



» The Big Decisions «

Ngā whakataunga matua

LONG TERM PLAN 2015-25
Consultation Document

Our Direction

From the Mayor

Welcome to this consultation document for our Long Term Plan. The development of the 2015-25 Long Term Plan provides an opportunity for individuals, organisations and businesses to have their say on the Council's direction, priorities, work programme and budgets for the next ten years. This Consultation Document overviews our key priorities and the decisions we will need to make on the community's behalf. I would encourage you to consider these matters carefully and give us your thoughts on the direction we should be taking.

For the most part, we are proposing a 'steady as you go' approach, with a focus on delivering reliable services and infrastructure at an affordable cost to ratepayers. However, we are looking to make progress in some carefully selected areas, notably in promoting economic development and investing in activities which will grow the vibrancy and vitality of the District.

I know that I speak for the whole Council when I say that we are immensely proud of our District. Like many areas, we face challenging times, but we also have some unique strengths. This Long Term Plan aims to harness those strengths and, in partnership with the community, build towards a sustainable future.

We look forward to your feedback and to working together to achieve our goals.



Nāku noa nā.

Tony Bonne MAYOR, WHAKATĀNE DISTRICT

Nau mai ki tēnei pukapuka whakawhiti whakaaro mo te mahere roanga. Ko te whakawhanake o te mahere roanga 2015-25, kia āhei ana mo ngā tokotahi, hāpori me ngā pākihi ki te whakatakoto whakaaro e pā ana ki ngā mahi tohutohu, ngā whai tikanga nui, me ngā pūtea kua whakatakotohia a te Kaunihera mo ngā tau tekau e heke mai nei. Ko te wawata e au kia ngākaunui mai koutou ki ēnei kaupapa, ā, kia whakahokia mai i o koutou whakaaro ko tēhea te huarahi e whai ake anō ai tātou.





Should we redevelop the Whakatāne Museum & Research Centre? 11

Does our District need a modern events, conference, indoor-sports and theatre facility?..... 13

Should we transfer our pensioner housing units to a Community Housing Provider?..... 14

Do we need to increase our focus on attracting jobs, investment, events and people to the District?..... 17

Should we improve our harbour facilities and access? 19

Principles guiding our Long Term Plan

The following principles are guiding us as we develop our 2015-25 Long Term Plan.

RESPONSIBLE *Takohanga*

We will work together with the community to prioritise essential core services and manage our assets in a financially prudent way.

SUSTAINABLE *Whakauka*

We will manage our assets and activities in a way that does not compromise our ability to provide quality, affordable services to the community now and in the future.

ENABLING *Whakamana*

We will take opportunities to encourage and support activities which will grow the vibrancy, vitality and prosperity of our District.

AFFORDABLE *Ka tāea te utu*

We will be responsive and sensitive to the issue of rates affordability across the District.

The Long Term Plan affects you, your family, your neighbours, even your dog...

The Whakatāne District Council is responsible for delivering a wide range of essential services and facilities including water supplies, sewage treatment and disposal, solid waste management, roads and footpaths, parks and reserves, libraries, economic development and animal control to name a few.

Regardless of whether or not you are a ratepayer, the Long Term Plan affects us all. It is more than just a work plan for the Council - it is about working towards the kind of community we want to live in and a future we want to be a part of.

What we are proposing for our Long Term Plan



Delivering quality core services

The Council is responsible for delivering more than 30 services that families, households and businesses rely on and use every day. Maintaining and, where necessary, improving our assets so that we can continue to provide quality services in an affordable and sustainable way is one of our key priorities.

THINGS TO CONSIDER

- To ensure rates are affordable, most of our services will continue at the current level.
- We are making good progress on existing projects to improve services including stormwater upgrades and a wastewater system for Matatā.
- Maintaining our existing assets is one of the largest drivers of our costs.



Working together to meet the needs of our communities

Over the next ten years, we will continue to work with individuals, community organisations and government agencies to ensure that our District retains its vibrancy and vitality and offers the quality of life we all enjoy. While we intend to keep providing most services at the current level, we are proposing to work in partnership on some carefully considered service improvements to ensure we continue to meet the needs of our communities.

THINGS TO CONSIDER

- Should we redevelop the Whakatāne Museum & Research Centre?
- Does our District need a modern indoor-sports, events and conference facility?
- Should our pensioner housing units be sold to a Community Housing Provider?



Encouraging communities and businesses to thrive

We all want to live in a prosperous District where everyone has an opportunity to benefit from a strong local economy. Our District offers some considerable opportunities for economic development and growth including a superb climate and sunshine hours, strong agricultural and forestry sectors, comparatively low property costs, under-utilised tourism resources and excellent lifestyle appeal. The Council aims to leverage off those opportunities and, in partnership with the community and other stakeholders, create an environment where people, communities and businesses thrive.

THINGS TO CONSIDER

- Do we need to increase our focus on attracting jobs, investment, events and people to the District?
- Should we improve our harbour facilities and access?



Keeping rates affordable

Rates contribute towards the cost of many essential services and community facilities. While Council services must be managed in a sustainable and financially prudent way, rates must also be affordable and debt must be kept within sensible limits.

THINGS TO CONSIDER

- What are our revenue needs over the next 10 years?
- Rates increases need to be kept to affordable levels.
- Debt must be limited to ensure that the cost of repayments remains at a sustainable level.
- What your rates might look like next year and how this compares to the current year.



Delivering Quality Core Services

*We are intending to
continue delivering most of
our services at the current level*

The Council is responsible for delivering many services and facilities that families, households and businesses rely on and use every day. Our services are organised into ten 'groups of activities'. The following page illustrates the proportion of our costs that will go towards delivering each of our ten 'groups of activities' over the next ten years. It also provides a general indication of whether the level of service is proposed to be maintained at around the current level or increased substantially.

