

Mā tō tātou takiwā  
**For our District**

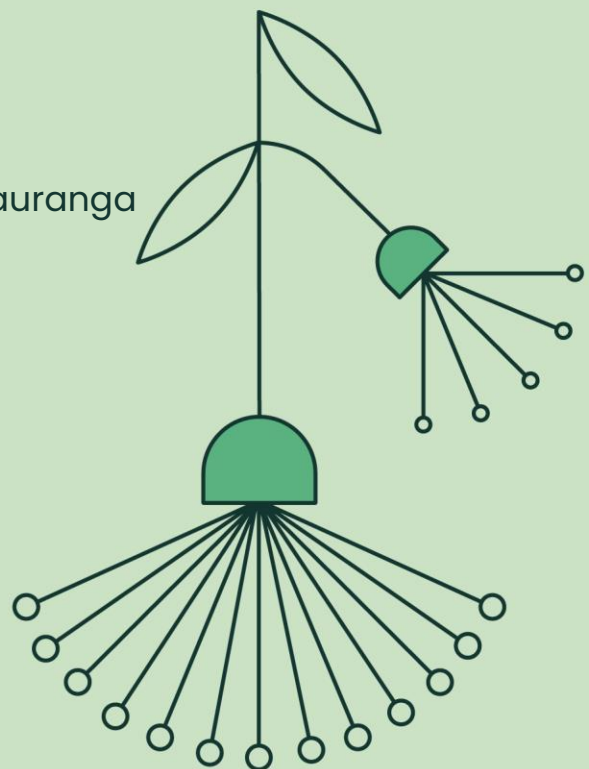
## **Annual Plan and Long Term Plan Committee**

Komiti Kaupapa Tiro Whakamua

APLTP23-3

Tuesday, 9 May 2023, 9.30am

Council Chambers, 1484 Cameron Road, Tauranga



# Annual Plan and Long Term Plan Committee

## Membership:

<b>Chairperson</b>	Deputy Mayor John Scrimgeour
<b>Deputy Chairperson</b>	Cr Rodney Joyce
<b>Members</b>	Cr Tracey Coxhead Cr Richard Crawford Cr Grant Dally Mayor James Denyer Cr Murray Grainger Cr Anne Henry Cr Margaret Murray-Benge Cr Allan Sole Cr Don Thwaites Cr Andy Wichers
<b>Quorum</b>	Six (6)
<b>Frequency</b>	As required

## Role:

To manage the process of development of the Annual Plan, Long Term Plan and amendments, including the determination of the nature and extent of community engagement approaches to be deployed.

## Scope:

To undertake on behalf of Council all processes and actions precedent to the final adoption of the Annual Plan, Long Term Plan and any amendments including, but not limited to:

- The development of consultation documents and supporting information,
- Community engagement approaches and associated special consultative processes (if required), and
- The review of policies and strategies required to be adopted and consulted on under the Local Government Act 2002 including the financial strategy, treasury management strategies and the infrastructure strategy.

- In relation to the Annual Plan and Long Term Plan, listen to and receive the presentation of views by people and engage in spoken interaction in relation to any matters Council undertakes to consult under the Local Government Act 2002.  
Receive audit reports in relation to the Long Term Plan and any amendments (prior to adopting a Consultation Document).

### Power to act:

- To make all decisions necessary to fulfil the role and scope of the Committee subject to the limitations imposed, including the adoption for the purposes of consultation under the Local Government Act 2002 of the Consultation Document and Supporting Information.
- Receive audit reports in relation to the Long Term Plan and any amendments (prior to adopting a Consultation Document).

### Power to recommend:

To Council and/or any Committee as it deems appropriate.

### Power to sub-delegate:

The Committee may delegate any of its functions, duties or powers to a subcommittee, working group or other subordinate decision-making body subject to the restrictions on its delegations and provided that any sub-delegation includes a statement of purpose and specification of task.

Notice is hereby given that a Annual Plan and Long Term Plan Committee Meeting will be held in the Council Chambers, 1484 Cameron Road, Tauranga on: Tuesday, 9 May 2023 at 9.30am

## Order Of Business

<b>1</b>	<b>Present .....</b>	<b>5</b>
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<b>3</b>	<b>Apologies .....</b>	<b>5</b>
<b>4</b>	<b>Consideration of Late Items.....</b>	<b>5</b>
<b>5</b>	<b>Declarations of Interest .....</b>	<b>5</b>
<b>6</b>	<b>Public Excluded Items .....</b>	<b>5</b>
<b>7</b>	<b>Public Forum.....</b>	<b>5</b>
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9.1	Recommendation for Adoption of 2023-2024 Dog Control and Health Registration Fees.....	6
9.2	Strategic Assumptions for the 2024-2034 Long Term Plan .....	11
<b>10</b>	<b>Information for Receipt .....</b>	<b>27</b>

**1 PRESENT****2 IN ATTENDANCE****3 APOLOGIES****4 CONSIDERATION OF LATE ITEMS****5 DECLARATIONS OF INTEREST**

Members are reminded of the need to be vigilant and to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest that they may have.

**6 PUBLIC EXCLUDED ITEMS****7 PUBLIC FORUM**

A period of up to 30 minutes is set aside for a public forum. Members of the public may attend to address the Board for up to five minutes on items that fall within the delegations of the Board provided the matters are not subject to legal proceedings, or to a process providing for the hearing of submissions. Speakers may be questioned through the Chairperson by members, but questions must be confined to obtaining information or clarification on matters raised by the speaker. The Chairperson has discretion in regard to time extensions.

Such presentations do not form part of the formal business of the meeting, a brief record will be kept of matters raised during any public forum section of the meeting with matters for action to be referred through the customer contact centre request system, while those requiring further investigation will be referred to the Chief Executive.

