



# Shaping our **TOMORROW** *Ngā rā anamata*

LONG TERM PLAN 2018-28 **CONSULTATION DOCUMENT**

Have your say - *Kōrero mai*  
BY 5PM, 23 APRIL 2018

# WHAKATĀNE DISTRICT COUNCIL - WHO WE ARE AND WHAT WE DO

*Te Kaunihera o Whakatāne - Ko wai mātou?  
He aha tā mātou mahi?*

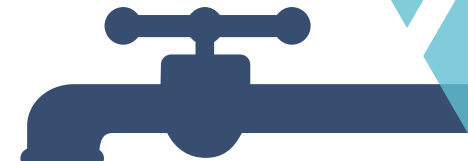
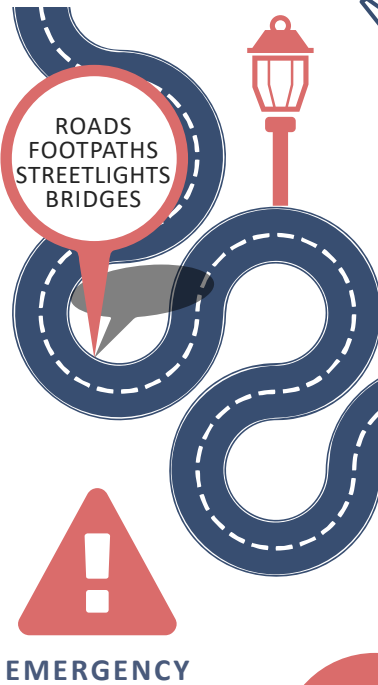
The Council delivers a range of activities which make an important contribution to our community, providing essential services and recreational opportunities that are used every day. The Whakatāne District Council is governed by 11 elected community representatives, who are responsible for making key decisions that guide our activities and provide direction for our District's future.

The Council manages approximately \$672 million worth of community assets and delivers more than 30 different services.

*Photos and contact details of elected Council representatives can be found on page 25.*

These are just some of our services:

## TRANSPORTATION NETWORK

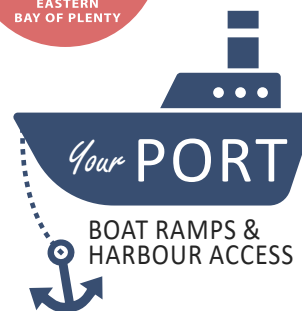


## DRINKING WATER

Your Water, Stormwater & Sewerage SERVICES



## EMERGENCY MANAGEMENT



And much more...

## WHAT IS THE LONG TERM PLAN?

### *He aha te Mahere Roanga?*

The Long Term Plan (LTP) is a document that guides the Council's work and budget for the next 10 years. We review our LTP every three years to make sure we are still heading in the right direction.

## WHAT IS THIS DOCUMENT?

### *He aha tēnei tuhinga?*

This is the 'Consultation Document' for our LTP 2018-28. It outlines the Council's key priorities for the coming 10 years and asks for your feedback on some important decisions that we need to make for the future of our communities and District.

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## THE KEY QUESTIONS:

*What is a fair way of funding upgrades for Murupara's water and wastewater systems?*

**PG 8**

*Should we put more money towards tourism and events?*

**PG 10**

*Are we getting the priorities right?*

**PG 12**

*We are also consulting on our Fees and Charges, LTP policies and proposed upgrades to the Whakatāne boat ramp area.*

**PG 22**

# FINDING THE RIGHT BALANCE

*Me mahi, kia tika*

## A MESSAGE FROM THE MAYOR

*Nau mai ki tēnei Tuhinga Āwhina mō te Mahere Roanga 2018–28. He mea whakahirahira te kōrero tahi ki te hāpori i tēnei hātepe. Kei roto i tēnei tuhinga ētahi o ngā pātai matua o te mahere pūtea hukihuki me te mahere mahi mō ngā tau tekau e heke mai nei. Tēnā, tukuna mai ōu whakaaro kia tatū pai ai ngā whakataunga mō tō tātou rohe.*

Over the last few months, we have been developing a draft budget and work plan for our Long Term Plan 2018-28 (LTP). We need to find a balance between responding to key issues and keeping rates and debt affordable, and we want to know what you think.

As a District, our most pressing issue is that our drinking water, wastewater and stormwater infrastructure will require new resource consents and expensive upgrades over the coming thirty years. Another key consideration is our vulnerability to climate change and natural hazards, and how we need to plan for and respond to these events. Our proposed budget for 2018-28 has a large focus on funding 'must-dos'. To accommodate these within a tight budget, a number of other projects and service improvements need to be reconsidered. As a result, the average rates increase proposed for the 2018/19 year is 3.99% with the remaining years ranging from 1.90% to 3.43%.

Our planning so far has also been informed by the community sharing their priorities with us. We've worked through the feedback we received as a partner in the Whakatāne Ki Mua Community Vision project; analysed changes and trends from annual perception surveys; and had conversations with the public and user groups about specific projects and proposals.

A key message we are hearing is the desire to see more money spent on promoting economic development, including through a focus on tourism and events. We're proposing to provide more funding in this area - learn more on page 10.

Community consultation is an important part of our planning process. We need your feedback to help make final decisions for our LTP. A formal submission form - *pepa tāpaetanga* - is located at the back of this document and page 24 lists the ways you can share your thoughts with us.

*Nāku noa, nā*



*Tony Bonne - MAYOR,  
WHAKATĀNE DISTRICT*



## Did you know?

The Whakatāne Ki Mua Community Vision project generated over 18,000 comments and ideas – we have reflected on those ideas in developing the proposed LTP.



## What happens next:

**23 MARCH – 23 APRIL**

You tell us what you think

**14 – 16 MAY**

You present your submission to us (optional)

**22 – 24 MAY**

We consider your feedback

**28 JUNE**

We make final decisions and adopt the Long Term Plan 2018-28

## WANT TO KNOW MORE?

### Kei te rapu pārongo tonu koe?

This Consultation Document covers our key issues and questions as we develop the LTP 2018-28. The below supporting documents are available on our website ([whakatane.govt.nz/ltp-2018](http://whakatane.govt.nz/ltp-2018)). The supporting documents include much more detailed information than can be provided here.

