

Council Briefing
Hui Whakamōhio



Wednesday, 23 October 2024
Rāapa, 23 Whiringa-ā-nuku 2024

Totara Room, Whakatāne District Council
14 Commerce Street, Whakatāne

Commencing at: 8:30 am

Chief Executive: Steven Perdia
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whakatane.govt.nz



Recording the Briefing- *Ka hopuhia te hui*

Recording the Briefing- Ka hopuhia te hui

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A *Membership - Mematanga*

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Councillor J Pullar

Councillor N Rangiaho

Councillor N Tánczos

B Briefing Purpose - *Te Take o te hui*

B *Briefing Purpose - Te Take o te hui*

Councillors have many complex issues about which to make decisions and rely on the advice they receive from the administration. Complex issues often require more extensive advice processes which culminate in the council report. Briefings are a key feature to help prepare Councillors with the appropriate background and knowledge for robust decision making during future meetings. They are sessions during which Councillors are provided with detailed oral and written material, and which provide Councillors with the opportunity to discuss the issues between themselves and with senior council staff.

Briefings are scheduled monthly; however due to the nature of Council business, additional Briefings may be held.

Briefings cannot be used to make final decisions, as final decisions and resolutions cannot lawfully be made outside the context of a properly constituted meeting.

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1 Karakia

1 [*Karakia*](#)

2 [*Briefing Notices - Ngā Pānui o te hui*](#)

1. Recording

Welcome to members of the public who have joined us today.

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Recordings are available upon request following the Briefing.

2. Health and Safety

In case of an emergency, please follow the building wardens or make your way to the nearest exit. The meeting point is located at Peace Park on Boon Street.

Bathroom facilities are located opposite the Chambers Foyer entrance (the entrance off Margaret Mahy Court).

3. Other

3 [*Apologies - Te hunga kāore i tae*](#)

At the time of compiling the agenda, apologies had been received from Councillor Pullar and Councillor Rangiaho.

4 Presentations - *Whakaaturanga*

4 *Presentations - Whakaaturanga*

4.1 *Three Waters Rating Review*

Bevan Gray will speak to the attached report.

4.1 Three Waters Rating Review(Cont.)

Three Waters Rating Review

Council Briefing 23 October 2024

Bevan Gray, GM Infrastructure



4.1 Three Waters Rating Review(Cont.)

Agenda



- What direction we require today
- Background
- Existing and emerging issues
- Options to be investigated including funding Matata and funding Growth

Photo caption

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4.1 Three Waters Rating Review(Cont.)

What options should be investigated



Water

- Combining the rates and water meter charges
- Level of fixed rates versus water meter charges
- Method of charging for availability

Wastewater

- Combining the rates
- Method of charging for availability
- Future Matata rating

Stormwater

- Combining the rates
- Level of fixed rates versus capital value

Growth recovery

- Development versus Financial contributions



4.1 Three Waters Rating Review(Cont.)

Existing and emerging issues



Local water done well

- This will ultimately change how the 3 waters will be delivered and therefore funded. We will take this into account.
- The need to demonstrate that new entity will be financially sustainable. This naturally will result in an increase for at least some consumers/ratepayers.
- Therefore, some historical approaches may need to be unwound.



4.1 Three Waters Rating Review(Cont.)

Considerations for amalgamating different Targeted rates



- Affordability and cross-subsidisation
- Both long-term and short-term capital expenditure
- Levels of service
- Administrative efficiency
- Other pricing objectives - consumer behaviour and limited resources
- Historical contributions
- Timing of implementation

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4.1 Three Waters Rating Review(Cont.)

Current rates - water



Whakatāne, Ōhope, Edgecumbe, Tāneatua, Te Mahoe(all schemes excluding Murupara) (\$)

798.34	Fixed amount per connection connected and non-metered
285.85	Fixed amount per rating unit availability – non connected (capable of connection)
285.85	Fixed amount per connection connected and metered
\$ 2.23	per cubic metre of all water supplied to each rating unit connected and metered

Murupara (\$)

625.06	fixed amount per connection connected and non-metered
257.84	fixed amount per rating unit availability – non connected (capable of connection)
257.84	fixed amount per connection connected and metered
\$ 1.60	per cubic metre of all water supplied to each rating unit connected and metered

Plains (\$)

294.79	fixed amount per connection connected and non-metered
\$ 0.50	per cubic metre of all water supplied to each rating unit connected and metered
\$ 0.90	Excess water consumed that is over and above the purchased entitlement Plains water supply scheme.



4.1 Three Waters Rating Review(Cont.)

Basic Water Combined Rate



	Percentage of Total estimated income	Percentages Number of rating units	Total estimated income	Number of rating units	Very indicative combine targeted rates
Fixed amount per connection connected and non-metered	9%	9%	879,779	1,247	\$ 705.52
Fixed amount per rating unit availability – non connected (capable of connection)	1%	3%	120,198	430	\$ 279.53
Fixed amount per connection connected and metered	34%	87%	3,359,349	11,635	\$ 288.73
Per cubic metre of all water supplied to each rating unit connected and metered	53%		5,226,255		\$ 1.54
Excess water consumed that is over and above the purchased entitlement Plains water supply scheme.	3%		270,000		
	100%	100%			



4.1 Three Waters Rating Review(Cont.)

OPTIONS – need your direction WATER



Options range from:

- 100% water by meter (e.g. Watercare) and minor fees & charges
between
- Use of a fixed rate for all connected properties and
- Use of a fixed rate for all non connected properties
 - This can be based on a number of factors including:
 - All properties that can be connected
 - Within 50 meters of a Council main
 - Fixed and variable costs
 - Can be assessed on the general ability to use the service.



4.1 Three Waters Rating Review(Cont.)

Current Rates – Wastewater



Whakatāne, Ōhope, Edgecumbe, Tāneatua, Te Mahoe (\$)

522.65	per residential or rural rating unit connected to a public sewerage drain
522.65	per pan commercial / industrial rating unit connected
261.32	per rating unit availability (capable of connection)

Murupara (\$)

374.81	per residential or rural rating unit connected to a public sewerage drain
374.81	per pan commercial / industrial rating unit connected
187.40	per rating unit availability (capable of connection)



4.1 Three Waters Rating Review(Cont.)

Basic Wastewater Combine Rate



	Combine	Existing	
		Murupara	All other
Per residential or rural rating unit connected to a public sewerage drain	\$ 513.49	\$ 374.81	\$ 522.65
Per rating unit availability (capable of connection)	\$ 256.75	\$ 187.40	\$ 261.32

Note: Excludes Matata



4.1 Three Waters Rating Review(Cont.)

OPTIONS – need your direction WASTEWATER



- Use of a fixed rate for all connected properties including a per pan for commercial/industrial properties and
- Use of a fixed rate for all non connected properties
 - This can based on a number of factors including
 - All properties that can be connected, or
 - Within 30 meters of a Council main
- The current approach is based on 50% which is based on the previous Rating Act
- Can be assessed on the general ability to use the service.
- Could consider per per pan for commercial properties – could include all non residential properties

Note: Council can't Rate based water by meter (e.g. Watercare) as a proxy, but a CCO can.



4.1 Three Waters Rating Review(Cont.)

Matata Wastewater - Need to consider how and when



The rating act provides the ability to set rates over an area for services to be provided in the future.

Options include:

1. Increasing the rate over period of time.
 - Can be in the financial year following:
 - After lodging consent(s)
 - Receiving consent
 - Commencement of construction
 - in the year that construction is expected to finish
2. Or on connection

Note :The earlier rating begins, the amount needed to borrow reduces, which in turn reduces rates. It also reduces the rates shock once connection is made and the full rates are assessed.



4.1 Three Waters Rating Review(Cont.)

Example of a new scheme – NOT real costs



	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
After lodging consent(s)	586	1,172	1,758	2,344	2,344	2,344
Receiving consent	-	838	1,677	2,515	2,515	2,515
Commencement of construction	-	-	1,279	2,557	2,557	2,557
In the year that construction is expected to finish	-	-	-	2,601	2,601	2,601
On connection	-	-	-	-	2,696	2,696



4.1 Three Waters Rating Review(Cont.)

Current rates -Stormwater



Fixed Amount per Scheme	Rate \$
Whakatāne urban area	134.36
Whakatāne Commercial and Industrial	134.36
All rating units in the Matatā area	91.67
All rating units in the Ōhope area	101.86
All rating units in the Edgecumbe area	165.08
All rating units in the Tāneatua area	40.11
All rating units in the Murupara area	8.55
All rating units in the Te Mahoe Land Drainage area	117.19
All rating units in the Te Teko Land Drainage area	29.99

Differential	Rate \$ per Capital value
1	0.0004238
2.2	0.00093236
1	0.0004238
1	0.00022617
1	0.00064651
1	0.00033502
1	0.00014604
1	0.00118844
1	0.00041459



4.1 Three Waters Rating Review(Cont.)

OPTIONS - need your direction STORMWATER



Options range from

- 100% from Capital value including differential
between
- Use of a fixed rate or differential for all properties with an identified area

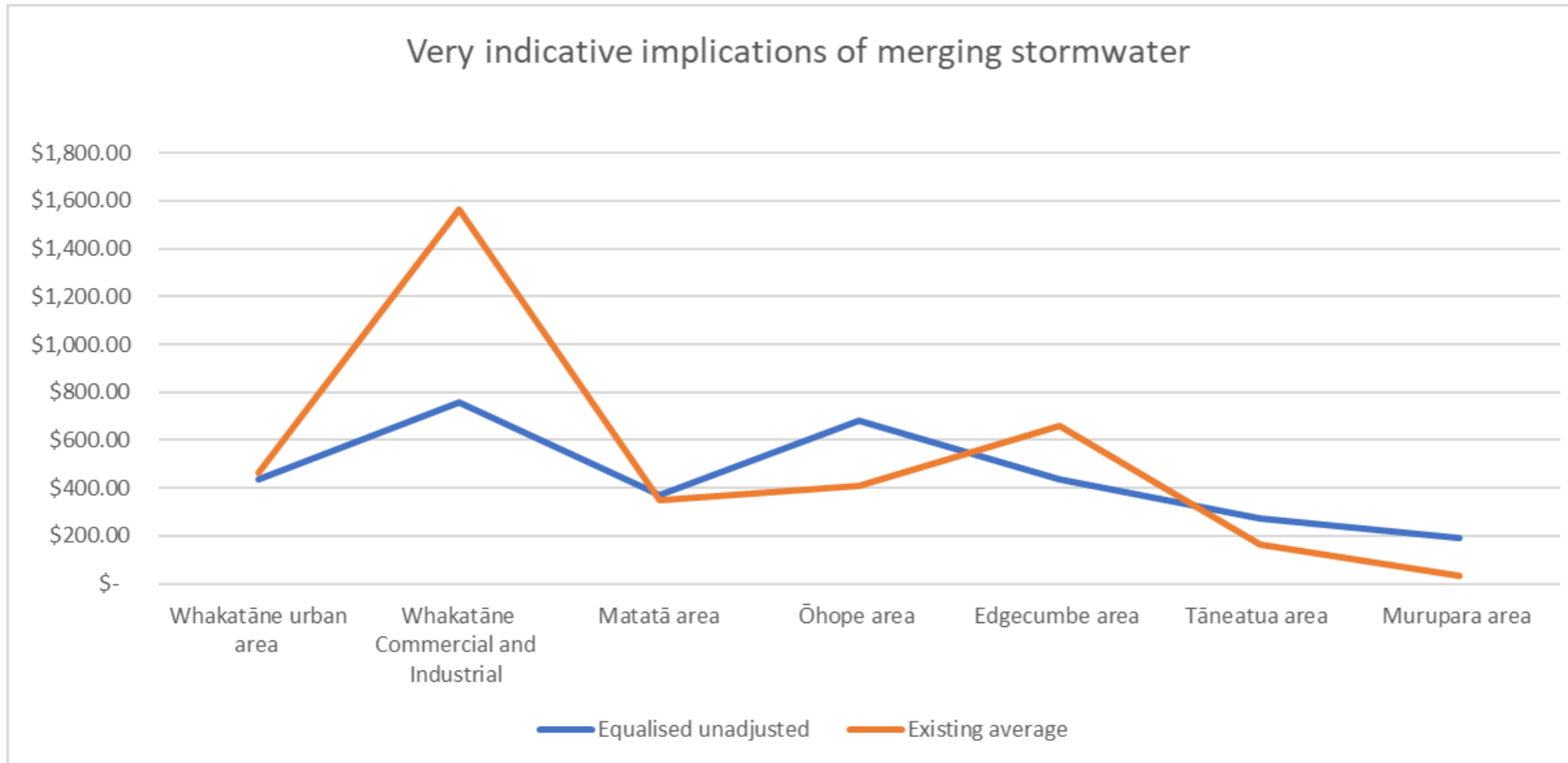


4.1 Three Waters Rating Review(Cont.)

Basic stormwater (excluding land drainage) combine rate



Very indicative implications of merging stormwater



4.1 Three Waters Rating Review(Cont.)

Future Growth costs



Currently the Council uses **Development contributions** which are assessed under the **LGA**. These are relatively easy to implement but are very prescriptive.