**8 PRESENTATIONS**

## 9 REPORTS

### 9.1 RECOMMENDATION FOR ADOPTION OF 2023-2024 DOG CONTROL AND HEALTH REGISTRATION FEES

**File Number:** A5270415

**Author:** Dougal Elvin, Compliance and Monitoring Manager

**Authoriser:** Alison Curtis, General Manager Regulatory Services

#### EXECUTIVE SUMMARY

1. This report seeks to recommend the adoption of the 2023-2024 Dog Control and Health Act Registration Fees and Charges as included in the 2023-2024 draft Schedule of Fees and Charges.
2. The draft Schedule of Fees and Charges 2023-2024 has been released for consultation alongside the Annual Plan.
3. That should any further matters be raised through the Annual Plan hearing process on 4 May 2023, that those matters be tabled for consideration for the Annual Plan Long Term Plan Committee meeting on 9 May 2023.

#### RECOMMENDATION

1. That the Compliance and Monitoring Manager's report dated 9 May 2023, titled "Recommendation for Adoption of 2023-2024 Dog Control and Health Registration Fees" be received.
2. That the report relates to an issue that is considered to be of **low** significance in terms of Council's Significance and Engagement Policy.
3. That the Annual Plan and Long Term Plan Committee recommend to Council the adoption of the 2023-2024 Dog Control and Health Registration Fees as included in the 2023-2024 draft Schedule of Fees and Charges and that they be approved for public notification in accordance with the Dog Control Act 1996.

#### BACKGROUND

4. In accordance with the Dog Control Act 1996, Council is required to adopt dog control fees for the coming registration year. The adopted fees and charges for dog control must be publicly notified at least once during the month preceding the start of the registration year, being 1 July 2023.
5. Dog registration invoices are required to be sent to the owners responsible, prior to their expiry date.

6. Proposed dog control fees were included in the 2023-2024 draft Schedule of Fees and charges which was released for consultation alongside the Annual Plan.
7. The proposed dog registration fees for the 2023-2024 year have seen an increase over the 2022-2023 fees.
8. Legislation requires registration to be undertaken by dog owners in accordance with statutory timeframes. These timeframes require Council to provide registration information prior to the end of the financial year, being 30 June annually, with the opportunity for owners to undertake registration in a timely manner prior to 30 June registration expiry. Due to these timeframes Council is required to adopt these fees in advance of adopting the Annual Plan.
9. In accordance with the Health (Registration of Premises ) Regulations 1966, Council is required to ensure that premises are registered prior to licence expiry annually. Council requires premises to be registered by 30 June annually, for businesses to meet this requirement Council must provide annual fees and invoices to business owners at least a month prior to their licence expiry.
10. Those business that are impacted by this requirement include hairdressers, camping grounds and mortuaries.

### SIGNIFICANCE AND ENGAGEMENT

11. The Local Government Act 2002 requires a formal assessment of the significance of matters and decision in this report against Council's Significance and Engagement Policy. In making this formal assessment there is no intention to assess the importance of this item to individuals, groups, or agencies within the community and it is acknowledged that all reports have a high degree of importance to those affected by Council decisions.
12. The Policy requires Council and its communities to identify the degree of significance attached to issues, proposals, assets, decisions, and activities.
13. In terms of the Significance and Engagement Policy this decision is of **low** significance because it is not expected to have any major financial or social implications for the community

### ENGAGEMENT, CONSULTATION AND COMMUNICATION

Interested/Affected Parties	Completed/Planned Engagement/Consultation/Communication		
Ratepayers, Dog owners and other stakeholders	Consultation to be completed 30 April 2023, as part of the 2021-2031 Annual Plan consultation process.	Planned	Comple

Tangata Whenua	As above		
General Public	As above		

### ISSUES AND OPTIONS ASSESSMENT

<b>That the Long Term and Annual Plan Committee recommend to Council the adoption of the 2023–2024 Dog Control and Health Registration Fees as included in the 2023–2024 draft schedule of Fees and Charges. That Council approve dog registration fees for public notification in accordance with the Dog Control Act 1996.</b>	
<b>Reasons why no options are available. Section 79 (2) (c) and (3) Local Government Act 2002</b>	<b>Legislative or other reference</b>
Council is required to set Dog Control Fees and Charges in advance of the registration expiry period. Dog fees and charges must be publicly notified at least once in the month immediately preceding the registration period on an annual basis.	S37, Dog Control Act 1996
Council is required to set Health Registration fees in advance of the registration expiry period.	S.4, Health (Registration of Premises) Regulations 1966

### STATUTORY COMPLIANCE

11. The resolutions contained within this report meet all relevant statutory requirements.

### FUNDING/BUDGET IMPLICATIONS

<b>Budget Funding Information</b>	<b>Relevant Detail</b>
Nil	Funding information for Dog Control and Health Registration Fees has been considered as part of the overall 2023–2024 Annual Plan process.

### ATTACHMENTS

1. **2023–2024 Dog Control and Health Registration Fees**  



**Registration fees 2023/24**

	Registration fee (if paid on or before 1 August)	Registration fee Dangerous dog (if paid on or before 1 August)	Penalty fee (if paid after 1 August)	Penalty fee Dangerous dog (if paid after 1 August)
	2024	2024	2024	2024
All dogs unless otherwise categorised	100.00	150.00	150.00	225.00
Stock working dog (kept solely or principally for the purpose of herding or driving stock)	60.00	90.00	90.00	135.00
Spayed or neutered dog	80.00	120.00	120.00	180.00
Any dog(s) kept by: New Zealand Police Customs Department Ministry of Defence Ministry of Agriculture Ministry of Fisheries Department of Conservation (for carrying out the function of the Police or Department of State)	-	-	-	-
Security dog (kept by a security guard as defined in the Private Investigators and Security Guards Act 1974 – as a bona fide security dog)	-	-	-	-
Search and Rescue dog	-	-	-	-
Disability assist dog <sup>2</sup>	-	-	-	-
Dogs domiciled on Matakana Island	50.00	75.00	75.00	112.00
Re-registration fee for each additional dog exceeding after five <sup>1</sup>	25.00	-	25.00	-

\*See notes

**Notes:**

- (1) Dog owners who have more than 5 dogs may be entitled to discounted dog registration fees for the sixth and subsequent registration, on the following basis:
- All dogs must be registered by 30 June to qualify.
  - All dogs must be microchipped.
  - All dogs must permanently reside at the registered owners address. Registration discount does not apply to dogs that may reside at a separate address when not being used for breeding purposes (e.g. under an agreement or contract).
  - No verified complaints have been received by Council in the previous registrations year for welfare or nuisance complaints (e.g. barking, roaming). Please note: No refund for deceased dogs will be paid to owners of more than five dogs where dogs were registered at a discounted rate.
  - New registrations during the year will be at normal registration fees (prorated) the discounted fee only applies at re-registration.
- (2) Disability assist dog has the same meaning as specified in the Dog Control Act 1996. The dog must be certified as a disability dog.