For most activities, we are not proposing to significantly change the current level of service provided. With our District's population expected to be stable over the coming ten years, maintaining most services at the current levels will help ensure that our Long Term Plan is affordable and financially sustainable.

Over the next ten years the daily cost of our activities to the average ratepayer will increase from \$6.96 in 2015 to \$9.05 in 2025. Inflation is the largest single driver of this increase, although we are proposing some carefully selected service improvements as set out later in this document.

NOTE: All financial information in this document includes inflation.

OUR GROUPS OF ACTIVITIES

\$692.1 MILLION
TOTAL COST to deliver our services 2015-25

\$459 MILLION
Cost to ratepayers

\$\$\$
Cost to average ratepayer per day

\$6.96
2015
\$9.05
2025



%
Percentage of total operating expenditure committed to this Group of Activities.

↑ →
Indication of whether the level of service is proposed to be maintained or increased.

* 'Other' includes Corporate & District Activities, and Council Controlled Organisations.

Maintaining existing assets is one of our largest cost drivers

The need to renew or replace assets that the Council already owns and operates will be a major driver of costs over the coming ten years. The renewal of core network infrastructure - roads, stormwater drainage, water supply, and sewage treatment and disposal - is expected to cost around \$89.4 million over the course of the Long Term Plan. Renewal, of non-network infrastructure such as halls, wharves, playgrounds, and others is expected to cost a further \$42.2 million. In total, the need to renew or replace assets accounts for 19% of all spending or 64% of capital expenditure (cost of assets) over the next ten years.

We are also intending to upgrade some of our assets to protect our community and the environment, and in response to community demand and growth. The Council's Infrastructure Strategy sets out the key infrastructure projects proposed for the next 30 years in more detail. This document is available on our website for your reference.

**\$207.5
MILLION**

TOTAL COST to deliver & maintain assets 2015-25

**\$67.8
MILLION**

Cost for new or improved assets to deliver a better service

**\$8.0
MILLION**

Cost for new or expanded assets to provide for growth

**\$131.7
MILLION**

Cost to renew or replace existing assets

ROADS AND FOOTPATHS \$60.91 MILLION: Resurfacing and resealing roads; re-metalling unsealed roads; maintaining footpaths, replacing bridges and culverts; renewing road signs, kerbing and drainage; replacing streetlights with LED.

RECREATION AND COMMUNITY FACILITIES \$27.05 MILLION: Replacing playground equipment; renewing infrastructure at parks, sports-grounds and gardens; maintaining public conveniences, halls and aquatic centres; repairing Quay St, Whakatāne and Ōhope wharves; maintaining cemetery and crematorium assets.

SEWERAGE TREATMENT AND DISPOSAL \$19.10 MILLION (SIX SEWERAGE SCHEMES + MATATĀ TO BE CONSTRUCTED): Renewing resource consents for all schemes and completing required upgrades; renewing pipes; replacing pumps; renewing rising mains; maintaining treatment plants.

NOTE: All figures include subsidies where relevant.

WATER SUPPLY SCHEMES \$9.00 MILLION (TEN WATER SUPPLY SCHEMES): Renewing pipes connections and meters; renewing componentry in water treatment plants; maintaining and upgrading water reservoirs; renewing resource consents for Whakatāne and Ōhope water supply.

CORPORATE AND DISTRICT ACTIVITIES \$12.48 MILLION: Earthquake strengthening the Civic Centre building; maintaining Council service buildings; maintaining computer and information technology systems; replacing work vehicles.

OTHER \$3.16 MILLION.



Update on ongoing major projects

The Council has already started a number of key projects that are ongoing. These will continue to be advanced over the course of the coming Long Term Plan. Some of the more significant projects include:

MATATĀ SEWERAGE SYSTEM

The construction of a new fully reticulated sewerage system in Matatā is expected to be completed in 2017. The project has a total cost of \$13.2 million with substantial contributions coming by way of grants from the Ministry of Health (\$6.7 million) and the Bay of Plenty Regional Council (\$1.88 million).

STORMWATER SYSTEM IMPROVEMENTS

We are intending to continue our programme of works to increase the capacity of stormwater systems in Edgecumbe, Ōhope and Whakatāne. Over the next ten years the total cost of stormwater improvement projects is expected at just over \$8 million.

PLAINS WATER SUPPLY

Development of a new water supply bore at Paul Road and pipe connections extending to Awakeri and Edgecumbe are expected to be completed by the 2015/16 year. Further implementation of the Plains Water Supply Strategy is proposed to be put on hold until further work is completed on the financial and economic viability of the project.

Increase in costs expected for solid waste services

The waste produced in our District is transported and disposed of at Tirohia landfill in the Waikato.

Our current costs to dispose waste at Tirohia are expected to increase substantially when our waste disposal contract is renewed in 2020.

In order to keep our solid waste costs stable, we will look for more efficient ways to deliver the service. However, in the future this may mean that we have to alter the level of service that we deliver to keep the service affordable.

Any such proposal will be consulted with the public when more information is available.





WORKING TOGETHER to meet the needs of our communities

We are committed to working with the community

Balancing the things that the community want from our services and facilities against the cost of delivering improvements is not always easy. The challenge for the Council is about continuously finding ways to do things better, smarter and more efficiently.

In part, this involves improving the systems and technology we use, but the relationships we share with our community, stakeholders groups, iwi, central government departments, neighbouring councils and others also present significant opportunities. Through these partnerships, we aim to work collaboratively towards better outcomes for our District.