- Draft Infrastructure Strategy
- Draft Financial Strategy
- Draft Supporting Policies
- Draft Fees and Charges
- Proposed Key Capital Project List
- How Rates Work
- Forecast Financial Statements
- Trends, Influences and Assumptions
- Draft Activity Summaries
- Asset Management Plans
- Fact Sheets - Key Issues and Projects

## Do you have questions?

For more information contact your Council elected members, or the Council offices. Go to page 25 for contact details.

# A NO FRILLS PLAN FOCUSED ON THE 'MUST DOS'

## Te mahere hei aro ki ngā mahi whakahirahira

Key priorities for our work programme and budgets for the coming 10 years (and beyond) include a number of very substantial 'must-do' projects and focus areas - as set out on these pages.

We are proposing average annual rates increases of between 1.90% - 3.99% based on the draft budget. To achieve this - while meeting the challenges and opportunities facing our District over the coming 10 years - has meant balancing priorities and focusing on the 'must dos' first.

This doesn't mean that the 'must dos' are our only priorities. More detailed information about our plans for the coming 10 years are available on our website.

[whakatane.govt.nz/ltp-2018](http://whakatane.govt.nz/ltp-2018)

## Looking after our existing assets

A large part of our work programme and budget over the coming 10 years is devoted to maintaining and renewing the assets we already have. This includes things like roads, footpaths, pipes and pumps, water supply and sewage treatment plants, playground equipment and halls. In fact, over the next 10 years, about \$139 million (57% of the capital expenditure budget) will be spent on the assets we already own or operate. While that is a lot of money, if we don't look after our assets now, they end up costing much more in the long run.

## Replacing our water-related consents

Many of our resource consents in the water supply, wastewater, and stormwater areas will expire in 2026. This is due to the introduction of the Resource Management Act in 1991, which meant that existing consents would expire after 35 years. We'll start applying for new resource consents during the 10 years of the 2018-28 Long Term Plan. Changes in technology, environmental standards and community expectations over the years mean the new resource consents will probably require major upgrades to our treatment plants. However, we won't know exactly what changes need to be made until we start the resource consent process. As we learn more about what we need to do, we'll ask the community for feedback to make decisions about these projects.

For now, over the next 10 years we have budgeted:

- About \$4 million to replace our wastewater resource consents
- About \$1.5 million to apply for new water take consents
- About \$850,000 to apply for new stormwater consents
- \$13.65 million to begin wastewater treatment system upgrades.

While we will begin some work in the next 10 years, upgrading treatment plants as required by resource consents will mostly take place outside the window of this LTP.

## Accommodating growth and development

Our District has experienced increased levels of population growth over the past 2-3 years. This is expected to continue into the future, due both to our lifestyle attractions and the major economic development opportunities now being progressed across the Eastern Bay of Plenty. To help appropriately manage growth and development, the Council is working on a 'Development Strategy' to anticipate and plan for sustainable growth over the next 30 years.

The Council will also need to expand some services to cater for growth. This includes providing water and wastewater services to new development areas and improvements to Landing Road to address increasing peak hour congestion, for example. Proposed changes to our Development Contributions Policy, and the introduction of financial contributions through the District Plan, will see an increase in growth-related costs for developers, to help fund these projects.

## Making sure our drinking water is safe

The focus on drinking water safety has increased following the Havelock North drinking water contamination event in August 2016. It is very likely that at some point in the near future, central government will require councils across the country to upgrade their drinking water safety standards, which could include mandatory chlorine treatment.

The Murupara water supply has been identified as having an elevated risk because it is currently not chlorinated. Following a strong plea from the Murupara community, the Council recently made a decision not to chlorinate their water, instead agreeing to install backflow prevention to help manage water quality risks within the reticulation system.

The LTP budget includes \$1 million for specific water safety-related projects across Council schemes. We will continue to work closely with Toi Te Ora Public Health drinking water assessors and our communities to implement any necessary changes to our systems.

## Finding an alternative water supply for Whakatāne and Ōhope

Currently, water for Whakatāne and Ōhope comes from the Whakatāne River. The quality of the water can be affected by high turbidity and by saltwater intrusion. It is a risk to continue to rely on this supply alone, particularly as we experience more extreme weather patterns. The most cost-effective solution would be to develop a number of shallow wells along the Whakatāne River, upstream of the current water treatment plant.

We've included \$300,000 in the budget for 2018/19 to investigate this option. If that investigation is successful, we will spend just over \$2 million the next year (2019/20) on developing the wells. If the investigation is not successful, we will need to look at other options.

## Responding to climate change

The flood events in April 2017 were a reminder that we live in a District and country that are very vulnerable to natural hazards. The increasing effects of climate change are making this a growing concern.

We are continuing to work on climate change on a number of fronts. This includes projects to increase the capacity of our stormwater systems, working on risk mitigation projects and developing a Climate Change Action Plan. Climate change is also a key consideration in our District Plan and our Infrastructure Strategy.

# WE'RE PROPOSING TO 'EQUALISE' MURUPARA'S WATER AND WASTEWATER SCHEMES

Historically, the Murupara water and sewage schemes have been relatively cheap to maintain compared to other schemes in the District. This has helped to minimise the rates impact on the Murupara community. However, these schemes will need to be upgraded in the near future, because the resource consents they operate under will expire soon; and because central government's required standards continue to increase. In particular, the wastewater scheme will need upgrades expected to cost about \$11 million.

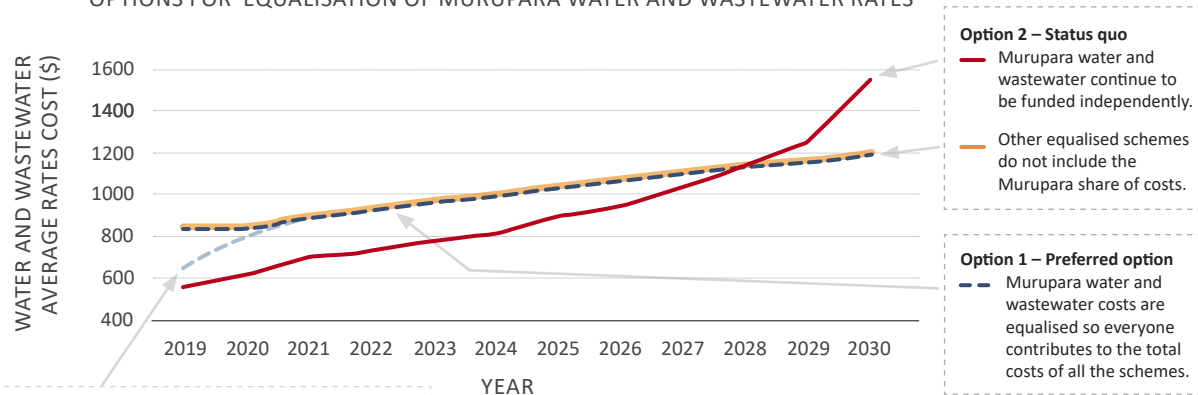
To avoid huge rates increases in Murupara to pay for these upgrades, we are proposing to 'equalise' their water and wastewater costs. Most of the water and wastewater schemes in our District are already equalised, which means that costs are shared across the District, rather than each community paying for their own scheme.