<b>**Non Food Premises (Health) Registration</b>	
Hairdressers	<b>*330.00</b>
Mortuaries	<b>*330.00</b>
Camping grounds	<b>*410.00</b>
Change of ownership	<b>*110.00</b>
Issue of Notice to Rectify/Non Compliance	<b>*390.00</b>
Property Inspections and reporting (Health Act 1956)	<b>*195.00</b>
*Additional inspections and processing Per hour	<b>195.00</b>

**\*\*Note:**

Late penalty fee of 10% applies to all licence registration fees unpaid after 60 days from date of invoice.

## 9.2 STRATEGIC ASSUMPTIONS FOR THE 2024–2034 LONG TERM PLAN

File Number: A5294850

Author: Cheryl Steiner, Senior Policy Analyst – Consultant

Authoriser: Rachael Davie, General Manager Strategy and Community

### EXECUTIVE SUMMARY

1. The draft Strategic Assumptions are presented to the Committee for formal adoption as the basis of preparing the Long Term Plan (LTP).
2. The assumptions will be monitored throughout the year given the uncertainty of the impacts relating to the Government's reform programme.
3. Financial assumptions for interest rates and inflation are awaiting the release of BERL's Local Government Cost Index and Treasury advice, due late October 2023.
4. A new assumption will be added once the Water Services Reform implications are known for the LTP.
5. The mitigation column is revised through the LTP process as Council decisions are made on the plan and projects.

### RECOMMENDATION

1. That the Senior Policy Analyst's report dated 9 May 2023 titled 'Strategic Assumptions for the Long Term Plan 2024–2034' be received.
2. That the report relates to an issue that is considered to be of **low** significance in terms of Council's Significance and Engagement Policy.
3. That the Committee adopt the Draft Strategic Assumptions (**Attachment 1**) as the basis of preparing the LTP, noting that further changes may be required prior to inclusion in the draft and final LTP.
4. That the Committee note that the BERL Local Government Cost Index and Treasury advice will inform the inflation and interest rate assumptions when it is available, and that a new assumption for the Water Services Reform will be added once the LTP implications are known.

### BACKGROUND

6. The LTP sets out Council's direction, work programme and financials for the next ten years, and is revised every three years. It must include a Financial Strategy for the next ten years and an Infrastructure Strategy, which covers the next 30 years.

7. This involves a level of future thinking, to make sure that the strategies, infrastructure and services we plan today are suitable and meet the needs of current and future generations.
8. The Strategic Assumptions are the Council's 'best guess' at how the future may look. They form a consistent basis for planning across the organisation. They are developed from a review of the current LTP Strategic Assumptions and utilise the best available knowledge and expertise available at this point in time.
9. The Strategic Assumptions are used by activity and asset managers to inform their planning and development of issues and options. They also underpin Council's decisions and funding approaches.
10. The Strategic Assumptions will be reviewed regularly to take account of the implications of the reform programme and the latest available information.
11. Council's assumption regarding inflation rates is awaiting the release of BERL's Local Government Cost Index. This provides sector and activity specific inflation figures that reflect the goods and services appropriate to Council's activities. It is due at the end of October 2023. The inflation and interest rate assumptions will be completed once this is available.
12. Staff will work on the current BERL projections for inflation and latest Local Government Funding Agency and Treasury advice for interest until more up-to-date information is available.
13. A new assumption will be added once the Water Services Reform implications are known for the LTP.
14. Clearly stating your assumptions is good practice. It recognises the key drivers for Council's decisions and set's out what the likely scenario will be. It provides consistency across the organisation and allows for public transparency. It is also a legislative requirement.

### STRATEGIC ASSUMPTIONS OVERVIEW

15. 19 assumptions are outlined in Attachment 1. These are 'strategic' assumptions as they address key drivers for Council, or Council-wide issues.
16. The assumptions cover a range of topics across the cultural, social, economic, and environmental wellbeing's. This includes population growth, climate change, legislative change, and financial considerations.
17. Each assumption considers:
  - the implication of the assumption,
  - level of uncertainty of the assumption,
  - impact if the assumption did not come to pass as anticipated, and

- the mitigation measures Council has in place to manage the implications of this assumption and level of uncertainty.

18. The Strategic Assumptions are based on reliable data sources and people expertise, both internal and external. These include Statistics NZ, NIWA, and BERL amongst others. Note the climate change assumption will be updated once the latest International Panel of Climate Change (IPCC) regional data is available.
19. Not all assumptions are set out in the Strategic Assumptions document. Activity specific assumptions are used where an assumption largely only impacts the one activity. These are recorded in the asset management plans and the activity plans.

### SIGNIFICANCE AND ENGAGEMENT

20. The Local Government Act 2002 requires a formal assessment of the significance of matters and decision in this report against Council's Significance and Engagement Policy in order to guide decisions on approaches to engagement and degree of options analysis. In making this formal assessment it is acknowledged that all reports have a high degree of importance to those affected by Council decisions.
21. In terms of the Significance and Engagement Policy this decision is considered to be of low significance because the strategic assumptions are part of the wider process of developing the LTP.
22. The LTP will be consulted on using the Special Consultative Procedure. There is no need to engage separately on the strategic assumptions at this point in time.