The funding support we receive from our partnerships such as the Ministry of Health, New Zealand Transport Agency, Lotteries Commission, the Bay of Plenty Regional Council, and others allows us to undertake projects and service improvements that might otherwise not be possible.

Over the coming ten years we will continue our commitment to work with the community and other organisations, groups and government agencies to ensure that our District retains the vibrancy, vitality and quality of life that we all enjoy.

The proposals set out on the following pages are all dependent on partnership support, but also require a funding commitment by ratepayers. Community feedback on these proposals is therefore essential.



Should we redevelop the Whakatāne Museum & Research Centre?

PREFERRED OPTION

Yes - We need to protect our taonga

Redevelop and extend our Museum and Research Centre so that we can adequately manage, protect, preserve and provide access to our collections, providing support from major funding partners can be secured. On average this would cost an additional \$11 per year to each rateable property once fully operational.

No - Do not redevelop the Whakatāne Museum building

This facility does not meet national standards for the storage and preservation of Museum collections. The Council would need to consider other options for the conservation of our collections such as discontinuing Museum services and relocating collections to facilities elsewhere.

Yes - Do this as soon as possible

Proceed with the project as soon as possible, regardless of whether or not funding partners are secured. On average this would cost an additional \$26 per year to each rateable property once fully operational.

OUR PROPOSAL

The Museum display at the successful Te kōputu a te whanga a Toi – Whakatāne Library and Exhibition Centre – holds only a tiny fraction of our full collection (currently valued at over \$13 million). The Museum building on Boon Street, Whakatāne, continues to operate as our centre for storing, processing and allowing access to a collection of national and international significance. It holds more than 100,000 artefacts, 10,000 books, 600,000 photographs and community archive files.

This facility has a number of deficiencies; most importantly it does not meet national standards for the storage and preservation of Museum collections. The existing building also has insufficient space for processing and storing our current collections or for adequate research and educational access. The building also requires earthquake strengthening to meet building standards.

We have been working extensively with the community, iwi and stakeholder groups to develop a preferred option for the redevelopment of our Museum. Construction is proposed to be undertaken from 2015/16 at an expected cost of \$4.5 million. We are intending to fund one third of this project, with another third coming from central government and the final third from the community and other funding partners. Once completed, the ongoing costs of operating the facility are expected to increase by an average of \$129,000 per year.





Does our District need a modern events, conference, indoor-sports and theatre facility?



PREFERRED OPTION

Yes - Our District needs a multi-purpose facility

Redevelop the Whakatāne War Memorial Hall into a modern, flexible facility catering for events, conferences, indoor-sports and theatre activities, but only if funding support can be secured from external partners. On average this would cost an additional \$26 per year to each rateable property once fully operational.

No - Make do with the existing facility

At a minimum, significant work will need to be undertaken at some point in the future to meet earthquake strengthening requirements. Further investigations are needed to understand the costs of this work and further community feedback would be sought once investigations have been undertaken. This is not the preferred option as the need to undertake earthquake strengthening provides the most efficient opportunity to substantially improve and add value to the facility.

Yes - Do this as soon as possible

Proceed with the project as soon as possible regardless of whether or not funding partners are able to be secured. On average this would cost an additional \$46 per year to each rateable property once fully operational.

OUR PROPOSAL

We are proposing to redevelop Whakatāne War Memorial Hall into a modern, flexible facility to cater for a range of events, conferences, indoor-sports and theatre activities. The vision is to provide a facility that will meet the needs of the Whakatāne District and the wider Eastern Bay of Plenty.

We are currently working to understand the needs of the community for a modern, flexible facility and investigating the limitations of the existing building. While the Hall is well used, it lacks the facilities and appeal to cater to some major events and conferences. The interior is very outdated and earthquake strengthening work is required to parts of the building. While the work is as yet unquantified, it is expected that earthquake prone strengthening work alone could be around one third of the proposed project cost.

We are proposing to include \$11.5 million in our budgets from 2018-2020 for the reconstruction of the facility. This would include one third funding from the Council (\$3.5 million), with the balance of costs to be funded by central government organisations and other community funding partners.

This project would be subject to further consultation on a preferred scope and design with stakeholders, community groups and the public and would be contingent upon securing a substantial portion of funding from sources other than rates. Once completed it is expected that the ongoing operating cost of the facility would need to increase by an average of \$198,000 per year.



“

Should we transfer our pensioner housing units to a Community Housing Provider?

”

The Council currently owns 79 pensioner housing units. During 2014 we undertook a review of our social housing to ensure that our tenants are receiving the best possible service to meet their needs. This was initially triggered by changes in legislation and the availability of central government funding. The review identified issues with the Council’s current social housing, including the likelihood that substantial ratepayer investment would be required to cater for increased demand over the next two decades and changing expectations for modern housing requirements. We have been working with stakeholder groups and undertaken public consultation to develop a proposal for the future of pensioner housing units. The proposal is to transfer the units in 2015/16 to an approved Community Housing Provider (CHP) to ensure the provision of a better service to tenants. As part of any transfer process, Council could expect to receive a one-off return of \$2.5-3 million depending on the conditions in the transfer agreement.

For more information please refer to the Social Housing Review Issues and Options Report available on our website: www.whakatane.govt.nz

PREFERRED OPTION

OUR PROPOSAL
Sell the units but only to an approved Community Housing Provider.

Advantages

- ✓ Tenants benefit from access to central government funding
- ✓ Greater ability to cater to increasing future demand
- ✓ Better service from a specialised service provider
- ✓ Potential return of \$2.5 to \$3 million.

Disadvantages

- ✗ Council no longer has direct control over the 79 units, but these are retained as affordable social housing
- ✗ Units not sold at open market value.