The graph below models different funding options for water and wastewater rates over the long term. Based on the current funding model, where upgrade costs will fall to the Murupara community alone, the town's water and wastewater rates will increase by more than \$1,100 per property over the next 12 years. In contrast, if the schemes are equalised, water and wastewater rates for properties in Murupara would go up about \$685 over the same period because future upgrade costs would be shared.

In the short term, water and wastewater rates increases for the Murupara community in 2018/19 would be \$128 if the schemes remain unequalised, and \$404 if the schemes are equalised.

The equalisation of Murupara's water and wastewater costs would have a fairly minor impact on ratepayers already on equalised schemes. This is indicated on the graph below by the orange solid line and the dark blue dashed line, which are very close together.

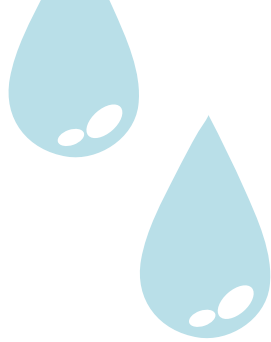
OPTIONS FOR EQUALISATION OF MURUPARA WATER AND WASTEWATER RATES



**Option 3 – Staged equalisation**

As per option 1, but with equalisation introduced over a number of years to help manage the impact on Murupara ratepayers (note: this segment of the graph is indicative only and costs would be dependent on the length of time of staging).





**What is a fair way of funding the expensive upgrades which will be needed for Murupara's water and wastewater systems?**



**OPTION 1**

**PREFERRED OPTION**

*Equalise the costs of Murupara Water and Wastewater from 2018/19*

- + Murupara would be exposed to much lower rates increases over the long-term, with an average rating increase of \$57 per year over the next 12 years.
- + Communities receiving the same water and wastewater service would all be paying the same amount for that service.
- Murupara would face a \$200 jump in rates for water and wastewater in 2018/19.

**OPTION 2**

**STATUS QUO**

*Do not equalise the costs of Murupara Water and Wastewater*

- + The Murupara community would continue pay lower rates for their water and wastewater in the short-term.
- + Rates increases for other equalised connections in the District would not be impacted by Murupara's upgrade costs.
- The Murupara community would be exposed to large rates increases in the long-term, with an average increase of \$94 a year over the next 12 years.
- Communities receiving the same water and wastewater service would not all be paying the same amount for that service.

**OPTION 3**

*Equalise Murupara Water and Wastewater over a number of years*

- + Murupara would be exposed to much lower rates increases over the long-term.
- + Murupara would face less of a rates jump in 2018/19, with the increase smoothed out over a number of years.
- + Communities receiving the same level of service for water and wastewater would all be paying the same amount for that service.
- The Murupara community would face an increase in rates for water and wastewater from 2018/19, although the immediate cost would be lower than under option 1.



# WE'RE PROPOSING TO PROVIDE MORE FUNDING FOR TOURISM AND EVENTS

A strong community request through Whakatāne Ki Mua and our annual community surveys is that increased funding be provided for economic development, tourism, and events.

A key point of difference for our District is the opportunities it presents for tourism.

We have been marketing Whakatāne as the Gateway to White Island/Whakaari and have some opportunities to increase our focus in this area. This would bring more tourists to our District and create benefits for our retail, transport, accommodation, hospitality, culture, arts and food production sectors.

One of the key facilities we already have is an airport that provides a crucial link between our District, the rest of the country, and the world. In the near future, we intend to extend the runway end safety areas (RESA) at the Whakatāne Airport, to comply with a recent court decision relating to airport safety. The extension will be funded in 2018/19 and will allow Air Chathams to fly larger planes in and out of Whakatāne, benefiting business and tourism.

In the near future, we will see development of Opihi/Piripai and residential subdivisions at Shaw Road and Keepa Road. Demand for further development is expected to increase and areas that might provide potential for growth will be considered as part of a Development Strategy, which is currently underway.



# Should we put more money towards tourism and events?



We're proposing to increase the annual level of funding for tourism and events by \$150,000. \$50,000 of this would come from the Harbour Fund, with the remainder funded by an increase in the 'district growth' rate (a targeted, fixed rate paid by commercial and industrial properties in the District). The extra budget would provide greater financial support for tourism and events promotion.

## OPTION 1

### PREFERRED OPTION

Put an additional \$150,000 towards tourism and events

- + The Council would be responding to community demand for an increased focus on economic development, tourism and events.
- + This is expected to encourage more international and domestic tourists, with a positive 'flow-on' effect across the community.
- The 'uniform annual general charge' (paid by all ratepayers) would increase by \$0.54 in 2018/19.
- Commercial and industrial properties would pay a higher 'district growth' rate: a commercial property with an average capital value would pay about \$101 more in 2018/19.

## OPTION 2

### STATUS QUO

Keep tourism and events funding the same at \$872,000 per year  
*(Most of this is the cost of the i-SITE)*

- + The portion of rates used for economic development, tourism and events would only increase in response to inflation.
- + The targeted district growth rate would not increase for commercial and industrial properties.
- The Council would not be responding to community demand for an increased focus on economic development, tourism and events.
- The rate of economic growth may remain static, particularly relating to new initiatives/businesses.

## OPTION 3

Increase tourism and events funding by more than \$150,000

- + The Council would be demonstrating a strong response to demand for increased spending in this area.
- + Increased funding would allow a greater range of projects, events, and promotions to be supported, further strengthening tourism opportunities throughout the District.
- Every additional \$100,000 invested would cost the average commercial property a further \$101 in district growth rates and add a further \$0.54 to all rates in 2018/19.