Development contributions can only recover a proportion of a capital project which is **benefiting** future ratepayers.

Financial contributions are assessed under the **RMA** are more difficult to implement, however they provide more flexibility.

Financial contributions recover the costs (**effects**) including operational costs resulting from development.



4.1.1 Appendix 1: Assessment of Three Waters Affordability

4.1.1 Appendix 1: Assessment of Three Waters Affordability

4.1.1 Appendix 1: Assessment of Three Waters Affordability(Cont.)

Assessment of Three Waters affordability



To: **Workshop presented to Elected Members**
Date: **Wednesday, 23 October 2024**
Author: **Bevan Gray, General Manager Infrastructure**
Reference: **A2769955**

1 Outline of the report

We have prepared a model that allows us to assess affordability of three waters across the district over the term of the LTP. In the report we have outlined:

- An overview of the services that we provide to communities in relation to three waters.
- An overview of schemes and how they are funded
- An overview of affordability from a three waters perspective
- An overview of median household incomes by various schemes
- An overview of three waters rates in the LTP, from year 1 to year 1
- An overview of our assessment on affordability of the LTP
- An overview of our view of financial sustainability
- What does the 500% debt to revenue ratio mean for the whole district?

2 Overview of the Three Waters Services

Currently Council provides three waters services to the following areas:

1. **Stormwater** - Whakatāne township, Matatā, Ōhope, Edgecumbe, Tāneatua, Murupara, Te Mahoe, Te Teko.
2. **Water Supply** – Whakatāne, Ōhope, Edgecumbe, Matatā, Murupara, Tāneatua, Te Mahoe, Te Teko, Rūātoki, Waimana, and the Rangitāiki Plains.
3. **Wastewater** – Whakatāne, Ōhope, Edgecumbe, Murupara, Tāneatua.

3 Overview of the Schemes

Stormwater is not equalised, which means that each community that gets a stormwater service pays for the costs associated with that service.

Water Supplies are equalised for Whakatāne, Ōhope, Edgecumbe, Matatā, Tāneatua, Te Mahoe, Te Teko, Rūātoki, and Waimana. Those in Murupara pay for the cost of the service to that community, and similarly so do those that receive a service on the Rangitāiki Plains.

Wastewater services are equalised for Whakatāne, Ōhope, Edgecumbe, and Tāneatua. Those in Murupara pay for the cost of that service to the community themselves.

4.1.1 Appendix 1: Assessment of Three Waters Affordability(Cont.)

3.1 Year 1 rates as per the LTP

Community	Stormwater	Water	Wastewater	Total
Whakatāne median	\$405	\$798	\$522	\$1,726
Ōhope median	\$363	\$798	\$522	\$1,684
Edgecumbe median	\$515	\$798	\$522	\$1,837
Matatā median	\$357	\$798		\$1,156
Murupara median	\$78	\$625	\$375	\$1,078
Tāneatua median	\$198	\$798	\$522	\$1,519
Te Mahoe median				
Te Teko median	\$287	\$404		\$691
Plains median		\$798		\$798

3.2 Stormwater

Is the most complex funded activity. It is unequalised as mentioned earlier, all scheme costs are allocated to the community that it services. Therefore, rates impacts and variations can be significant between the schemes, sometimes due to very small changes. LTP overhead allocation change is an example where there were over 300% increases in rates in early drafts of the 2024-34 LTP. These needed to be unwound to mitigate the impacts of the change.

Stormwater has a component funded by a targeted rate, each of which is different depending on the scheme, and a proportion funded by a capital value rate.

3.3 Water

Funded by targeted rate and volumetric charging. Rangitāiki Plains, Murupara, and Equalised across all other connected properties.

3.4 Wastewater

Funded 100% by targeted rate in Murupara and equalised across all other connected properties.

4 Overview of Affordability

Through the three waters reform process a few affordability assumptions were presented. These typically use median household incomes as a measure. A measure of 1.5 – 2% of household incomes was suggested a good measure of affordability for three waters charges.

Watercare uses 1.5% of median household incomes as a measure of affordability

4.1.1 Appendix 1: Assessment of Three Waters Affordability(Cont.)

DIA had indicated that 2% may be relevant given the current situation and state of the networks and investment required to meet compliance across the country. This has not been confirmed anywhere since the change to LWDW though.

We are aware that Thames Coromandel District Council are using 2.5% based on some international research from Martin Jenkins.

5 Median Household Incomes for Whakatane District

Statistics New Zealand provides information from Census results. This was last done in 2023 but the results of that Census have not been made available yet. However, we have access to previous Census information from 2018 & 2013 as a starting point to provide an early affordability assessment.

Median Household Incomes

Community	2013	2018	% Increase
Whakatāne	\$50,000	\$54,000	9.89%
Ōhope	\$69,000	\$76,000	9.39%
Edgecumbe	\$51,000	\$64,000	25.05%
Matatā	\$63,000	\$57,000	-10.02%
Murupara	\$34,000	\$41,000	20.88%
Tāneatua	\$64,000	\$60,000	-5.89%
Te Mahoe	\$52,000	\$47,000	-10.5%
Te Teko	\$52,000	\$54,000	3.24%
Plains	\$63,000	\$78,000	23.21%

6 Three Waters Charges in the LTP

Given we do not have a proposed Water Service Delivery Model yet, we considered it prudent to assess affordability of what we have included in the 2024-34 LTP from a three waters perspective, using the 2018 Census data as a starting point. The tables below outline the charges for median households in the respective communities that receive three waters services for Years 1 and 10 of the 2024-34 LTP.

4.1.1 Appendix 1: Assessment of Three Waters Affordability(Cont.)

Stormwater

Community	Year 1	Year 10	Increase
Whakatāne median	\$405	\$603	49%
Ōhope median	\$363	\$388	7%
Edgecumbe median	\$515	\$937	82%
Matatā median	\$357	\$457	28%
Murupara median	\$78	\$107	36%
Tāneatua median	\$198	\$263	33%
Te Mahoe median	?	?	63%
Te Teko median	\$287	\$430	50%
Plains median	\$0	\$0	0%

Water

Community	Year 1	Year 10	Increase
Whakatāne median	\$798	\$1,460	%83
Ōhope median	\$798	\$1,460	%83
Edgecumbe median	\$798	\$1,460	%83
Matatā median	\$798	\$1,460	%83
Murupara median	\$625	\$1,318	%111
Tāneatua median	\$798	\$1,460	%83
Te Mahoe median	?	?	%83
Te Teko median	\$404	\$739	%83
Plains median	\$798	\$2,059	%158

4.1.1 Appendix 1: Assessment of Three Waters Affordability(Cont.)

Wastewater

Community	Year 1	Year 10	Increase
Whakatāne median	\$522	\$783	%50
Ōhope median	\$522	\$783	%50
Edgecumbe median	\$522	\$783	%50
Matatā median		?	
Murupara median	\$375	\$607	%62
Tāneatua median	\$522	\$783	%50
Te Mahoe median			
Te Teko median			
Plains median			

Total

Community	Year 1	Year 10	Increase
Whakatāne median	\$1,726	\$2,846	65%
Ōhope median	\$1,684	\$2,631	56%
Edgecumbe median	\$1,837	\$3,180	73%
Matatā median	\$1,156	\$1,917	66%
Murupara median	\$1,078	\$2,032	88%
Tāneatua median	\$1,519	\$2,506	65%
Te Mahoe median	?	?	
Te Teko median	\$691	\$1,169	69%
Plains median	\$798	\$2,059	158%

7 Assessment of Affordability

Now that we have both the median household incomes and the median three waters charges, we are comparing apples with apples, and we can undertake an assessment of the affordability of the

4.1.1 Appendix 1: Assessment of Three Waters Affordability(Cont.)

charges included in the LTP. We propose to do this for both years 1 and 10 to determine where there are affordability issues and how they are expected to change over the term of the LTP.

Year 1 of the LTP

Community	2018 MHI	3W Total	% of HI
Whakatāne	\$54,000	\$1,726	3.19%
Ōhope	\$76,000	\$1,684	2.22%
Edgecumbe	\$64,000	\$1,837	2.87%
Matatā	\$57,000	\$1,156	2.03%
Murupara	\$41,000	\$1,078	2.63%
Tāneatua	\$60,000	\$1,519	2.53%
Te Mahoe	\$47,000		%
Te Teko	\$54,000	\$691	1.28%
Plains	\$78,000	\$798	1.02%

The highlighted areas indicate that there are affordability issues present already based on what we are charging right now for three waters.

** Of importance to note is that the household incomes are based on 2018 Census data, which we know is out of date. We won't get access to Census 2023 data until later this year.*

What we can assess though is what household incomes would need to have increased to now for three

waters rates to be deemed affordable at 2%. The table below outlines what median household incomes would need to be right now for three waters to be affordable.

Community	2018 MHI	Needed Income	Increase	Increase %
Whakatāne	\$54,000	\$86,300	\$32,300	60%
Ōhope	\$76,000	\$84,200	\$8,200	11%
Edgecumbe	\$64,000	\$91,850	\$27,850	43%
Matatā	\$57,000	NA	NA	NA
Murupara	\$41,000	\$53,900	\$12,900	31%
Tāneatua	\$60,000	\$75,950	\$15,950	27%
Te Mahoe	\$47,000	NA	NA	NA
Te Teko	\$54,000	NA	NA	NA

4.1.1 Appendix 1: Assessment of Three Waters Affordability(Cont.)

Plains	\$78,000	NA	NA	NA
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It is highly unlikely that we would have seen increases in median household incomes for Whakatāne, Edgecumbe, Tāneatua, and Murupara in the quantum's needed to ensure that current three waters rates are affordable.

**We have excluded Matata from the assessment as we have not yet calculated what a wastewater charge is likely to be for that community.*

Year 10 of the LTP

Community	2018 MHI	3W Total	% of HI
Whakatāne	\$54,000	\$2,846	5.27%
Ōhope	\$76,000	\$2,631	3.46%
Edgecumbe	\$64,000	\$3,180	4.97%
Matatā	\$57,000	\$1,917	3.36%
Murupara	\$41,000	\$2,032	4.96%
Tāneatua	\$60,000	\$2,506	4.18%
Te Mahoe	\$47,000	?	%
Te Teko	\$54,000	\$1,169	2.16%
Plains	\$78,000	\$2,059	2.64%

In year 10 we can see that all the areas may have affordability issues based on median household incomes from the 2018 Census. Particular areas of concern are in red, Whakatāne, Edgecumbe, Murupara, and Tāneatua. Median household incomes for these areas would need to increase to \$142k, \$159k, \$102k, and \$125k respectively.

