

ANNUAL PLAN 2020/21

TE MAHERE Ā-TAU 2020/21

Consultation document

He Tuhinga uiuinga

Pohewatia anō
tō tātou rohe
**REIMAGINE
OUR DISTRICT**

Ōhiwa Harbour

This is the consultation document for our Annual Plan 2020/21. It asks for your feedback on the Council's key areas of focus for the coming year. While many of Council's services and activities will continue to deliver what we have previously indicated, this document outlines some changes that we believe are needed, compared to what was in our Long Term Plan 2018-28. Once finalised, the Annual Plan will include our workplan and budget for the year, commencing 1 July 2020.



Whakatāne township

MESSAGE FROM MAYOR JUDY TURNER

Kupu Whakataki o te Koromatua

Ngā manaakitanga o te wā ki a tātou katoa.

He tohu tēnei mahere o he tīmatanga hou.

E pā tonu mai ana te mamae i te puha o Whakaari, ā, e whakaterere ana tātou i tēnei ao hou whai muri i te mate urutā o COVID-19. I a tātou e kōkiri whakamua ana, e āhei ana tātou ki te tīpakohia ngā take hirahira ki a tātou katoa, ki te whakawhanake tonu i ngā mea pai o tō tātou rohe o Whakatāne.

He tuhinga hukihuki tēnei mahere kia whakahoki whakaaro mai ai koutou. He tuhinga hukihuki hei aro ki ngā take o nāianeī, me ngā take e pēhia ai ki te rohe i ngā rā anamata.

Kia pohewatia anō tātou i tō tātou rohe.



This is not a regular Annual Plan. We're at a crucial moment in time, and we have to think differently.

The last six months have been tough for our District. Our situation has changed a great deal since we adopted our Long Term Plan in 2018. Every single person in our District has been affected, and the way we respond as a community to these challenges and opportunities, will define our future.

This plan marks the first step towards a new normal. It responds to the challenges that we face now but also starts to redefine our District for the future. Alongside this plan you will see a great deal of work being done by Council over the coming year, as we reimagine life, work, and play in this place we call home.

Many of us are still hurting from the eruption of Whakaari/White Island, and we are now navigating what our world will look like post-COVID-19. However, we have an opportunity to look at what is important to us, what we want to retain, and what changes we could make to improve our Whakatāne District.

The Council has a responsibility to ensure the wellbeing of our communities both now and into the future and that will remain our key focus. We have developed a 13-point plan for economic recovery in both the short and medium-term, and we plan to use savings from this year to support our recovery efforts.

The crises we have faced over the past few years have taught us that when we work together towards a common cause, anything is possible. We have the opportunity now to leverage Central Government funding and make smart decisions that will benefit our children and mokopuna.

New Zealand is pulling out all the stops to work together quickly, and collaboratively, in response to COVID-19 and the economic fallout. The Government is signalling an intention to support employment creation through significant investment in 'shovel-ready' infrastructure. We are hearing a clear message that councils will play a

critical role in supporting local communities during the coming months and years by investing in local development to somewhat mitigate the worst impacts of the recession, increase the resilience of the Whakatāne District communities, and support economic recovery in the longer term. We need to be ambitious thinking ahead. To ensure we are playing our part, we have increased our planned capital works by a staggering 50% in this year. This will provide opportunities for our businesses, create jobs and help our local economy to recover.

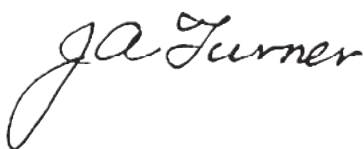
While we need to reimagine our future, the aspirations we had as a community and the things that were driving us forward pre-COVID-19, cannot be forgotten. There are many important kaupapa that we must not lose sight of. Kaupapa, like wanting to combat climate change, strengthening our resilience against natural hazards, and building stronger, safer communities.

Lastly, and most importantly, this plan recognises our incredibly resilient and caring communities. However, it will only be realised if we work in partnership with our local communities, Iwi, businesses and other key partners. If we do this, I believe we can come out of COVID-19 stronger.

I am proud that we can deliver a draft plan for your feedback that balances our priorities now, with the need to relieve the pressure and hardship that will be felt deeply across our District. We have worked hard to reduce the rating impact as much as we can to minimise pressures on ratepayers and business, with our planned average rates increase of 3.5% being well within the limit set as part of the Long Term Plan. However, within that budget we have managed to incorporate our increase in spending to support our communities in the short-term as well as our commitment to the future. We can rebuild.

Let's reimagine our future together.