# WE NEED TO DECIDE ON OUR PRIORITIES – WHAT’S IN AND WHAT’S OUT OF THE BUDGET?

We want our District to be vibrant and thriving, but also have to be mindful of the cost to our communities. To help keep our LTP affordable, we may not be able to deliver all the things our communities want.

It’s a balance - we could deliver more, and progress projects faster, but that would require more money from rates, loans and other sources. If additional loan-funded projects were to be considered, this could require us to revise our proposed limits for rates and debt, which are set out on page 19.

The following table sets out some of the projects that, for affordability reasons, are currently not in the LTP budget. We would like your thoughts before these are finalised. Please note that the figures in the table are estimates only.

PROJECTS THAT HAVEN'T BEEN INCLUDED IN OUR DRAFT PLAN	TOTAL PROJECT COST	HOW IT WOULD BE PAID FOR	INDICATIVE RATES INCREASE
New Matatā water bore	Approximately \$700,000	Loan	\$1 per property on equalised water
Whakaari/White Island Experience Centre	\$1.8 million	Loan, restricted reserve, subsidy	\$0.60 per property and \$30-45 per commercial property district wide
Public toilet upgrades – Pine Street Murupara, James Street Kopeopeo, Boon Street Whakatāne, Mahy Reserve Ōhope	\$1.4 million	Loan, renewal	\$2 per property district wide
Ōhope reserves development	\$2.5 million	Loan	\$5.30 per property district wide
New Otumahi water storage reservoir	Approximately \$1.2 million	Loan with possible subsidy	\$30 per property on plains water
Second bridge into Whakatāne	\$25 – 60 million depending on location	Combination of loan, subsidy, and development contributions	Dependant on location and subsidy received
Whakatāne Ki Mua coordination and funding for community-led initiatives	\$65,000 per year	General rates funded	\$4.10 per property district wide
Whakatāne Airport terminal refurbishment	\$490,000	Combination of loan, reserves, and subsidy	\$1 per property district wide
Sealing unsealed roads	Approximately \$200,000-\$450,000 per kilometre	Combination of loan and subsidy	Varies depending on location

There are more than 160 kilometres of unsealed road in our District. The seal extension programme was discontinued from 2009 because of the cost involved. However, there may be times when property owners who live on an unsealed road wish to fund the cost of a seal extension. Where this is the case, the Council will work with property owners to find an appropriate solution for both parties. This could include a targeted rate on property owners on the road planned for reseal.



## Are we getting the priorities right?



### OPTION 1

We need to deliver more for our communities.

If this is your preferred option, what kinds of services do you think should be improved?

*Doing more may mean an increase in rates and/or debt.*

HIGHEST COST



### OPTION 2

The proposed priorities for the next 10 years are about right.

Our draft budget would result in average annual rates increases ranging from 1.9% to 3.99% and an increase in debt limits from \$75 million to \$80 million.

*For more information on our draft budget, go to page 16.*

PREFERRED OPTION

### OPTION 3

The focus should be on reducing rates and debt.

Reducing rates and debt means we will need to reduce service levels and cut more projects. If you agree with this option, what services do you think should be reduced or cut?

*Read our 'Draft Activity Summaries' at [whakatane.govt.nz/ltp-2018](http://whakatane.govt.nz/ltp-2018) to learn more about what each of our activities delivers.*

LOWEST COST



# WE NEED PARTNERSHIPS TO PROGRESS KEY PROJECTS

There are a number of complex and costly projects that we are continuing to work on for our communities. To be able to progress some of these projects, we first need to confirm funding partners.

These major projects are currently not in our budgets because we don't want to pass costs to our communities until we know if and when they will be progressed. When we have confirmed funding support, we will ask for community feedback about how to fund the local share of costs.

## Managing the Awatarariki Debris flow risk

The Matatā township was struck by devastating debris flows in 2005. Initial plans for an engineering solution to reduce risk for residents living near the Awatarariki Stream were eventually abandoned in 2012, because experts assessed this to be unworkable and unaffordable.

Independent hazard and risk assessments have confirmed that the risk to life and property along parts of the lower Awatarariki Stream is unacceptably high. The most effective way to reduce risk is a 'managed retreat', to enable property owners to relocate away from the high-risk area.

A case to support funding of this option is being pursued with regional and central government, as it would be unaffordable for our District without support from these partners.

For this reason, the project is not currently included in our budget. If we receive financial support, we will undertake further consultation with the community about the cost of this project.

## Delivering a wastewater solution for Matatā (integrated wastewater option)

Our initial plans sought to develop a new wastewater scheme in Matatā in 2015-2017, but the resource consent for this project was overturned by the Environment Court.

We're now proposing an alternative 'integrated wastewater system.' This would pipe raw sewage from Matatā to Edgecumbe for treatment, and then to Whakatāne for discharge. This proposal makes the most of our existing infrastructure, requires minimal changes to existing resource consents, and also provides improvements for Edgecumbe and Whakatāne. It would cost about \$32 million.

Finding a wastewater solution for Matatā continues to be a priority for the Council, but because of the high cost, can only be progressed if we are able to confirm funding support. For this reason, the project is not currently included in our budget.

We will continue ongoing discussions with central and regional government to help fund this project. If funding is received, we will consult with the community about options for this significant project.



## TIMING CHANGES TO OTHER KEY PROJECTS

### Te Urewera Route upgrade

We are working with Tūhoe Te Uru Taumatua, Te Urewera Board, and the Wairoa District Council, with support from the New Zealand Transport Agency (NZTA), on options for the future sustainable management of the Te Urewera Route (old State Highway 38). Currently, maintenance of the route is 100% funded by NZTA. In our previous Long Term Plan, we included about \$4 million in our budget for this road. That money has not been spent yet, so we have carried it over to our draft budget for 2018-28.

### Whakatāne Main Wharf project

The Whakatāne Main Wharf has sections that were constructed between 78 and 100 years ago. The wharf is being regularly monitored to ensure it is safe for public use and minor maintenance works are being undertaken to extend its life, but full replacement is required. Options for the replacement of the wharf are being developed and a business case assessment is underway. The project timeline has been extended to complete this work by April 2021, and the budget has been carried forward. Public consultation on the project is expected to be undertaken in the 2018/19 year.