8 Financial Sustainability

We are required to prepare Water Service Delivery Plans to Central Government that outline what we are proposing to do over the next 30 years in relation to the delivery of three waters services to the community, and to provide assurance that we are doing so in a financially sustainable way.

In order to address the current financial capacity constraints that Councils have, Central Government has developed legislation and guidance that states that CCO's can borrow 500% of revenue to invest into infrastructure.

Whilst the increase to 500% of revenue is a much-needed increase over Councils 285% debt to revenue ratio, we need to understand that the underlying constraint to this assumption is revenue.

4.1.1 Appendix 1: Assessment of Three Waters Affordability(Cont.)

Revenue comes from rates and charges to those connected to the services that we provide. If our ability to levy rates on ratepayers is constrained, then ultimately our ability to borrow will also be constrained.

For example, let's consider Edgumbe. There are 549 dwellings in Edgumbe, assume all of these are connected to all three waters services, ie stormwater, water, and wastewater.

If the median household income for Edgumbe increases from \$61k in 2018 by 2% per annum through to \$84k in 2034 the three waters rates as a percentage of household income would still be well over the limit of 2% at 3.8%.

In fact, for Edgumbe water rates to be affordable household incomes would have needed to increase year on year by 6% per annum from 2018 through to 2034 to be affordable. Which means that the median household income for Edgumbe will need to increase from \$61k to \$156k.

Now let's consider the impact on borrowing. Right now, we can borrow up to 285% of revenue. So 549 households with a median household income of \$61,000 means that for affordable three waters the charges would be limited to \$1,220 per property. Which creates a current limit on borrowing of \$1.9 million. An increase to 500% of revenue would increase this borrowing limit for Edgumbe to \$3.35 million, this does not give consideration to the cost of that additional debt, in terms of interest or loan repayments. It allows us to borrow more, but we would need to ensure that there were efficiency gains at an operational level to ensure that the per property three waters charges remained within the 2% limit. If we almost double the amount of borrowing, then we would expect to almost double the borrowing costs. If our hard limit from affordability remains at \$1,220 per property, then we would need to see reductions in other areas of operational expenditure to offset the doubling of the borrowing costs we need to fund.

The other consideration we need to take into account is any wastewater treatment plant upgrade for Edgumbe is going to be in the order of \$50 to \$100 million, depending on where our discharge options are, and what additional scope and scale we bring into the project. The size of the investment is orders of magnitude greater than the ability for that particular community to borrow sustainably, which is limited to \$3.35 million.

The next important consideration is that we have removed \$260 million of capital projects from the Long Term Plan that primarily relate to Wastewater Treatment Plant Upgrades. There is still too much uncertainty around what the quantum of these costs are likely to be. But to give some context, Matatā Wastewater is likely to cost in the order of \$40 million, Fonterra have a budget for their wastewater treatment plant upgrades in Edgumbe in the order of \$120-\$150 million. These are big numbers and will have significant impacts on affordability.

So, in summary;

- We have affordability concerns right now for a number of areas across the district in relation to three waters charges for year 1 of the LTP.
- These only get worse over the term of the LTP, and in a way that is unlikely to be addressed through reasonable assumptions around increases to household incomes.
- This is exacerbated further by the fact that we do not have any of the capital costs for wastewater treatment plant upgrades in our LTP. Meaning there is an unquantifiable unknown of an order of magnitude that has not even been brought into consideration.
- Increasing borrowing capacity to 500% is still ultimately constrained by our community's ability to pay the revenue side of that equation.

In simple terms, we have challenges around financially sustainable now, and these are only exacerbated over the term of the LTP.

4.1.1 Appendix 1: Assessment of Three Waters Affordability(Cont.)

9 What does the 500% debt to revenue ratio mean for the whole district?

Let's consider this at a much wider scale now.

9.1 Number of connections

Water Supplies	13,300
Wastewater	12,300
Stormwater	?

It is hard to quantify the number of connections of stormwater, as the infrastructure really services an area, not through a direct pipeline to a property.

Let's assume for the basis of our calculations that we have 13,000 connections across the district, and our assessment of the borrowing capacity of 500% debt to revenue will be based on that number.

The 2018 median household income for the whole district was \$63,000. Therefore, the affordable limit for rates across the district would be \$1,256 per property.

13,000 connections and a three waters rate of \$1,256 equates to \$16.3 million of annual revenue.

With a 500% debt to revenue cap this means that a Whakatāne CCO with access to that level of debt funding would be able to borrow \$81.6 million. (on the proviso that the cost of that additional debt is contained within the \$1,256 affordable charge).

We know we are starting out with an existing average three waters rate of around \$1,500 for year 1 of the LTP. Which means for our starting point to be affordable the median household income for the whole district would need to be \$75,000 right now.

9.2 What are our existing debt levels for three waters?

Whilst preparing the Long Term Plan we assessed that the internal loan balances for three waters was at \$66.2 million. This means at best the 500% debt to revenue cap would give us an additional \$14 million of borrowings.

The reality is that three waters is already borrowing at levels much greater than the 285% debt to revenue cap, this is through being part of a wider organisation that has other revenue streams that are not associated with the same levels of debt.

4.2 Local Water Done Well Update

4.2 *Local Water Done Well Update*

Bevan Gray will speak to the attached report.

4.2 Local Water Done Well Update(Cont.)

Local Water Done Well - Update

Council Briefing 23 October 2024

Bevan Gray, GM Infrastructure



4.2 Local Water Done Well Update(Cont.)

Purpose



- Provide EM's with a recap and update on LWDW
- Seek direction on preferred delivery models
- Seek feedback on proposed approach

2



4.2 Local Water Done Well Update(Cont.)



Key focus areas for Local Water Done Well...

WATER SERVICES PLANS

Plans will need to show how councils will meet water quality and infrastructure rules, while being financially sustainable

Plans need to include asset and financial information, investment required and proposed service delivery arrangements



FINANCIAL SUSTAINABILITY

Plans will need to show that:

- Water revenue is sufficient to cover maintenance, financing costs and depreciation
- Planned capital investment is sufficient to meet regulatory requirements and provide for growth
- Available financing does not constrain investment required to support service delivery



NEW STRUCTURAL AND FINANCING TOOLS

Future legislation, to be introduced later in 2023, is expected to provide for a range of structural and financing tools, including a new type of financially independent council-owned water organisation.



NEW REGULATION

Legislation will set out long-term requirements for financial sustainability and provide for economic regulation. This will include requirements for councils to ring-fence their water services from other council activities and will include new information disclosure and reporting requirements.



4.2 Local Water Done Well Update(Cont.)

Clear legislative timeframe published for Local Water Done Well...



New requirements will be progressively brought in over the next 12 months, beginning with the requirement for Councils to develop Water Services Delivery Plans



4



4.2 Local Water Done Well Update(Cont.)

Water Services Delivery Plan intent



Purpose;

- One-off, transitional documents
- Cover drinking water, wastewater, and stormwater*
- Strategic decision-making tool for Council to consider current and future delivery of water services
- Set out how we will deliver high-quality, financial sustainable service long term
- Include how much we need to invest, how we plan to finance, and how we plan to deliver services through our preferred delivery model
- Covers a minimum 10 year timeframe, with option up to 30 years

5



4.2 Local Water Done Well Update(Cont.)



Water Services Delivery Plan Contents

Water services plan summary - 14 categories*

1. Current state of network described	8. Asset management approach described
2. Current levels of service described	9. Issues, constraints, risks described, plus impact on delivery
3. Areas that do/don't receive water services described, together with infrastructure needed for population growth + development capacity	10. Anticipated or proposed model (including any joint arrangement or to continue to deliver alone)
4. Whether water services comply with regulatory requirements (and to what extent)	11. How revenue will be separated from other functions
5. Details of capex and opex to (a) deliver water services and (b) for regulatory requirements	12. Consultation undertaken to develop information included for 10 and 11 above (model and revenue)
6. Financial projections for period of Plan – opex, revenue, capex, debt.	13. Plan to make financially sustainable by 30 June 2028
7. Assessment of current condition, lifespan and value of network	14. Any other information set in rules by Secretary for Local Government under this Act

*Additional information is required where a plan is submitted jointly

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4.2 Local Water Done Well Update(Cont.)

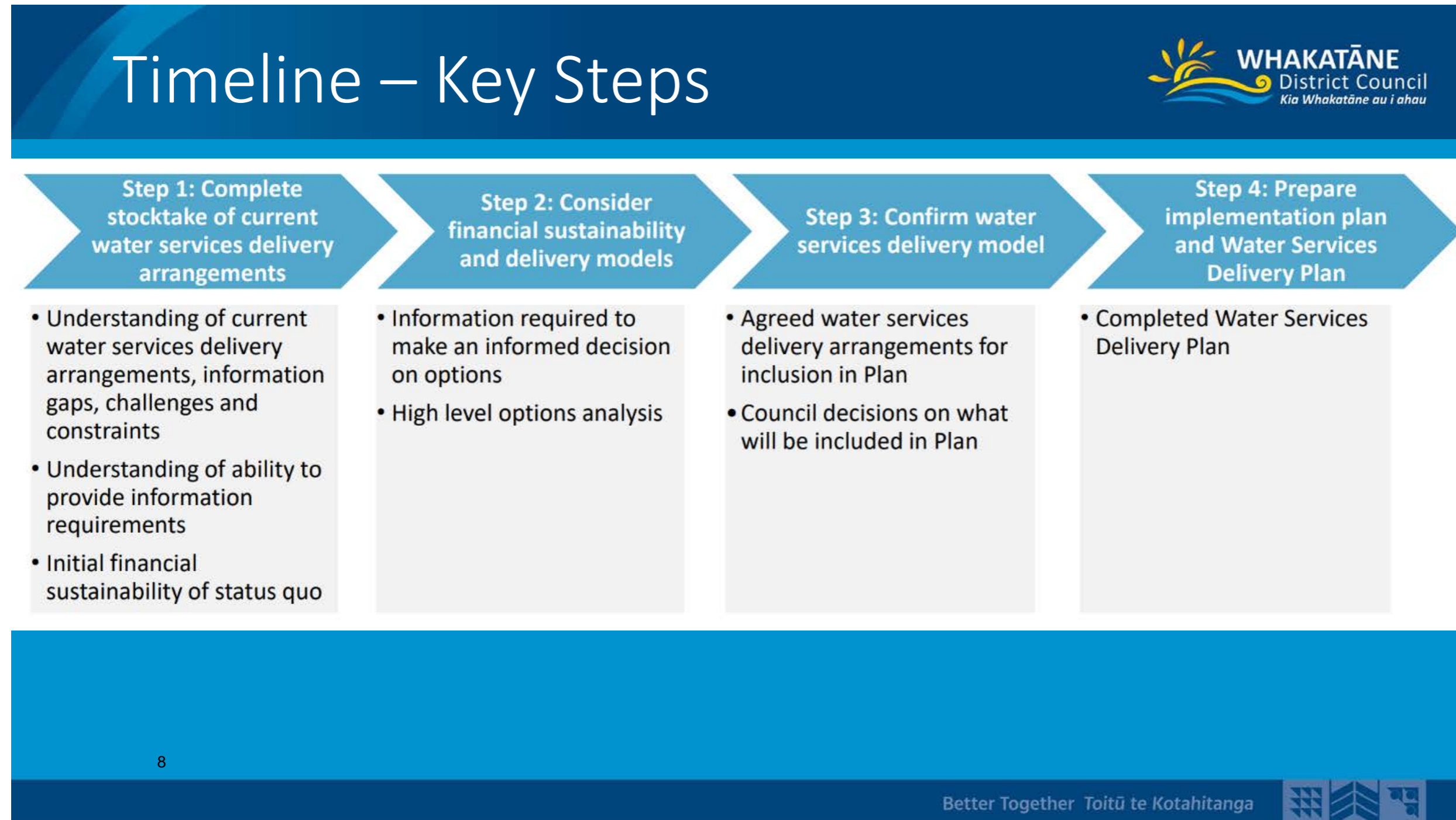
Water Service Delivery Plan – Government timeline