Judy Turner



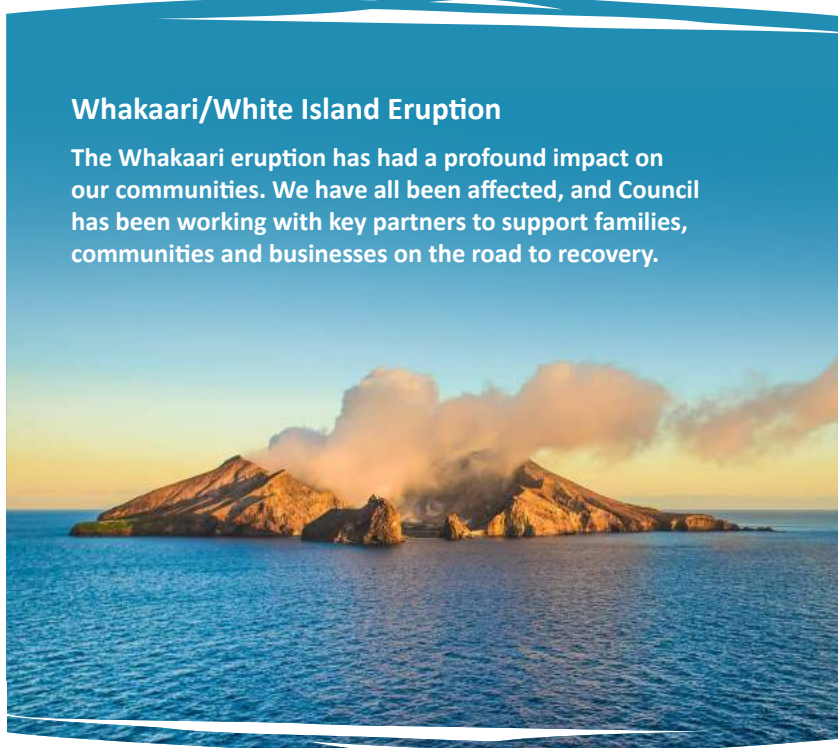
Mayor,
Whakatāne District

COVID-19

The COVID-19 pandemic has disrupted our lives in an unprecedented way. The economic and social disruption to New Zealand, and the world, are the likes of which we haven't seen since the Second World War.

Whakaari/White Island Eruption

The Whakaari eruption has had a profound impact on our communities. We have all been affected, and Council has been working with key partners to support families, communities and businesses on the road to recovery.



Provincial Growth Fund

In March 2020, project partners received confirmation from the Provincial Growth Fund of \$36.8m funding for the Whakatāne Regeneration Programme. This has provided a once-in-a-lifetime opportunity to boost the economy in our District and the Eastern Bay of Plenty.



These are the main points of this document. Keep them in mind when you read the more detailed information. We want to know what you think – whether you agree with and support what’s outlined, or if you think there are things that need improvements.

At the end of this document you will find details on the many ways that you can provide your feedback on the Annual Plan 2020/21.



Immediate response to COVID-19

- We needed to respond immediately to COVID-19. This means that in the current year, our priorities have already changed from what was intended at the start of the year.
- Supporting our communities through alert level restrictions and the impact of COVID-19 continues to be an absolute priority.
- Our services and facilities will continue to be impacted – we will keep you in the loop as the situation evolves.



A plan with a core focus on jobs and the economy

- Economic development and job creation continues to be a key focus for the District. The impact of COVID-19, and the Whakaari/White Island eruption before that, has made this even more important.
- Changes to our plans for the coming year will allow us to continue to progress the Whakatāne Regeneration Programme with our project partners.
- We need to remain open to opportunities to speed up or start new projects in the District.



A plan that thinks of the future

- The District continues to be faced with exciting opportunities and major challenges that will fundamentally reshape our future.
- In the coming year, we need to continue to progress these important matters and some changes to our budgets are needed to allow for this.
- We need to continue to build the capability and capacity of the Council to make sure we are in a good position to deliver the things our communities need and want.
- In the coming year we will be developing our next Long Term Plan. We have started a conversation called ‘Reimagine our District’, so you can be involved in this important piece of work.



A plan that balances the financial pressure

- We are proposing an average rates increase of 3.5%, while setting out a much bigger work programme than we typically would. This will help boost our economy.
- A small change in approach to asset replacement funding will help take some pressure off ratepayers.
- Properties across the District have recently been revalued. Changes to our rating system will help smooth the impact across the community.
- We are proposing an ambitious and exciting work programme for the year; 50% more than previously planned.
- We have balanced the significant work needed to deliver better outcomes for the District, against the costs to the community.

Read on and provide your feedback at koreromai.whakatane.govt.nz/annual-plan-2020-21



Civic Centre, Whakatāne

IMMEDIATE RESPONSE TO COVID-19

Te urupare ake ki COVID-19

Whakatāne District Council has an immediate responsibility and obligation to respond to COVID-19. While as a nation we continue to step down to less restrictive response alert levels, we need to remain vigilant. Our budgets and work programme reflect that alert levels will continue to have some direct (temporary) implications for some of our services and facilities to ensure health and safety. We are also supporting our communities to navigate through these challenging times.

A 13-step COVID-19 response plan He mahere mō te COVID-19

On 30 April 2020, Council approved a 13-step COVID-19 response plan. The plan aims to manage the immediate economic impact before transitioning to a longer-term recovery phase.

The first suite of measures has provided immediate support to local business and ratepayers, including \$600,000 from the Harbour Fund to support up to three months' rent relief to impacted commercial and harbour leaseholders, and refunds for bookings and consents lodged pre-COVID-19.

We are also proposing, through this Annual Plan, to support the local retail sector hard hit by the COVID-19 crisis by utilising a \$40,000 grant from the Harbour Fund to reduce the EPIC targeted rate, levied on Whakatāne CBD businesses. This will support EPIC to implement its town centre strategy.

Council may have unallocated funding from the 2019/20 year as a result of the National Alert Levels impacting our work programme. We intend to divert any savings directly towards the COVID-19 response and recovery effort. At this stage, we have not identified what funding may be available in the draft budget, although we will work to quantify and allocate this funding where possible.

The aim of our continued response is to address short-term needs for the people who require it most, while planning for how best to support, rebuild and 're-imagine' the District in the long-term. Our success will be determined by how well we work together with the Eastern Bay Economic Development Agency Toi-EDA, the Eastern Bay of Plenty Chamber of Commerce, the business sector, Iwi and Central Government partners. Together we will demonstrate decisive leadership and strength for our communities in this challenging time.