### Redevelopment of the Whakatāne District War Memorial Complex

When we talked to you about our Long Term Plan 2015-25, you told us that you wanted the Whakatāne War Memorial Complex redeveloped into a Multi-Sports and Event Centre. This project was initially planned for completion by 2020. This is still part of our LTP, but with the completion timeframe extended to 2026. The project intends to redevelop the complex into a modern facility to cater to a range of events, conferences, indoor-sports, and theatre activities; and also undertake the earthquake strengthening work required for parts of the building.

## WHAT OUR DRAFT BUDGETS LOOK LIKE

Te āhua o ngā mahere pūtea hukihuki

We have tried to keep the costs for delivering our services as low as possible. This has meant that many non-essential projects have not been included in the draft budget.

Total cost of delivering our proposed services for 2018-28:  
**\$958 million**

Cost to ratepayers for 2018-28:  
**\$496 million**

Other sources of funding include fees and charges, subsidies and grants.

**\$247 million**

### TOTAL 2018-28 CAPITAL EXPENDITURE

Capital expenditure is the cost of buying or building a new asset, renewing an existing asset, or improving an asset to deliver a better service (e.g. upgrading a wastewater treatment system).

**\$711 million**

### TOTAL 2018-28 OPERATING EXPENDITURE

Operating expenditure funds the day-to-day costs of delivering our services, maintaining existing assets, or other expenditure that does not buy or build a new asset (e.g. maintaining our parks and reserves).

*NOTE: All financial information in this document includes inflation.*

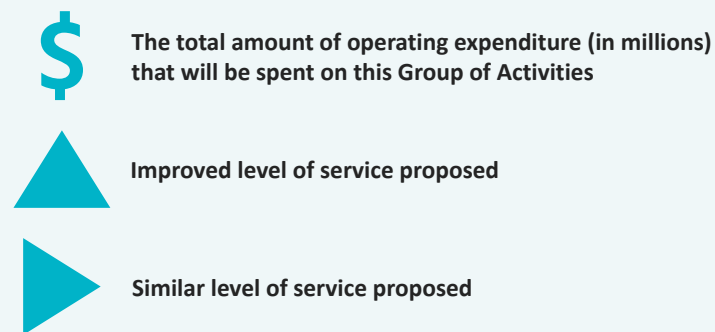


## Operating cost for activities over the next 10 years

The Council delivers over 30 services and facilities to the Whakatāne District. These are split up into the 'Groups of Activities' to the right.

This page shows the total amount of operating expenditure that will go towards delivering each of our Groups of Activities over the next 10 years, based on our draft budget. It also shows whether our proposals are intending to increase the level of service provided or maintain the same level of service for each Group of Activities.

Visit [whakatane.govt.nz/ltp-2018](http://whakatane.govt.nz/ltp-2018) to read our 'Draft Activity Summaries', which outline what we do under each activity.



\* CCO = Council Controlled Organisation

\*\* Includes the following activities:

District Activities, Corporate Property, Customer Services, Executive Team, Financial Services, Human Resources, Information Management and Public Affairs.



# OUR FINANCIAL STRATEGY

Our Long Term Plan is supported by a Financial Strategy with the following objectives:

- Ensuring resource is available to sustainably manage assets and services
- Retaining capacity to add value to our services and facilities
- Maintaining rates at an affordable level
- Maintaining our overall debt at around or just above current levels
- Managing our finances responsibly and minimising financial risk.

These next few pages include highlights from our Draft Financial Strategy. The full version of the Strategy can be found on our website.

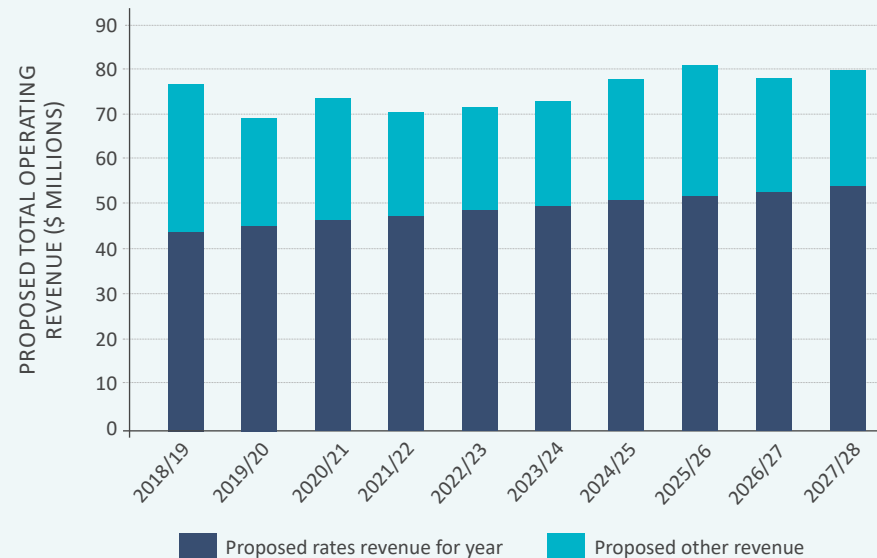
[whakatane.govt/ltp-2018](http://whakatane.govt/ltp-2018)

## Where our funding will come from

In the 2017/18 year, the amount of revenue needed to deliver our many services and facilities was \$63.9 million. This amount is forecast to increase over time. A major driver of cost increases in the coming years is our three waters services (water supply, wastewater, and stormwater).

Rates usually provide between 65 and 70 percent of the revenue required to pay for Council services and facilities. Other funding sources include user fees and charges, subsidies, grants, and development contributions.