Preparation	Plan development & consultation		Plan submission	Review & acceptance
Sept 2024	September 2024 – September 2025			September ...
<p>Councils can formally begin developing their Plans, following the enactment of the Act.</p> <p>Guidance, Plan templates and other information available from the Department.</p> <p><i>Councils bring together their Plan 'team'</i></p>	<p>Councils develop Plans, either individually or jointly.</p> <p>During this phase, the focus is expected to be on financial sustainability and consideration of joint arrangements for water services delivery.</p>	<p>As councils develop their Plans, they must consult with their communities on the proposed service delivery arrangements</p> <p>The Act provides for 'alternative consultation and decision-making requirements' to those contained in Part 6 of the Local Government Act 2002.</p>	<p>The Plan must be certified by the council chief executive(s).</p> <p>Once the Plan has been finalised, the council(s) formally adopts Plan.</p> <p><i>Local Government Water Services Bill enacted mid-2025</i></p>	<p>Once the Plan has been submitted, the Secretary reviews the Plan and either:</p> <ul style="list-style-type: none"> • Accepts the Plan meets the legislative requirements OR • Refers the Plan back to the council(s) for future work. <p>Once accepted, there are only limited circumstances where the Plan can be amended.</p> <p>The council(s) must give effect to the accepted Plan and publish the Plan on their website(s).</p>
Throughout the Plan development process				
<p>Three-monthly council/Department updates to monitor progress.</p> <p>Councils should consider whether they may need to apply for an extension, particularly if they plan to develop a joint Plan with other councils.</p> <p>Ongoing Department activities to support councils' development of Plans (virtual webinars, email updates and targeted assistance as required to assist with Plan preparation).</p> <p>The option of appointing a Crown Facilitator and/or a Crown water services specialist (if requested by councils or otherwise decided by the Minister of Local Government, to provide additional assistance (at councils' expense).</p>				

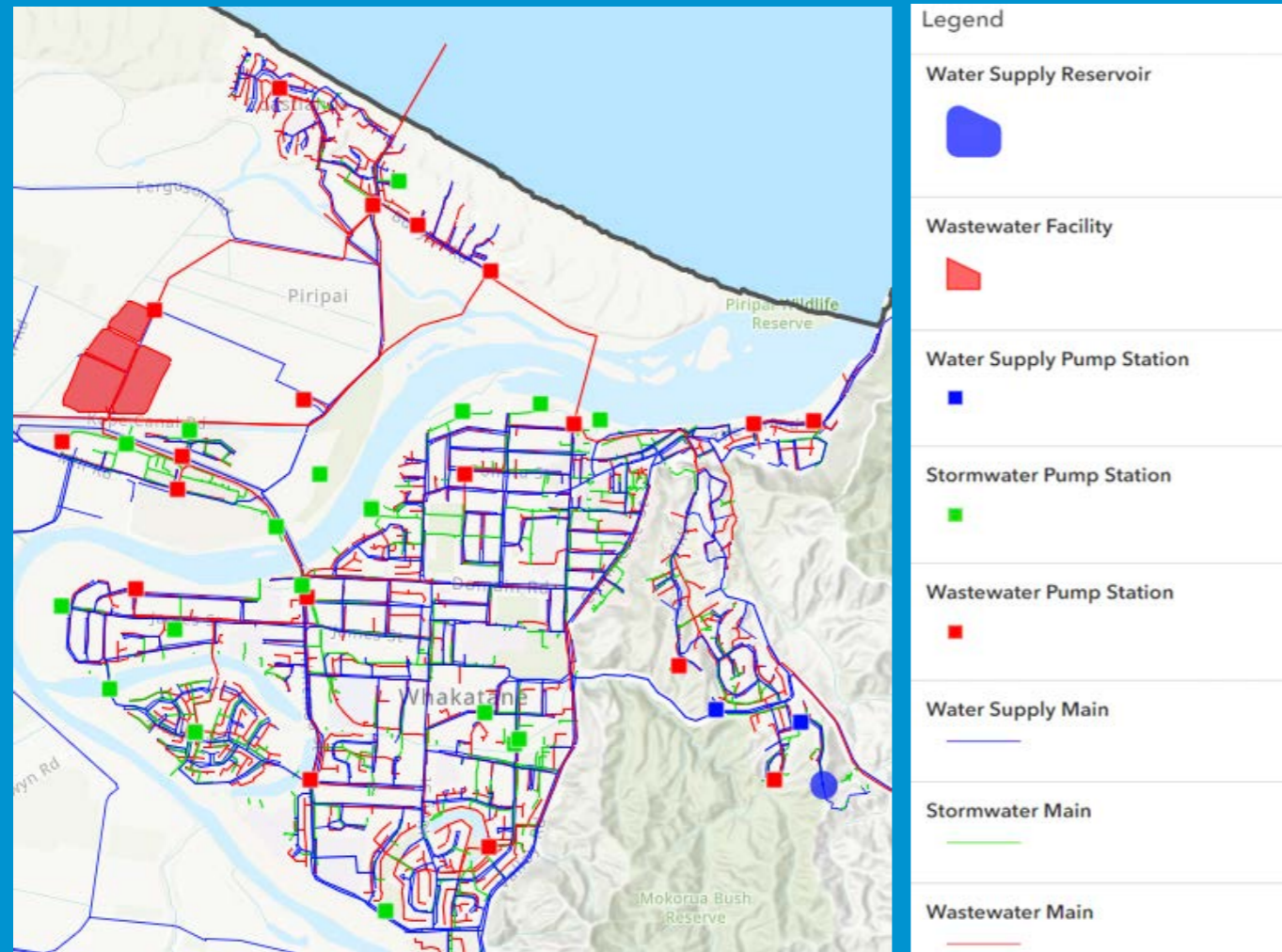
If a council doesn't submit a Plan by the statutory deadline the Minister of Local Government can appoint a Crown water services specialist to prepare a Plan on that council's behalf (at council's expense) and (if necessary) direct the council to adopt and submit this Plan.

4.2 Local Water Done Well Update(Cont.)



4.2 Local Water Done Well Update(Cont.)

We manage 18 treatment plants, 94 pump stations and approx. 957 km of underground pipes across the district...



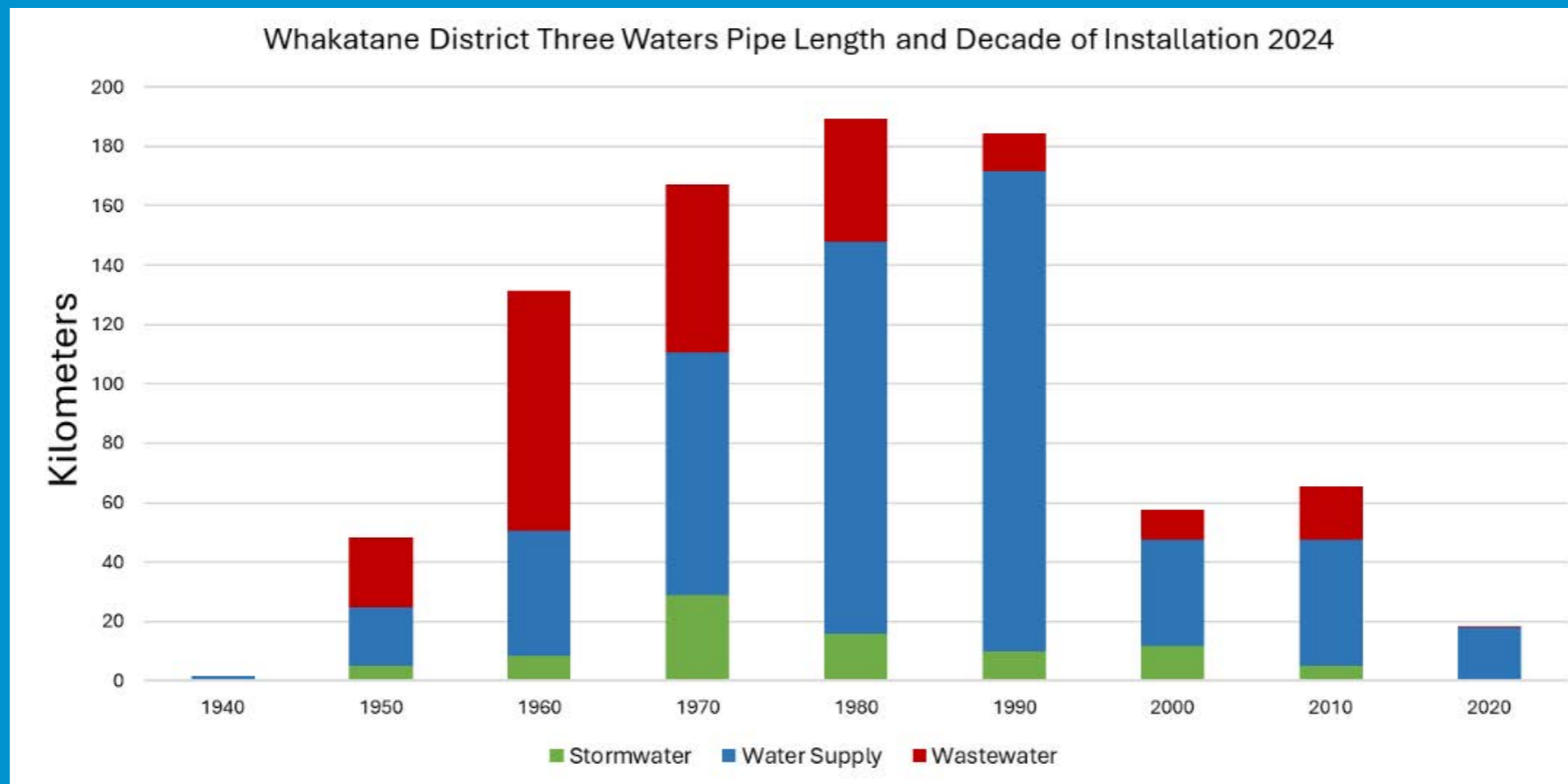
- Depicted here is the Whakatāne / Coastlands Three Waters network
- This highlights the complexity of assets that need to be managed to deliver effective three waters services
- Appendix A contains maps of the other three waters schemes across the district

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4.2 Local Water Done Well Update(Cont.)