### ENGAGEMENT, CONSULTATION AND COMMUNICATION

23. The community will be able to submit on the assumptions as part of the formal consultation on the LTP in 2024.

### ISSUES AND OPTIONS ASSESSMENT

<b>Option A</b>	
<b>Adopt the draft Strategic Assumptions as the basis of preparing the LTP</b>	
<b>Assessment of advantages and disadvantages including impact on each of the four well-beings</b> <ul style="list-style-type: none"> <li>• <b>Economic</b></li> <li>• <b>Social</b></li> <li>• <b>Cultural</b></li> <li>• <b>Environmental</b></li> </ul>	<p>The Strategic Assumptions reflect best practice guidance.</p> <p>Provides clarity and certainty to Council staff in preparing the LTP.</p> <p>Forms the basis of planning and are auditable.</p>
<b>Costs</b>	There are no costs associated with this option.
<b>Option B</b>	
<b>Do not adopt the draft Strategic Assumptions as the basis of planning the LTP</b>	

<b>Assessment of advantages and disadvantages including impact on each of the four well-beings</b> <ul style="list-style-type: none"> <li>• <b>Economic</b></li> <li>• <b>Social</b></li> <li>• <b>Cultural</b></li> <li>• <b>Environmental</b></li> </ul>	<p>Allows time for further research to be undertaken if necessary.</p> <p>Can be adopted at a later date.</p> <p>Council staff are not given clear direction.</p> <p>Makes proceeding with the LTP planning difficult.</p>
<b>Costs</b>	<p>There are no specific costs associated with this option, however it could lead to time delays as processes and decision-making may need to be revisited.</p>

### STATUTORY COMPLIANCE

24. Schedule 10, Section 17 of the Local Government Act 2002 (LGA 2002), requires Council to identify significant forecasting assumptions.
25. Similarly, section 94(b), requires that these assumptions be audited, with the quality of the information and assumptions underlying the forecast information to be commented on.
26. Assumptions are also a requirement of the financial accounting standards (under the GAAP – Accounting standard PBE FRS 42 Prospective Financial Information).
27. The recommendation meets the legislative requirements of the LGA 2002 and reflects best practice in preparing the LTP.

### ATTACHMENTS

1. **Strategic Assumptions for 2024–2034 LTP (draft for adoption 9 May 2023) PDF** 

## Draft Strategic Assumptions for Long Term Plan 2024–2034

	Topic	Assumption	Implication	Level of uncertainty	Impact	Mitigation	Data/Information Source
1.	Population growth	<p>Our District will continue to attract new residents and our population will grow.</p> <p>Growth won't be uniform across the District but will be primarily centered around our urban areas.</p> <p>We expect to see:</p> <ul style="list-style-type: none"> <li>• Ōmokoroa and Te Puke continuing to grow as an outcome of Plan Change 92 and implementation of medium density rules required by Central Government.</li> <li>• The potential for new development areas on the eastern side of the District in the medium to longer term to meet increasing housing demand.</li> </ul> <p>Refer Population and Dwelling Projection information at the end of this table.</p>	<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>Delivering the right housing across the sub-region supported by social and hard infrastructure is one of Council's top five strategic priorities.</p> <p>Growth and financial sustainability are identified as a top risk in Council's Strategic Risk Register. The risk appetite is low-medium and will need to be balanced with the delivery and achievement of the planned growth outcomes.</p>	<p>SmartGrowth Statistics NZ 2018 Census Subnational Population Estimates (2022)</p>
2.	Climate change	<p>As a result of climate change the Western Bay of Plenty can expect to see:</p> <ul style="list-style-type: none"> <li>• more hot days (temperatures 25 degrees or more)</li> <li>• milder autumns and winters</li> <li>• wetter winters</li> <li>• decreasing summer rainfall with heavier downpours</li> <li>• fewer cold nights and frosts</li> <li>• Rising sea levels (0.52m above MVD 1953 at 2070).</li> </ul>	<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 wellbeing's.</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</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>Council's Climate Change Action Plan sets out the intended actions to respond to climate change impacts over the next three years.</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</p>	<p>Climate Change projections and impacts for the BOP Region – Oct 2019 (local information based on IPCC 'Intergovernmental Panel on Climate Change' report as a starting point).</p> <p>BOPRC Coastal Hazards and Climate Change Guidance Report – Dec 2019</p> <p>Deep South Challenge Report 2020</p>

	Topic	Assumption	Implication	Level of uncertainty	Impact	Mitigation	Data/Information Source
		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.	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.  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.			regularly reassess and update with each IPCC report (every 5- 6 years).  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.  Council has modelled harbour inundation scenarios, alongside BOPRC and TCC, through the Natural Hazards Charter.  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.	
3.	Demographics	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.  We expect to see: <ul style="list-style-type: none"> <li>More younger people living in Te Puke.</li> <li>More older people living in Katikati.</li> <li>Ōmokoroa population changing (ageing, more families) as new growth areas get developed and new facilities and services are provided such as schools.</li> </ul> Refer age projections and ethnicity information at the end of this table (based on 2018 Census).	Increasing cooperation between central and local government to understand and deliver healthy environments for residents.  Changing household occupancy (ageing population and single occupancy balanced against cultural norms of multiple generations in one house).  Impacts on the District's labour force.  Changing methods of engagement to involve different communities and create welcoming, tolerant communities.  Continued cultural awareness practices in communities and workplaces.  Changing use of infrastructure and changing recreation and leisure patterns.	<b>Moderate</b>  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. Immigration is more difficult to predict. The impacts of this have been addressed under the population growth assumption.  Demographic data still based on 2018 Census (5 + years ago) and won't completely align with updated growth assumptions.	<b>Low</b>  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).	We monitor population demographics through SmartGrowth, using census data and NIDEA projections.  Our community engagement guidelines and community profiles work assist us to work with communities and understand and respond to their changing needs.  We are actively involved in providing support to newcomers to the district and assisting local communities that have a high number of international migrants.  Our strategies and plans are reviewed to ensure we keep pace with changing trends and demands.	2018 Census and NIDEA projections
4.	Technology	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.  We expect to see:	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.	<b>Low for years 1 – 3.</b> <b>High for years 4 – 10.</b>  We know changes will happen, but we don't know exactly when or how disruptive those changes will be.	<b>Moderate</b>	Council has budgeted for continued investment into our information technology to better support our operations and improve customer experience.  The shift to "as a service" cloud offerings will reduce capital expenditure in IT infrastructure and provide resilience in networks, systems and data.	<a href="#">Technology trends research documents and Future Ready Organisation Report</a>