You can find our plan at whakatane.govt.nz/covid-recovery

2
metres



TE KŌPUTU A TE WHANGA A TOI
Whakatāne Library & Exhibition Centre

Te Kōputu a te whanga a Toi

Civil Defence Emergency Operations Centre

Te Whare Whakamarumarū

In March 2020, following the declaration of a National State of Emergency, we activated the Whakatāne Emergency Operations Centre (EOC) in support of the Ministry of Health and regional Group Civil Defence efforts. This EOC is focused on supporting our local communities with access to welfare support, emergency services, essential supplies and information. Our planning process considers an activation that may last through until the end of 2020. With Council staff continuing to be involved in the EOC, it may impact some of our services and facilities in the coming year.

We understand that these might be hard times for some households with incomes impacted by COVID-19.

If you think you might have trouble paying your rates, please contact the Council rates team to see how we can help.

Impact on our services

Te whakaaweane ki ngā ratonga

Under the COVID-19 National Alert Levels 3 and 4, some of our services and facilities were severely restricted. This saw the temporary closure of facilities like playgrounds, libraries and aquatic centres, and meant some services, like recycling, were not able to function under these levels.

Under Levels 1 and 2, our services and functions will operate, but not necessarily in the same way that they functioned before COVID-19 emerged, and in some cases with restricted capacity.

Of particular note, we are proposing to close the Whakatāne Library and Exhibition Centre - Te Kōputu a te whanga a Toi, on Sundays during this coming winter to help reduce operating costs.

We are hopeful that New Zealand will continue to successfully contain the spread of COVID-19, but there is some uncertainty. Should alert levels need to go up again, we would have to respond appropriately. During the coming year we will keep our communities in the loop on these kinds of changes to our services, facilities and functions.



Whaurangi - The Strand, Whakatāne

A PLAN WITH A STRONG FOCUS ON JOBS AND THE ECONOMY

He mahere hei arotahi ki ngā mahi me te taiōhanga

Economic development and job creation are a key focus. The Council continues to work alongside Iwi, Central Government, Eastern Bay of Plenty councils and other partners to unlock the economic potential of the District. Many experts predict the world is at significant risk of facing the greatest economic downturn in living memory, potentially since the Great Depression. Therefore, the focus on immediate and long-term economic development is more important now than ever before.

While all of New Zealand will be hit hard, there are reasons to be quietly optimistic about how the Whakatāne District will recover. Our economy has a focus on industries such as agriculture, forestry and fishing, as well as food production. These sectors aren't expected to be as heavily impacted by the crisis. There will still be some businesses in the District that experience a large impact, but we are hopeful that some of our key sectors will support the economy.

Proposed changes for the coming year reflect a need to support our local economy and be ready to work with partners towards this goal.

Whakatāne Regeneration Programme *Te Kaupapa Whakahaumanu Tāone*

The \$36.8 million injection from Central Government's Provincial Growth Fund supports sustained economic development, improved utilisation of existing assets and development of new infrastructure for the betterment of our communities.

This funding represents a significant opportunity for project partners, Te Rūnanga o Ngāti Awa and Whakatāne District Council, to take full advantage of co-investment with Central Government, working together in collaboration to effectively deliver these benefits in a connected and efficient way.

The Whakatāne Regeneration Programme has two main elements: the Whakatāne Boat Harbour Development and the Whakatāne Riverfront Revitalisation Programme, which also align with and support Ngāti Awa Group Holding Limited's Kāinga development at the Whakatāne Army Hall. These projects are not only exciting for the town, but will result in real job creation and training pathways, which are even more important for the District since COVID-19.



Whakatāne riverfront

Whakatāne Boat Harbour Project
(Artist Impression)

Whakatāne Boat Harbour Development

The Whakatāne Boat Harbour Development represents a partnership between Te Rāhui Trust, Te Rūnanga o Ngāti Awa, Ngāti Awa Group Holdings Limited, Whakatāne District Council and the Crown to establish a fit-for-purpose commercial boat harbour on Te Rāhui Trust-owned land at 2 Keepa Road, Whakatāne. The development will address demand for additional berthage, provide vessels protection from the dynamic river environment, and deliver on infrastructure to boost our marine sector and related industries.

The Provincial Growth Fund will contribute \$19.6 million towards the \$29.4 million total project cost. The \$9.8 million funding balance will be contributed by the Council.

Whakatāne Riverfront Revitalisation Programme

The Whakatāne Riverfront Revitalisation Programme is a partnership initiative between Te Rūnanga o Ngāti Awa and Whakatāne District Council, which aims to reinvigorate Whakatāne's Central Business District and achieve a long-standing community priority to re-establish connections to the Whakatāne River.

The programme is focused on the redevelopment of a riverfront promenade, remediation of the existing commercial wharf, and unlocking high-quality open spaces facing the river to attract private sector investment. Through valuing and maximising what our town has to offer, we can better prepare the town to flourish in the future. Transforming the town and riverfront areas will create a dynamic heart for local residents, as well as supporting Whakatāne on its journey to become a world-class small-town destination for visitors. Based on cumulative years of engagement with our communities, the project will showcase our cultural heritage – an inherent and unique aspect of the District.

The Provincial Growth Fund will contribute \$9.6 million towards the total project cost of \$19.2 million. The \$9.6 million balance of funding will be contributed by the Council, the bulk of which will come from the Harbour Endowment Fund.

Programme funding

Both the Boat Harbour Development and the Riverfront Revitalisation are multi-year programmes of work. The funding required to progress each of these projects in the 2020/21 Financial Year is outlined below.

Whakatāne Boat Harbour Development:

The project expects to spend \$10 million in the 2020/21 financial year to advance design, remediation and consenting works. Of this total, \$5 million will be budgeted by Council in the 2020/21 Annual Plan, with the balance coming from the Provincial Growth Fund.

Whakatāne Riverfront Revitalisation Programme:

The programme expects to spend \$6.8 million in the 2020/21 financial year, comprised of:

- \$3.1 million to remediate the commercial wharf; and
- \$3.7 million to progress design and consenting works for the Riverfront Promenade and Town Centre Heart developments.