43% of our underground assets are over 50 years old and will need to be replaced in the next 30 years



10

As these assets age, failures will occur more frequently driving an increase in reactive budgets to fix problems as they occur

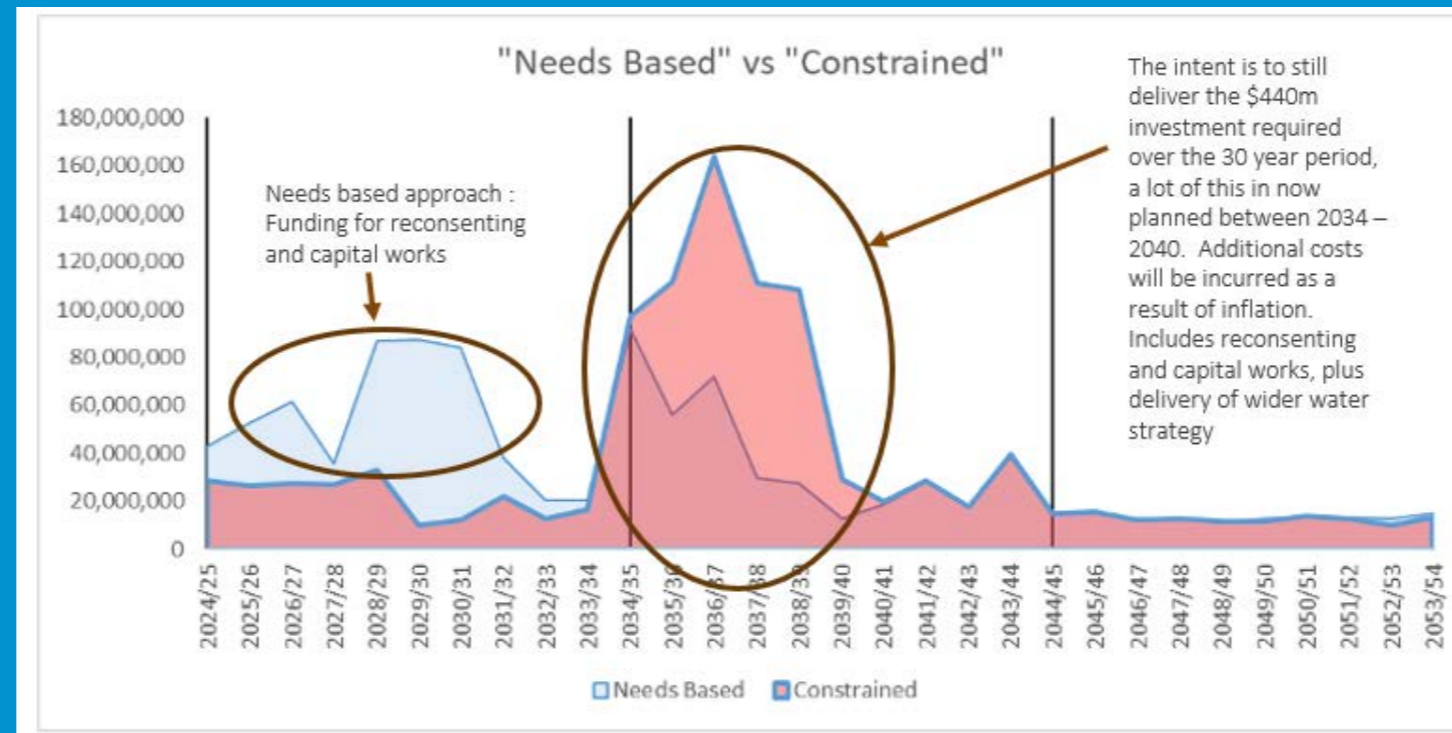


4.2 Local Water Done Well Update(Cont.)

We manage 18 treatment plants, 94 pump stations and approx. 957 km of underground pipes across the district...



- Ratepayers cannot afford significant investment required
- Our assets are deteriorating, over time this is creating a 'bow wave' of investment
- Increased compliance standards, expiring consents and climate change resilience requires substantial capital investment
- In preparation of the 'constrained' approach, we continue to work with our contractors to ensure this can be delivered.



Future generations will be burdened with increasing costs to address deferred investment

4.2 Local Water Done Well Update(Cont.)

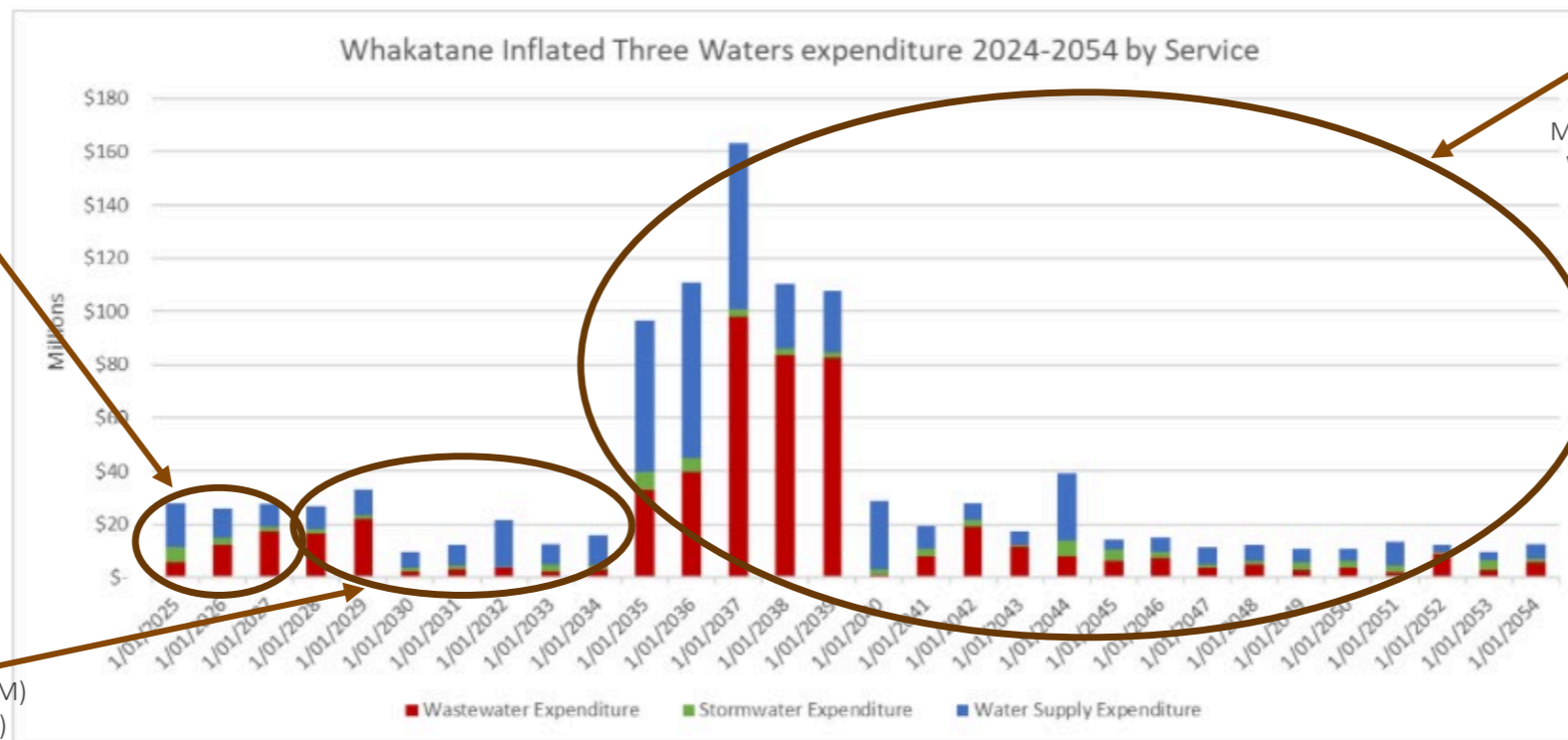
Due to affordability constraints, a risk based approach adopted for the Infrastructure strategy



- Year 1-3 Key projects**
- Matata WW Scheme (\$15.9M)
 - Otumahi reservoir (\$7.5M)
 - Water network renewals (\$7.2M)
 - Murupara Water (\$6.1M)
 - Wastewater Network (\$4.4M)
 - Ruatoki New Bore (\$4.3M)
 - SW pump replace (\$4M)

- Year 4-10 Key projects**
- Matata WW Scheme (\$26.5M)
 - Water network renewals (\$21.4M)
 - Wastewater Network (\$11.7M)
 - Upgrade Water Treatment - Whk (\$7M)
 - Wastewater plant upgrades (\$6.6M)
 - Johnson road water (\$6M)

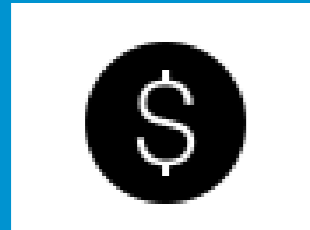
- Year 11-30 Key projects**
- New Wastewater Treatment(\$227M)
 - New Water treatment (\$151M)
 - Water network renewals (\$66M)
 - Murupara Wastewater Treatment (\$42M)
 - Wastewater Network upgrades (\$41M)
 - Wastewater pond desludge (\$24M)



Council has accepted there will be an increase risk of failures and non-compliance as a result of this deferred capital delivery programme

4.2 Local Water Done Well Update(Cont.)

There are some key considerations as we prepare for the future....



- Are our funding models clear & transparent ?
- Is the intergenerational approach for funding appropriate ?
- Is the current charging regime equitable across the district ?



- Is there a different delivery model for delivering 3 waters services ?



- How should new consents take into account updated standards and community expectations, and are they affordable ?



- Are we building in resilience and climate change considerations appropriately into our infrastructure decision-making ?

A discussion around these key considerations is needed to ensure the infrastructure strategy delivers against our community needs for the next 30 years..



4.2 Local Water Done Well Update(Cont.)

Support



What do we have available now?

- We have the prepopulated financial template from DIA (*a positive for ensuring we didn't adopt the LTP late*)
- We have a WSDP template document from DIA

Guidance and templates

Guidance for developing your Plan

- Plan development process
- Legislative requirements for Plans
- Matters to consider for councils that are proposing to develop a joint Plan
- Guidance and support available to develop Plans

Plan template

- Use to develop your Plan
- Pre-populated with instructions
- Can be used 'as is' for individual Plans
- For joint Plans, work with the Dept to agree approach to populate the financial & asset info
- Info expected to come from councils' existing public documents

Financial projections template

- To assist councils in developing the financial projections and financial measures
- To support councils' self-assessment of financial sustainability
- For councils to populate with their data
- Pre-populated with calculations and chart references, to enable councils to create the information and charts required in the Plan template

www.dia.govt.nz/Water-Services-Policy-Water-Services-Delivery-Plans



4.2 Local Water Done Well Update(Cont.)

Overview of Delivery Models



What are the options available to Councils?

#	Model	Details
1a	Ringfenced business unit within Council	
1b	Ringfenced business unit within Council with shared services	
2	Single Council CCO	
3	Multi-Council CCO	
4	Community Trust Model	

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4.2 Local Water Done Well Update(Cont.)

