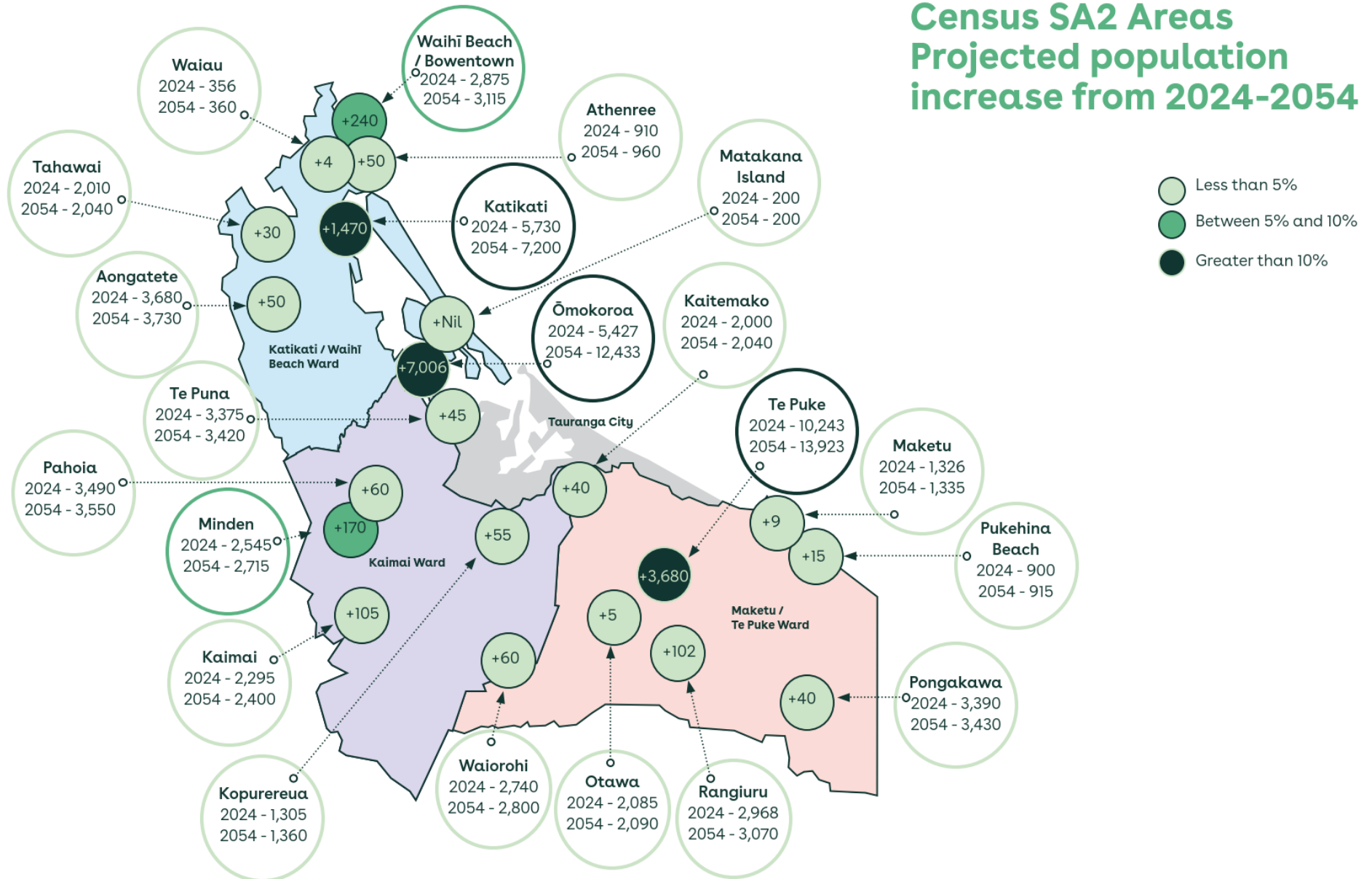
# 1. Population Growth

Assumption	Implication	Level of Uncertainty	Impact	Mitigation
<p><b>Our District will continue to attract new residents and our population will grow.</b></p> <p><b>Growth won't be uniform across the District but will be primarily centered around our urban areas.</b></p> <p><b>We expect to see:</b></p> <ul style="list-style-type: none"> <li>• <b>Ōmokoroa and Te Puke continuing to grow as an outcome of Plan Change 92 and implementation of medium density rules required by Central Government.</b></li> <li>• <b>The potential for new development areas on the eastern side of the District in the medium to longer term to meet increasing housing demand.</b></li> </ul>	<p>Growth affects the number of rateable properties in the District and the expected demand for services and infrastructure.</p> <p>Growth has a lot of benefits but also creates challenges for the delivery of services and funding infrastructure work.</p>	<p><b>High</b></p> <p>Based on national assumptions and regional economic projections, we expect sustained growth over the next three years. However, current projections are based on 2018 Census data as the 2023 Census data is not available for this LTP planning period.</p> <p>Growth becomes more difficult to predict over longer time periods because unforeseen events can alter migration, settlement patterns or resource limitations.</p>	<p><b>High</b></p> <p>If population growth is faster than expected and the number of rateable properties is under estimated the consequences are:</p> <ul style="list-style-type: none"> <li>• Income growing faster than expected.</li> <li>• Higher demand for Council services.</li> <li>• Financial contributions being set too high.</li> </ul> <p>Council would respond by bringing forward future expenditure and adjusting financial contributions the following year.</p> <p>If population growth is lower than expected, the consequences are:</p> <ul style="list-style-type: none"> <li>• Over-investment in infrastructure and unused capacity.</li> <li>• Income from rates and financial contributions falling short of budget.</li> <li>• Meaning debt is repaid more slowly and interest costs increase.</li> <li>• Financial contributions being set too low for that financial year.</li> </ul> <p>Council would respond by funding the shortfall through rates or increasing debt, or by deferring expenditure. Council is well within its prescribed debt limits with borrowing headroom to raise more debt if required.</p>	<p>Council plans for growth in collaboration with TCC, BOPRC, Iwi and Waka Kotahi through SmartGrowth (including the UFTI initiative).</p> <p>Council re-forecasts growth projections each year through the annual plan to ensure infrastructure provision and service delivery are aligned to growth, and monitors actual consent numbers throughout the year. The timing of growth-related projects is managed to provide infrastructure 'just in time'.</p> <p>Enabling housing that is affordable, accessible, habitable with security of tenure, and appropriate to our life stages and differing needs is one of Council's top five strategic priorities. Growth and financial sustainability are identified as a top risk in Council's Strategic Risk Register.</p> <p>The risk appetite is low-medium and will need to be balanced with the delivery and achievement of the planned growth outcomes.</p> <p>Council is progressing further investigations on the options available for funding growth-related infrastructure.</p>
Year end 30 June	New lots (average annual increase)	Growth rate (annual average increase)	Total dwellings	District Population
2024	301	1.23%	24,568	59,850
2029	324	1.22%	26,496	65,021
2034	160	0.57%	27,998	68,964
2039	120	0.42%	28,876	71,070
2044	90	0.30%	29,520	72,366
2049	10	0.03%	29,784	72,726
2054	10	0.03%	29,928	73,086