	Topic	Assumption	Implication	Level of uncertainty	Impact	Mitigation	Data/Information Source
		<ul style="list-style-type: none"> <li>better internet and mobile connectivity throughout our District, including broadband and satellite in rural areas and, fibre in all urban areas.</li> <li>public demand for open data and transparent information</li> <li>more empowered individuals wanting to co-design solutions to problems.</li> <li>smart communities and customers seeking information and services 'on demand', 'digital by default' and increasing requirements to provide 'real time' information.</li> <li>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.</li> <li>emerging technologies (for example, IoT; AI; 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.</li> <li>increasing pressure on our networks from cyber attacks requiring ongoing and up to date risk mitigation.</li> </ul>	<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 (BAU) or new projects.</p>	Impact on the information technology and council's digital services activity arising from the local government review, and 3 Waters and RMA reforms.		<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, transport, reserves and CCTV to better understand and maintain the assets.</p>	
5.	Social	<p>Equality and equity will continue to be issues.</p> <p>We have greater income and wealth imbalances than in the past.</p> <p>Some communities have reduced access to services and less ability to pay for services. We expect this imbalance to remain.</p> <p>People in more deprived areas are more vulnerable to environmental risks.</p> <p>Refer Index of Deprivation at the end of this table that gives an indication of socio-economic deprivation based on 2018 Census.</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. 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>	<p>NZ Deprivation Index 2018 – Measures the level of deprivation for people in each small area. It is based on nine Census variables. Decile 1 represents areas with the least deprived scores. Decile 10 represents areas with the most deprived scores.</p> <p>BERL – <a href="#">Inequality and New Zealand</a> (December 2020) Productivity Commission – <a href="#">A fair chance for all</a> (interim report September 2022)</p>

	Topic	Assumption	Implication	Level of uncertainty	Impact	Mitigation	Data/Information Source
6.	Economic	<p>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.</p> <p>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.</p> <p>We expect to see:</p> <ul style="list-style-type: none"> <li>greater business focus on low waste, low emissions business practice and understanding and responding to impacts of climate change.</li> <li>continued growth in the kiwifruit industry however growth in the avocado and tourism industries is less certain.</li> <li>growth in the construction sector particularly with current and future development plans in Ōmokoroa, Rangiuru and Te Puke.</li> </ul> <p>The Reserve Bank has signalled the intent for a policy induced recession through 2023.</p>	<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>	<b>High</b>	<p>Forecasts align with national forecasts and District trends for economic growth, however the ongoing impacts of a potential recession in 2023/2024 are unknown.</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>The 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>	<p><i>Infometrics 2022 Western Bay of Plenty District - Economic Profile</i></p> <p><i>Treasury and Reserve Bank websites.</i></p> <p><i>Priority One</i></p>
7.	Environment	<p>In line with the changing global and national legal context (e.g. Resource Management reform), environmental sustainability will continue to be a priority for Council and play an increasingly important role in decision making.</p> <p>We expect to see:</p> <ul style="list-style-type: none"> <li>increasing expectation for waste minimisation and government mandated systems.</li> <li>increasing standards for water from roads, properties, and reserves</li> <li>continued movement towards a low carbon operation and</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>The increasing number of EV's aligned with the government strategy will increase the demand on the power network. This is an issue in</p>	<b>Moderate to High</b>	<p>Work already underway in many areas to respond to environmental challenges.</p> <p>Implementation of legislation is expected to significant change our approach to resource management.</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>Readying Council to transition to government mandated changes is one of Council's top five strategic priorities.</p> <p>Council's Climate Change Action Plan sets out the intended actions to respond to climate change impacts over the next three years.</p>	<p><i>Strategic advice</i></p> <p><i>Expressed in proposed key reforms and legislative mandate.</i></p>

	Topic	Assumption	Implication	Level of uncertainty	Impact	Mitigation	Data/Information Source
		<p>low carbon transportation network (e.g. target of 20% reduction in total kilometres travelled (VKT))</p> <ul style="list-style-type: none"> <li>an increasing focus on the management and use of harbour and coastal margins due to climate change.</li> <li>Potential for green infrastructure and delivering nature-based solutions.</li> <li>Increased focus on the whole supply chain and circular economy.</li> </ul>	peak periods. The number of public high speed charging stations in our communities will need to increase.				
8.	Community expectations	<p>Our communities continue to have higher expectations for delivery of Council services.</p> <p>We expect to see:</p> <ul style="list-style-type: none"> <li>continued demands to not only maintain, but also improve levels of service across all of Council's business (with increased associated costs)</li> <li>continued demands from the community to keep rates as low as possible.</li> <li>continued requirements of increased environmental standards and environmental sustainability</li> <li>demands for social sustainability and investment.</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 with subsequent projects often reassessed and possibly open to further consultation</p>	<p>Council actively seeks community input into decision making. Community led outcomes is one of Council's five strategic priorities.</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>	<p><i>Increased number of service requests relating to delivery of levels of service.</i></p> <p><i>Feedback received through community engagement processes.</i></p>
9.	Political	<p>There will be increased collaboration.</p> <p>Working with other organisations can deliver multiple benefits and thinking 'outside the square'.</p> <p>We expect to see:</p> <ul style="list-style-type: none"> <li>continued emphasis on partnerships across the</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>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</p>	<p><i>Observed trend that has been experienced over several years. Also is expressed in proposed key reforms and legislative mandate.</i></p>

