

WHAKATĀNE DISTRICT COUNCIL

Annual Plan 2019/20

Te Mahere Rautaki 2019/20

A summary of key decisions following consultation

YOUR FEEDBACK HAS HELPED TO SHAPE THE PRIORITIES, PROJECTS AND BUDGETS IN THE ANNUAL PLAN

We appreciate the time and effort that many have taken to provide their thoughts and feedback to the development of the Whakatāne District Council Annual Plan 2019/20.

This document summarises the Council's decisions on the final Annual Plan in relation to the feedback received from consultation.

The full Annual Plan 2019/20 document and our Long Term Plan 2018-28 are available at the Council's Service Centres in Whakatāne and Murupara, at Council libraries around the District and on our website whakatane.govt.nz.

*Kia koe tētahi kīwai,
kia au tētahi kīwai*

*For you one handle of the basket,
for me the other*





WE RECEIVED FEEDBACK ON OUR EIGHT KEY CONSULTATION PROPOSALS AS WELL AS A VARIETY OF OTHER TOPICS

Formal consultation on the Annual Plan was open from 25 March to 29 April 2019. During this time we distributed 15,000 copies of our Consultation Document throughout the District. We provided information in the local newspapers, on the radio, on our website, and on social media. We also emailed over 1,000 people, groups and organisations (from our email and newsletter distribution lists) inviting them to provide feedback, and we met with people to discuss the proposals. Alongside our consultation activities, EPIC (Events Promotion Initiatives and Community) also engaged with the community and stakeholders on their proposal for the Whakatāne CBD.

Annual Plan consultation focused on eight key changes being proposed to our work programme and budgets for the 2019/20 year. In total, 118 submissions were received, raising some 383 submission points with further feedback also received through social media. A total of 27 organisations, community groups and individual submitters presented their submissions to Council at hearings.

Feedback was received on the eight key consultation proposals as well as a variety of other topics. Through submissions and feedback you told us what you liked, what you did not like and made suggestions. Council elected members read through the submissions and listened to feedback and comments. As a result, a number of changes have been incorporated into the final Annual Plan for 2019/20. The decisions in relation to those eight key proposals, as well as other key decisions made as a result of feedback, can be found on the following pages.



DECISIONS ON THE EIGHT KEY CONSULTATION QUESTIONS

1 Regenerating the Whakatāne town, building on our marine and tourism economy:

We consulted on a proposal to increase budget in the Annual Plan for the Whakatāne Waterfront and Town Centre Regeneration project.

The project aims to redevelop the commercial wharf, providing a catalyst for regenerating and transforming the town, attracting private investment and new growth opportunities along the waterfront. This will create jobs for our people; provide high quality amenities for residents and visitors to the Eastern Bay of Plenty; and meet international visitor expectations. The project encompasses a number of work streams including an investment strategy; destination tourism marketing; boat harbour and urban design; and stakeholder and community engagement.

Alongside Central Government, Te Rūnanga o Ngāti Awa and Ngāti Awa Group Holdings Limited are key partners in the project in recognition of their economic aspirations and the cultural significance of the river and surrounding area.

Council received 36 formal submissions on this proposal. Many submissions acknowledged the need for a continued focus on economic development, while others highlighted specific concerns or provided suggestions for consideration in the Town Regeneration project. A number of submissions noted the need to also uplift economic outcomes in other parts of the District.

Following assessment of submissions and feedback, Council decided to include funding in the Annual Plan towards the investigation and design stage of the Whakatāne Waterfront and Town Centre Regeneration project. The Council decision acknowledges that the opportunity to co-invest with Central Government has a limited timeframe. If we are to maximise the benefits for our District, we need to act quickly.

2 Supporting an ‘EPIC’ town centre strategy:

We consulted on a proposal to introduce a targeted rate on properties in the Whakatāne CBD, to support the work of EPIC (Events Promotion Initiatives and Community).

A passionate group of local Whakatāne business people have formed EPIC. The group aims to deliver on a vision shared by many organisations, groups and people, for a “re-energised and revitalised Whakatāne town centre that attracts more people, who stay longer and spend more”. The initiative follows the model of similar town centre programmes that are adding significant value in other places including Mt Maunganui, Tauranga and Taupō for example.