## Census SA2 Areas Projected population increase from 2024 - 2034



# Census SA2 Areas Projected population increase from 2024-2054





## 2. Climate Change

Assumption	Implication	Level of Uncertainty	Impact	Mitigation
<p><b>As a result of climate change the Western Bay of Plenty can expect to see:</b></p> <ul style="list-style-type: none"> <li>• <b>More hot days (temperatures 25 degrees or more).</b></li> <li>• <b>Milder autumns and winters.</b></li> <li>• <b>Wetter winters.</b></li> <li>• <b>Decreasing summer rainfall with heavier downpours.</b></li> <li>• <b>Fewer cold nights and frosts.</b></li> <li>• <b>Rising sea levels (0.52m above MVD 1953 at 2070).</b></li> </ul> <p><b>Overall, there will be more extreme weather and storm events (potentially three times more frequent) and increased risk from natural hazards such as coastal erosion and inundation.</b></p>	<p>Council's business must respond to climate change now to ensure a level of preparedness for future impacts. Failure to respond will lead to significant future challenges and costs across all our wellbeings.</p> <p>For example, the local economy may be negatively impacted by climate change, particularly through changes to growing conditions and susceptibility to new pests.</p> <p>Council will have to meet additional reporting requirements. The Emissions Reduction Plan (under the Zero Carbon Act) has implications on activities of Council including the need to report on and take actions to move towards zero carbon by 2050. The proposed Climate Change Adaptation Act will also have significant implications for Council.</p> <p>Coastal properties and flood plain residents are likely to be impacted by insurance retreat within the period covered by the LTP. Council may also be impacted by this if insurers consider that the risks of erosion and inundation of Council owned assets is increasing. The expectations for this are intended to be addressed in the Climate Change Adaptation Act.</p>	<p><b>Moderate</b></p> <p>We know climate change will impact on our business; however, the exact nature, extent and timing of the impacts is difficult to predict.</p> <p>The major chronic impacts of climate change are expected outside of the 10-year planning period.</p>	<p><b>High</b></p> <p>If the impacts of climate change are felt more change within the 10 years, the likely consequences are:</p> <ul style="list-style-type: none"> <li>• Impacts on Council assets located in coastal or alluvial environments.</li> <li>• Unbudgeted maintenance and / or capital costs due to damage to assets.</li> <li>• Added complexity in regulatory processes and risk profile of Council including reputational and legal risk.</li> </ul>	<p>Responding to climate change is one of Council's top five strategic priorities. Council's role is as a leader in terms of organisational responses, collaborator through building understanding and knowledge with the community and enabler by being agile and responsive to climate change impacts.</p> <p>Climate change is identified as a top risk in Council's Strategic Risk Register. The risk appetite is medium. Council recognises the importance of an increasing focus on climate change risks, monitoring and assessment of impacts.</p> <p>Council will focus on understanding the level of risk to our assets and beginning to develop options for reducing this risk.</p> <p>Council will plan using RCP8.5, however individual projects will undertake their own modelling as appropriate.</p> <p>Science is constantly improving. There is a need to make decisions on the best science available at the time, but things will change therefore we need to regularly reassess and update with each IPCC report (every 5- 6 years).</p> <p>Council's Coastal Erosion Responses Policy provides a decision-making framework to address impacts on Council-owned assets on the coast. \$200,000 per annum has been budgeted for coastal erosion works.</p> <p>Council has modelled harbour inundation scenarios, alongside BOPRC and TCC, through the Natural Hazards Charter.</p>

### 3. Demographics

Assumption	Implication	Level of Uncertainty	Impact	Mitigation
<p><b>The make up of our communities will change. As a District we will become older and more diverse. There will be variation between communities as people move and places grow. For example, Te Puke’s average age dropped in the last census.</b></p> <p><b>We expect to see:</b></p> <ul style="list-style-type: none"> <li>• <b>More younger people living in Te Puke.</b></li> <li>• <b>More older people living in Katikati.</b></li> <li>• <b>Ōmokoroa population changing (ageing, more families) as new growth areas get developed and new facilities and services are provided for such as schools.</b></li> </ul>	<p>Increasing cooperation between central and local government to understand and deliver healthy environments for residents.</p> <p>Changing household occupancy (ageing population and single occupancy balanced against cultural norms of multiple generations in one house).</p> <p>Impacts on the District’s labour force.</p> <p>Changing methods of engagement to involve different communities and create welcoming, tolerant communities.</p> <p>Continued cultural awareness practices in communities and workplaces.</p> <p>Changing use of infrastructure and changing recreation and leisure patterns.</p>	<p><b>Moderate</b></p> <p>Changes such as the ageing population are clear as they are determined by the make up of the existing population and our current birth rate.</p> <p>Immigration is more difficult to predict. The impacts of this have been addressed under the population growth assumption.</p> <p>Demographic data still based on 2018 Census (5 + years ago) and won’t completely align with updated growth assumptions.</p>	<p><b>Low</b></p> <p>An over-estimation or under-estimation of this assumption will not have a material impact – as any major impacts would be felt in population growth changes (addressed under the population growth assumption).</p>	<p>We monitor population demographics through SmartGrowth, using census data and NIDEA projections.</p> <p>Our community engagement guidelines and community profiles work assist us to work with communities and understand and respond to their changing needs.</p> <p>We are actively involved in providing support to newcomers to the district and assisting local communities that have a high number of international migrants.</p> <p>Our strategies and plans are reviewed to ensure we keep pace with changing trends and demands.</p>