STATUS QUO OPTION
Retain the units and continue to manage them as we currently do.

Advantages

- ✓ Council retains control over the 79 units.

Disadvantages

- ✗ Council cannot access central government funding
- ✗ No capacity to expand/upgrade the service provided.

MAXIMUM RETURN OPTION
Sell the units at maximum return; social housing is not Council's role.

Advantages

- ✓ Council would realise a higher sale price of potentially around \$4.5 million.

Disadvantages

- ✗ Council no longer has direct control over the 79 units and could not guarantee the future provision or quality of the service.

WHAT THIS WOULD MEAN FOR OUR TENANTS?

We believe that transferring ownership of the pensioner units to an approved CHP will ensure that current and future tenants will benefit from affordable rents and a high quality service. The sale of the units will only progress if the Council is confident that it will be in the best interests of tenants and the wider community. The Council has committed to undertake a thorough process, led by a Social Housing Sub-committee comprised of community stakeholders and Council elected members, to identify an appropriate provider.

CHPs have been invited to submit expressions of interest in purchasing and operating the units, for the Sub-committee and the Council to consider. Those proposals and the community feedback received through the Long Term Plan consultation process will guide the decision about whether or not to proceed with the sale.

HOW WOULD WE BE ASSURED THAT TENANTS CONTINUE TO BE LOOKED AFTER?

Being an approved CHP means that the organisation must be a 'not-for-profit' social housing provider and has to meet strict Central Government criteria. Central Government monitors the performance of CHPs to ensure they continue to meet specified criteria. This provides the Council with a high level of comfort about what the provider will deliver for our community moving forward.



Encouraging communities and businesses to thrive

Our District has a number of strengths, opportunities and comparative advantages

Abundant sunshine hours and solar energy potential, diverse natural attractions, harbour and coastal lifestyle appeal and the passion and resource of iwi are some of the points of difference that will help to create a diverse and vibrant District economy that attracts people and business investment to our District.

Our residents and regular visitors know what our District has to offer and increasingly this is being recognised by others. The challenge we face is how to make the most of this potential to help our communities and businesses thrive. The Council is committed to playing a key role in economic development, but success will require wide community support and involvement.

Through our last Long Term Plan we made a commitment to economic development and growth and to this end have been progressing key projects. Examples of this include the sale of a block of land at Port Ōhope with a new subdivision being developed, and steady progress on other retirement lifestyle, residential and industrial development options. Council has also lowered the cost of regulation by reducing development related fees and are now proposing to reduce these further. The vibrancy of the Whakatāne Town Centre has been enhanced through the recent Strand development, and through the work underway with the Chamber of Commerce and retailers on a Whakatāne CBD retail strategy.

Over the coming ten years we are proposing to continue to strengthen our commitment to economic development and growth. By working in partnership with the community and other stakeholders, we can create an environment where communities and business thrive.

PREFERRED OPTION

Yes - Take action to ensure a vibrant District economy

Increase the delivery of economic development activities by \$250,000 to support a stronger economic base for our District. On average this would cost an additional \$16 per year to each rateable property*.

No - The existing service is enough

Do the best we can with the current level of funding.

Yes - But make this an even greater priority

Provide an even greater increase in funding so that economic development activities can be given greater priority. Each further \$100,000 committed to economic development activities would cost an additional \$6.35 per rateable property on average*.

**Our Economic Development Activities are funded through a combination of general rates and targeted rates on the commercial and industrial sector. This means the commercial and industrial sector would see greater rates increases compared to residential or rural properties.*

OUR PROPOSAL

To help our communities and businesses thrive, we have recently drafted an economic development plan in conjunction with the Grow Whakatāne Advisory Board. The plan aims to encourage and attract more jobs, investment and events to the District to create prosperous communities and opportunities for current and future residents.

The increased focus on economic development and growth is supported by feedback from our annual community surveys with strong support for business, events and tourism promotion and attracting and retaining residents. Our most recent survey (conducted in 2014) saw the community rank these four activities amongst the top five priorities for Council to focus on.

Continuing to work in collaboration with other key stakeholders will be vital to the success of our economic development initiatives, but if the key actions involved are to be implemented, we will also need to commit more funding.

We are proposing to increase the level of funding for economic development and growth by \$250,000 per year starting from 2015/16. The 43% additional funding will allow greater economic development and growth activities including events support, marketing, promotional campaigns, and land-use investigations to support residential and industrial growth.



Do we need to increase our focus on attracting jobs, investment, events and people to the District?







Should we improve our harbour facilities and access?



PREFERRED OPTION

Yes - These are key facilities for the vitality of our District

Undertake projects to improve our harbour facilities to support recreational and commercial opportunities. These projects would be funded from the Harbour Fund Reserves and would not impact on rates.

No - The current facilities meet our needs

Do not make improvements; continue to provide services and facilities at the current level.

Yes - Improve the facilities even more, this is one of our biggest opportunities

Make our harbour asset a higher priority and invest more to improve services. These projects would not impact on rates but would likely breach Council's policy providing for sustainable use of the Harbour Fund Reserves.

OUR PROPOSAL

Our port and harbour facilities make a large contribution to the District's appeal in terms of both recreational and commercial boating activities. We are proposing a number of projects, as summarised below, to cater for the increasing use and demand for these facilities, and to help maximise their potential. The project costs would be funded from harbour fund reserves and would not impact on rates.

Increased berthage: With an increased demand for berths in the Whakatāne Harbour the Council is intending to extend the Quay Street Wharf in the 2015/16 year, at a cost of \$1.25 million. This project also supports the Ōpōtiki aquaculture development, which will require berths from late-2015.