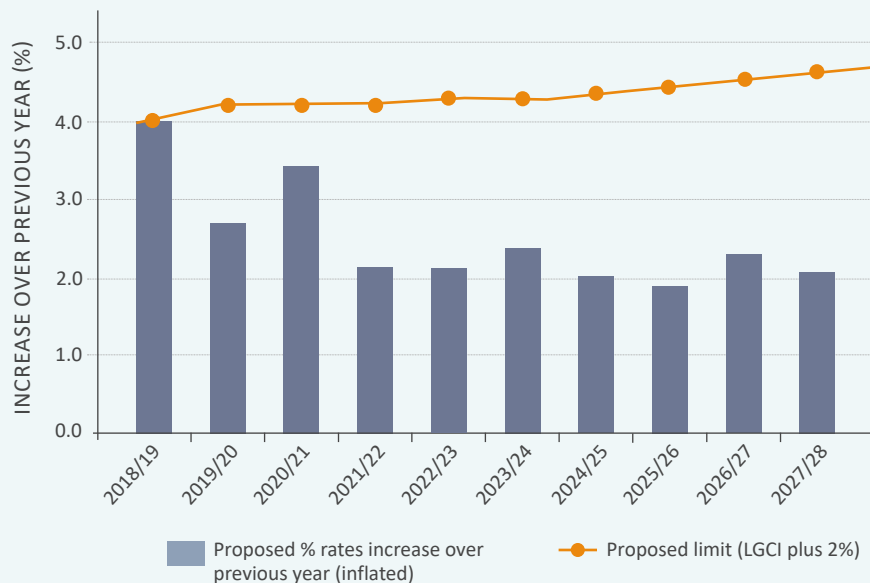
The graph below shows how much revenue is needed to deliver our services over the coming 10 years, based on the draft budgets – which will be finalised following this consultation process. It also shows how much revenue will come from rates versus other funding sources.



## Our limits for total rates increases

In 2018, the average household pays about \$55 per week in rates. This helps pay for services such as water, roads and footpaths, parks and playgrounds, community facilities like pools and libraries, and much more.

The graph below shows the proposed total rates increases for the next 10 years based on the draft budgets – which will be finalised following this consultation process. Note that these are the proposed total increases across the District, and will vary from property to property. The graph also shows the limits on total rates increases. We’re proposing to continue our current limit– which is set at the level of inflation (LGCI\*) plus two percent.

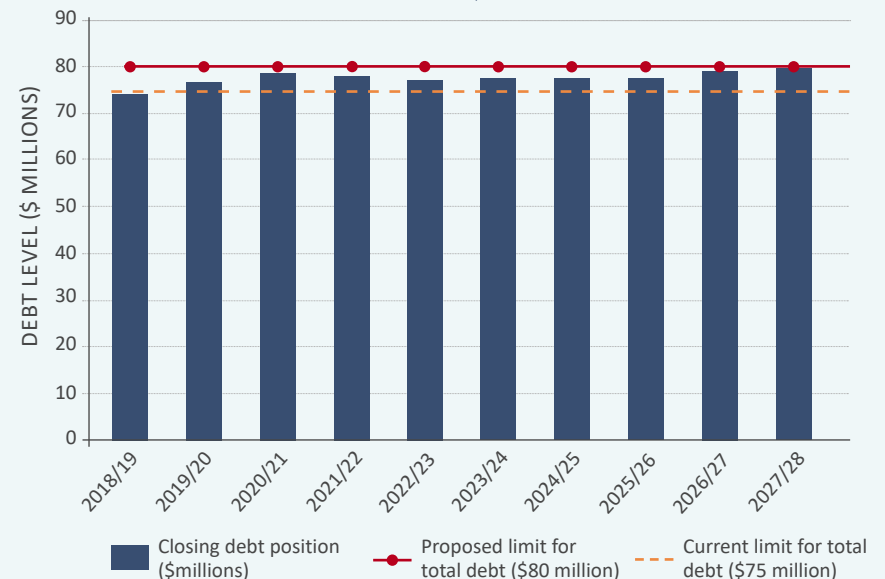


\*The LGCI - Local Government Cost Index - is a measure of inflation as it relates to the local government sector specifically (for example the changing costs of concrete, pipes and construction).

## Our debt levels and debt cap

We use loans to fund new assets that have a long lifespan. Borrowing lets us get the things we need now and pay for them over time. Repaying loans over time also means that current and future ratepayers contribute to the cost of the asset that they are benefiting from. The Council’s current debt levels are consistent with, or less than many similar-sized local government authorities around Aotearoa New Zealand, and we’d like to keep it that way.

The graph below shows our projected levels of debt (closing debt position) over the next 10 years and what our limits are for debt. We are proposing a slight increase in our use of debt to help fund major upcoming costs for our three waters infrastructure. To accommodate this we will need to increase our current debt limit of \$75 million to \$80 million.



# PROPOSED CHANGES TO THE RATING SYSTEM

In our District, we have 16,586 rateable properties. The amount of money needed to pay for Council services and facilities is divided amongst these properties.

The amount charged is different for each property, depending on its capital value, and on the services the property owners/occupiers receive, or are likely to benefit from.

Our Revenue and Financing Policy and rating system determines how those differences apply. Both are being reviewed as part of the development of the LTP.

Through these reviews, one major change to the rating system is being proposed. This would see the water and wastewater schemes for Murupara being brought into the 'equalised' funding system, alongside other water and wastewater schemes in the District. This is one of our key consultation questions – see page 8 for more information.

The review of our Revenue and Financing Policy is open for feedback alongside this consultation document. More information about this, and other LTP related policy reviews, can be found over the page.

## Indicative rating table:

This table shows what your rates might look like next year (2018/19), and how this compares to the current year (2017/18). This model allows for both our proposed changes to the rating system and the proposed new budgets.

What your rates might look like in 2018/19

	Whakatāne Urban Low	Whakatāne Urban Average	Whakatāne Urban High	Whakatāne Commercial (less than \$10m) Low
Capital Value	155,000	355,000	1,100,000	370,000
General Rate	206.67	473.33	1,466.66	493.33
Uniform Annual General Charge	706.15	706.15	706.15	706.15
Roading CV	109.08	249.82	774.10	260.38
Roading Fixed Targeted Rate	43.40	43.40	43.40	43.40
Community Boards	22.06	22.06	22.06	22.06
Stormwater Fixed Targeted Rate	88.41	88.41	88.41	88.41
Stormwater CV	80.56	184.51	571.74	423.08
District Growth	-	-	-	650.99
Refuse Removal	199.32	199.32	199.32	163.65
Water	519.81	519.81	519.81	519.81
Sewerage	316.59	316.59	316.59	316.59
<b>Subtotal (excluding GST)</b>	<b>2,292.05</b>	<b>2,803.40</b>	<b>4,708.24</b>	<b>3,687.85</b>
<b>Plus GST at 15%</b>	<b>343.81</b>	<b>420.51</b>	<b>706.24</b>	<b>553.18</b>
<b>2018/19 Total indicative rates including GST</b>	<b>\$2,635.86</b>	<b>3,223.91</b>	<b>\$5,414.48</b>	<b>\$4,241.03</b>
<b>2017/18 Total indicative rates including GST</b>	<b>\$2,545.01</b>	<b>\$3,128.12</b>	<b>\$5,300.22</b>	<b>\$4,121.85</b>
<b>% increase (decrease) incl. GST</b>	<b>3.57%</b>	<b>3.06%</b>	<b>2.16%</b>	<b>2.89%</b>