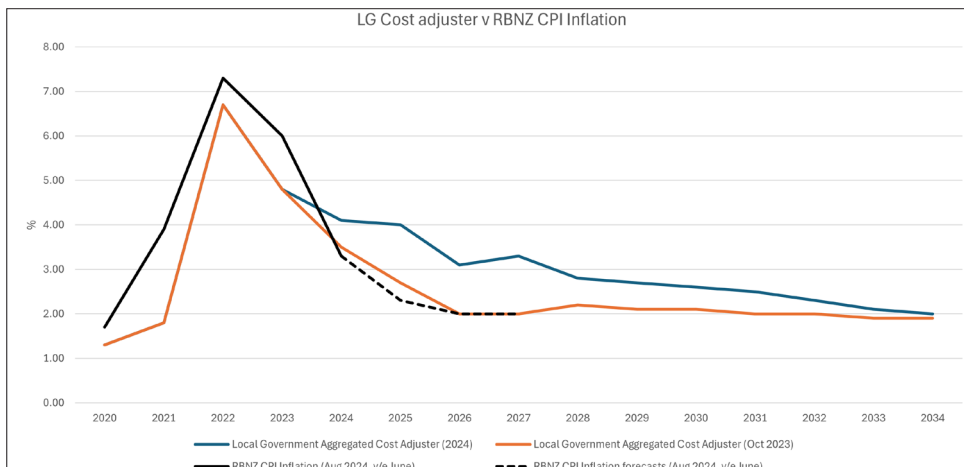
# 4. Inflation

Assumption	Implication	Level of Uncertainty	Impact	Mitigation
<p><b>Costs are assumed to increase due to inflation.</b></p> <p><b>From year two of the LTP, Council uses Business and Economic Research Limited (BERL) inflation adjustors as the basis for forecasting inflation impacts on our activities. Relevant BERL inflation adjustors have been applied to our activities and services. Inflation starts to decrease over the next two years, with a slow down in inflation as the government looks to achieve its longer term objectives of 2-3%.</b></p> <p><b>An inflation assumption of 2% has been used for the remaining 20 years of the Infrastructure Strategy.</b></p>	<p>Inflation rates impact the expected costs of our services in the future.</p> <p>These vary by activity as the type of goods purchased differ. A period of very high inflation rates has resulted in higher project costs both now and in the longer term pushing up overall debt requirements.</p>	<p><b>Moderate</b></p> <p>Council uses BERL inflation adjustors in line with most of the local government sector.</p>	<p><b>High</b></p> <p>If inflation is underestimated and actual cost increases are materially higher than forecast, budgets may be too low to complete the work scheduled for the year. In such cases the work would be re-scheduled.</p> <p>If inflation is less than forecast, some work may be brought forward, or surplus revenue held over the following year.</p>	<p>Inflation assumptions are reviewed each year as part of the annual budgeting process.</p>

## Inflation Sensitivity Analysis +/-0.5%

	2024/25	2025/26	2026/27
<b>Operating Revenue</b>	<b>195,856</b>	<b>218,614</b>	<b>200,123</b>
Inflation 0.5% Less than LTP	0	-1,015	-1,812
Inflation 0.5% More than LTP	0	1,015	1,812
<b>Operating Expenditure</b>	<b>140,326</b>	<b>153,756</b>	<b>164,923</b>
Inflation 0.5% Less than LTP	0	-728	-1,524
Inflation 0.5% More than LTP	0	728	1,524
<b>Operating Surplus</b>	<b>55,530</b>	<b>64,858</b>	<b>35,200</b>
Inflation 0.5% Less than LTP	0	-286	-288
Inflation 0.5% More than LTP	0	286	288
<b>Capital Expenditure</b>	<b>126,233</b>	<b>155,321</b>	<b>126,793</b>
Inflation 0.5% Less than LTP	0	-706	-560
Inflation 0.5% More than LTP	0	706	560

Council is able to identify any local specific cost changes as inflation is included in financial forecasts and Council can therefore reprioritise the work programme if required to maintain consistency in levels of service. This is based on the inflation rates for the periods from the beginning of 2024/25 taken from the Local Government Cost Index (LGCI) prepared by BERL Economics as at October 2023. BERL has since provided a 2024 interim update to the cost adjustors. Council has reviewed these updated cost adjustors alongside August 2024 Reserve Bank (RBNZ) CPI inflation forecasts, to ensure assumptions did not materially impact the 10 years of the Long Term Plan. The 2024 August monetary policy statement has also recognised that inflation fell considerably in the 2024 June quarter. It was noted that recent indicators give confidence that inflation will return to the 1% to 3% target within a reasonable time frame. This data has been mapped on the graph below, showing this latest available information from the RBNZ provides confidence that the assumptions used in the LTP by council are reasonable. A sensitivity analysis has been undertaken to demonstrate what the possible revenue / expenditure impact might be if the inflation is different to the assumptions used.

