

Council Briefing
Hui Whakamōhio



Wednesday, 4 December 2024
Rāapa, 4 Hakihea 2024

Tōtara Room, Whakatāne District Council
14 Commerce Street, Whakatāne

Commencing at: 9:00 am

Chief Executive: Steven Perdia
Publication Date: 29 November 2024

whakatane.govt.nz



Recording the Briefing - *Ka hopuhia te hui*

Recording the Briefing - Ka hopuhia te hui

PLEASE NOTE

The **public section** of this briefing will be recorded.

All care will be taken to maintain your privacy however, as a visitor in the public gallery, your presence may be recorded. By remaining in the public gallery, it is understood your consent is given if your image is inadvertently recorded.

The opinions or statements expressed during a briefing by individuals are their own, and they do not necessarily reflect the views of the Whakatāne District Council. Council thus disclaims any liability with regard to said opinions or statements.

A Membership - *Mematanga*

A *Membership - Mematanga*

Mayor Victor Luca

Deputy Mayor Lesley Immink

Councillor Toni Boynton

Councillor Gavin Dennis

Councillor Andrew Iles

Councillor Wilson James

Councillor Julie Jukes

Councillor Tu O'Brien

Councillor John Pullar

Councillor Ngapera Rangiaho

Councillor Nándor 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.

TABLE OF CONTENTS

1	Karakia	7
2	Briefing Notices - <i>Ngā Pānui o te hui</i>	7
3	Apologies - <i>Te hunga kāore i tae</i>	7
4	Presentations - <i>Whakaaturanga</i>	8
4.1	Three Waters Rating Review	8
4.2	Annual Plan - V1 Budget	22
4.3	Regional Infrastructure Fund	22
5	Reason to Exclude the Public - <i>Te take kia awere te marea</i>	30

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.

Council Briefings are recorded. Public gallery attendees' presence implies your consent to being broadcast.

Recordings are available upon request.

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.

3. Acknowledgements - *Ngā mihimihi*

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

No apologies had been received at the time of compiling the Agenda.

4 Presentations - *Whakaaturanga*

4 *Presentations - Whakaaturanga*

4.1 *Three Waters Rating Review*

Bevan Gray, Howard Severinsen and Philip Jones will speak to the attached report.

4.1 Three Waters Rating Review(Cont.)

3Waters Rating Review

Date: 4 December 2024

Bevan Gray, GM Finance & Commercial Services

Howard Severinson

Philip Jones



4.1 Three Waters Rating Review(Cont.)



Objectives of today's workshop

- Need to develop and then confirm options for modelling
- The next workshop will receive the modelling options for refinement



4.1 Three Waters Rating Review(Cont.)



Agenda for today

Direction as to the following:

- Water supply
 - Fixed versus water by meter
 - Plains equalise
 - How to equalise Murupara Water charges
- Stormwater
 - Degree of fixed versus capital value
 - How to equalise
- Wastewater
 - How to equalise on Murupara (maybe Matata)

3



4.1 Three Waters Rating Review(Cont.)



Water supply - *Fixed* versus water by meter

Advantages

- Certainty of income
- Simple to understand
- Low administration cost

Disadvantages

- Not a “true” user pay system
- Charge can’t be varied by ratepayer
- Individual usage is not necessarily recorded

ANY OTHERS ??



4.1 Three Waters Rating Review(Cont.)



Water supply - Fixed versus *water by meter*

Advantages

- Reflects actual use in fee and therefore is a true user pays
- Users can vary fee by using less
- More aligned to LWDW direction

Disadvantages

- Less certainty of income
- More complex development of pricing
- Higher administration cost

ANY OTHERS ??