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 Average	Rural High
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
973.33	393.33	390.67	853.33	81.33	273.33	148.00	1,093.33	680.00	853.33	1,626.66	178.67	78.00	1,286.66	4,253.32
706.15	706.15	706.15	706.15	706.15	706.15	706.15	706.15	706.15	706.15	706.15	706.15	706.15	706.15	706.15
513.72	207.60	206.19	450.39	42.93	144.26	78.11	577.06	358.90	450.39	858.55	94.30	41.17	679.10	2,244.89
43.40	43.40	43.40	43.40	43.40	43.40	43.40	43.40	43.40	43.40	43.40	43.40	43.40	43.40	43.40
22.06	15.15	15.15	15.15	36.64	36.64	15.15	22.06	22.06	22.06	22.06	34.84	15.15	15.15	15.15
88.41	86.76	61.01	61.01	-	-	12.79	72.37	72.37	72.37	72.37	15.61	-	-	-
834.73	178.80	188.99	412.81	-	-	51.65	276.81	172.16	216.05	411.84	44.71	-	-	-
971.10	-	-	-	-	-	-	-	-	-	-	-	-	-	-
163.65	199.32	199.32	199.32	199.32	163.65	199.32	201.98	201.98	201.98	201.98	199.32	163.65	163.65	163.65
519.81	519.81	519.81	519.81	519.81	-	120.00	519.81	519.81	519.81	519.81	519.81	120.00	120.00	120.00
316.59	316.59	-	-	316.59	-	-	316.59	316.59	316.59	316.59	316.59	-	-	-
5,152.95	2,666.91	2,330.69	3,261.37	1,946.17	1,367.43	1,374.57	3,829.56	3,093.42	3,402.13	4,779.41	2,153.40	1,167.52	3,014.11	7,546.56
772.94	400.04	349.60	489.21	291.93	205.11	206.19	574.43	464.01	510.32	716.91	323.01	175.13	452.12	1,131.98
<b>\$5,925.89</b>	<b>\$3,066.95</b>	<b>\$2,680.29</b>	<b>\$3,750.58</b>	<b>\$2,238.10</b>	<b>\$1,572.54</b>	<b>\$1,580.76</b>	<b>\$4,403.99</b>	<b>\$3,557.43</b>	<b>\$3,912.45</b>	<b>\$5,496.32</b>	<b>\$2,476.41</b>	<b>\$1,342.65</b>	<b>\$3,466.23</b>	<b>\$8,678.54</b>
\$5,821.73	\$2,902.03	\$2,456.83	\$3,371.33	\$1,788.26	\$1,570.53	\$1,583.22	\$4,256.94	\$3,430.77	\$3,777.22	\$5,322.96	\$2,366.31	\$1,349.95	\$3,33.03	\$8,407.77
1.79%	5.68%	9.10%	11.25%	25.15%	0.13%	(0.16%)	3.45%	3.69%	3.58%	3.26%	4.65%	(0.54%)	2.16%	3.22%

## OTHER KEY PROPOSALS BEING CONSULTED ON ALONGSIDE THE LTP

Ētahi atu whakaaro matua e akoako ana i te taha o te Mahere Roanga

We want to hear what you think about some key proposals and policies that support the Long Term Plan.

### Upgrades to the Whakatāne boat ramp area

The Whakatāne boat ramp and trailer park area is a major asset for locals and visitors. However along with necessary asset renewals, the area needs to be upgraded, with a key concern being user health and safety.

We've drafted a concept plan for upgrades and want to know what you think before going ahead.

Visit [whakatane.govt.nz/ltp-2018](http://whakatane.govt.nz/ltp-2018) to see the draft concept plan.

### Significance and Engagement Policy

This is a review of our existing Policy, adopted in 2015. This Policy helps us to determine whether we will engage with the community on a proposal or decision, and if so, how. The general principle is that the higher the significance (importance) of the decision, the greater the level of community engagement there will be to inform the decision-making process.

#### KEY CHANGES PROPOSED:

- The way we determine what we should and shouldn't engage on
- A greater focus on engagement, including earlier in a process
- A more flexible and meaningful approach to engagement.

## Fees and Charges

This document lists our proposed fees and charges for 2018-21. Fees and charges allow us to pass on some costs directly to those who use particular services and facilities. This reduces the amount of funding that needs to be collected through rates.

### KEY CHANGES PROPOSED:

- Minor changes across services to reflect inflation
- Fee increases in reserve and hall hire, resource management, building, cemetery, crematorium, and noise control activities to reflect actual costs
- New and updated fees in the Aquatic Centres activity.

## Want to know more?

For more information about these key proposals, including the draft concept plan for the Whakatāne boat ramp area, visit [whakatane.govt.nz/ltp-2018](http://whakatane.govt.nz/ltp-2018).

## Revenue and Financing Policy

This is a review of our existing Policy, adopted in 2015. This Policy considers who uses and benefits from our services and then, based on our funding philosophy, allocates how our activities are paid for.

### KEY CHANGES PROPOSED:

- Minor updates reflecting changes to our activity structure
- Minor updates to the funding philosophy for specific activities to more realistically reflect actual funding sources.

## Development and Financial Contributions

The purpose of Development and Financial Contributions is to enable contributions of money or land to be charged to developers. The principle underlying these contributions is that developers should meet the costs attributable to growth arising from their development. We are in the process of reviewing our existing Development Contributions Policy, and are proposing to implement Financial Contributions for roading and reserves.

### KEY CHANGES PROPOSED:

- Proposed changes to the Development Contributions Policy include removal of the development contribution fee for Mill Road Industrial Zone, as water and wastewater services are already in place and future growth from subdivision is limited; and the addition of development contribution fees for growth-related transportation infrastructure.
- Proposed changes to Financial Contributions will allow for the introduction of new roading and reserves components into the methodology as provided for under section 14 of the Whakatāne District Plan.

# MAKING A SUBMISSION IS EASY!

*Māmā noa iho te whakapā mai!*



## Electronically

The easiest way to let us know what you think is to complete our online submission form. To complete the submission form and survey online, go to [whakatane.govt.nz/ltp-2018](http://whakatane.govt.nz/ltp-2018). You can also provide comments through Facebook, by emailing us ([submissions@whakatane.govt.nz](mailto:submissions@whakatane.govt.nz)), or by leaving a quick comment on our website.



## In writing

Fill in the submission form on the next page. Post your completed submission form to the Council, or drop it to one of our offices. Additional forms are available from libraries, Council offices and on our website.



## In person

You can present your thoughts to the Council by speaking to your submission in person. If you'd like to do this, put in a submission outlining the key points you'll refer to. On your submission form, make sure you select the option to speak to your submission.

## What happens next?

**23 MARCH – 23 APRIL 2018**

*You tell us what you think*

You can submit your feedback to us during this time.

**14 – 16 MAY 2018**

*You present your submission to us (optional)*

The Council meets to listen to people who want to present their submission in person.

**22 – 24 MAY 2018**

*We consider your feedback*

The Council meets to consider all of the submissions received and make decisions about changes to the proposed budgets and projects.

**28 JUNE 2018**

*We make final decisions and adopt the Long Term Plan (LTP)*

The Council meets to formally approve the LTP 2018-28 – including changes made as a result of the submissions received. Once adopted, the document will be available on our website, at libraries and Council offices.



# WE WANT TO HEAR FROM YOU

*Whakapā mail!*

This is your Council. You've elected representatives to work alongside the community towards a District that we are all proud to call home.

To make sure that we are on the right track, we want to hear from you as we develop this Long Term Plan. Get in touch with a Councillor from your ward if you would like to have a chat about this Consultation Document, or about the Long Term Plan.



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# AUDIT REPORT *Arotake Pūtea*

This consultation document and the underlying information provided in supporting documents have been reviewed by Audit New Zealand.

## AUDIT NEW ZEALAND

Mana Arotake Aotearoa

### Independent auditor's report on Whakatāne District Council's Consultation Document for its proposed 2018-28 Long-Term Plan

I am the Auditor-General's appointed auditor for Whakatāne District Council (the Council). Section 93C of the Local Government Act 2002 (the Act) requires an audit report on the Council's consultation document. We have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 12 March 2018.

#### Opinion

In my opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2018-28 long-term plan, because it:
  - fairly represents the matters proposed for inclusion in the long-term plan; and
  - identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

#### Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

### Responsibilities of the Council and auditor

*The Council is responsible for:*

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long-term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

I am responsible for reporting on the consultation document, as required by section 93C of the Act. I do not express an opinion on the merits of any policy content of the consultation document.

### Independence

In carrying out our work, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

In addition to this report on the Council's consultation document and all legally required external audits, we have provided an assurance report on certain matters in respect of the Council's Debenture Trust Deed. These assignments are compatible with those independence requirements. Other than these assignments, we have no relationship with or interests in the Council or any of its subsidiaries.



B H Halford

Audit New Zealand

On behalf of the Auditor-General, Tauranga, New Zealand

FreePost Authority Number 113930



Whakatāne District Council  
Private Bag 1002  
Whakatāne 3158



# SUBMISSION FORM

*Pepa tāpaetanga*

LONG TERM PLAN – Mahere Roanga 2018-28



*Tell us what you think by 5pm Friday, 23 April 2018*

POST TO:  
Whakatāne District Council,  
Private Bag 1002, Whakatāne 3158

EMAIL TO:  
submissions@whakatane.govt.nz

SUBMIT ONLINE AT:  
whakatane.govt.nz/ltip-2018

DELIVER TO COUNCIL OFFICES:  
Civic Centre, Commerce Street, Whakatāne;  
or Service Centre, Pine Drive, Murupara



## YOUR DETAILS - Āu taipitopito

NAME: .....

ORGANISATION (IF RELEVANT): .....

PHONE NUMBER: .....

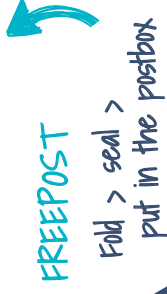
EMAIL ADDRESS: .....

POSTAL ADDRESS: .....

AGE (OPTIONAL):  15 or under  16 - 25  26 - 39  40 - 65  65+

ETHNICITY (OPTIONAL):  NZ European/European  Māori  
 Pacific Island peoples  Asian  Other (Please specify): .....

**PLEASE NOTE:** In accordance with the Local Government Act 2002, your submission will be made available to the public. The Council may redirect your submission if it relates to another process or to another Council.



# Shaping our TOMORROW

## Ngā rā anamata

Have your say -  
Kōrero mai

Tell us what you think by  
5pm Friday, 23 April 2018

## THE KEY QUESTIONS

Please tick your preferred option

### Ngā pātai matua

What is a fair way of funding expensive future upgrades needed for Murupara's water and wastewater systems?

**PG 8**

**OPTION 1:**

Equalise the costs of Murupara

Water and Wastewater from 2018/19

*(Council's preferred option).*

**OPTION 2:**

Do not equalise the costs of

Murupara Water and Wastewater

*(the current approach).*

**OPTION 3:**

Equalise Murupara

Water and Wastewater

over a number of years.

Should we put more money towards tourism and events?

**PG 10**

**OPTION 1:**

Put an additional \$150,000 towards  
tourism and events

*(Council's preferred option).*

**OPTION 2:**

Keep tourism and events funding  
the same at \$872,000 per year

*(the current approach).*

**OPTION 3:**

Increase tourism and events  
funding by more than \$150,000.

Are we getting the priorities right?

**PG 12**

**OPTION 1:**

The Council needs to deliver more for  
our communities even if this means an  
increase in rates and debt.

*What do you think we should do more of?*

**OPTION 2:**

The proposed balance between the  
level of Council services and the  
cost to community is about right.

*What do you think we should do less of?*

**OPTION 3:**

The focus should be on reducing rates  
and debt even if this means cutting  
back more services and projects.

## YOUR COMMENTS

### ōu whakaro

.....

.....

.....

.....

.....

.....

*If you need more space, please attach additional paper with your name, phone number and page number on each sheet.*