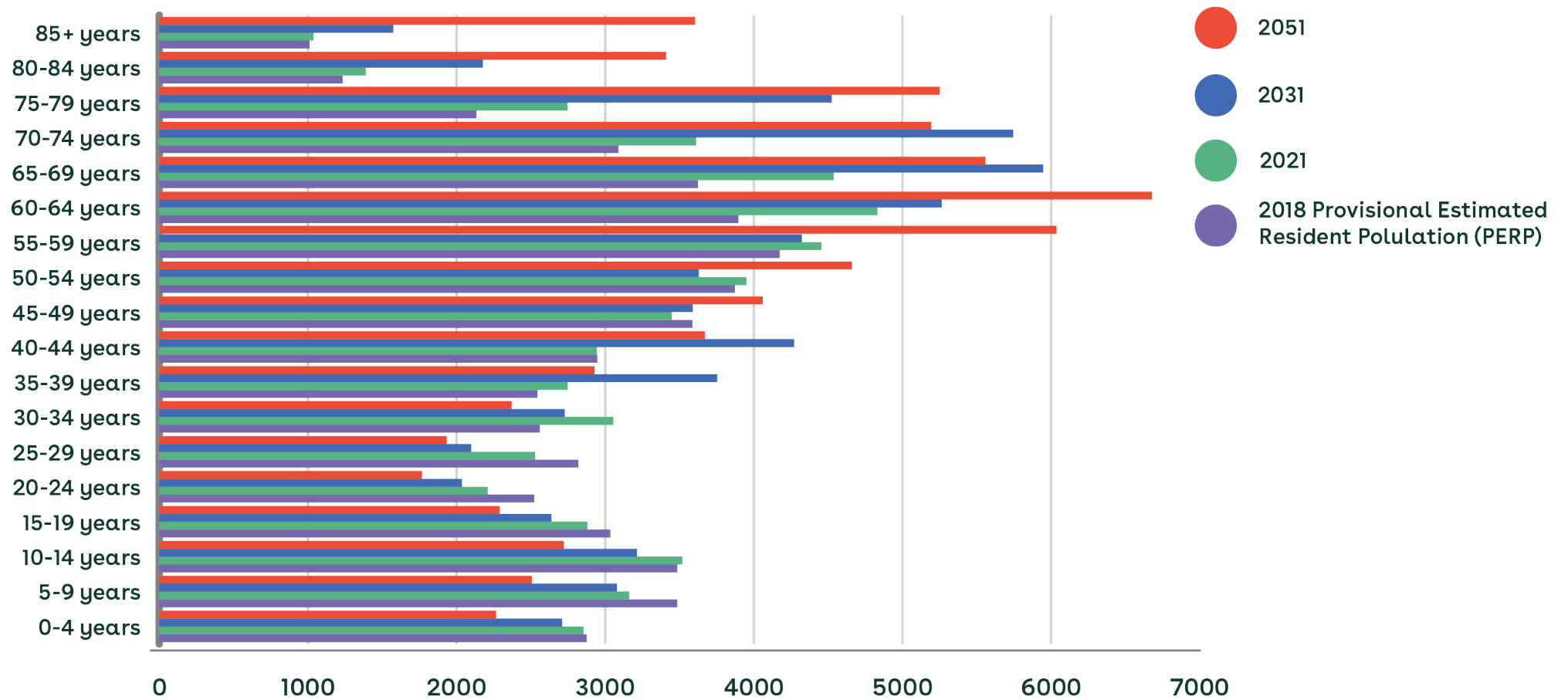


## Inflation rate assumptions over 10 years

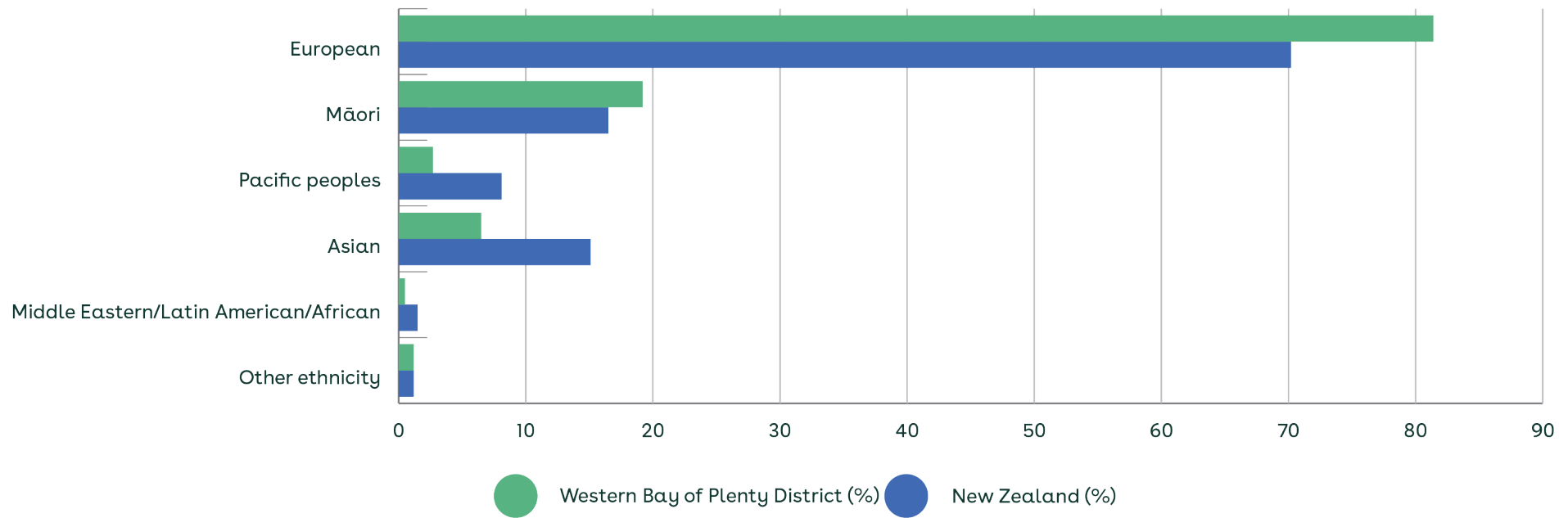
Year	Planning & Regulation	Roading	Transport	Community	Water & Environment	Salary & Wage rates - Local Govt Sector	Average
2026	2.20	2.10	2.20	2.10	2.70	2.40	2.28
2027	2.40	2.40	2.40	2.30	3.00	2.20	2.45
2028	2.30	2.60	2.50	2.40	3.00	2.20	2.50
2029	2.30	2.50	2.30	2.30	2.90	2.30	2.43
2030	2.20	2.40	2.40	2.30	2.80	2.20	2.38
2031	2.20	2.40	2.30	2.30	2.80	2.20	2.37
2032	2.30	2.50	2.40	2.30	2.70	2.30	2.42
2033	2.20	2.40	2.30	2.30	2.80	2.20	2.37
2034	2.20	2.50	2.40	2.20	2.70	2.20	2.37



## Long Term Plan Age Projections 2021 - 2051



### Ethnic groups for people in Western Bay of Plenty and New Zealand (2018 Census)



## 5. Interest Rates

Assumption	Implication	Level of Uncertainty	Impact	Mitigation
Interest rates as a result of inflation remain high fluctuating between 5% and 6% over the LTP period. With an increased debt profile, these costs flow through to future years principal and interest repayments.	Interest rates govern the cost of borrowing. While borrowing is beneficial in spreading the cost of infrastructure across all generations that benefit from it, fluctuating interest rates can impact how much we pay.	<p><b>Moderate</b></p> <p>Council has a reasonable level of confidence in these assumptions, which are based on cost, market information and hedges on existing borrowings through interest rate swaps, in conjunction with advice Treasury experts.</p>	<p><b>High</b></p> <p>If interest rate assumptions were too low, it would result in borrowing costs being higher than forecast. If interest rate assumptions were too high, borrowing costs would be lower than forecast. A 0.5% movement on \$150m of debt equates to a \$750k movement in interest expense.</p>	Interest rate assumptions are reviewed each year as part of the annual budgeting process.

### Interest rate assumptions over 10 years

Year	Interest rate including margin
2025	6.020%
2026	5.060%
2027	5.029%
2028	5.094%
2029	5.242%
2030	5.389%
2031	5.507%
2032	5.624%
2033	5.694%
2034	5.726%