	Topic	Assumption	Implication	Level of uncertainty	Impact	Mitigation	Data/Information Source
		community and organisations, and shared service models <ul style="list-style-type: none"> <li>increasing public demand for different models of services delivery and community input</li> <li>more legislative changes that will impact on the way Council does business,</li> <li>an increased desire for localism and local decision making and delegation of decisions.</li> </ul>				with other provincial and rural councils. Active involvement and communication are key for Council to participate in collaboration and partnership processes.  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.	
10.	Community participation	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.  This extends through to delegation of operational management and delivery to the community – and the potential to have a local person do the work.	Council will need to continuously evolve the way we engage our communities and be inclusive of all members of our communities.  We will need to rethink our traditional project management and delivery structures so that communities can have a greater role in what we do.	<b>Low</b>  This reflects Council's approach to actively encouraging community participation.	<b>Low</b>	Council actively seeks community input into decision making. Community led outcomes is one of Council's five strategic priorities.  Council will continue to actively engage with our communities through a variety of means.  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.	<i>Strategic advice</i>
11.	Tangata whenua	Council seeks to prioritise and build upon the key relationship with Māori which is important to deliver on Council's strategic direction and Long Term Plan.  Partnerships with Māori will continue to increase in importance and offer new opportunities for collaboration and partnership.	Council will need to balance key relationships with wider community plans and expectations.  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.  Council may need to change the way it manages its assets to provide for greater iwi involvement.  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.  Treaty Settlements will provide iwi organisations with the power to invest in economic and social development projects which will ultimately benefit all our community.	<b>Low</b>  Council has prioritised the importance of Māori relationships, and this is starting to be reflected in partnerships and planning/project approaches.	<b>Low</b>  Council continues to build and maintain relationships with Māori.	A true partnership with tangata whenua is one of Council's five strategic priorities. Council aims to create mana motuhake and equity by working in partnership with Māori in the governance, design, delivery, and monitoring of agreed outcomes.  Partnership with Māori is identified as a top risk in Council's Strategic Risk Register. The risk appetite is medium-high.	<i>Strategic advice</i>

	Topic	Assumption	Implication	Level of uncertainty	Impact	Mitigation	Data/Information Source
12.	Legislative	<p>We expect to see continued focus on the way Council delivers its core services and provides infrastructure for growth.</p> <p>There is likely to be increased regulation aimed at delivering higher public health and environmental standards.</p> <p>Legislative reforms are likely to continue to focus on alternative ways to deliver public services. For example, the Future of Local Government Review and the Resource Management reforms.</p> <p>The RMA is intended to be repealed and replaced with new Acts:</p> <ul style="list-style-type: none"> <li>Natural Built Environments Act</li> <li>Strategic Planning Act</li> <li>Climate Change Adaption Act</li> </ul> <p>There is a need for further detail on these reforms to understand implications to Council and our District over the LTP planning period.</p>	<p>Council will need to be involved in the reform programme, to ensure we are ready to adapt to any mandated change at the national level.</p> <p>Legislative change and reform will place demand on time and resources of Council, and this will increase alongside the pace of reform.</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><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>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>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>Readying Council to transition to government mandated changes is one of Council's top five strategic priorities.</p>	Strategic advice
13.	Resilience	<p>Council's focus is on building resilience and business continuity to minimise the impact of disruptive events.</p> <p>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.</p> <p>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 tsunamis which are a serious but low probability risk to the District.</p> <p>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.</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. 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>The risk appetite is medium which reflects a limited ability to control the occurrence and predict the nature and extent of impact from 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>	Strategic advice

	Topic	Assumption	Implication	Level of uncertainty	Impact	Mitigation	Data/Information Source
14.	Land use	<p>How land is used in the District will change.</p> <p>We recognise that the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021 will accelerate the supply of housing within the urban areas of Ōmokoroa and Te Puke.</p> <p>We recognise the National Policy Statement for Highly Productive Land may impact how our rural land is protected.</p> <p>We expect to see a physical expansion and increased intensification of urban areas. This will generally be inline 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.</p> <p>The current review of the Smart Growth Strategy will determine the urban settlement pattern for the sub-region and priorities for development.</p> <p>We will also expect to see continued conversion of dairy land to horticulture over the next 10 years.</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 Omokoroa SH2 intersection will unlock housing delivery in Omokoroa by providing a safe intersection.</p> <p>The Rangiuru 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>The removal of three waters potentially puts at risk the coordinated delivery of infrastructure required for new development.</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 TNL Stage 2.</p>	<p>Council will maintain input into SmartGrowth and UFTI.</p> <p>Council has commenced a review of the District Plan.</p>	Strategic advice
15.	<p>Inflation</p> <p><b>2023/2024 DRAFT ANNUAL PLAN ASSUMPTION</b></p> <p><b>THIS ASSUMPTION WILL BE UPDATED IN NOVEMBER 2023</b></p>	<p>Costs are assumed to increase due to inflation.</p> <p>Financial projections for the 2023/24 year have been adjusted inline with indices prepared by BERL (September 2022), which deal specifically with the costs local government deal with. The indices are applied according to the types of expenditure that makes up each activity. The recently released BERL Local Government in the Long Term Plan and last year's Annual Plan. The already observed price inflation for Local Government, is expected to remain for the medium to long-term.</p>	<p>Inflation rates impact the expected costs of our services in the future. These vary by activity as the type of goods purchased differ.</p>	<p><b>Moderate (for 23/24 Annual Plan)</b></p> <p>The level of uncertainty for this assumption is moderate. It is difficult to predict inflation over a 10-year period.</p>	<p><b>Moderate (for 23/24 Annual Plan)</b></p> <p>If inflation is under-estimated 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. 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>	<p>BERL LGCI update due October 2023 – assumption will be updated then. Keep track of inflation changes in the meantime.</p>