Of this total, \$3.5 million will be budgeted in the 2020/21 Annual Plan, with the balance coming from the Provincial Growth Fund.

Next steps

Later this year, the project partners will be working with the community on the design phase of the riverfront revitalisation projects to develop a vibrant town centre that we can all enjoy. These are truly exciting projects for the District. More information on these projects can be found on our website: whakatane.govt.nz/wrp

Funding opportunities to create local jobs and boost the local economy

Ngā whaiwāhitanga pūtea ki te tipu mahi me te paringa taiōhanga

As part of Central Government's objective to help kick-start the economy, a number of funding opportunities are becoming available that the Council is looking to capitalise on, to help reinvigorate our local economy and deliver on some of the District's priorities. For example; Crown Infrastructure Partners Ltd has been tasked to help the Government identify infrastructure projects across the country that are 'shovel ready' and can be started quickly to generate employment.

We are working hard to create partnership opportunities

Whakatāne District Council has applied for \$146 million in Crown funding for the District through this process. This presents an opportunity to accelerate projects that will create positive social, economic, environmental and cultural impacts across the District and remove the funding pressure from ratepayers.

We have applied for a variety of projects that closely align with the criteria of the fund which includes: projects that cost more than \$10 million, can begin in less than six months, generate significant employment and will have long-term positive outcomes for the communities.

There are two projects in our budget that are a part of these funding proposals; planned work to upgrade the Whakatāne Civic Centre (which also acts as an Emergency Operations Centre during Civil Defence emergencies) and works on the Barry Avenue pump station.


These two projects are included in our proposed budget because we intend to undertake these works, even if our funding application is unsuccessful. However, the projects that make up the remaining funding application have not been included in the budget because without Crown funding, we would not be able to afford these projects at this time. Crown funding on these projects would take pressure off ratepayers, and the Council will have to assess these implications as and when we know more.

Other projects will only go ahead if the funding application is successful, and likely cause us to reprioritise some work in the coming year.

More information will be made available when Council is in a place to make a decision around these projects.

WE HAVE APPLIED FOR FUNDING OF THESE PROJECTS AND WILL LET YOU KNOW IF WE ARE SUCCESSFUL.

Transport - \$66.2 million

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- Widening and smoothing of corners on Thornton Rd
 - Sealing of several gravel roads
 - Further safety improvements on Wainui Road
 - New route from Minginui through to Waipunga and SH5.

Drinking water, stormwater and sewerage - \$43.8 million



- New drinking water source for Whakatāne
- Flood protection and stormwater improvements
- Major renewals of water and sewerage mains.

Economic Development - \$21.8 million



Whakatāne Town Regeneration 'Kick-start' Project - accelerating and building on the Whakatāne Regeneration Programme to create a dynamic heart for local residents and visitors.



Cycleways - \$17.8 million

We have applied for funding to extend the world-class Motu trails through to Whakatāne and Kawerau in partnership with Kawerau and Ōpōtiki District Councils.



Rangitāiki Tours



Supporting local tourism operators

E tautoko ana i ngā pakihī tāpoi

National COVID-19 Alert Levels 3 and 4 have affected the tourism industry in the District particularly hard, at a time when many are trying to recover from the Whakaari/White Island eruption. Furthermore, it is unlikely that international tourism will return with borders expected to remain closed for the foreseeable future. Our local tourism sector is well-positioned to recover, with typically about 80% of tourism spend coming from the domestic market.

Council will receive funding from the Ministry of Business, Innovation and Employment for an enhanced marketing campaign agreed following the Whakaari/White Island eruption, focused on the domestic market in the short-to medium-term. Collaboration with the tourism sector to reposition our destination and market our unique offerings will be a point of focus for the Council to support local businesses on the path to recovery.

WE NEED TO BE READY TO SUPPORT OUR ECONOMY AT THIS CRITICAL TIME

We are reviewing our Significance and Engagement Policy

The Government is pulling out all the stops to generate employment, and we need to make sure we, as a Council, are ready.

We are consulting on an amendment to our Significance and Engagement Policy alongside this draft budget. The purpose of the amendment is to ensure that we can make quick decisions, where delays to our decision-making may jeopardise the viability of projects expected to have a significant positive effect on the economic recovery of the District.

Visit koreromai.whakatane.govt.nz/sep to get involved.



Holly's Playground, Lake Aniwaniwa

A PLAN THAT THINKS OF THE FUTURE

He mahere hei aro ki anamata

Right now much of our focus is on supporting our communities and economy as we navigate through the impacts of both COVID-19, as well as the December 2019 Whakaari/White Island eruption. As we recover from these events, we want to ensure that we build back better and work towards the kind of future that is important to all of us.

Our District will face some big challenges and opportunities in the future – things like taking action on climate change, managing population growth, enhancing resilience towards natural hazards, and upgrading sewerage and water supply systems. Continuing to work in partnership with Iwi, Central Government and our other key partners is essential. We are mindful that we need to maintain our momentum on longer-term priorities for our communities, and our work plan for the coming year will continue to progress related work streams. Some changes are needed to our work plan and budget for the coming year in order to do so.

A focus on water He arotahi wai

The focus on Council's three waters services (drinking water, sewerage and stormwater) continues to intensify.

The challenges facing these services will continue to drive important strategy and planning work in the coming year. This includes responding to increased drinking water standards and regulations being proposed by Central Government, preparing for major upgrades to our sewerage systems with deadlines approaching, and improving our stormwater systems in terms of the level of service they provide to the community and the impact they have on the environment. This includes further investigation of a sewerage scheme for Matatā.