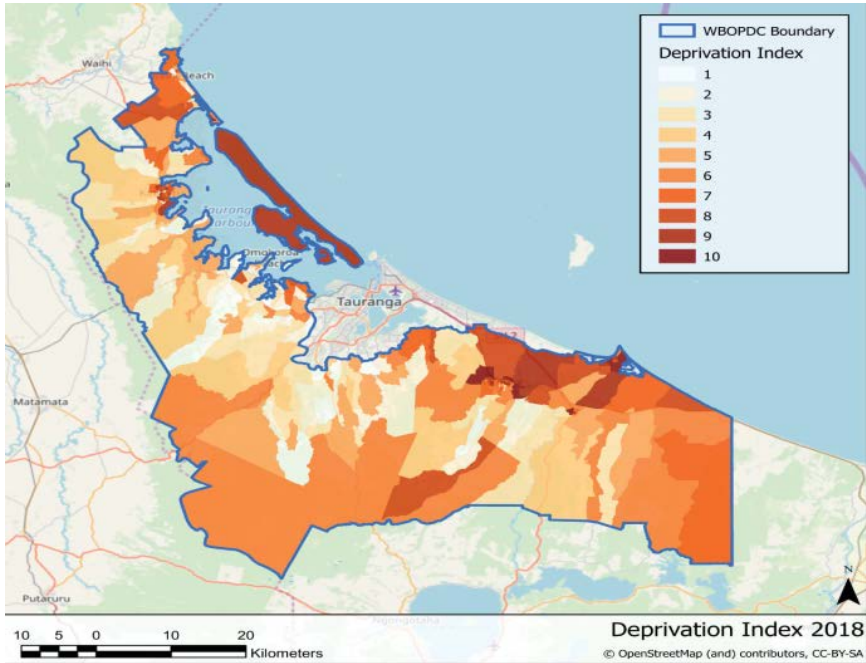
## 6. Technology

Assumption	Implication	Level of Uncertainty	Impact	Mitigation
<p><b>The rate of change and innovation in technology will see continued digital disruption that is transformational and impacting on the way we live, requiring Council to be future ready.</b></p> <p><b>We expect to see:</b></p> <ul style="list-style-type: none"> <li>• <b>Better internet and mobile connectivity throughout our District, including broadband and satellite in rural areas and, fibre in all urban areas.</b></li> <li>• <b>Public demand for open data and transparent information.</b></li> <li>• <b>More empowered individuals wanting to co-design solutions to problems.</b></li> <li>• <b>Smart communities and customers seeking information and services 'on demand', 'digital by default' and increasing requirements to provide 'real time' information</b></li> <li>• <b>The increased use of data and analytics to enable data driven decision making where data insights inform our asset management planning, policies, practices and services.</b></li> <li>• <b>Emerging technologies (for example, Internet of things; Artificial Intelligence; Software as a Service and Platforms as a Service cloud options) are changing the way we manage data, evaluate and provide systems, networks and deliver services.</b></li> <li>• <b>Increasing pressure on our networks from cyber attacks requiring ongoing and up to date risk mitigation.</b></li> </ul>	<p>Advances in data and analytics should improve capacity, performance, and reliability of infrastructure, shifting design from meeting peak demand to ways of smoothing out the peaks. This should enable us to get more out of our existing infrastructure.</p> <p>Customer services and how we engage with our customers and communities will change.</p> <p>Increasing connectivity between energy, transportation, and technology, driving infrastructure investment decisions.</p> <p>There will be increased opportunities to deliver demand management and non-asset solutions as better information is available.</p> <p>Greater opportunity for shared platform offerings.</p> <p>Decisions will need to be made on where funding is best allocated – resilience, renewals, Business as Usual or new projects.</p>	<p><b>Low for years 1 - 3.</b></p> <p><b>High for years 4 - 10.</b></p> <p>We know changes will happen, but we don't know exactly when or how disruptive those changes will be.</p>	<p><b>Moderate</b></p> <p>Technology will have an impact but not on all areas of Council's operations, although that is likely to change over time as more services use technology to improve the way they are delivered.</p>	<p>Council has budgeted for continued investment into our information technology to better support our operations and improve customer experience.</p> <p>The shift to "as a service" cloud offerings will reduce capital expenditure in IT infrastructure and provide resilience in networks, systems and data.</p> <p>We also have a corporate project to look at making the organisation increasingly future ready.</p> <p>Council has budget to contribute to funding to replace council's ERP system nearing end of life.</p> <p>Council invests in technology in walking and cycling, roading, reserves and CCTV to better understand and maintain the assets.</p>

# 7.

# Social

Assumption	Implication	Level of Uncertainty	Impact	Mitigation
<p><b>Equality and equity will continue to be issues.</b></p> <p><b>We have greater income and wealth imbalances than in the past.</b></p> <p><b>Some communities have reduced access to services and less ability to pay for services. We expect this imbalance to remain.</b></p> <p><b>People in more deprived areas are more vulnerable to environmental risks.</b></p> <p><b>Refer Index of Deprivation at the end of this table that gives an indication of socio-economic deprivation based on 2018 Census.</b></p>	<p>There will be increased demand placed on social services, community support organisations, and relief funds.</p> <p>Council may need to tailor solutions and investment for some communities, to ensure people are receiving the services they need.</p> <p>These may be geographic communities, or parts of the population (e.g. older people).</p>	<p><b>Moderate</b></p> <p>We expect the imbalance between communities to remain, or to change only slightly.</p>	<p><b>Low</b></p> <p>Should the pattern of social-economic wellbeing change radically across our District, Council may have to postpone, amend or add new projects to the work programme. Changes would generally be gradual and as such the overall impact would be low.</p>	<p>Council actively seeks community input into decision making. Community led outcomes and housing are two of Council’s five strategic priorities.</p> <p>Consideration of social wellbeing and needs through Council projects and plans.</p> <p>Council will continue to build on its strong relationships with community groups and organisations.</p> <p>Monitoring of the social deprivation index through the LTP cycle. Recognising that this is based on nine Census variables and that a community may not consider this data accurately reflects their local community characteristics.</p>



## 8. Economic

Assumption	Implication	Level of Uncertainty	Impact	Mitigation
<p><b>The Western Bay economy has grown over the last few years with the District cushioned from some of the impacts of COVID-19 due to our diverse economy, strong rural sector (especially horticulture) and low reliance on international tourists.</b></p> <p><b>On the back of strong and continued population growth, the Western Bay of Plenty's economy is reasonably resilient and is projected to continue to grow above the national average.</b></p> <p><b>We expect to see:</b></p> <ul style="list-style-type: none"> <li><b>Greater business focus on low waste, low emissions business practice and understanding and responding to impacts of climate change.</b></li> <li><b>Continued growth in the kiwifruit industry however growth in the avocado and tourism industries is less certain.</b></li> <li><b>Growth in the construction sector particularly with current and future development plans in Ōmokoroa, Rangiorua and Te Puke.</b></li> </ul>	<p>Forecast reduction in frost days for kiwifruit industry may require development of different varieties or other innovative responses.</p> <p>Continued economic growth will require provision of business land.</p> <p>Demands for freight movement will need consideration in transport network planning.</p> <p>Potential for greater consumer demand for locally produced goods and services.</p> <p>Growth in tourism means targeted infrastructure investment may be needed (such as toilets in rest areas, upgraded walking tracks). This will require cooperation with central government agencies. There may be increased pressure on the natural environment from increased use.</p> <p>The demands on the capacity of industry to deliver infrastructure projects may mean increased competition, leading to increased prices and possibly time delays.</p> <p>The Reserve Bank Governor recommended all, including government, to spend sensibly or risk even higher inflation. The impact on our District and community may be significant.</p>	<p><b>High</b></p> <p>Forecasts align with national forecasts and District trends for economic growth, however there are still uncertainties about the ongoing impacts of high inflation and interest rates.</p>	<p><b>Moderate</b></p> <p>The level of economic activity and growth in the District can directly impact ratepayers' ability to pay, while also influencing the level of financial contributions collected as development occurs or the level of demand placed on infrastructure.</p>	<p>Continual monitoring of the situation and 'just in time' infrastructure will aid in mitigating some of these issues. Council will continually monitor the District's economic situation and may revise any plans, with consultation through its Annual Planning process.</p> <p>Council's review of its Economic Activity Plan in 2023/2024 clearly outline's Council's role in economic development, funding required to support this, partnership opportunities and the outcomes we expect to see in our District.</p> <p>Council will continue to provide funding for key organisations that assist in advancing economic development opportunities for the District.</p> <p>There are competing drivers between those on limited and government funded incomes and those that are well off as to what is affordable and important. Council's challenge is to find an appropriate balance in its budget and rate setting processes through the Annual Plan and Long Term Plan.</p>