	Topic	Assumption	Implication	Level of uncertainty	Impact	Mitigation	Data/Information Source
		<p>Council applies differing inflation rates for each of Planning &amp; Regulation, Rooding, Community and Water &amp; Environment. Inflation rates for the four activities ranges between 8.7% to 12.4% to reflect BERL 2022 assumptions. For property projects, Council applied the average inflation increase over capital and operational cost adjusters of 10.5% to reflect BERL 2022 assumptions. For some projects a greater inflation rate has been applied to recognise the local market conditions in particular contractual cost increases have been up to 20% in some areas.</p> <p>For the Uniform Targeted Rates (UTR) (stormwater, water and wastewater) the inflation rate is defined by Council and is generally based on historic and projected financial information: 2022: 3% 2023-2031: 1%.</p>					
16.	<p>Interest rates</p> <p><b>2023/2024 DRAFT ANNUAL PLAN ASSUMPTION</b></p> <p><b>THIS ASSUMPTION WILL BE UPDATED IN NOVEMBER 2023</b></p>	<p>Interest rates will fluctuate over the course of the Long Term Plan. Interest rates are expected at an average of 5%. The interest rate assumption for the Long Term Plan was 3.8% and 4.25% for the Annual Plan 2022/23.</p>	<p>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>	<p><b>Moderate (for 23/24 Annual Plan)</b></p> <p>The level of uncertainty for this assumption is low. Council has a high 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 from New Zealand Treasury experts.</p>	<p><b>Moderate (for 23/24 Annual Plan)</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>	<p>Interest rate assumptions are reviewed each year as part of the annual budgeting process.</p>	<p><i>BANCORP update due October 2023 – assumption will be updated then. Keep track of interest rate changes in the meantime.</i></p>
17.	<p>External funding for projects</p>	<p>Council and the community often rely on external funding sources to help deliver projects.</p> <p>There will be pressure on funding available from other sectors and some projects will be contingent on this.</p> <p>Where Council is contributing, this is included in the LTP. Otherwise, it is assumed the projects will be delivered with external funding and</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><i>Strategic advice</i></p>



	Topic	Assumption	Implication	Level of uncertainty	Impact	Mitigation	Data/Information Source
		<p>that any ongoing costs to Council are included in the budgets.</p> <p>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.</p> <p>The Infrastructure Acceleration Fund agreement between Council and Kainga Ora for Ōmokoroa Structure Plan Stage 3 and the Tranche One Three Waters Better of Funding has secured significant funding for key projects. This amounts to \$38.3 million and \$5.34 million respectively. Expenditure is to be spread over several years.</p> <p>The quantum of Waka Kotahi funding for the future is uncertain due to the impact on Waka Kotahi of reduced income and extreme weather events. Council assumes the 51% subsidy remains and that funding for modal shift initiatives will increase.</p> <p>Funding available for waste minimisation initiatives is likely to increase.</p>					
18.	Asset lifecycles	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.	<p>Asset life cycles drive our renewals and maintenance schedules.</p> <p>The removal of three waters reduces the ability to align new assets and renewals with roading and reserves.</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>	Council will continue to maintain its asset management processes and plan accordingly.	<i>Strategic advice</i>
19.	<p><b>NEW</b> Three Waters (split from legislative assumption)</p> <p><b>TO BE DETERMINED ONCE LTP APPROACH CONFIRMED</b></p>						<i>DIA – Three Waters</i>



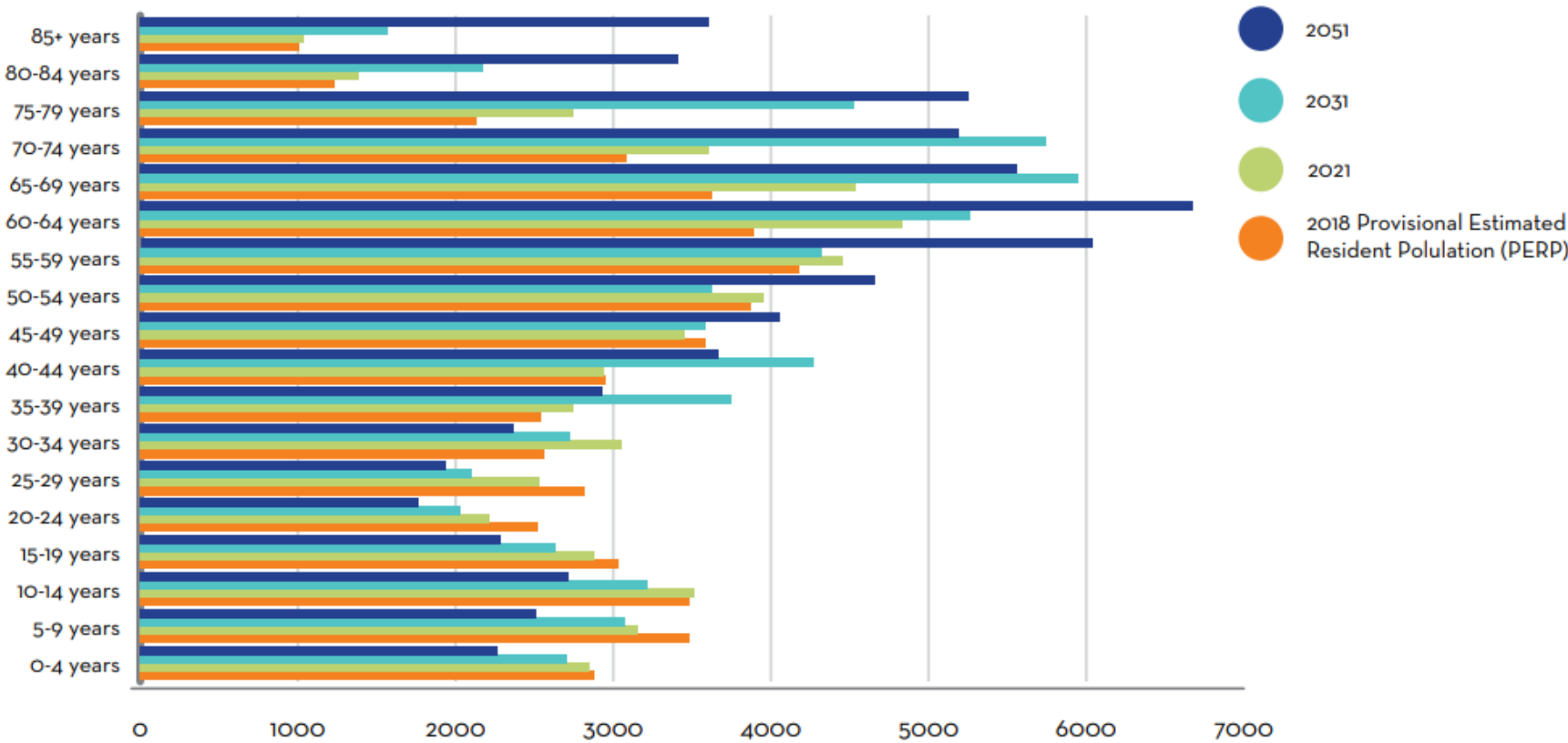
Graphs:

Population and dwelling projections

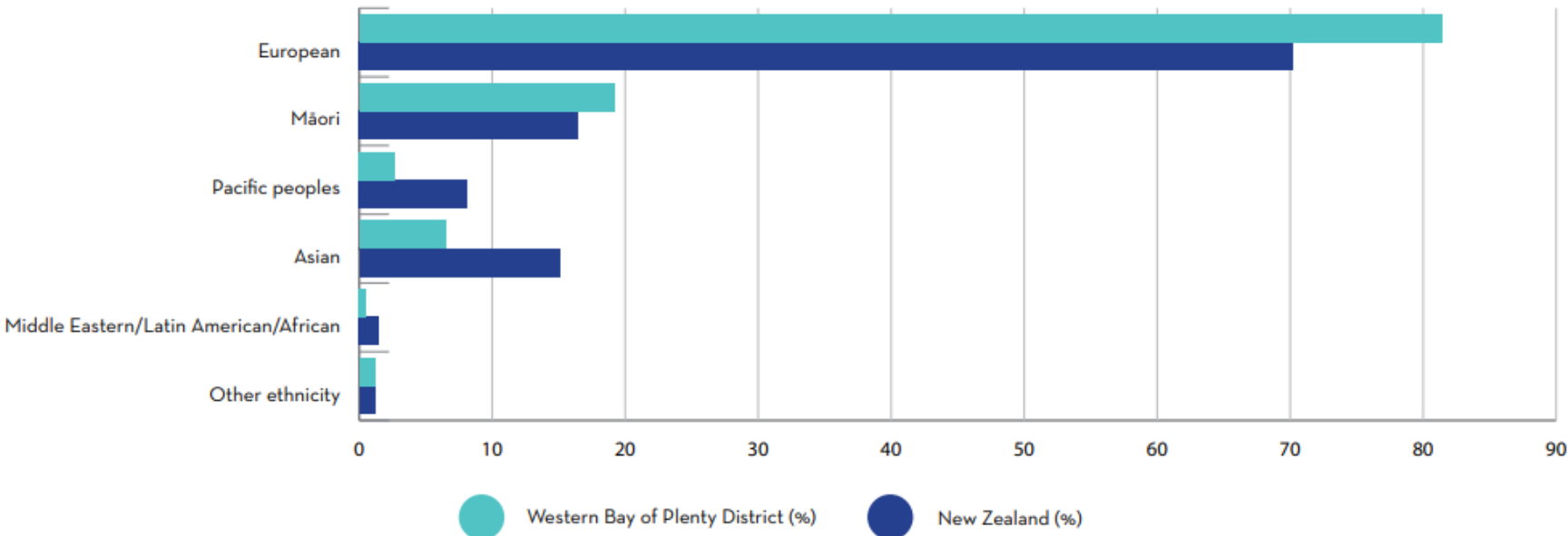
Year ended 30 June	New lots (average annual increase)	Growth rate (average annual increase)	Total dwellings	District Population
2024	301	1.23%	24,568	59,850
2029	324	1.22%	26,496	65,021
2034	160	0.57%	27,998	68,964
2039	120	0.42%	28,876	71,070
2044	90	0.30%	29,520	72,366
2049	10	0.03%	29,784	72,726
2054	10	0.03%	29,928	73,086

Demographics

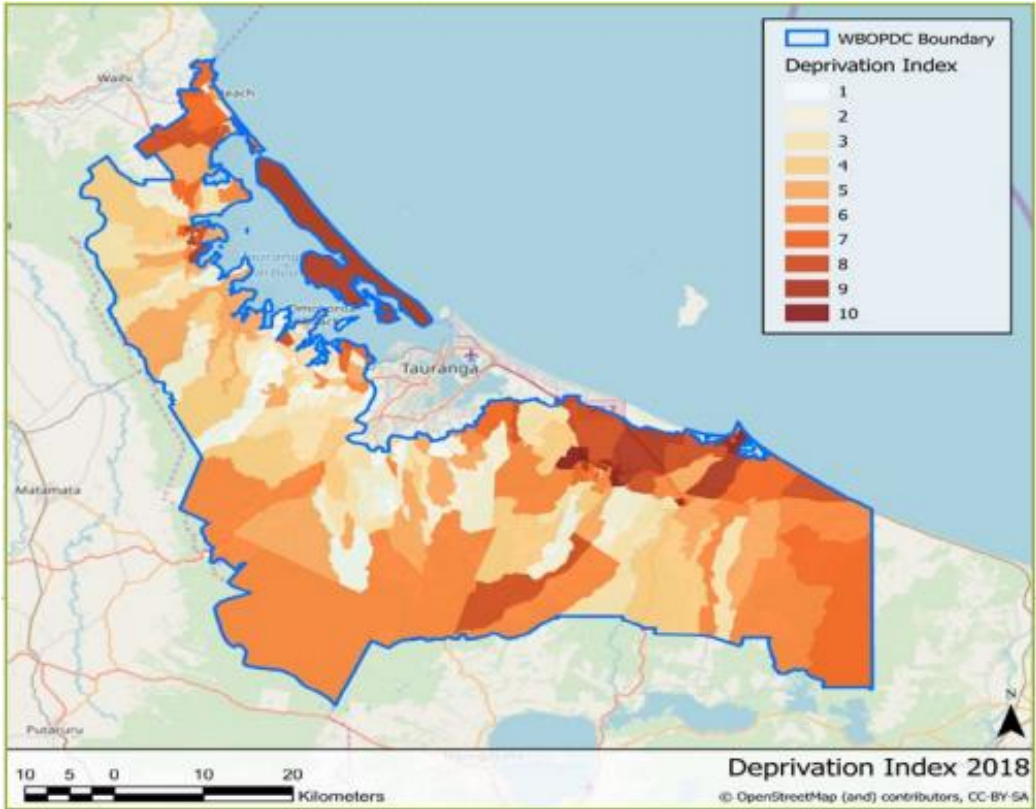
2021-51 LTP Age Projections



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



Social - Index of Deprivation



**10      INFORMATION FOR RECEIPT**