With a number of looming challenges and costs in relation to the three waters services across the country, Central Government has asked the local government sector to explore alternative service delivery models. This work will be undertaken in the coming year and will explore different collaborative approaches encouraging councils to work at a larger scale for example.

Our capital works programme also includes several new three waters projects for this coming year. They include the upgrade of the Barry Avenue stormwater pump station (\$950,000), investigating an alternative water supply for Whakatāne (\$1.3 million) and Tāneatua (\$520,000), and providing a more reliable supply for the Penetito water supply (\$150,000). A new sewer pump station at Coastlands (\$1.3 million) is also proposed to meet development demand.

The full capital works table is available on the Council website. Visit koreromai.whakatane.govt.nz/annual-plan-2020-21



Rangitāiki Plains

Continued focus on Climate Change Ka arotahi tonu ki te Huringa Āhuarangi

Last year Council agreed to put \$50,000 in the budget towards our climate change project. We are getting close to finalising a draft Climate Change Strategy and Action Plan and getting the community's views on these documents will be important during the coming months. This year we are proposing to increase the budget to enable the ongoing delivery of Council's climate change project to ensure we factor climate change into everything we do. We had some big wins over the last year, including reducing carbon emissions through saving energy, and therefore costs, at the Whakatāne Aquatic Centre, and beginning to transition our vehicle fleet to become fully electric.

Once the Strategy and Action Plan are in place, you can expect to see a lot of things happen in this space. Keep up to date at Kōrero Mai as we plan to engage on these projects in July/August 2020.

Enhancing our capacity to deliver E whakahaumako ana tō mātou āheinga ki te tutuki mahi

These long-term challenges, and the exciting opportunities for economic development in the District translate to a major step up in work programmes for the Council. This is reflected in a more ambitious work plan, including a 50% increase in capital works for the coming year. Beyond the coming year, projects such as the Whakatāne Regeneration Programme and long-term challenges like climate change will require significant work from Council and its partners. To be able to deliver an extended work programme and strong economic, social, cultural and environmental benefits for the community, we have added new roles to increase our capability, as well as enhancing the capacity of our existing teams.

Smart organisations invest in their people, systems and technology to ensure they are efficient and effective. The budget reflects an increase in resourcing across selected areas of Council to enable key priorities to be progressed. Some examples include staff resource towards the Whakatāne Regeneration Programme, enhancing partnerships with Iwi and engagement generally, rebuilding resource consent capacity, and investing in asset management and data collection, particularly in the three waters space.

COVID-19 has made this need to invest wisely in the organisation even more apparent, as we, and others, have had to quickly change the way that we work in order to keep delivering for our communities.

Whakatāne Civic Centre improvements Ngā whakapainga o te Whare o te Kaunihera

As set out in our Long Term Plan, we have been progressing a project to earthquake strengthen the Whakatāne Civic Centre, with the structural work to be undertaken in the coming year. The project will deliver a higher level of earthquake resistance, resulting in a safer building and importantly, one that can continue to be used as a Civil Defence Emergency Operations Centre.

As the project has progressed, it has become clear that this is a sensible opportunity to make further improvements to modernise and future-proof the building. This recognises that the Civic Centre has had no major improvements since it was built in the 1980s, but that workplace systems, tools and expectations have changed substantially in that time.

The draft budget for the coming year includes an additional \$3.4 million to extend the project. As well as providing a modern workplace that will support Council's ability to deliver for the community, the extension of the project will generate significant employment across a variety of trades at a time when this is much needed. An application for co-funding from the Crown towards this project is pending and if successful, would offset some of the Council debt needed to fund the project.



Pohewatia anō
tō tātou rohe
**REIMAGINE
OUR DISTRICT**

Alongside consultation on this Annual Plan, we have launched:

Reimagine our District

Pohewatia anō tō tātou rohe

With some big challenges and opportunities ahead of us, this is an exciting time to 'reimagine' what the future of our District looks like.

Reimagine our District is a conversation with our communities, to make sure we are prioritising the right things as we work towards the development of our next Long Term Plan for the 2021-31 period.

Your feedback will help reimagine the vision and direction for the future of the Whakatāne District.

To get involved, visit
koreromai.whakatane.govt.nz/future-in-focus



A PLAN THAT BALANCES THE FINANCIAL PRESSURE

He mahere e taurite ai te pēhi pūtea

We recognise that COVID-19 will put economic strain on some individuals, households and businesses. Our Annual Plan seeks to balance the need to take pressure off ratepayers with the need to invest in our economy. When developing this budget, the increased scale of our work programme to respond to COVID-19 and other longer-term priorities, would have resulted in a rating increase of 8.1%. We know that would not be affordable for our communities at this time, and have therefore made efforts in this budget to relieve the financial pressure, while maintaining a strong programme of work.

The proposed budget results in an average rating increase of 3.5%, which is within the limits set out in our current Financial Strategy. An indication of the scale of our increased workplan, as well as the key proposed changes we have made to relieve rating pressure, are outlined below.

Changes to Depreciation Funding helps partially offset the rates increase Ka āwhina ngā panonitanga o te pūtea hekenga wāriu ki te whakataurite i ngā pikinga tāke kaunihera

On behalf of the community, Council maintains a network of assets valued at nearly \$750 million. This includes roads, pipes, bridges and buildings, but also things like computers and vehicles. We fund the replacement of these assets through an accounting method called 'depreciation funding', where we rate for the cost of replacement over the lifetime of the asset. We do this because it is both fair, as generations of people may benefit from the same asset, and because it prevents sharp spikes in rates when big ticket items, like bridges, come up for renewal.

We propose to contribute \$800,000 to our depreciation reserves this year; around 11% of the total contribution. This will reduce the rating increase in this year by 1.78%. This is essentially a 'mortgage holiday,' and can be done without any significant long-term impact to our reserves.