## 9. Environment

Assumption	Implication	Level of Uncertainty	Impact	Mitigation
<p><b>Environmental sustainability will continue to be a priority for Council and play an increasingly important role in decision making.</b></p> <p><b>We expect to see:</b></p> <ul style="list-style-type: none"> <li>• <b>Impacts on the renewal of resource consents (cost, timing, approval) as environmental standards have increased.</b></li> <li>• <b>Increasing expectations of waste minimisations activities from our community.</b></li> <li>• <b>An increased focus on the management and use of harbour and coastal margins due to climate change.</b></li> <li>• <b>An increased focus on the whole supply chain and circular economy.</b></li> </ul>	<p>A business as usual approach to asset renewals and capital projects is likely to be insufficient to address new requirements.</p> <p>Changes are likely to come with higher capital and operational costs. These may be offset through joint funding of capital projects with central government agencies and other local authorities or through working in partnership with mana whenua and the community.</p>	<p><b>Moderate to High</b></p> <p>Work already underway in many areas to respond to environmental challenges.</p> <p>Unknown implications of new legislation and funding priorities under the new government.</p>	<p><b>High</b></p> <p>An increase in expectations or requirements may have significant impact on current operations or capital projects.</p>	<p>Council’s Waste Management and Minimisation Plan emphasises the need for waste reduction.</p> <p>Regulatory Change is identified as a top risk in Council’s Strategic Risk Register. The risk appetite is high which reflects a limited ability to control the changes being introduced and Council’s aim to engage early to support sector advocacy and work closely with government agencies to understand the planned changes and impacts.</p> <p>Responding to climate change is one of Council’s top five strategic priorities. We want to build community resilience across all our strategic priorities, so that the community is in a better position to adapt and manage the impacts of any changes.</p>

## 10. Community Expectations

Assumption	Implication	Level of Uncertainty	Impact	Mitigation
<p><b>Our communities continue to have higher expectations for delivery of Council services.</b></p> <p><b>We expect to see:</b></p> <ul style="list-style-type: none"> <li><b>Continued demands to not only maintain, but also improve levels of service across all of Council's business (with increased associated costs).</b></li> <li><b>Continued demands from the community to keep rates as low as possible.</b></li> <li><b>Continued requirements of increased environmental standards and environmental sustainability.</b></li> <li><b>Demands for social sustainability and investment.</b></li> </ul>	<p>Council will need to continue to find innovative ways to fund service delivery, other than through rates.</p> <p>There will be tension between differing expectations between different groups.</p> <p>The key principle of 'growth pays for growth' needs to be balanced against the uncertainties of when population growth will occur and how Council can then fund growth-related infrastructure projects where these are required in advance of growth occurring.</p> <p>There is a growing community desire for a buy local model for the delivery of some services and projects vs. the current bundled approach.</p> <p>Community expectations can often lead to a change in our levels of service.</p> <p>Parts of the community have a greater expectation to be involved in detailed planning and design of projects.</p>	<p><b>Low</b></p> <p>Community expectations are frequently communicated with Council through our various relationships and community engagement approaches.</p>	<p><b>Low</b></p> <p>Level of service changes are often undertaken incrementally and subsequent projects often reassessed and possibly open to further consultation.</p>	<p>Council actively seeks community input into decision making. Empowering communities is one of Council's five strategic priorities. Recognising that communities are best placed to achieve their own aspirations; Council needs to structure the way we work and deliver our services in the best possible way to contribute to the communities aspirations.</p> <p>Relationships with key stakeholders (including the community) is identified as a top risk in Council's Strategic Risk Register. The risk appetite is low. Council aims to have an increased engagement with the community to understand, identify, manage and deliver on their expectations and develop a strong relationship.</p> <p>The review of delivery models for roading maintenance seeks to improve levels of service to the community and potentially develop a more locally led approach to this significant investment activity of council.</p>

## 11. Political

Assumption	Implication	Level of Uncertainty	Impact	Mitigation
<p><b>There will be increased collaboration.</b></p> <p><b>Working with other organisations can deliver multiple benefits and thinking 'outside the square'.</b></p> <p><b>We expect to see:</b></p> <ul style="list-style-type: none"> <li>• <b>Continued emphasis on partnerships across the community and organisations, and shared service models.</b></li> <li>• <b>Increasing public demand for different models of services delivery and community input.</b></li> <li>• <b>More legislative changes that will impact on the way Council does business.</b></li> <li>• <b>An increased desire for localism and local decision making and delegation of decisions.</b></li> </ul>	<p>Council will need to be flexible to respond to this changing environment.</p> <p>It's important we maintain collaborative arrangements and look to build capability, as there will be an increased need for this approach in the future and resources will get stretched even further.</p>	<p><b>Low</b></p> <p>This is an observed trend that has been experienced and observed over several years.</p>	<p><b>Low</b></p> <p>Observed trend indicate incremental change as an outcome of increased collaboration.</p>	<p>Collaboration is regularly considered as we deliver on our strategic priorities and strategic direction and undertake continuous improvement of our business activities.</p> <p>Council will continue to actively collaborate where benefits can be made for the District. This may occur with other neighbouring councils through joint contract procurement sub-regionally such as through BOPLASS or SmartGrowth, or at a sector level with other provincial and rural councils. Active involvement and communication are key for Council to participate in collaboration and partnership processes.</p> <p>Partnerships with Iwi and Mana Whenua and Relationships with key stakeholders are identified as top risks in Council's Strategic Risk Register. Council aims to prioritise, build on and improve these partnerships and relationships which can often be achieved through collaboration opportunities.</p>

## 12. Community Participation

Assumption	Implication	Level of Uncertainty	Impact	Mitigation
<p><b>Communities want to engage with councils in different ways. They want to be actively involved in decision making. At the same time, they are 'time-poor' and it's challenging to get the right level of engagement.</b></p> <p><b>This extends through to delegation of operational management and delivery to the community - and the potential to have a local person do the work.</b></p>	<p>Council will need to continuously evolve the way we engage our communities and be inclusive of all members of our communities.</p> <p>We will need to rethink our traditional project management and delivery structures so that communities can have a greater role in what we do.</p>	<p><b>Low</b></p> <p>This reflects Council's approach to actively encouraging community participation.</p>	<p><b>Low</b></p> <p>Observed trend indicate incremental change as an outcome of community participation initiatives..</p>	<p>Council actively seeks community input into decision making. Empowering communities is one of Council's five strategic priorities. Recognising that communities are best placed to achieve their own aspirations; Council needs to structure the way we work and deliver our services in the best possible way to contribute to the communities aspirations.</p> <p>Community sentiment is identified as a top risk in Council's Strategic Risk Register. The risk appetite is low.</p> <p>Council will continue to actively engage with our communities through a variety of means.</p> <p>Relationships with key stakeholders (including the community) is identified as a top risk in Council's Strategic Risk Register. The risk appetite is low. Council aims to have an increased engagement with the community to understand, identify, manage and delivery on their expectations and develop a strong relationship.</p>