The EPIC group led the consultation process for their initiative, supported by the Council, and received 39 formal submissions. Of those submissions, 25 were in favour of the proposal, with many of these coming from entities that would face the financial impact of the targeted rate that would result. These submissions reinforced the intentions of the EPIC strategy noting a desire to enhance the vibrancy and appeal of the Town Centre, to increase foot traffic and increase returns to business.

Ten submissions opposed the proposal, and four were either neutral or demonstrated points both for and against. Some common concerns raised in submissions included the financial impact of the proposal on the business community, the need for a clear reporting framework, and the potential overlap of EPIC with the mandate of other business support and promotion entities.

Following assessment of submissions and feedback, Council decided to proceed with the new targeted rate to support the EPIC proposal. The targeted rate will be on 102 properties in the Whakatāne CBD. In supporting the initiative Council has asked the EPIC group to finalise their constitution and develop an appropriate performance framework.



3 Accelerating Improvements to Wainui Road and active transport

We consulted on a proposal to work in partnership with the New Zealand Transport Authority (NZTA) to accelerate specific transportation priorities. The proposals proposal is based on accessing a new enhanced form of co-investment funding being offered by NZTA and would also require a local funding commitment to be made through our Annual Plan. The specific projects included safety improvements to Wainui Road and projects from the Active Whakatāne Strategy.

Council received 32 formal submissions on these proposals. The submissions generally acknowledged the need for safety improvements to Wainui Road and provided support for improving and enhancing active transport outcomes, particularly in relation to cycling.

The ability to 'accelerate' either project is dependent on confirmation of enhanced funding support from NZTA. While early conversations were promising, at the time of finalising the Annual Plan the Council has received confirmation of enhanced funding support only for the Wainui Road Safety improvements.

Following consideration of the submissions and acknowledging the partnership with NZTA, the Council decision is to proceed with the acceleration of the Wainui Road project, subject to receiving the funding support from NZTA.

Council has provided some funding in the 2019/20 year for implementation of the Active Whakatāne Strategy and will continue to look for further external funding opportunities.

4 Working in partnership to enclose the Whakatāne Aquatic Centre outdoor pool:

We consulted on a proposal to enclose the outdoor pool at the Whakatāne Aquatic Centre to provide additional pool/lane space during the autumn and winter. The project anticipates most, if not all, of the construction costs to be met by grant funding but will also increase operating costs of the facility.

The pool facilities continue to experience strong growth in use particularly from growing swimming club membership, school requests, delivery of health and fitness, and learn to swim programmes. As a result, there is increased pressure on the facility, particularly over winter months when the outdoor pool is closed.

The Council received 42 formal submissions on the proposal to enclose the outdoor pool at the aquatic centre including a mix of both support and opposition. Those in support cited reasons in keeping with those provided by Council for the proposal. This includes that the demand for lane and water space for users of the centre exceeds current capacity for much of the year, in particular when the outdoor pool is closed after Easter weekend through to Labour Weekend. The submissions opposing the proposal related to increasing costs to ratepayers, and a preference for swimming in an outdoors uncovered facility.

Following assessment of submissions and feedback, Council decided to proceed with the proposal to enclose the Whakatāne Aquatic Centre outdoor pool noting that this will help to meet current and future demand for sports-related use, aquatic programmes, and public recreational use. At the request of submitters, a variation on the original proposal will allow for general public use to the enclosed outdoor pool over winter months, rather than only for club use.

In making their decision, Council recognise that the project anticipates substantial grant funding. Increased revenue from user fees is also expected and will help to offset increases in operating costs. In response to some concerns raised through submissions, the Council were also informed that the design of the structure will allow sides of the facility to be opened during summer months. The project will also include installation of a solar water heating system.



5 Seismic strengthening of the Whakatāne District War Memorial Hall:

We consulted on a proposal to bring forward seismic strengthening work on the Whakatāne District War Memorial Hall.

Our Long Term Plan includes a longer term project to fully redevelop the Whakatāne District War Memorial Hall. One of the key drivers of the project is the need for seismic strengthening work to parts of the building. With the earthquake-prone building assessment on the facility now finalised the Council has a legal obligation to complete seismic strengthening work within a 7.5 year timeframe.

Given that the facility continues to be well used, we will advance the seismic strengthening work in the coming year, to ensure the hall continues to be fit for purpose until the full redevelopment takes place. The longer-term intention will continue to be for a complete redevelopment of the facility by 2026, but noting that substantial funding will need to be secured from project partners before progressing.

Council received 25 formal submissions on the proposal to advance seismic strengthening of the Whakatāne District War Memorial Hall. The majority of the submissions were in favour of the proposal. The proposal also had feedback through Council's social media channels. Some submitters commented on a preference to delay seismic strengthening work to coincide with the full redevelopment with others opposing on the basis of cost. As part of the feedback received there appears to be good interest in the longer term proposal of Council to redevelop the facility by 2026, as provided for in Council's current Long Term Plan 2018-28. Submitters commented on specific improvements needed to the facility, and on the importance of this asset to the District for sports, recreation and events.

Following assessment of submissions and feedback, Council decided to proceed with seismic strengthening work in the coming year. Council also acknowledges the high interest in the full redevelopment of the facility and will provide for community and stakeholder engagement in the project. As noted, the full redevelopment will need to secure substantial external funding support in order to proceed.

6 Implementing a managed retreat from the Matatā Awatarariki debris flow hazard:

We consulted on a proposal to include funding in the Annual Plan budget for the managed retreat programme. This funding step is part of a longer and much more detailed Council decision making process on this issue and has been informed by substantial amount of work and evidence.

The Whakatāne District Council is working with partners and stakeholders on a programme of managed retreat from the Awatarariki debris flow hazard. The programme is expected to cost \$15.06 million in total with the funding to be split three ways – at the time of writing, a commitment has been made by the Whakatāne District Council and Bay of Plenty Regional Council, while a decision from central government is awaited.

The programme will allow properties within the defined hazard zone to be purchased at current market value. The programme also includes contributions to legal and relocation costs for landowners and will provide a dispute resolution process should owners not agree with valuations. The managed retreat programme will also be supported by proposed changes to the Whakatāne District Plan and the Bay of Plenty Regional Natural Resources Plan.

Council received 20 formal submissions on the proposal to provide funding for a managed retreat from the Matatā Awatarariki debris flow hazard. Some submissions noted the need to support Matatā and to finally arrive at a solution. Others were opposed including a mix of opposition to the concept of managed retreat and impact on people's property rights, or concern with the level of funding that was required to be committed to the solution. The project itself will continue to engage intensively with key stakeholders including specifically the property owners.

Following assessment of submissions and feedback, budget has been included in the Annual Plan to implement the managed retreat and plan change process, noting that the final funding portion from Central Government needs to be confirmed before the project can continue.



7 *Responding to increasing service standards and costs for our three-water services:*

We consulted on a proposal to increase operating budget in the Annual Plan for three waters services (water supply, waste-water, and stormwater).

Increasing pressure from Central and Regional Government, and the community continues to raise expectations for the levels of service in terms of health and environmental outcomes. Notably, we are also approaching the end date of our consents to discharge wastewater from treatment plants and new consents will demand much higher service standards. Adjustments to the budget are also needed to reflect the known operating costs of the new Otumahi water scheme, which recently came online.

The increase in funding will support improved consent condition compliance monitoring; help deliver longer-term service improvements; prepare for significant resource consent applications in the near future; and respond to Central Government direction in relation to regulation and supply arrangements of three waters services.

Council received 22 formal submissions on the proposal to increase funding for water supply and wastewater service standards and costs. Around half of the submissions were in support of the proposal, acknowledging the importance of these core services and the need for appropriate investment into the service and infrastructure. The remaining submissions either opposed the proposal on the basis of the costs to ratepayers or commented on other specific concerns related to three water services.

Following assessment of submissions and feedback, increased operating budget has been included in the Annual Plan for three waters. In making the decision, the Council acknowledges that this adds just under one percent to the rates increase for 2019/20, but is something we cannot avoid. We need to ensure that there is sufficient resourcing to manage these services well, ensuring that we meet current and future health and safety standards, and that we are well placed to meet challenges in the near future.

8 *Increasing borrowing and our debt cap:*

We consulted on a proposal to increase our levels of borrowing in the Annual Plan compared to what was originally set out in our Long Term Plan, and to change the way our debt cap works within our Financial Strategy.

The proposal recognises that councils generally have few available funding tools and that our current use of debt is relatively conservative. The proposal will see debt increase to around \$84 million in the 2019/20 year, and \$93 million the following year.

Council received 34 formal submissions on the proposal to change debt limits within the Council's Financial Strategy. A number of submissions opposed the increase. Reasons were not always specified but some common commentary related to a principled dislike for use of debt, the perception of an increase to rates, and exposure to risk of interest rate volatility. The submissions did not tend to suggest which projects or services should be discontinued in order to reduce debt.

Following assessment of submissions and feedback, Council has decided to proceed with the changes to borrowing and to our debt cap. Council thought carefully about this increase in debt and the proposals that are driving it. In making the decision the Council acknowledges that we could not take advantage of some of the substantial funding opportunities or progress important projects if we do not increase our use of debt.

The Council also acknowledges the concerns and hesitancy raised by submitters about the use of debt. In particular, because loans are mostly repaid from rates revenue, we need to be mindful of the implications for affordability. Our new debt cap is set annually at 150% of total revenue. We have looked at some similar councils to us and their debt caps range from 150% to 195%. We are proposing to stay at the more conservative end of this range.



OTHER DECISIONS FOLLOWING CONSULTATION

Advancing the Matatā and integrated wastewater project:

An integrated wastewater system is planned as a waste water solution for Matatā as well as delivering improvements to the Edgumbe and Whakatāne systems. At an estimated \$32 million, the project can only be progressed if we are able to secure external funding support. Funding of \$100,000 is included in the 2019/20 year to continue to progress this solution and/or if required to consider alternatives.

Progressing a community strategy and local community development priorities:

In the coming year we will develop a Community Strategy to help build on and guide the momentum created by Whakatāne Ki Mua, and provide direction to Council's community development activity. As part of the strategy work and in response to submissions received through Annual Plan consultation, a project will be initiated this year to support local community-led development. This will involve collaborative, community and multi-agency work towards a better understanding of and investment into key priorities.

Doing our part in the climate change agenda:

In 2019/20, work will continue under the Climate Change Project. Increased resource has been provided through this Annual Plan to progress this work. A core focus area will be the development of a Climate Change Strategy, and associated action plans relating to both mitigation and adaptation.

Improving water pressure:

The issue of low pressure at the top part of Melville Drive has been raised through an Annual Plan submission. A project will be undertaken in the 2019/20 year to address firefighting capability, to then be able to consider household pressure as part of the wider pressure optimization programme.

BALANCING RATES AFFORDABILITY WITH THE NEED TO UPLIFT OUTCOMES FOR OUR DISTRICT

A number of submissions to the Annual Plan focused on rates increases and rates affordability.

We are mindful of the need to keep rates affordable, particularly in recognition of the economic context for many of our communities. This is always a central theme and ever present consideration when Council is making decisions. The challenge to Council is to find an acceptable balance between the level of rates costs and the need to carry on the work that ensures our communities are resilient, vibrant and thriving.

This is why one of the key focus areas of Council and specifically of this Annual Plan continues to be economic development and growth, to grow opportunities for employment, and wealth of our communities.

To help offset the cost to ratepayers, we try to source revenue from places other than rates, as much as we can. In fact, in the coming 2019/20 year, 47% of our revenue will come from other sources. This means for every dollar of rates, the Council is able to deliver almost \$1.90 in terms of projects, services and facilities.

For households and property owners that may be struggling with rates payments, we encourage you to contact us. We can help you work through different payment options and/or assess whether you qualify for rates remission or postponement.



THANK YOU FOR YOUR FEEDBACK - WE ENCOURAGE YOU TO CONTINUE TO BE INVOLVED:

Our conversations continue at many levels as we work closely with communities, stakeholder groups, iwi, Central Government, neighbouring Councils and others. We encourage an approach of 'working together' and invite you to continue to be involved because it helps us understand the priorities of our communities and because it presents significant opportunities to deliver better outcomes for our District.

Your involvement and feedback is important as we continue the journey together. There are many ways to be involved:

- Make a submission to Council on specific projects and decisions when opportunities are made available
- Make general enquiries in writing, email, by phone, or by visiting our offices
- Make requests for service online or by contacting our offices (such as for specific maintenance requests)
- Get involved in stakeholder groups and user groups that advise our activities
- Get involved with community-led projects and initiatives through the Whakatāne Ki Mua project at whakatanekimua.nz
- Contact elected Council members or the Mayor
- Have a chat with your elected Community Board members
- Keep in touch through social media and our website



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