This is primarily because interest rates have fallen sharply since we defined our depreciation funding model in 2018. This means we can make savings in coming years, as some of these reserves are forecast to be overdrawn as major infrastructure comes up for renewal. Our proposal effectively brings forward those savings into this year as a one-off, to help alleviate the current economic situation.

Smoothing the impact of revaluations

E whakangāwari ana ngā whakaaweane o te wāriutanga anō o ngā rawa

Rates are based on a valuation of your property. The Council contracts Quotable Value to perform three-yearly property revaluations to reflect changing market values. The valuations are a snapshot of the market as at 1 September the year of revaluation. Revaluations were undertaken in 2019 and come into effect for the 2020/21 financial year.

In this round of revaluations, there has been a significant variation in how the value of properties around the District has changed. If your property value increases proportionally more than others, it means you will pay proportionally more rates. Revaluations do not change the total amount of rates that are collected, just how they are divided up amongst ratepayers. Refer to the table below for the average increase in Capital Values (CV) and Land Values (LV) in various parts of the District:

	Average 2019 CV	Average 2019 LV	CV % Change	LV% Change
Whakatāne Rural	\$273,218	\$101,470	43.3%	55.9%
Whakatāne Town	\$499,876	\$223,078	35.6%	39.1%
Edgecumbe	\$363,705	\$109,751	31.2%	45.8%
Tāneatua	\$173,058	\$44,858	44.9%	36.0%
Matatā	\$423,298	\$208,790	35.1%	35.2%
Ōhope	\$826,993	\$467,937	25.2%	27.6%
Mururpara	\$100,237	\$17,948	64.3%	237.0%
Overall average	\$483,680	\$224,734	33.1%	36.1%

In order to smooth the effect of the revaluations, we propose a minor amendment to our [Revenue and Financing Policy](#).

We use what is called a 'stepped differential' for properties with a capital value over \$15 million. For these properties, the portion of the property valued under \$15 million will attract the full capital value general rates charges. For the portion of the property with capital value over \$15 million, only a half capital value general rates charge will apply.

These properties, after the revaluations, would end up paying significantly less rates than they are at the moment, as they represent a smaller part of the value of the District as a whole.

We believe that it is fair that ratepayers pay roughly the same increase or decrease when we are not substantially altering what we deliver. As we continue to deliver the same Council services to these properties, we propose to adjust this differential so these properties pay 75% above the threshold, to keep rates on these properties roughly the same. This will also help to smooth the sharper rating increases to other properties around the District, which also continue to receive the same services.

We also propose to decrease our Uniform Annual General Charge (UAGC) from representing 28% of our total general rating, to 26%, which will further smooth the variation in rates increases across the District.

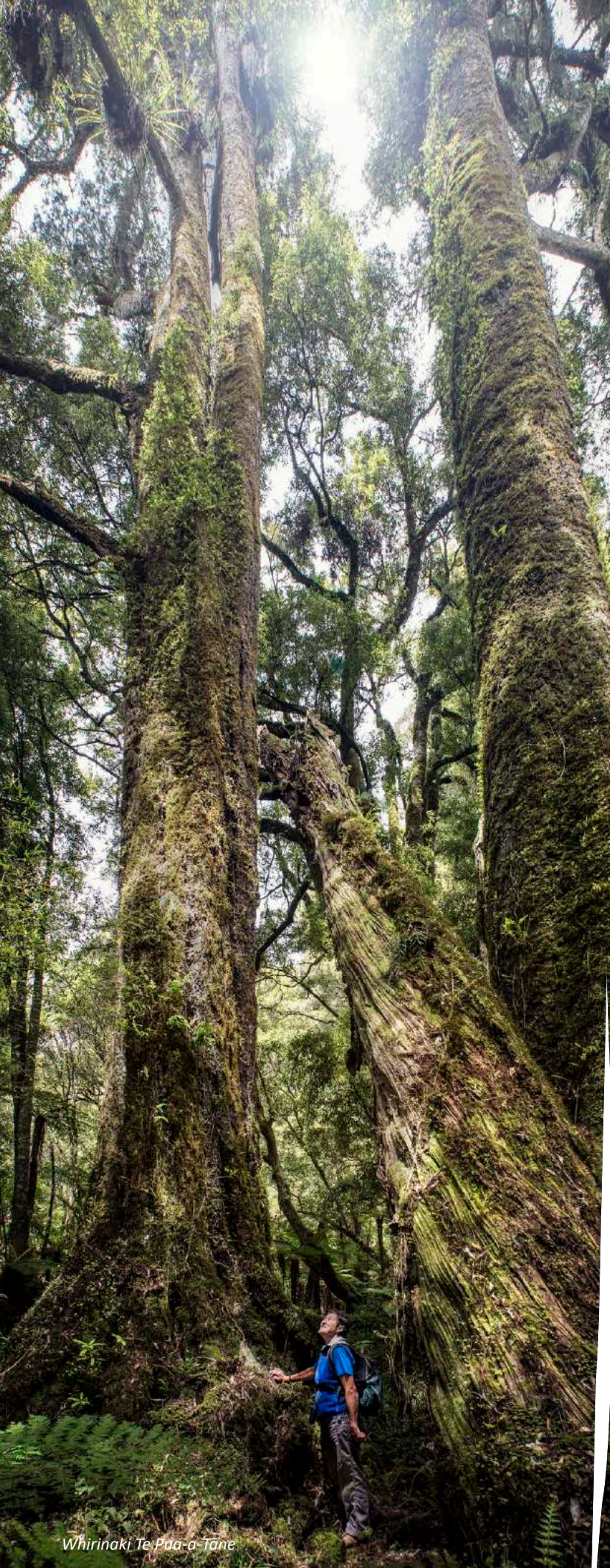
The effect of these changes can be seen on the table on the following page.