## 13. Tangata Whenua

Assumption	Implication	Level of Uncertainty	Impact	Mitigation
<p><b>Council seeks to consciously build upon the key relationship with Māori which is important to deliver on Council's strategic direction and Long Term Plan.</b></p> <p><b>Partnerships with Māori will continue to increase in importance and offer new opportunities for collaboration and partnership.</b></p>	<p>Council will need to balance key relationships with wider community plans and expectations.</p> <p>If Council doesn't deliver on its commitments, Treaty principles and obligations, this may impact on the ability to maintain a trusted relationship with Māori.</p> <p>Council may need to change the way it manages its assets to provide for greater iwi involvement.</p> <p>Council is a member of joint governance authorities set up to co-govern specific areas of importance (e.g. Tauranga Moana and the Kaituna River). Further co-governance structures are likely to be set up in the future.</p> <p>Treaty Settlements will provide iwi organisations with the power to invest in economic and social development projects which will ultimately benefit all our community.</p>	<p><b>Low</b></p> <p>Council has prioritised the importance of Māori relationships, and this is starting to be reflected in partnerships and planning/project approaches.</p>	<p><b>Low</b></p> <p>Council continues to build and maintain relationships with Māori.</p>	<p>Growing authentic Te Tiriti based partnerships is one of Council's top five strategic priorities. Council is committed to the importance of this kaupapa, and how we give effect to it. A good example of this in practice is He Rauru – a kaupapa Māori framework that will drive organisational capacity and capability to deliver on our work in partnership with Tangata Whenua.</p> <p>Partnerships with Iwi and Māori stakeholders is identified as a top risk in Council's Strategic Risk Register. The risk appetite is high.</p>

## 14. Legislative

Assumption	Implication	Level of Uncertainty	Impact	Mitigation
<p><b>We expect to see continued focus on the way Council delivers its core services and provides infrastructure for growth.</b></p> <p><b>Legislative change will continue along with changes to strategic and funding priorities as recently evidenced in the draft Government Policy Statement Land Transport 2024 and Local Water Done Well framework.</b></p> <p><b>There is a need for further detail on these changes to understand implications to Council and our District over the LTP planning period.</b></p> <p><b>Council will continue to plan on a business as usual approach to service delivery for stormwater, wastewater and water activities.</b></p>	<p>Council will need to keep abreast of proposed changes, to ensure we are ready to adapt to any mandated change at the national level.</p> <p>This will place demand on time and resources of Council.</p> <p>Costs associated with the impact of legislative changes are unlikely to be recovered from Central Government and may be substantial.</p> <p>Individual activities of Council may need to make specific assumptions.</p> <p>Levels of service expected through legislative change may be greater than what is currently delivered and funded.</p> <p>Council continues to fund and operate delivery of stormwater, wastewater and water activities to the community in accordance with agreed levels of service.</p>	<p><b>High</b></p> <p>Legislative change and national direction is highly dependent on the political direction and priorities at the time.</p>	<p><b>High</b></p> <p>Some changes to the delivery of services could significantly alter how Council functions, however, the generally lengthy development process of legislation and implementation phases may allow for suitable planning for transition and implementation.</p> <p>Changes could significantly impact Council's financial position, depending on how this is structured. This could impact the Council's levels of debt, forecast capital and operational expenditure and income. The actual impact can not be quantified at this point.</p>	<p>Continue to watch and input into legislative developments, to ensure a Western Bay of Plenty voice is heard and Council is prepared for change.</p> <p>Council continues to operate a business as usual approach to service delivery until more information is available regarding implementation implications and timing.</p> <p>Central government reforms is identified as a top risk in Council's Strategic Risk Register. The risk appetite is high which reflects a limited ability to control the changes being introduced and Council's aim to engage early to support sector advocacy and work closely with government agencies to understand the planned changes and impacts.</p>



## 15. Resilience

Assumption	Implication	Level of Uncertainty	Impact	Mitigation
<p><b>Council's focus is on building resilience and business continuity to minimise the impact of disruptive events.</b></p> <p><b>Disruptive events have significant potential to cause shocks to international, national and local systems. Implications for the District are wide ranging depending on the type of event.</b></p> <p><b>Disruptive events include things that occur at a global level such as COVID-19 through to natural events that occur at a local level such as cyclones, earthquakes and tsunami which are a serious but low probability risk to the District.</b></p> <p><b>We assume that our key services will continue, and that projects and works will be completed to time, as planned in the LTP, and there will be no significant delays caused directly or indirectly by disruptive events.</b></p>	<p>Implications for the District are wide ranging and depend on the type of event and scale of disruption that occurs. In some situations, the implications may also depend on the national and international responses to the event that occurs.</p> <p>Council failure to respond and have appropriate plans in place may have a potential impact on the ability to provide its services and have a continued impact on its operations.</p> <p>There will be a greater assessment of the resilience of the Lifeline networks and how to keep them operating in times of natural disaster.</p> <p>An ongoing impact from COVID-19 is supply chain issues, and the cost of materials and labour are impacting the ability to deliver the capex programme and to maintain levels of service.</p>	<p><b>High</b></p> <p>The future situation is uncertain and very difficult to predict.</p>	<p><b>High</b></p> <p>Implications for Council's growth and financial models and work programmes could be extensive. Council will have to be flexible in its response.</p>	<p>Significant External Events is identified as a top risk in Council's Strategic Risk Register with a medium risk appetite. Council recognises that continued operation of critical Council activities, movement of resources and successful implementation of business continuity or crisis management plans are crucial to effectively support the community and ensure community wellbeing when impacted by a disruptive event.</p> <p>Council's focus is on building resilience and aims to engage early to support sector advocacy and work closely with the community and government agencies to understand the impacts at the time of the event and on an ongoing basis. Council is starting to work with the community to develop post disaster recovery plans based on various scenarios.</p> <p>Council needs to maintain a self insurance disaster recovery fund to be able to respond in and event and fund the recovery. Decisions outside the traditional Council responsibilities will be required.</p>