Assessment of Models



1a Ringfenced Business Unit within Council



Ownership	<ul style="list-style-type: none"> Part of council No new organisation is established
Governance	<ul style="list-style-type: none"> Internal business unit responsible to Council through mechanisms under the Local Government Act 2002
Strategic direction	<ul style="list-style-type: none"> Council must prepare a Water Services Strategy
Accountability	<ul style="list-style-type: none"> Council must act consistently with statutory objectives Water business unit reports through to council Council prepares separate annual reporting and audited financial statements Subject to economic regulation
Financing	<ul style="list-style-type: none"> Borrowing undertaken by council (e.g., via LGFA in most cases) with water activity groups meeting their share of financing costs
Balance sheet treatment	<ul style="list-style-type: none"> On balance sheet

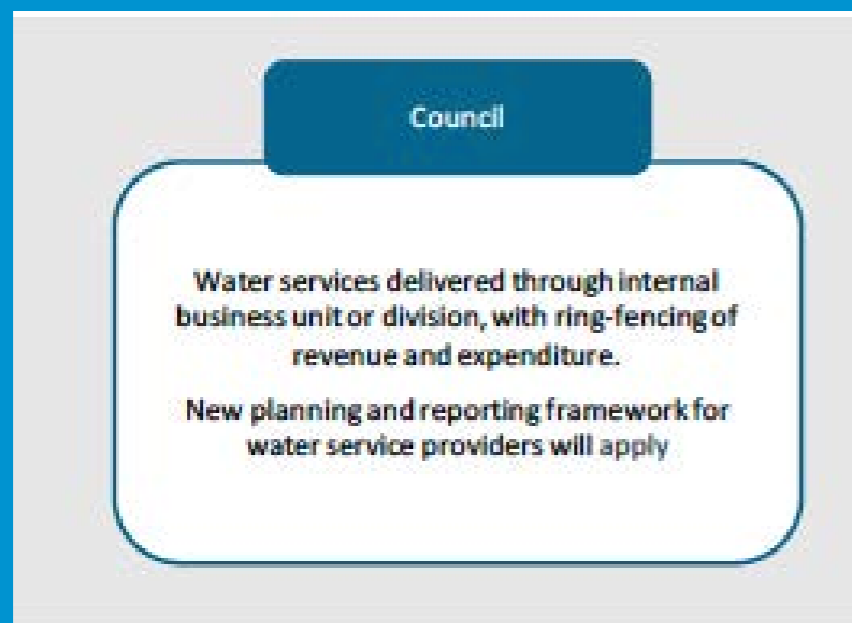


4.2 Local Water Done Well Update(Cont.)

Assessment of Models



1b Ringfenced Business Unit within Council with Shared Services



Ownership	<ul style="list-style-type: none"> Part of council No new organisation is established
Governance	<ul style="list-style-type: none"> Internal business unit responsible to Council through mechanisms under the Local Government Act 2002
Strategic direction	<ul style="list-style-type: none"> Council must prepare a Water Services Strategy
Accountability	<ul style="list-style-type: none"> Council must act consistently with statutory objectives Water business unit reports through to council Council prepares separate annual reporting and audited financial statements Subject to economic regulation
Financing	<ul style="list-style-type: none"> Borrowing undertaken by council (e.g., via LGFA in most cases) with water activity groups meeting their share of financing costs
Balance sheet treatment	<ul style="list-style-type: none"> On balance sheet

Same as (1a), however there will be clear shared service arrangements between neighbouring councils⁷

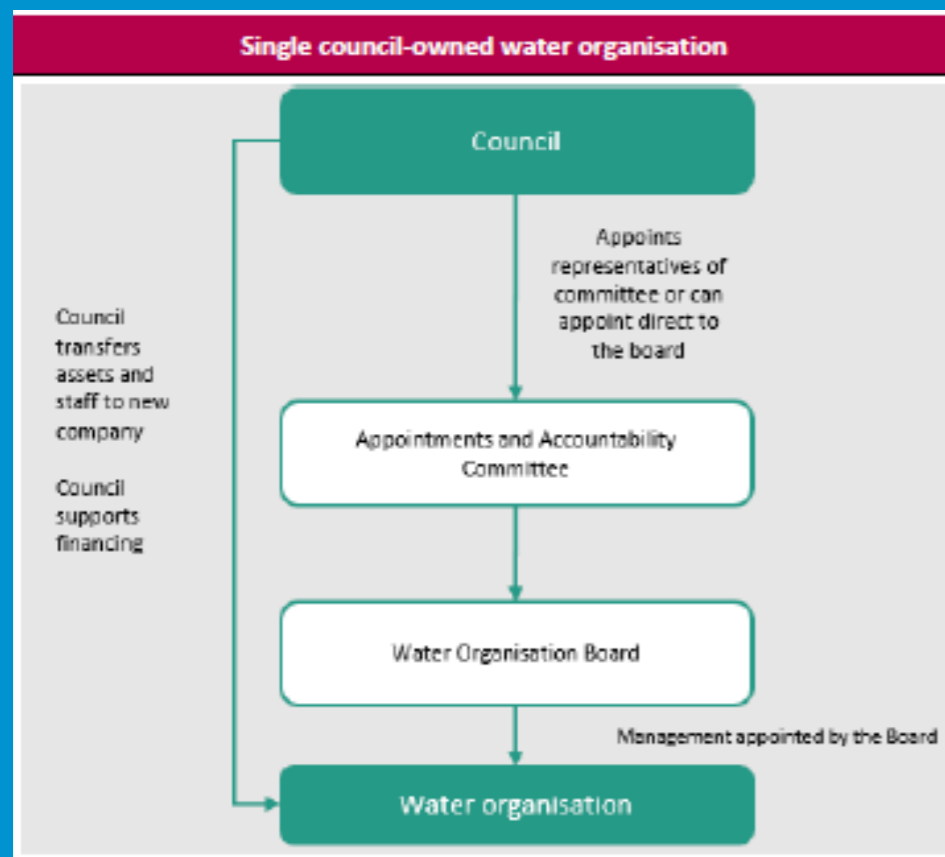


4.2 Local Water Done Well Update(Cont.)

Assessment of Models



2 Single Council CCO



Ownership	<ul style="list-style-type: none"> Limited liability company 100% owned by council Ownership arrangements and rights set out in constitution
Governance	<ul style="list-style-type: none"> Council appoints and removes board members Governed by independent, professional directors who are responsible for all operational and financial decisions
Strategic direction	<ul style="list-style-type: none"> Shareholding council issues Statement of Expectations Water organisation prepares Water Services Strategy
Accountability	<ul style="list-style-type: none"> Water organisation must act consistently with statutory objectives Reports regularly to shareholders on performance (e.g., quarterly) Must produce annual report containing audited financial statements Subject to economic regulation
Financing	<ul style="list-style-type: none"> Borrowing via council or from Local Government Funding Agency directly supported by council guarantee or uncalled capital
Balance sheet treatment	<ul style="list-style-type: none"> On balance sheet

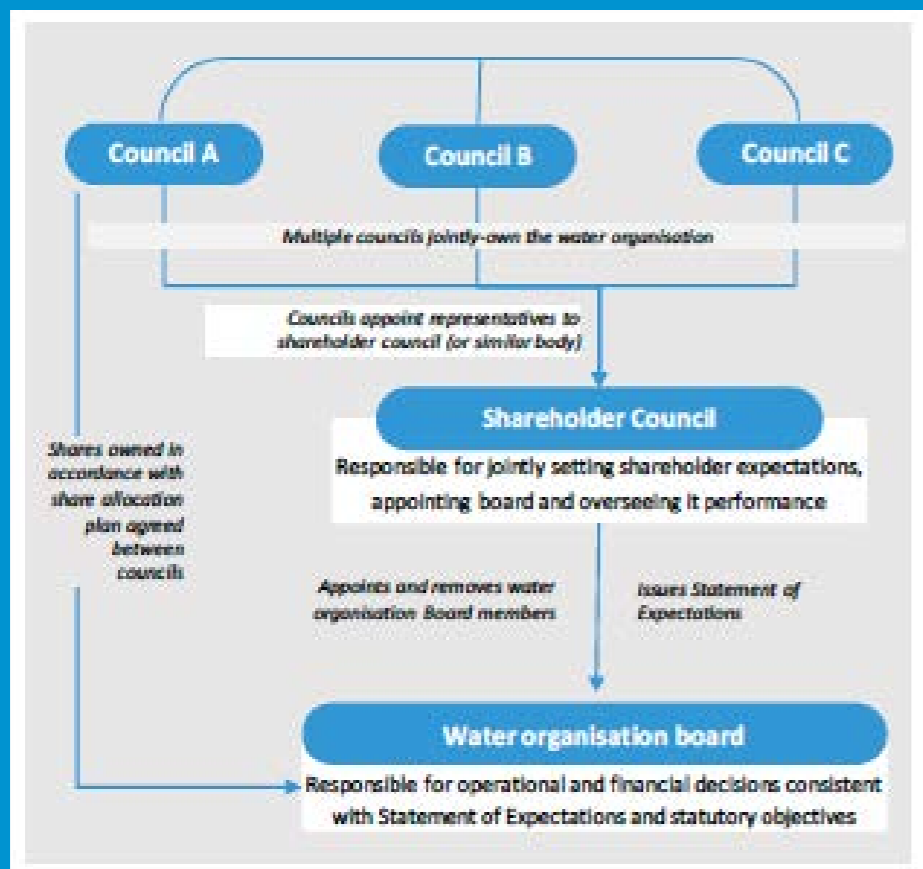


4.2 Local Water Done Well Update(Cont.)

Assessment of Models



3 Multi-Council CCO



Ownership	<ul style="list-style-type: none"> Limited liability company with share allocation agreed between shareholding councils. Councils jointly approve Constitution 	
Governance	<ul style="list-style-type: none"> Shareholder Council established to appoint and remove board members Governed by independent, professional directors who are responsible for all operational and financial decisions 	
Strategic direction	<ul style="list-style-type: none"> Parent councils jointly issue Statement of Expectations Water organisation prepares Water Services Strategy 	
Accountability	<ul style="list-style-type: none"> Water organisation must act consistently with statutory objectives Reports regularly to shareholders on performance (e.g., quarterly) Must produce annual report containing audited financial statements Subject to economic regulation 	
Financing	<ul style="list-style-type: none"> Borrows via LGFA if parent council provides guarantee and satisfies LGFA lending requirements 	<ul style="list-style-type: none"> Can borrow from banks and/or capital markets without council support, subject to achieving investment grade credit rating (challenging for some regions)
Balance sheet treatment	<ul style="list-style-type: none"> Contingent liability (impact on council credit rating depends on council and water organisation revenue and debt) 	<ul style="list-style-type: none"> Contingent liability (unlikely to impact council credit rating)