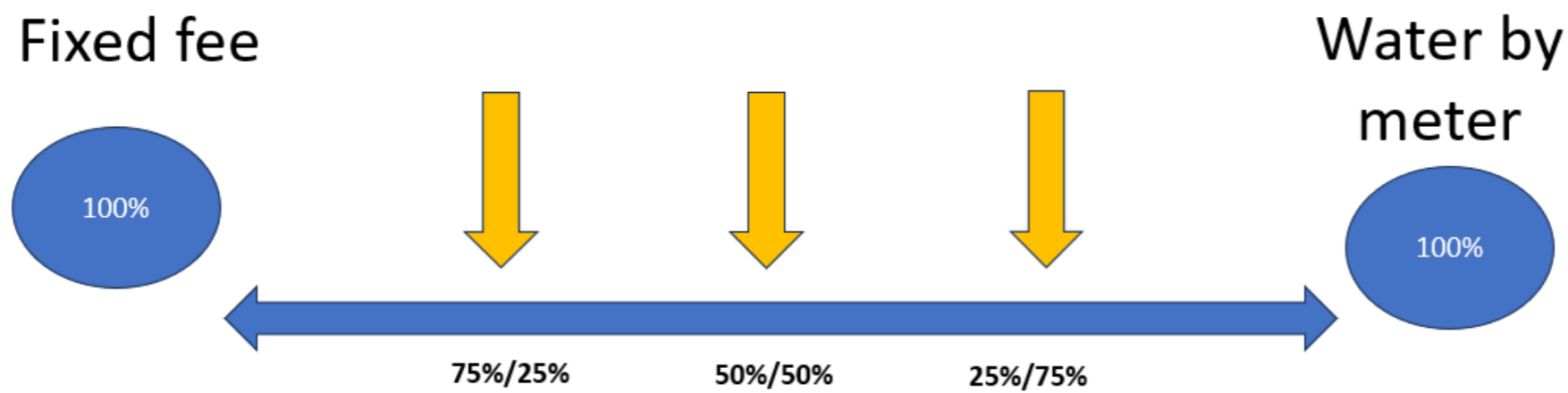


4.1 Three Waters Rating Review(Cont.)



Water supply – Fixed versus water by meter

What options do you want to be considered?



Or something else?



4.1 Three Waters Rating Review(Cont.)



Water supply - Plains

- Current rating

Plains (\$)		Total estimated income	Number of rating units
294.79	fixed amount per connection connected and non-metered	573,062	1,884
\$ 0.50	per cubic metre of all water supplied to each rating unit connected and metered	589,594	1,884
\$ 0.90	The Council sets an additional targeted rate for any excess water consumed that is over and above the purchased entitlement for each property connected to the Plains water supply scheme. An overuse targeted rate is set for the excess volume consumed over and above the purchased entitlement of \$0.90 per cubic metre.	270,000	

- These are based on old arrangements which are now coming to the end of their useful life.
- What options do you want to consider?



4.1 Three Waters Rating Review(Cont.)



How to equalise Murupara & Plains Water charges

- There are a different level of service and “affordability” concerns
- Two issues – when and how

Options to consider

- When, immediate or over time
 - If over time, what period – link to LOS
- How
 - Assume the same allocation between fixed and water rate

8



4.1 Three Waters Rating Review(Cont.)



Stormwater – *fixed* versus capital value

Advantages

- Simple
- Low administration cost
- No change due to revaluations

Disadvantages

- Not a reflection size of property
- No link to user pays
- Impacts of the 30% cap

ANY OTHERS ??



4.1 Three Waters Rating Review(Cont.)



Stormwater – fixed versus *capital value*

Advantages

- There is a high correlation between CV and hard surface area and size of property
- Better reflection of ability to pay
- Differential rates can be “better” applied

Disadvantages

- Not always a “fair” reflection of stormwater benefit
- CV includes improvements that may not have impact on run off

ANY OTHERS ??