## 16. Land Use

Assumption	Implication	Level of Uncertainty	Impact	Mitigation
<p><b>How land is used in the District will change.</b></p> <p><b>We recognise proposed changes to legislation seek to accelerate the supply of housing.</b></p> <p><b>We recognise the National Policy Statement for Highly Productive Land may impact how our rural land is protected.</b></p> <p><b>We expect to see a physical expansion and increased intensification of urban areas. This will generally be in line with the District Plan (including Plan Change 92) and the new SmartGrowth Joint Spatial Plan (incorporating the Urban Form and Transport Initiative (UFTI). This may see an increase in impervious surfaces in urban areas.</b></p> <p><b>The current review of the SmartGrowth Strategy will determine the urban settlement pattern for the sub-region and priorities for development.</b></p> <p><b>We will also expect to see continued conversion of dairy land to horticulture over the next 10 years.</b></p>	<p>Council will have to ensure that services are appropriately sized to accommodate growth and service any growth areas. Similarly, increased horticulture development may have implications for roading.</p> <p>The Infrastructure Acceleration Fund (HAF) with Kainga Ora and Waka Kotahi for the Ōmokoroa SH2 intersection will unlock housing delivery in Ōmokoroa by providing a safe intersection.</p> <p>The Rangiora Business Park (RBP) is under development and the first sites will be available for occupation 2025. RBP will deliver 148ha of industrial land with an expectation that a reasonable percentage will be associated with the horticultural sector.</p> <p>Sectors of the community oppose housing intensification in existing urban areas.</p>	<p><b>Low</b></p> <p>Growth areas are sufficiently well signalled through the District Plan and SmartGrowth.</p> <p>The development of a new settlement pattern will require a political process, community engagement and a high level of technical scrutiny to ensure it is viable.</p> <p>Horticulture growth is currently occurring and has been well signalled by industry.</p>	<p><b>Moderate</b></p> <p>Land use changes have direct implications for the design of our services. If this occurs in unexpected areas, or does not occur as planned, then there may be financial implications.</p> <p>Council is a lead investor and is at risk of market down turns which reduces the payment of financial contributions.</p> <p>Investment delays by infrastructure providers could affect timing of development e.g. Waka Kotahi and Takitimu North Link Stage 2.</p>	<p>Council will maintain input into SmartGrowth and Urban Form and Transport Initiative (UFTI).</p> <p>Council has commenced a review of the District Plan.</p>

## 17. External Funding for Projects

Assumption	Implication	Level of Uncertainty	Impact	Mitigation
<p><b>Council and the community often rely on external funding sources to help deliver projects.</b></p> <p><b>There will be pressure on funding available from other sectors and some projects will be contingent on this.</b></p> <p><b>Where Council is contributing, this is included in the LTP. Otherwise, it is assumed the projects will be delivered with external funding and that any ongoing costs to Council are included in the budgets.</b></p> <p><b>Council can access Central Government funds in some situations to assist with delivery of projects. It is assumed these projects will not be delivered unless there is certainty of funds from Central Government. The level and basis of funding available in the LTP period is uncertain.</b></p> <p><b>The Infrastructure Acceleration Fund agreement between Council and Kainga Ora for Ōmokoroa</b></p> <p><b>Structure Plan Stage 3 and the Tranche One Three Waters Better of Funding has secured significant funding for key projects. This amounts to \$38million and \$5million respectively. Expenditure is to be spread over several years.</b></p> <p><b>The quantum of Waka Kotahi funding was confirmed on 3 September 2024. The 51% subsidy assumption remains however the amount of funding has been reduced and the priorities for funding have changed. Council has adjusted to this late change by continuing to commit council's funding share of projects (as included and consulted on in the draft LTP) and endeavouring to achieve efficiencies and a reprioritised programme of delivery within a reduced funding envelope.</b></p> <p><b>Funding available for waste minimisation initiatives is assumed to remain at current levels.</b></p>	<p>Some projects will only be progressed with sufficient external funding.</p> <p>Recent history indicates that Council has been successful (either directly or in partnership) with most funding applications. This sometimes enables projects to be brought forward or enhanced.</p>	<p><b>High</b></p> <p>The level of uncertainty for this assumption is high. It is difficult to predict whether community groups and Council will be successful in obtaining external funding for projects. The level of funding may vary from our assumptions.</p>	<p><b>Moderate</b></p> <p>If the project is unable to secure funds, then Council may be approached to meet any shortfall. If this is the case, this request will be considered through the annual budget process. If the project does not proceed, Council will remove the funding contribution (if applicable) from the budget.</p>	<p>Council will continue to talk with partnering agencies regarding funding availability.</p> <p>Council will continue to plan ahead and remain agile to respond to Central Government funding opportunities.</p> <p>For the transportation activity, further analysis in 2024/2025 will confirm options for a potential change to status quo in terms of projects, levels of service and funding given the Waka Kotahi funding changes. This will be discussed in the 2025/2026 annual plan process or via an LTPA if required.</p>

## 18. Asset Lifecycles

Assumption	Implication	Level of Uncertainty	Impact	Mitigation
<p><b>Asset lifecycles will align with those forecast and used as the basis of depreciation (not all funded). It is assumed that assets will be replaced at the end of their useful life. Please refer to the depreciation section of Council's Significant Accounting Policies.</b></p>	<p>Asset life cycles drive our renewals and maintenance schedules.</p>	<p><b>Low</b></p> <p>Asset condition is monitored to ensure that maintenance or replacement is optimised.</p>	<p><b>Low</b></p> <p>Some asset classes have very young infrastructure (they have a long time until their theoretical end of life). As such the likelihood of significant levels of failures or early replacement is muted for Council.</p>	<p>Council will continue to maintain its asset management processes and plan accordingly.</p>

## 19. Capital Delivery

Assumption	Implication	Level of Uncertainty	Impact	Mitigation
<p><b>Council will deliver and fund 80% of its planned capital works programme expenditure in 2024/2025, 90% in 2025/2026 and 100% in 2026/2027.</b></p> <p><b>This enables time for a new project management structure to be effectively deployed and operating.</b></p>	<p>The planned capital works programme is larger than previously. There are risks outside of Council's control that can impact on the ability to deliver regardless of the size of the programme.</p> <p>Risks outside of Council's control include availability of contractors, supply chain disruptions, legislative change, resource consent delays and further project investigation exposing unanticipated issues.</p> <p>Over the life of the 2024-2034 LTP, we are expecting \$39.1m will not be delivered, however it will be addressed outside the 10 year period of the LTP. These are all growth projects that are expected to be delivered over the next 30 years.</p>	<p><b>High</b></p> <p>Given the extent of external factors that are outside of council control, there will always be a moderate to high level of uncertainty associated with this assumption despite the best endeavours to improve the delivery model.</p>	<p><b>Moderate</b></p> <p>Higher levels of forward planning, project monitoring and risk identification will seek to minimise the impact of any changes to this assumption, and annual plan processes can be used to respond to any budget changes required as an outcome of this.</p>	<p>Council is implementing changes to the delivery model for the capital programme with the aim to achieve projects that are delivered on time and within budget. This includes project steering groups for all major projects and comprehensive risk management plans.</p>