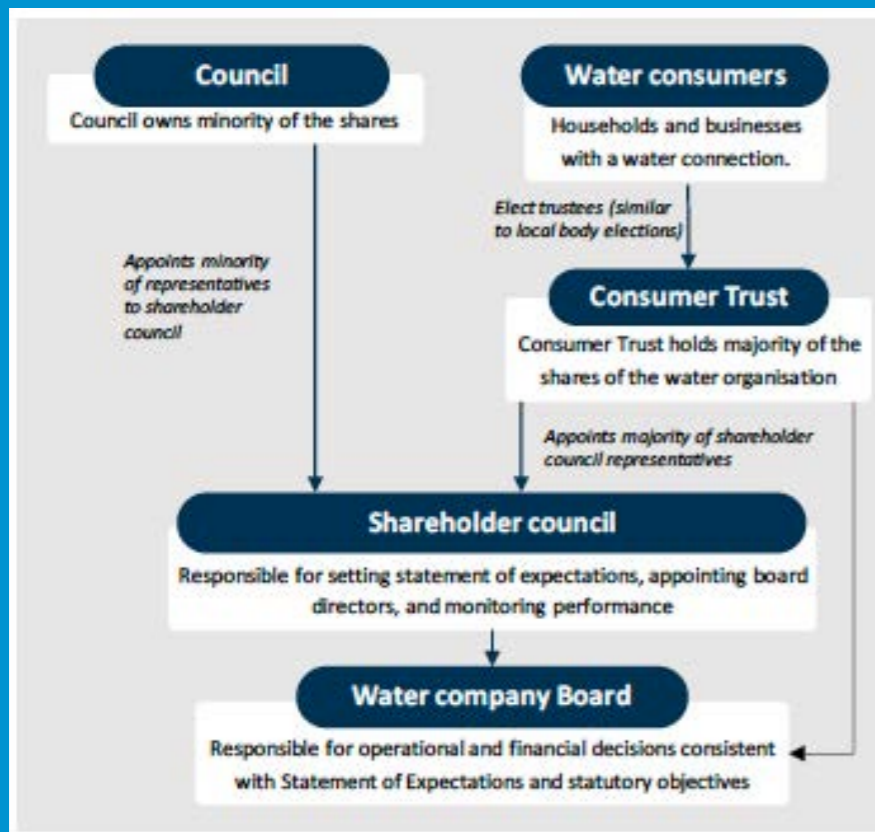


4.2 Local Water Done Well Update(Cont.)

Assessment of Models



4 Community Trust Model

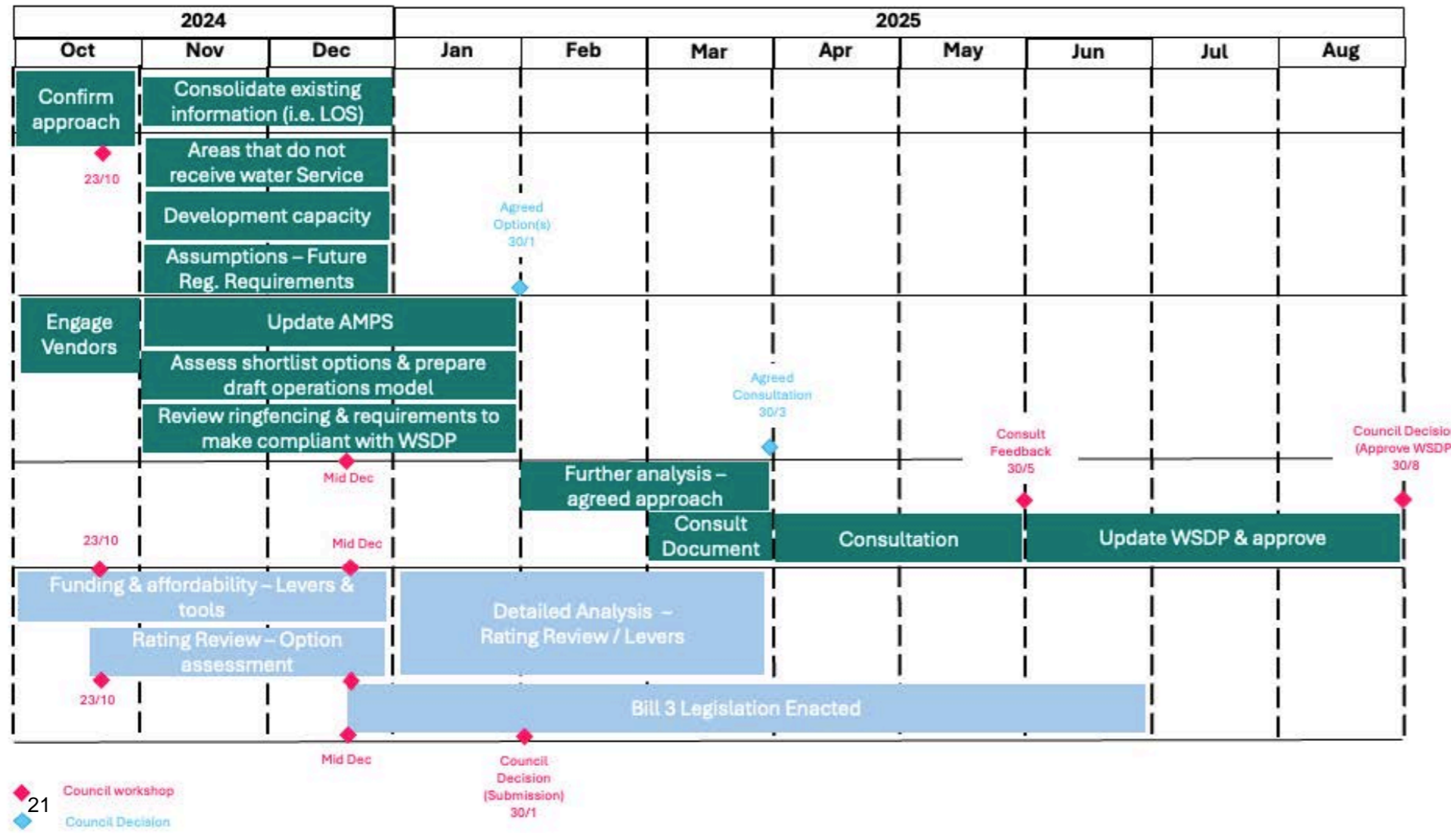


Ownership	<ul style="list-style-type: none"> Limited liability company owned by one or more councils with consumer trust majority ownership Ownership arrangements and rights set out in constitution and/or shareholder agreement
Governance	<ul style="list-style-type: none"> Council(s) and consumer trust appoint a shareholder council to appoint board directors Governed by independent, professional directors who are responsible for all operational and financial decisions
Strategic direction	<ul style="list-style-type: none"> Shareholders agree the process for issuing a joint Statement of Expectations Water organisation prepares Water Services Strategy
Accountability	<ul style="list-style-type: none"> Water organisation must act consistently with statutory objectives Reports regularly to shareholders on performance (e.g., quarterly) Must produce annual report containing audited financial statements Subject to economic regulation
Financing	<ul style="list-style-type: none"> Borrows independently of local authorities (e.g., from banks or capital markets), subject to achieving sufficient credit-quality and track record No council financial support to water services organisation
Balance sheet treatment	<ul style="list-style-type: none"> Contingent liability (likely no impact on council credit rating)



4.2 Local Water Done Well Update(Cont.)

Proposed Approach for WDC...



4.2 Local Water Done Well Update(Cont.)



Question Time

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Better Together Toitū te Kotahitanga



4.3 Community Partnerships Update

4.3 Community Partnerships Update

Emlyn Hatch and Frank Begley will speak to the attached report.

4.3 Community Partnerships Update(Cont.)



Community Partnerships Update

Council Briefing 23 October 2024

Emlyn Hatch, GM People & Engagement

Frank Begley, Community Partnerships

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whakatane.govt.nz

4.3 Community Partnerships Update(Cont.)

The Community Partnerships Team



- Frank Begley – Manager
- Karen Summerhays – Senior Community Development Advisor
- Vicky Richards – Strategic Coordinator - Community Planning
- Sharon Major – Community Funding Advisor
- Jemma Rudkin – Community Development Advisor (Youth Council)
- Richard Hamer – Community Safety Advisor (Road Safety / Homelessness)
- Annelle Prince – Intern

4.3 Community Partnerships Update(Cont.)

Team updates...



- Community Wellbeing Project refresh
- Council Community Development Activities
- Community Planning
- Diversity Equity and Inclusion Policy
- Road Safety
- Homelessness and Rough Sleeping
- Youth Council – Youth Activities
- Community Funding
- Deconstructing Localism

4.3 Community Partnerships Update(Cont.)

Wellbeing Project – Waitara Oranga Hapori



Priority areas for collaborative action



4.3 Community Partnerships Update(Cont.)

Examples of CWP-related activities



Community connection – Community Plans, WAI MOU, DEI Policy

Community safety – EB Road Safety Activities, CCTV project engagement

Food security – Research underway to map local food security landscape

Funding & Resources – CF Policy, Grants Funding Portfolio, ‘Get Your Funding Kit Ready’ and other workshops, Funders and Enablers workshop

Homelessness – RFS response, Situational Research, Housing Strategy input

Rangatahi – YC activities, Engagement, Youth Scholarships (proposed)

Sector Capacity, Capability and Connection – SSN, Good Governance training

Intergenerational and Transferred Trauma – SSN-led workshop in planning

4.3 Community Partnerships Update(Cont.)

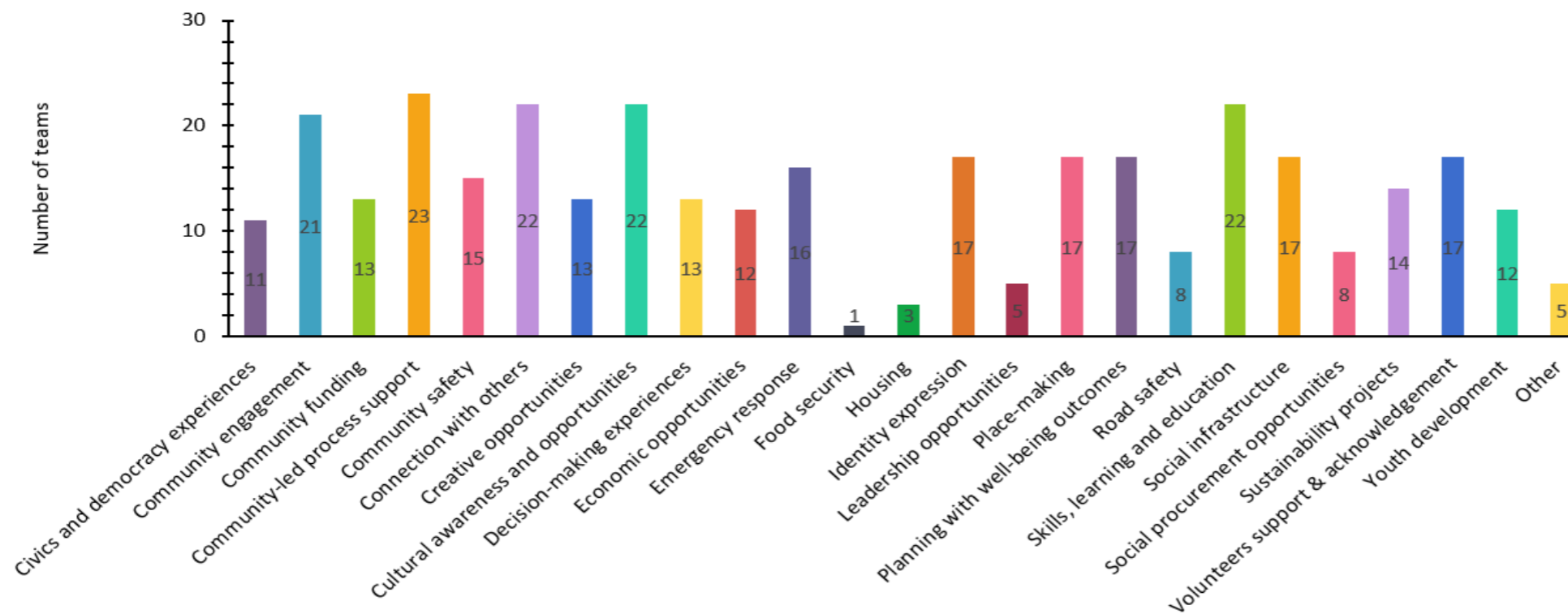
Collaboration in action



4.3 Community Partnerships Update(Cont.)

Council community development activities

Types of community development opportunities provided to the public by WDC



4.3 Community Partnerships Update(Cont.)

Community Planning



- Murupara – in development
- Edgecumbe – second review
- Awatapu - implementation
- Matatā – final engagement
- Piripai / Coastlands – early discussion / planning underway
- Tāneatua – possible next CP following strategy review



4.3 Community Partnerships Update(Cont.)

Diversity Equity and Inclusion Policy



- People & Engagement / Strategy and Transformation
- An outcome of the MOU with the WAI group
- Internal and external policies
- Focus groups / migrant research completed
- Draft policy ready for public consultation (Nov/Dec)
- Proposed adoption early next year

4.3 Community Partnerships Update(Cont.)

Road Safety



- Budget for 2024-27 confirmed – reduction from 2021-24
- Revised programme focused mostly on priority areas identified from ‘communities at risk’ data:
 - Young Drivers
 - Restraints
 - Motorcycles
- Road Safety Ops Group to consider response



4.3 Community Partnerships Update(Cont.)

Homelessness and Rough Sleeping



- Continues to be an issue for the district & nationwide
- Economic factors and political decisions have impact
- Rough sleepers often congregate in public places
- Activity generates RFS enquiries requiring response
- Often mental health, addiction and other issues involved
- Social and health agencies stretched
- Separate briefing on this topic

4.3 Community Partnerships Update(Cont.)

Youth and Youth Council



- 20 Youth Council members - 2024
- Connection with Youthspace Murupara
- YC presentations to LTP
- YC rep on Whakatāne-Ōhope Community Board
- Reps at the Festival for the Future Event
- Meet the Councillors event
- Civics Education programme under devt.
- Projects and event support
- New programme for 2025 / Investigating Youth Scholarships



4.3 Community Partnerships Update(Cont.)

Community Funding



- Review of funding portfolio complete
- Introduction of Reorua fund and refresh of Te Puaha Fund
- Matching Fund early 2025
- Q2 2024 - Lease Rebates, Te Puaha, Multi-year funds
- Trial of Smarty Grants system progressing well
- Ongoing funding kete and other training planned

FUNDS NOW OPEN!