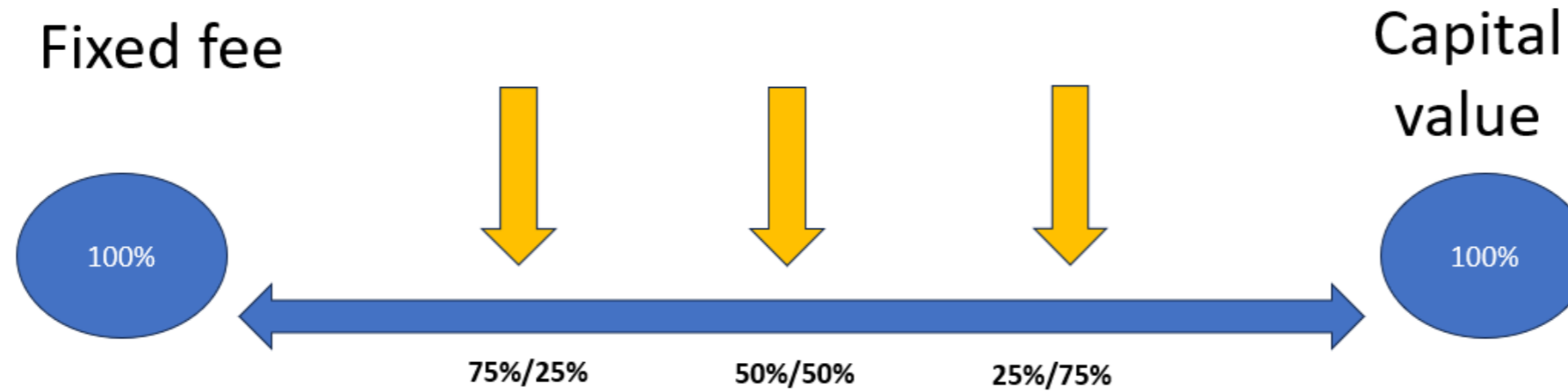


4.1 Three Waters Rating Review(Cont.)



Stormwater - Fixed versus capital value

What options do you want to be considered?



Or something else?



4.1 Three Waters Rating Review(Cont.)



How to equalise stormwater charges

These are currently based on budgeted expenditure for each scheme

- Current rates

Fixed Amount per Scheme	Rate \$
Whakatāne urban area	134.36
Whakatāne Commercial and Industrial	134.36
All rating units in the Matakā 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

Differential	Rate \$ per Capital value	Average capital value	Total rates
1	0.0004238	326.69	461.05
2.2	0.00093236	1,430.82	1,565.18
1	0.0004238	254.93	346.60
1	0.00022617	306.57	408.43
1	0.00064651	493.92	659.00
1	0.00033502	124.32	164.43
1	0.00014604	25.66	34.21

What options do what to consider?



4.1 Three Waters Rating Review(Cont.)



How to equalise Wastewater charges

- Murupara has a different level of service
- There are “affordability” concerns
- Do you want to consider Matata as part of the option consideration?

What options do what to consider?



4.2 Annual Plan - V1 Budget

4.2 Annual Plan - V1 Budget

Leny Woolsey, Holly Allison & Harvey Keravel will update the Council on the progress of the Annual Plan, including budget assumptions, the high-level Version 1 budget, inflation and interest rates, and consultation requirements.

The presentation material will be tabled at the Briefing on Wednesday, 4 December 2024, and will be uploaded to the website alongside the Council Briefing Agenda.

4.3 Regional Infrastructure Fund

Leny Woolsey & Danielle Caudwell will speak to the attached Report.

4.3 Regional Infrastructure Fund(Cont.)

Regional Infrastructure Fund Application Approach



4 December – Council Briefing

Leny Woolsey, Acting GM Strategy and Growth

Danielle Caudwell, Manager Economic Development



whakatane.govt.nz

Better Together Toitū te Kotahitanga



4.3 Regional Infrastructure Fund(Cont.)



Regional Infrastructure Fund (RIF)- \$1.2b

“The Regional Infrastructure Fund (RIF) will invest primarily through a mix of loan and equity into new and existing infrastructure to lift productivity to grow regional economies.”

There are two main project categories for funding allocations:

Resilience infrastructure

Projects that enhance a region’s capacity to withstand and recover from shocks, including flood and weather protection, water supply resilience (excluding most potable water, wastewater, and stormwater assets), energy, water, and food security, as well as infrastructure resilience.