RATE MODELLING EXAMPLE FOR 2020/21

Ngā Taurira mō ngā tāke kaunihera mō ngā tau 2020/21

Example property	Whakatāne Urban Low	Whakatāne Urban Average	Whakatāne Urban high	Whakatāne Commercial (less than \$10m) Low	Whakatāne Commercial (less than \$10m) average	Edgecumbe Average	Matatā Average	Matatā High	Murupara Urban	Murupara Lifestyle	Te Teko	Ōtarawairere	Ōhope Low	Ōhope Average	Ōhope High	Tāneatua	Rural Low	Rural Horticultural	Rural Pastoral	District Wide - Commercial/ Industrial \$10m Plus (six pans)	High Value Commercial/ Industrial
RATES IN THE CURRENT 2019/20 YEAR:																					
2019/20 Capital Value	\$155,000	\$360,000	\$1,100,000	\$370,000	\$730,000	\$295,000	\$293,000	\$640,000	\$61,000	\$205,000	\$111,000	\$820,000	\$510,000	\$640,000	\$1,220,000	\$134,000	\$58,500	\$965,000	\$3,190,000	\$14,500,000	\$34,000,000
Rates for the current 2019/20 year were set as follows, based on above capital value (incl GST)	\$2,781	\$3,369	\$5,561	\$4,475	\$6,230	\$3,257	\$2,701	\$3,709	\$2,054	\$1,589	\$1,591	\$4,515	\$3,679	\$4,029	\$5,594	\$2,606	\$1,360	\$3,475	\$8,666	\$75,416	\$151,875
PROPERTIES ARE REVALUED EVERY THREE YEARS:																					
New Capital Value to take effect starting in the coming 2020/21 year	\$245,000	\$500,000	\$1,458,000	\$420,000	\$790,000	\$376,000	\$410,000	\$860,000	\$101,000	\$285,000	\$150,000	\$1,075,000	\$670,000	\$864,000	\$1,586,000	\$194,000	\$90,500	\$1,475,000	\$3,350,000	\$15,850,000	\$34,800,000
RATES FOR COMING 2020/21 YEAR - NO SMOOTHING:																					
Rates for upcoming 2020/21 year (incl GST): > based on new capital values and > based on proposed budget for 2020/21 > No further changes to the rating system	\$2,949	\$3,582	\$5,957	\$4,462	\$6,012	\$3,330	\$2,828	\$3,899	\$2,109	\$1,718	\$1,657	\$4,718	\$3,809	\$4,244	\$5,864	\$2,691	\$1,442	\$4,194	\$7,922	\$70,610	\$132,964
\$ change compared to current 2019/20 year:	\$168	\$198	\$396	-\$14	-\$218	\$72	\$127	\$189	\$55	\$129	\$65	\$203	\$131	\$215	\$269	\$86	\$82	\$719	-\$745	-\$4,806	-\$18,911
% change compared to current 2019/20 year:	6.06%	5.84%	7.12%	-0.31%	-3.50%	2.22%	4.70%	5.11%	2.67%	8.09%	4.11%	4.49%	3.56%	5.34%	4.81%	3.29%	6.04%	20.70%	-8.59%	-6.37%	-12.5%
RATES FOR COMING 2020/21 YEAR - INCLUDING SMOOTHING:																					
Rates for upcoming 2020/21 year (incl GST): > based on new capital values and > based on proposed budget for 2020/21 > Changes to the rating system to help smooth the impact of revaluations	\$2,898	\$3,553	\$6,014	\$4,426	\$6,009	\$3,290	\$2,791	\$3,902	\$2,045	\$1,670	\$1,597	\$4,740	\$3,796	\$4,248	\$5,932	\$2,635	\$1,377	\$4,253	\$8,147	\$72,234	\$143,462
\$ change compared to current 2019/20 year:	\$117	\$169	\$453	-\$49	-\$221	\$33	\$90	\$193	-\$9	\$81	\$6	\$225	\$117	\$219	\$338	\$30	\$17	\$778	-\$519	-\$3,182	-\$8,413
% change compared to current 2019/20 year:	4.21%	5.00%	8.14%	-1.10%	-3.54%	1.01%	3.35%	5.20%	-0.45%	5.09%	0.35%	4.99%	3.19%	5.43%	6.03%	1.15%	1.26%	22.39%	-5.99%	-4.22%	-5.54%

A more detailed breakdown of rates for the coming year is available at koreromai.whakatane.govt.nz/annual-plan-2020-21



Funding partnerships support an extended capital works programme

Ka tautoko ngā rangapū pūtea i te hōtaka hangatanga

We plan to deliver more projects because we recognise the need to provide urgent stimulus into the economy, creating jobs and supporting the livelihoods of all those in the District. But we need to do that in the right way; by not overburdening ratepayers and by ensuring that our workplan is firmly fixed on delivering on the District priorities. We need to be ambitious and intend to deliver an extended capital works programme of \$43.1 million in the Annual Plan, compared to \$28.7 million in the LTP. This also includes \$5.8 million for Wainui Road safety improvements, which was agreed to in last year's Annual Plan and is due to commence in the coming year.

Much of this ambitious work programme is made possible with the help of co-funding partnerships, and this is reflected in our budgets with an increase in revenue from grants. We also need to fund a local share of these projects, and this will increase the amount of debt we take on in the coming year compared to what we had previously anticipated through the Long Term Plan.