Better harbour access: Shallowing of the channel and bar at the Whakatāne Harbour Entrance are causing ongoing navigational problems with access limited for several hours either side of low tide at times. We are proposing to strengthen the existing eastern training wall in the 2016/17 year, at a cost of \$512,000, to allow access by machinery with a greater reach. This will allow us to undertake more effective land-based dredging operations to improve navigational safety for both smaller and larger vessels.

Improvements at Port Ōhope: We are proposing to implement the Port Ōhope Concept Plan at a total cost of \$1.82 million over five years, from 2017-2021. This Plan aims to conserve the natural features of the Port Ōhope area while enhancing the Port Ōhope facilities and adjacent reserves for commercial and recreational users. It includes features such as improved parking, harbour access, and retail space, new picnic areas and walkways and extensive revegetation. The Port Ōhope Concept Plan is available for viewing on the Council website.

KEEPING RATES AFFORDABLE

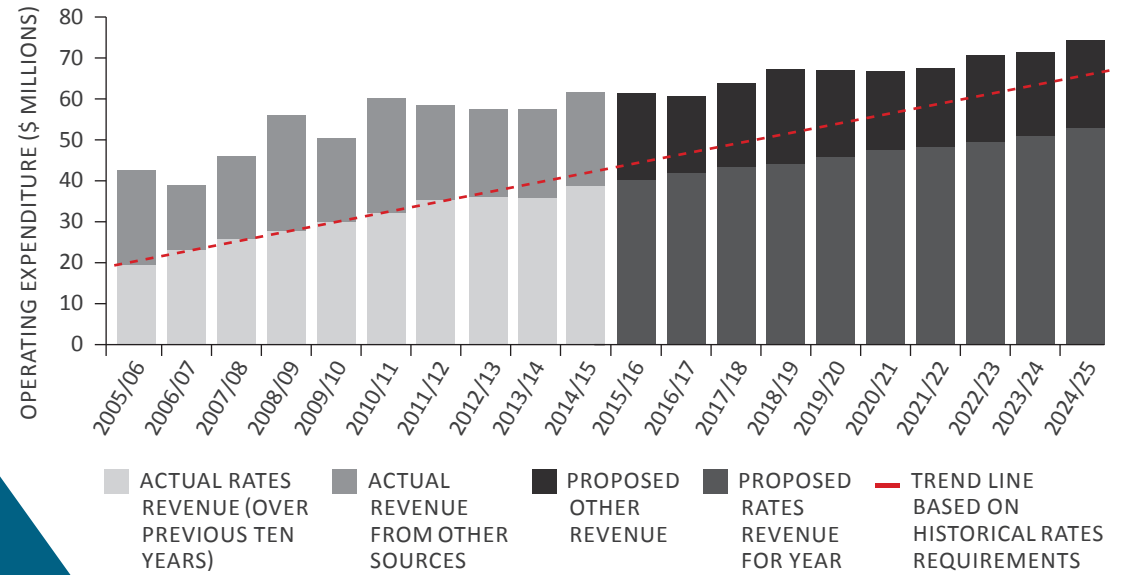
While rates contribute towards the delivery of many essential community services and facilities, they can be a significant cost for some members of the community and therefore need to be kept to an affordable level.

To help keep rates affordable:

- We are proposing conservative limits for rates increases and setting budgets well within those limits.
- We have maintained a strong focus on affordability through our rating philosophy and system.
- We intend to deliver most services at the current level, unless we can make improvements with minimal cost to ratepayers.
- We will look for opportunities to deliver services in a more productive or innovative way to either improve services for the same cost, or deliver the same service at a lower cost.
- We will continue the disciplined approach to day-to-day financial management which has resulted in rating surpluses over the past three years.
- We intend to fund depreciation over a longer term to provide more certainty and stability to ratepayers by evening out costs over a longer period of time*.

**Unbalanced budget: The change to the way we fund depreciation means the Council will operate an unbalanced budget for seven of the 10 years covered by the Long Term Plan. More information is available in the Financial Strategy available on the Council's website.*

OUR REVENUE NEEDS OVER TEN YEARS



SECURING INCOME FROM SOURCES OTHER THAN RATES

This graph shows our forecast revenue needs over the next ten years, including the proportion of income to come from rates versus other funding sources.

Rates typically provide between 65 and 70 percent of the operating income required to pay for Council services and facilities. The balance of our income comes from other sources, including user fees and charges, subsidies, grants and development contributions.

Wherever possible, we endeavour to secure funding from sources other than rates to help make our services and facilities more affordable.

Limits on rates increases

We are proposing that rates increases be limited to the Local Government Cost Index (a measure of the actual cost increases councils face) plus 2%, as set out in this table.

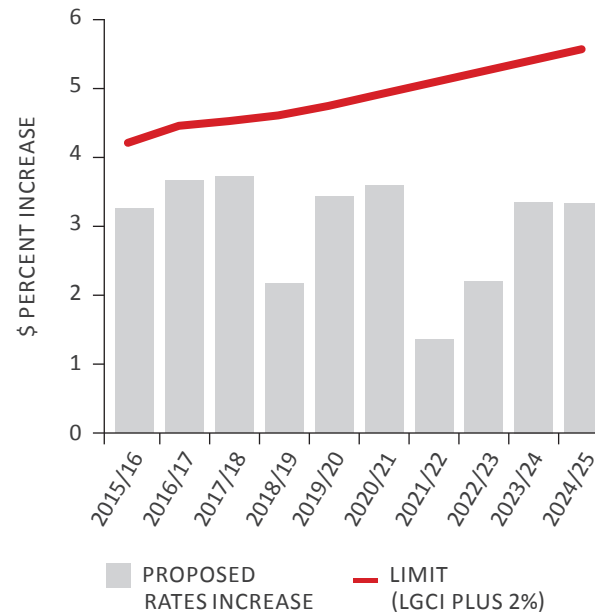
The table also shows the proposed rates increases for the coming ten years, which in most cases are well below the limits proposed.