Te Pūaha Fund

Do you have a project that will make a splash in our community?

Whether it's water safety classes for the little ones or new gear for your paddling crew, we're casting a wide net to support projects that ripple through Whakatāne District communities with our Te Pūaha Fund.

Local not-for-profit organisations, charitable trusts, and individuals involved with projects or activities directly related to recreational water use are invited to apply.

Don't miss the tide, submit your application by 5pm, 21 June 2024.

Find out more at whakatane.govt.nz/about-council/community-grants/te-puaha-fund

Reorua ki Whakatāne Fund

If you have a project or event that can help elevate and celebrate Te Reo Māori in our hāpori/communities – this fund is for you!

Whether you're starting out on your reo journey, or you're a local business or event that would like to incorporate more reo in your signage and activities, or you'd like to provide wānanga/training for your staff to learn more reo - apply for funding to help get the reo ball rolling.

Applications close at 5pm Friday, 21 June.

Find out more at whakatane.govt.nz/about-council/whakatane-reorua

Deconstructing Localism



“Empowering communities is an important underpinning for local democracy...”

“There is increasing evidence of the importance of having communities closely involved in the design, targeting and delivery of major services, and in helping shape decisions on some of the most serious challenges New Zealand faces.”

Peter McKinlay
Executive Director at McKinlay Douglas Ltd
20 September 2024

4.3 Community Partnerships Update(Cont.)

Questions



4.4 Transport Programme Review:

4.4 *Transport Programme Review:*

Bevan Gray, Ann-Elise Reynolds & Joe Metcalfe will speak to the attached report.

4.4 Transport Programme Review:(Cont.)

Transport Programme Review - Post Funding Reduction

Council Briefing 23 October 2024

Bevan Gray, GM Infrastructure

Ann-Elise Reynolds, Transport Manager & Joe Metcalfe, Team Leader Transport Strategy and Assets



Agenda



Today's briefing session will cover

- Overview of the funding reductions per activity type
- Options to respond including preferred
- Discussion on the options
- Identify Nov IPC decisions/next steps



4.4 Transport Programme Review:(Cont.)

Agenda



Summary of Impacted activities to cover:

- Special Purpose Roads – Maintenance, Renewal and LCLR
- Footpaths – Maintenance and Renewal
- Keepa Road
- Rewatu Road Underslip and Tāneatua Rd Resilience Improvements
- All other Roding Improvement Activities (including Seal Extensions)
- Transport Planning Activities



4.4 Transport Programme Review:(Cont.)

Special Purpose Roads



Activity	Bid	Approved	%
Maintenance and Renewal	\$7.15M	\$5.00M	70%
LCLR Improvements	\$2.87	\$1.99M	70%

Impacts to M&R – potential reduced level of service (based off historic trends)

Impacts LCLR – Mimiha Bridge funded, annual bank cutting and VMS sign not funded.




Bid and approved allocation at 100% FAR - no local share involved in LTP.



4.4 Transport Programme Review:(Cont.)

Special Purpose Roads



Options	Pro's	Con's	Rates	Pref
Manage within approved budget	<ul style="list-style-type: none"> No additional cost to rate payers Flexibility to manage 3year allocation whilst progress conversations with NZTA 	Potential reduced LOS		
Rate fund the gap	Maintain existing LOS	Significant increased cost to rate payers		



No IPC decision needed manage through forecasts and AP updates.



4.4 Transport Programme Review:(Cont.)

Footpaths



Activity	Bid	Approved	%	Difference
Total Budget	\$3.08M	\$1.11M	36%	\$1.98M
Local Share	\$0.83M	\$0.39M		\$0.44M

Impacts:

- significant reduced LoS
- Budget allocation only covers reactive/high priority repairs
- \$440K local share now surplus to approved allocation





Surplus LS	Yr 1	Yr 2	Yr 3	Total
Opex	44K	45K	46K	134K
Capex	100K	102K	104K	306K
Total	144K	147K	150K	440K




4.4 Transport Programme Review:(Cont.)

Footpaths



Options	Pro's	Con's	Rates	Pref
Manage within allocation + Yr 1 LS	<ul style="list-style-type: none"> Retains rated yr 1 LS to fund already contracted works Reduces Yr 2 &3 rates 	Significantly reduced LoS		
Utilise ALL surplus Local Share to fund some of the gap	<ul style="list-style-type: none"> Goes part way toward maintaining LoS No additional rating impact from LTP 	Reduced LoS		
Rate fund all the gap	Maintain existing LoS	Significant increased cost to rate payers		

 No IPC decision needed manage through forecasts and AP updates.



4.4 Transport Programme Review:(Cont.)

Keepa Road



	Activity	Bid	Approved	%	Difference
Design and Property	Total Budget	\$1.1M	\$1.1M	100%	0
	Local Share	\$0.38M			
	Activity	Bid	Approved	%	Difference
Physical Works	Total Budget	\$4.8M	0%	0%	\$4.8M
	Local Share	\$1.7M			\$3.1M (additional LS needed to fund)





- Funding available for design and property purchase but not for construction 24-27
- Project progressing dependent with Harbour Development - uncertainty of timing
- Impacts on Te Hokowhitu Marae still to be resolved



4.4 Transport Programme Review:(Cont.)

Keepa Road



Options	Pro's	Con's	Rates	Pref
Proceed with design + Property	<ul style="list-style-type: none"> Additional work for design/planning suppliers Project will be shovel ready May attract funding at a later date Opportunity to address some issues at Marae 	Construction may not align with harbour timeframes		
Proceed with design, Property purchase, & construction	<ul style="list-style-type: none"> Additional work for suppliers Certainty for Harbour Development 	Significant additional cost to council, having to local share fund all construction costs.		
Pause project	Allows for more certainty RE harbour development	Could result in delivery out of line with harbour		



No IPC decision needed yet. May need future decision.
Preferably decide project timing prior to 25/26 AP development



4.4 Transport Programme Review:(Cont.)

Resilience Projects



- New Announcement on Crown Resilience Funding with approvals for both Tāneatua Road Resilience Improvements and Rewatu Rd Underslip
- Increased FAR Rate (83% instead of 65%)

Activity	Bid (\$000)	Approved	LS - LTP (\$000)	LS need (\$000)	LS surplus (\$000)	Rates
Rewatu Road	\$720	100%	\$252	\$122	\$130	
Taneatua Road Blue Rock	\$1,630	100%	\$571	\$277	\$294	
Taneatua Road Red Devon	\$1,630	100%	\$571	\$277	\$294	
Total	\$3,980		\$1,394	\$676	\$718	



4.4 Transport Programme Review:(Cont.)

Other Road Improvements



Project Name	Criticality	Staff Recommendation
Thornton Road Safety Improvements - Stage 1 - RnB Widening	Low	Defer
Hinemoa St, James to Landing SUP	Low	Defer
Tūi Street (safer routes)	Low	Defer
Gorge Road - Reallocate Road space	Low	Defer
Ohope Road - Stage 1 - Space Reallocation + Roadside Barriers	Low	Defer
Henderson Street SUP	Low	Defer
Manawahe and Matahi Road - Seal Widening 3-year Programme	medium	Seek PGF funding, Await LCLR decisions, Retain LS
Detour VMS Advanced Warning Signs	low	Await LCLR fund decisions, Retain LS
Whirinaki Bridge 50MAX and HPMV strengthening	low	Await LCLR fund decisions, Retain LS
Goulstone Road safe crossing	medium	Descope and deliver
Speed Management Delivery (2024-27 programme of 10years)	medium	Descope and deliver
Seal Extensions	low	Potential to descope, defer, or deliver in full
Arawa/Bridge Roundabout	High	Review options for future IPC/AP decision
Improvements associated with Renewals	High	Await LCLR decisions but still fully fund through local share



4.4 Transport Programme Review:(Cont.)

Other Road Improvements



Project	Project Estimate	Proposed Local Share (escalated)			
		Local Share	Yr 1	Yr 2	Y3
Thornton Road Safety Improvements - Stage 1 - RnB Widening	150,000				
Hinemoa St, James to Landing SUP	375,000				
Tūi Street (safer routes)	348,000				
Gorge Road - Reallocate Road space	550,000				
Ohope Road - Stage 1 - Space Reallocation + Roadside Barriers	760,000				
Henderson Street SUP	396,000				
Goulstone Road safe crossing	251,000	27,011	27,011		
Speed Management Delivery (2024-27 programme of 10years)	750,000	157,615	51,450	52,479	53,686
Seal Extensions	2,975,381	2,975,381	0	1,470,776	1,504,604
Manawahe and Matahi Road - Seal Widening 3-year Programme	500,000	185,366		110,206	75,160
Detour VMS Advanced Warning Signs	250,000	87,500	18,008	73,471	
Whirinaki Bridge 50MAX and HPMV strengthening	600,000	210,000		18,368	206,691
Arawa/Bridge Roundabout	750,000	785,127	102,900	682,227	
Improvements associated with Renewals	600,000	630,460	205,800	209,916	214,744
LTP Budget - Project already considered or with NZTA funding subsidy	1,653,200	826,600	206,400	318,600	301,600
Proposed Local Share Expenditure		5,058,460	405,169	2,617,443	2,054,886
Budgeted Local Share		6,552,439	592,530	3,234,346	2,725,563
Proposed Local Share Savings		1,493,978	187,361	616,904	670,677



4.4 Transport Programme Review:(Cont.)

Transport Planning Activities



Project	Criticality	Staff Recommendation
Pokairoa/Ngamotu Road- Southern Freight route	Low	Seek PGF Funding or defer
Network Resilience Programme	Low	Leverage work underway and defer
Mill Road Roundabout - Shaw Road Connection	Low	Defer
Spatial Plan - Transport System Programme	High	Descope and deliver
Spatial Plan - Urban Transport Modelling	High	Descope and deliver
Spatial Plan - Additional Whakatane River Crossing	High	Descope and deliver

Proposed Local Share (escalated)

Project	Project Estimate	Local Share	Yr 1	Yr 2	Yr 3
Pokairoa/Ngamotu Road- Southern Freight route	55,726				
Network Resilience Programme	215,757				
Mill Road Roundabout - Shaw Road Connection	111,452				
Spatial Plan - Transport System Programme	218,078	160,000	20,000	70,000	70,000
Spatial Plan - Urban Transport Modelling	275,498	120,000	20,000	50,000	50,000
Spatial Plan - Additional Whakatane River Crossing	557,261	220,000	20,000	100,000	100,000
Proposed Local Share Expenditure		500,000	60,000	220,000	220,000
LTP Budget	1,433,772				
Budgeted Local Share		501,820	56,075	123,927	321,818
Proposed Local Share Savings		1,820	-3,925	-96,073	101,818



4.4 Transport Programme Review:(Cont.)

Summary



**Based off the preferred options – any changes in direction will need to be updated.*

- Special Purpose Roads – Manage within approved allocation
- Footpaths – Manage within approved allocation plus Yr 1 Surplus Footpath Local Share
- Keepa Road – Pause until further timing information confirmed RE Boat Harbour
- Resilience Funded Projects: Rewatu and Tāneatua – reschedule and progress
- All other Roothing Improvement Activities
 - Defer W&C and Safety projects,
 - Retain LS for remaining resilience projects for potential \$100M LCLR funding
 - Descope and deliver Goulstone Crossing and minimal SMP
 - Deliver LTP Programme of Seal Extensions – or have further briefing session to confirm IPC decision for Arawa/Bridge Options analysis
 - Fully fund annual improvements associated with renewals (but hope to get LCLR funding)
- Transport Planning Activities
 - Defer all except Spatial Plan related – descope and deliver within Local Share Budget