Our full proposed capital works programme for the coming year can be found on our website koreromai.whakatane.govt.nz/annual-plan-2020-21

Impact on Financial Strategy

Te whakaaweawe ki te Rautaki Ahumoni

The Council has a Financial Strategy that supports the delivery of Council activities and services in a manner that addresses rates affordability, and ensures that the Council remains in a long-term stable financial position. The Financial Strategy includes a series of financial parameters or limits that Council intends to operate within. These include limits on average rates increases, rates as a portion of operating revenue, interest costs met from rates, and debt levels. The proposals contained in this consultation document do not require Council to breach any of the limits we have set through our Financial Strategy.

Debt is an effective tool to help spread the cost of projects over time. The proposals for our draft budget impact our proposed debt levels, when considered all together. Our proposed budget represents a \$17.8 million increase in debt during this coming year, up from \$1 million in the Long Term Plan. This is driven by prior commitments through last year's Annual Plan, such as \$5 million for the Awatarariki Managed Retreat, and through the expanded work programme and commitment to our economy through this budget. Through the Annual Plan 2019/20 we made a change to our limit on debt, changing from a fixed cap of \$80 million, to a cap set annually of 150% of Council's revenue. Our total debt for 2020/21 is proposed to be \$103 million, which is below the new cap for the year of \$123 million, but up from \$80 million that we projected in the 2018-28 Long Term Plan.

Continued forecasting

E matapae tonu ana

This is a time of great change for our District and for the Council, as we look to adapt our behaviours and expectations in response to the changing COVID-19 National Alert Levels. New information becomes available daily, and in these unprecedented times there are still levels of uncertainty that we must plan around. As we continue to finalise our budgets for 2020/21, including incorporating the feedback we hear from the community in response to this consultation document, we may also need to adjust our expectations based on any new information.

Any changes made through finalising the Annual Plan 2020/21 will respond to the four focus areas that have underpinned this draft budget; enabling an immediate response, boosting our economy, thinking forwards and relieving the pressure.

Key drivers of this increased debt, as well as increases in other funding sources are outlined in the table below:

Key Projects	Increase in budget from LTP	Funding
Whakatāne Civic Centre Seismic Strengthening and Betterment Project	\$3.4 million	100% Debt
Three Waters Projects	\$4.2 million	25% Depreciation 45% Debt 31% Development Contributions*
Awatarariki Managed Retreat	\$10 million (2019/20) \$5 million (2020/21)	33% Debt 67% Grants
Whakatāne Regeneration Programme (excl. \$5 million equity contribution to Boat Harbour project)	\$6.43 million	50% Debt 20% Other Reserves 19% Depreciation Reserves 9% Restricted Reserves 2% Development Contributions
Safe Roads Alliance (Wainui Road)	\$5.8 million	18% Debt 72% Grants
Edgecumbe flood reserve repayment	\$3.0 million	100% Debt

**Does not total 100% due to rounding*

Korerō mai/Let's talk

Tell us what you think by 5pm Monday, 15 June 2020

Due to COVID-19 restrictions our consultation process will look a bit different. We will not be holding a formal hearings process, but will provide alternative ways you can provide your feedback, for example; through social media, our new engagement website koreromai.whakatane.govt.nz, or through contacting your local elected member. If you would like the opportunity to talk to elected members please contact the Council on 07 306 0500 or email info@whakatane.govt.nz to arrange.

YOUR VIEWS ON THE DIRECTION OF OUR ANNUAL PLAN FOR THE 2020/21 YEAR

This is the consultation document for our 2020/21 Annual Plan. We welcome your feedback on our direction and proposals for the coming year to make sure our Annual Plan focuses on the right things, including:

- Changes to our plans for the coming year to focus strongly on jobs and the economy as we recover from the COVID-19 pandemic and the Whakaari/White Island eruption.
- Changes to our plans for the coming year to enable us to continue progressing key future-focused projects.
- Changes to our financial management to enable us to minimise and smooth the costs of rates on our communities.

Get involved at koreromai.whakatane.govt.nz/annual-plan-2020-21

YOUR VIEWS ON POLICY CHANGES TO SUPPORT OUR ANNUAL PLAN

In support of our priorities for the coming year, we propose to make changes to some of our policies. You can find more information about the policy changes and get involved at

koreromai.whakatane.govt.nz/annual-plan-2020-21

- Temporary changes to our Significance and Engagement Policy to allow for more agile decision making during this unprecedented time.
- Changes to our Revenue and Financing Policy to enable fairer spread of rates costs across the community.



How to Korerō mai:

Online: koreromai.whakatane.govt.nz/annual-plan-2020-21

Email: submissions@whakatane.govt.nz

Post: Whakatāne District Council,
Private Bag 1002, Whakatāne 3158

Contact your elected members:
whakatane.govt.nz/elected-members

FEEL FREE TO GET IN TOUCH

If you need help making a submission, or need more information, please contact the Whakatāne District Council (details below).

PLEASE NOTE

The Council may redirect your submission if it relates to another process or to another Council.

WE WILL KEEP YOU IN THE LOOP

Whether or not you choose to make a submission, we will keep you posted on progress on the Annual Plan. Our website will continue to be updated with new information and we will also keep you up-to-date through social media and other local media channels.

Pohewatia anō
tō tātou rohe
**REIMAGINE
OUR DISTRICT**

Help us Reimagine the future of the Whakatāne District

Alongside this Annual Plan, we have launched a conversation called 'Reimagine our District'. You can be part of the conversation to help develop a vision and priorities for the future of the District. Get involved at koreromai.whakatane.govt.nz/future-in-focus.



WHAKATĀNE DISTRICT COUNCIL

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Private Bag 1002, Whakatāne 3158

Email: info@whakatane.govt.nz

Phone: 07 306 0500

Website: whakatane.govt.nz

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Whakatane District Council