Restricting our budgets within these limits will help to provide certainty and stability for ratepayers.

WHAT IS LGCI?

The Local Government Cost Index (LGCI) is a measure of inflation as it relates to Local Government. Just as the cost of running your household increases every year with inflation, the cost of providing Council services also increases as input costs like energy, labour and construction increase.

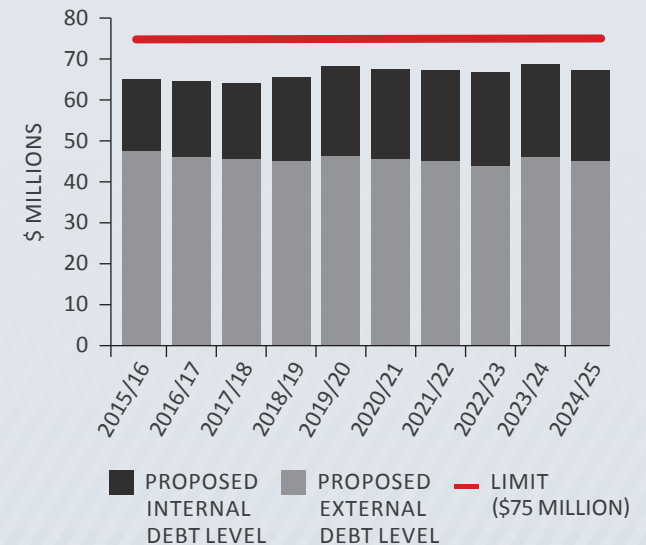
	PROPOSED AVERAGE RATES INCREASE (INC. INFLATION)	LIMIT ON AVERAGE RATES INCREASE (LGCI + 2%)
2015/16	3.22%	4.24%
2016/17	3.67%	4.45%
2017/18	3.70%	4.53%
2018/19	2.15%	4.61%
2019/20	3.04%	4.75%
2020/21	3.59%	4.9%
2021/22	1.34%	5.04%
2022/23	2.21%	5.19%
2023/24	3.33%	5.36%
2024/25	3.33%	5.53%



Limits on debt

We use loans to fund new assets that have a long lifespan. Repaying loans over time means that current and future ratepayers contribute to the cost of the asset during its lifetime. However, because loans are largely repaid from rates revenue, we need to be mindful of the level of debt we take on.

The Council's current debt level is conservative for an organisation of our size and we intend to keep it that way. We are therefore proposing to limit our total debt to no more than \$75 million. The following graph shows our forecast levels of debt over the next ten years against that limit.



Key changes to rates

We have reviewed our Revenue and Financing Policy and rating system. These two processes determine how the Council's costs are to be divided across the community. Following these reviews we are proposing some minor changes to our rating system as summarised below:

- The use of general rates to fund Matatā Disaster Mitigation stormwater costs will increase from 75% to 100% to be phased in over three years.
- General rates will continue to fund 70% of our economic development costs, with 30% funded by the commercial/ industrial sector through a targeted 'District Growth' rate. A greater portion of the District Growth rate will be allocated to Whakatāne urban commercial/industrial properties.
- A rate for the new Matatā sewage system will be implemented from the 2016/17 year following completion of the project. This will increase the sewerage scheme targeted rate from the 2016/17 and introduce the targeted rate for Matatā properties.

GENERAL RATE

Many of our activities are funded by general rates. These contribute to the cost of activities provided for the wider community's benefit, or where recovery from users (private good) is not efficient or practicable. General rates are partly based on the capital value of each property and partly by a fixed charge for each rating unit (Uniform Annual General Charge, or UAGC).

TARGETED RATES

Targeted rates are used to raise revenue for activities where the benefit of a particular activity or service can be clearly demonstrated. For example a rate may be charged to the commercial sector, to a specific ward, or directly to users of a service. Targeted rates may be based on property capital values, or as a fixed charge.

	Whakatāne Urban Low	Whakatāne Urban Average	Whakatāne Urban High	Whakatāne Commercial Low (less than \$10m)
Capital Value	128,000	298,000	900,000	335,000
General Rate – capital value	142.27	331.22	1,000.34	372.35
General Rate - UAGC	628.64	628.64	628.64	628.64
Roading capital value rate	124.72	290.35	876.91	326.40
Roading fixed targeted rate	50.95	50.95	50.95	50.95
Community boards	14.92	14.92	14.92	14.92
Stormwater fixed targeted rate	82.56	82.56	82.56	82.56
Stormwater capital value rate	73.06	170.09	513.69	420.65
District growth	-	-	-	513.99
Refuse removal	334.41	334.41	334.41	271.43
Water	414.59	414.59	414.59	414.59
Sewerage	229.62	229.62	229.62	229.62
Subtotal (excluding GST)	2,095.74	2,547.35	4,146.63	3,326.10
Plus GST at 15%	314.36	382.10	621.99	498.92
Total (including GST) 2015/16	2,410.10	2,929.45	4,768.62	3,825.02
Total (including GST) 2014/15	2,342.33	2,842.12	4,611.95	3,737.58
% increase (decrease)	2.89%	3.07%	3.40%	2.34%

What your rates might look like next year and how this compares to the current system

