

# THE JOURNEY FORWARD

## Ka anga whakamua

### LONG TERM PLAN 2021-31 CONSULTATION Te Mahere Pae Tawhiti 2021-31 He Uiuinga

## TE TEKO RATES - ANSWERING YOUR QUESTIONS

### Will all properties in Te Teko go up by 13%? Not necessarily.

The rating table that is provided in the *Long Term Plan Consultation Document*, and the *Draft Financial Information 2021-31* both show a rating increase for a number of 'example' properties in the District. That is, they don't tell you what the rates increase will be for all properties in that area, but what an average property might expect to pay. That means that each property might have a slightly different increase, depending on a large number of factors, but that all properties on the Plains Scheme will receive a similar increase for their water costs.

The examples are based on the draft budget, which Council is currently consulting on. Council will receive, review and consider all feedback received before finalising the budget. That final budget, and the associated rates implication, might change as a result of Council considering community feedback.

## SOME FACTORS INFLUENCING THE PROPOSED RATES INCREASE

### Cost of water on the Plains going up more next year relative to other communities

Rural communities on the Plains are projected to receive a higher than average rates increase for 2021/22.

This is mainly because of the result of the Plains Water Scheme rate increasing by \$139.74 per property.

The Plains water uniform annual charge will be \$259.74 (\$120 in 2020/21) (a yearly fee everyone connected to water pays). This is higher than the uniform annual charge of equalised district water rates \$208.07 (\$182.17 in 2020/21).

The equalised water rate is what most urban areas pay, except Murupara and the Plains. However the variable water rate (the amount that is charged depending how much water you use) is significantly lower on the Plains scheme (\$0.29 in 2021/22), compared to the equalised scheme (\$1.57 in 2021/22).

### Why has the Plains Water costs gone up?

**The increase in water rate is from an increase in funded depreciation for renewals (ie the money set aside to pay for the costs of keeping the supply system in good order).**

The Plains Water rates have been set at a level that covered the day to day costs of delivering the water but didn't provide for future renewals or upgrades. The Council is now moving to ensure that the Plains water users are covering the fair and actual cost of providing their water, including today's ratepayers contributing to the use of the network that they benefit from now, without unfairly burdening future generations to fund the whole cost of renewals.

The Plains network was mostly built 40 years ago and the ageing infrastructure will need significant money spent on it to keep it working well. In addition future growth pressure means that there is a need to look at expanding the network capacity, which will be funded through new connections. Additional health and safety requirements also mean that any renewals or upgrades will also need to comply with the latest standards, which will increase the cost further. These standards are to prevent outbreaks of waterborne diseases similar to those in Havelock North in 2016 that made thousands of residents very ill.

## Why does Te Teko pay Plains water costs?

The Te Teko community was historically supplied water by the Plains Water scheme and has traditionally paid the Plains Water supply charge.

In 2016/17 the council consulted with the community regarding water upgrade options in the area, and specifically about the new water supply being provided from Otumahi bore. Following wider community consultation and targeted hapū engagement, the decision was made through the 2016/17 Annual Plan to link the Te Teko and Edgecumbe water supply using the Paul Road and Tahuna Road bore and isolate the scheme from the Plains scheme (supplied by Johnson Road & Braemar Springs).

At that time there was talk of moving the charging for the Te Teko scheme off the Plains Water charging scheme as they are now supplied from the newly formed Edgecumbe/Te Teko scheme. However, that process has not been undertaken and would require a rates review.

## Why can't existing houses with private water supply connect to the Plains Scheme?

The Plains scheme was built 40 years ago to service the rural farming community and was built for the water needs at the time, both numbers of connections and farming uses. Existing water use on the scheme means there is little network capacity for new connections. The scheme was originally developed for and funded by the farmers as farms require large quantities of water supply at specific times. There is no further network capacity for any large connections (farms), however in certain locations there may be capacity for additional dwellings to connect.

## Is Council prioritising animals over people?

The Plains scheme was original built for the farming community and funded by the farmers. Council cannot remove existing connections and take away supplies that are already in place. Council has developed a 30 year Infrastructure Strategy to look at future demand and how we cater for increased demand. This is being consulted on with the community as part of the Long Term Plan Engagement programme which is open until 23 May 2021. If existing properties that currently have a private water supply wish to be connected it is useful for Council to know about that so we can take it into account for future infrastructure development.

## What area does Council define as Te Teko?

In 2016 the Council worked with local hapū to define the boundary of the Te Teko rohe. This information was then taken into account as part of the development of the Edgecumbe/Te Teko new scheme, alongside consideration of existing infrastructure and properties currently supplied.

For water purposes, the following boundaries are used for the Edgecumbe/Te Teko scheme:



## It's easy

**Online:** [koreromai.whakatane.govt.nz/ltp-2021](https://koreromai.whakatane.govt.nz/ltp-2021)

**Email:** [submissions@whakatane.govt.nz](mailto:submissions@whakatane.govt.nz)

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

**Deliver:** To our Council offices in Whakatāne and Murupara.

**Contact your elected members:**  
[whakatane.govt.nz/elected-members](https://whakatane.govt.nz/elected-members)

Submission forms are available on our website [whakatane.govt.nz/ltp](https://whakatane.govt.nz/ltp) or from libraries and Council offices.