Enabling Infrastructure:

Projects fostering growth by connecting regions, supporting shared services, innovation facilities, and solutions that link businesses and communities.



4.3 Regional Infrastructure Fund(Cont.)

RIF Application

A completed Kanoa online application form must accompany:

- Copies of any consents
- Project budget identifying applicable milestone payments
- Financial statements for the last 3 years including:
 - Cashflow
 - Balance sheet
 - Profit and loss
- Qualified accountant produced forecasts (minimum five years)
- Profit and loss
- Cashflow and balance sheets
- Summary of underlying assumptions

Optional accompanying documents include:

- Trust Deed (if applicable)
- Feasibility Study
- Business case
- Cost benefit analysis
- Information Memorandum (if capital raising)
- Risk management plan
- Economic impact assessment
- Cultural impact assessment
- Environmental impact assessment
- Letters of support
- Governance Structure



4.3 Regional Infrastructure Fund(Cont.)



Considerations

- Alignment of EBOP Economic Development Strategy and Spatial Plan (identified housing development areas)
- Potential growth areas: Aquaculture, Green renewable energy / industrial, residential and commercial development.
- Constraints: Housing, workforce resilience, infrastructure and connectivity and capital.



4.3 Regional Infrastructure Fund(Cont.)



Unlocking Western District Growth through creating community

Problem Statement:

“We can’t build houses because we need money for infrastructure to facilitate / enable other people to build houses.”

Proposed focus for application:

Awakeri Township Development



4.3 Regional Infrastructure Fund(Cont.)



What do we need?	Bay of Plenty Regional Priorities	Alignment with Regional Priorities	Constraints	Why?
More Houses	High-value horticulture product delivery	✓	- Water availability	Increased GDP
Developer and business confidence	Growing and diversifying the Māori economy	✓	- Housing - Employment – primary sector	Productivity
	Energy and decarbonisation	✓	- Waste - Water treatment	Innovation
	Freight and logistics	✓	- Roothing	Knowledge
	Driving sustainable aquaculture opportunities	-	-	Skills Development
Proposed Components of the project	Accelerate a globally focused, high-value wood products industry	-	-	Wellbeing
	Tourism	✓	- Retail - Hospitality - Facilities	Nature??



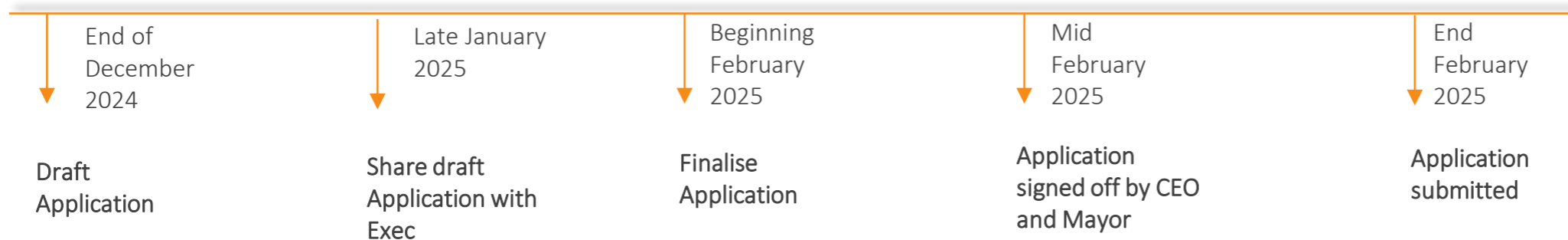
4.3 Regional Infrastructure Fund(Cont.)



Where to from here?



Timeline



7



5 Reason to Exclude the Public - *Te take kia aware te marea*

5 *Reason to Exclude the Public - Te take kia aware te marea*

The reasons to exclude as follows: To enable any Council holding the information to carry out, without prejudice or disadvantage, commercial activities. Section 7(2)(h) Section 7(2)(a).