Whakatāne Commercial Average (less than \$10m)	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	District Wide Commercial/Industrial \$10m plus
640,000	205,000	226,000	485,000	53,000	180,000	101,000	720,000	375,000	490,000	935,000	112,000	55,000	865,000	2,370,000	11,131,175
711.36	227.86	251.20	539.07	58.91	200.07	112.26	800.27	416.81	544.63	1,039.25	124.49	61.13	961.44	2,634.24	12,372.22
628.64	628.64	628.64	628.64	628.64	628.64	628.64	628.64	628.64	628.64	628.64	628.64	628.64	628.64	628.64	628.64
623.58	199.74	220.20	472.56	51.64	175.38	98.41	701.53	365.38	477.43	911.01	109.13	53.59	842.80	2,309.19	10,845.55
50.95	50.95	50.95	50.95	50.95	50.95	50.95	50.95	50.95	50.95	50.95	50.95	50.95	50.95	50.95	50.95
14.92	13.28	13.28	13.28	29.68	29.68	13.28	36.70	36.70	36.70	36.70	31.08	13.28	13.28	13.28	14.92
82.56	73.39	129.86	129.86	1.04	-	15.43	67.59	67.59	67.59	67.59	5.90	-	-	-	82.56
803.64	132.26	390.49	838.00	3.23	-	63.52	280.01	145.84	190.56	363.62	16.70	-	-	-	13,977.20
772.75	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,673.40
271.43	334.41	334.41	334.41	334.41	271.43	334.41	337.12	337.12	337.12	337.12	334.41	271.43	271.43	271.43	271.43
414.59	414.59	414.59	414.59	170.23	-	120.00	414.59	414.59	414.59	414.59	414.59	120.00	120.00	120.00	414.59
229.62	229.62	-	-	174.63	-	-	229.62	229.62	229.62	229.62	229.62	-	-	-	1,377.72
4,604.04	2,304.74	2,433.62	3,421.36	1,503.36	1,356.15	1,436.90	3,547.02	2,693.24	2,977.83	4,079.09	1,945.51	1,199.02	2,888.54	6,027.73	49,709.18
690.61	345.71	365.04	513.20	225.50	203.42	215.54	532.05	403.99	446.67	611.86	291.83	179.85	433.28	904.16	7,456.38
5,294.65	2,650.45	2,798.66	3,934.56	1,728.86	1,559.57	1,652.44	4,079.07	3,097.23	3,424.50	4,690.95	2,237.34	1,378.87	3,321.82	6,931.89	57,165.56
4,975.43	2,617.96	2,819.36	3,974.42	1,863.07	1,515.67	1,617.26	3,904.08	2,974.19	3,284.15	4,483.57	2,190.26	1,341.29	3,242.89	6,776.10	48,683.79
6.42%	1.24%	(0.73%)	(1.00%)	(7.20%)	2.90%	2.18%	4.48%	4.14%	4.27%	4.63%	2.15%	2.80%	2.43%	2.30%	17.42%

OTHER PROJECTS IN YOUR AREA

This Consultation Document provides an overview of the main issues, priorities and key decisions facing the Council over the next ten years. This means that some smaller projects or initiatives that you are interested in may not feature here. This does not necessarily mean that they are not included in our plans for the next ten years.

The map on this page shows a selection of smaller projects or initiatives across the District. More information is available in the supporting documents available on our website including fact sheets for each of the District's five community board areas.

More information is available...

Detailed information about the work that has underpinned the development of the Long Term Plan is available on our website. This includes:

- Financial Strategy 2015-25
- Infrastructure Strategy 2015-45
- Our Work in Detail 2015-25
- Our Costs in Detail 2015-25 (includes list of capital projects)
- Assumptions and Data.

If you have any questions, contact your local Councillor (see page 29 for contact details), or the Council offices. Phone: 07 306 0500 Website: www.whakatane.govt.nz

New Sewerage Reticulation System for Matatā
Ongoing-2017 \$13.2 million

Edgecumbe Sewage Treatment Plant upgrade
2015-18 \$4.31 million

Rewatu Road improvements
2024/25 \$1.29 million

Reid Road improvements
2022/23 \$606,000

Tāneatua Road improvements
2020/21 \$859,000

Wainui/Burma Road improvements
2020/21 \$744,000

New Murupara community/school shared use hall & gymnasium constructed & existing hall demolished
Ongoing-2016 \$440,000

New public conveniences at Mitchell Park
2016/17 \$138,000

Joint Study with Ngāti Manawa into Murupara business area redesign
2015/16 \$30,000

Tāneatua Sewage Treatment Plant upgrade
2014-23 \$3.23 million

Upgrade Murupara Sewage Treatment Plant
2019-23 \$4.13 million

Mimihā Stream bridge renewal
2022/23 \$1.7 million

Infrastructure to support development at Huna Road, Mill Road and Coastlands
2015-18 \$3.14 million

Ōhope stormwater system improvements
2015/16 \$650,000

Ōhope Sewage Treatment Plant upgrade
2015-25 \$1.07 million

Whakatāne dog park development
2015/16 \$50,000

Whakatāne South stormwater system improvements
2015-21 \$7.29 million

Expand reservoir storage for Whakatāne water supply
2017-20 \$3.43 million

Whakatāne Sewage Treatment Plant upgrade
2015-25 \$5.46 million



Alongside the proposals set out in this Consultation Document we are also seeking feedback on a number of other policies and proposals that support the Long Term Plan.

SIGNIFICANCE AND ENGAGEMENT POLICY

The aim of this Policy is to determine the level of importance associated with a matter (the significance) and whether or not the Council will undertake consultation before making its final decision. This is a legislatively required policy. The proposed amendments update the Policy's schedule of significant activities to reflect the change in activity structures as part of the development of the LTP 2015-25.

DEVELOPMENT CONTRIBUTIONS POLICY

The purpose of the Development Contributions Policy is to enable monetary (or land) contributions to be charged to developers at the time of obtaining a resource consent, when a building consent is issued or when an application for a service connection is granted. The principle underlying development contributions is that developers should meet the costs attributable to growth.

This is a legislatively required policy. The proposed amendments to the policy intend to reduce the level of development contributions required and limit where they will be charged. This not only responds to recent legislative change but reflects the Council's desire to support growth.

FEES AND CHARGES

This document outlines the proposed fees and charges for the 2015/16 year. User fees and charges are one of the ways that Council can pass on some of the costs directly to those who use our services and facilities. In this way, fees and charges reduce the amount of funding that is collected by rates. Numerous changes and updates are proposed.

THESE DRAFT POLICIES AND PROPOSALS ARE AVAILABLE ON OUR WEBSITE OR FROM COUNCIL OFFICES.

RATES REMISSION AND POSTPONEMENT POLICIES (X9)

These policies define the circumstances in which the Council may remit or postpone rates. Remission of rates involves reducing the amount owing or waiving collection of rates altogether. Postponement of rates means that the payment of rates is not waived in the first instance, but delayed for a certain time or until certain events occur. The review has suggested that the majority of the policies be retained in their current form, but a number of changes are being proposed.

REVENUE AND FINANCING POLICY

The Revenue and Financing Policy sets out the Council's funding philosophy and describes how each of the Council's activities will be funded including the rationale for the use of each funding method. The aim of the policy is to promote consistent, prudent, effective and sustainable financial management of the Council and to ensure activities are funded from the most appropriate source. This is a legislatively required policy. The review forms an integral basis for the development of the Long Term Plan 2015-25 and reflects the Council's view on who benefits from activities and how they should pay.

WASTE MANAGEMENT AND MINIMISATION PLAN

Our Waste Management and Minimisation Plan (WMMP) describes how we currently manage solid waste in our District and how we intend to do so in the future. Currently a large portion of our waste is being sent to a landfill outside our District. The review of the WMMP looks at ways to reduce this quantity, and the associated costs, while continuing to deliver a service that meets the needs of our communities. Many of our solid waste services are delivered through contracts which are set to expire from 2016. The renewal of contracts will give the District the opportunity to potentially alter services or provide new services.

Audit Report

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

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the reader:

Independent auditor's report on Whakatāne District Council's Consultation Document for its proposed 2015-25 Long-Term Plan

I am the Auditor-General's appointed auditor for Whakatāne District Council (the Council). Section 93C of the Local Government Act (the Act) requires an audit report on the Council's consultation document. I have carried out this audit using the staff and resources of Audit New Zealand. We completed this audit on 26 February 2015.

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 2015-25 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 Auditor-General's Auditing Standards, relevant international standards and the ethical requirements in those standards.¹

¹ The International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and The International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate audit 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 electronic 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

We have followed the independence requirements of the Auditor-General, which incorporate those of the External Reporting Board. Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council or any of its subsidiaries.



Clarence Susan
Audit New Zealand
On behalf of the Auditor-General, Tauranga, New Zealand

We want to hear from you!

We are your Council. You have elected us to look after your interests and work towards a District that we are all proud to call home. We want to hear from you to make sure that the community supports the direction set out in the Long Term Plan. Knowing your views helps us to work towards the kind of District that you want.

Get in touch with your local elected representatives.

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Making a submission is easy!



IN WRITING A submission form is attached to the back of this Consultation Document and additional forms are available from libraries, Council offices and our website. Post your completed submission to the Council or drop it to one of our offices.



ELECTRONICALLY To complete the submission form and survey online visit: www.whakatane.govt.nz/ltp-2015 ...no paper or postage needed.



IN PERSON You may choose to present your submission to the Council verbally. If this is your preference you still need to put in a submission (either electronically or in writing) to outline the key points you wish to refer to. On your submission form, make sure you select the option that you want to speak to your submission.

»» KEY TIMEFRAMES

12 MARCH – 13 APRIL
Submissions open

7 – 11 MAY
Public hearings

14 – 22 MAY
Deliberations

25 JUNE 2015
Adoption of final LTP

Survey of 'The Big Decisions'







LONG TERM PLAN 2015-25
CONSULTATION DOCUMENT



Please note
Submissions close
5pm Monday,
13 April 2015

To what degree do you support the following proposals?

✓ Please tick your preferred option

		STRONGLY SUPPORT	SUPPORT	NEUTRAL	OPPOSE	STRONGLY OPPOSE	DON'T KNOW
	p.06 Keeping most services and at the current level	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>
	p.11 Redeveloping the Whakatāne Museum and Research Centre	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>
	p.13 Developing the Whakatāne War Memorial Hall into a modern multi-purpose facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>
	p.14 Transferring pensioner housing to a Community Housing Provider	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>
	p.17 Increasing our focus on attracting jobs, investment, events and people to the District	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>
	p.19 Improving harbour facilities and harbour access	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="radio"/>

If you have any comments or feedback on our proposals, please use the submission form over the page.

Which of the following statements best reflects your preference with regard to our services and budgets?

A.

Increase rates and debt from what is being proposed to further improve services

B.

Keep rates and debt as proposed to allow for the carefully selected service improvements set out above

C.

Set rates and debt at levels that allow us to deliver what we do now with no commitment to service improvements

D.

Reduce rates and debt further by not making any service improvements and reducing or cutting existing services

Use the submission form over the page to indicate the services you think should be reduced or cut.

✓ Please tick your preferred option

A. B. C. D.

SUBMISSION ID: