



**Western
Bay of Plenty**
District Council



Mahere ā tau
Annual Plan
2022-2023

Pukapuka whakataunga
Decision document



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Message from the Mayor He karere nō te Koromatua



Tēnā koutou,

Welcome to Western Bay of Plenty District Council's Annual Plan decision document for the 2022-2023 financial year.

In this document you'll find details about the key decisions we made to finalise our Annual Plan. This is closely aligned with the plans we set out for year two of the Long Term Plan for 2022/23.

We have been mindful of our community through this Annual Plan process to, wherever possible, minimise the disruptions COVID-19 still presents, the increased cost of living and interest rates that most are having to live with.

Rather than carry on with the projects we had planned for the 2022/23 year in our Long Term Plan 2021-31 (LTP), we have considered our community's needs and the shifting situation, and where appropriate, we have made some changes to our programs and budget.

This year the only big change considered was in relation to the Pukehina Development Rate. For this reason, we had a kōrero directly with the Pukehina community on the future of the rate - whether they wished to continue, pause, stop, or re-purpose the rate.

For the last 21 years the Pukehina community has paid \$20 a year, per rateable property, into the fund, saving towards a future wastewater scheme. The current balance of the fund is \$483,500.

I thank everyone in the Pukehina community who took the time to share their thoughts with us on this kōrero. Our job is to make decisions on behalf of the community, and we have done just that by pausing the fund for two years (a zero rate).

This is the most appropriate and sensible approach at this stage to give some time for the dust to settle around Central Government's Three Waters Reform Programme and see where to proceed from there.

As a Council we have worked hard to keep the rate increase for existing ratepayers to 3.92 percent, below the 4 percent commitment we made in our LTP.

If you wish to read the full Annual Plan you can:

- Read it online at - westernbay.govt.nz/annual-plans;
- Access a hard copy at one of library and service centres.

Ngā mihi nui,

A handwritten signature in black ink that reads "Garry Webber". The signature is written in a cursive, flowing style.

Garry Webber

Mayor

Pay, pause or stop the: Pukehina Development Rate

Te reiti mahi whakaahutia o Pukehina - me utuhia, me waihotia, me whakakore rānei

The key proposal for the Annual Plan sought feedback on the future of the Pukehina Development Rate. Through the Long Term Plan 2021-2031, Council received a submission from the Pukehina Beach Ratepayers and Residents Association requesting that Council consider consultation on changing the purpose of the Pukehina Development Fund. Council decided that it would undertake consultation through this Annual Plan.

A bit of background.....

Council has been collecting the Pukehina Development Rate for the past 21 years. This rate is charged at \$20 per ratepayer, within the defined area of benefit, of which there are currently 632 properties. The rate has been collected for the purpose of contributing towards a future sewerage scheme for the Pukehina area. The current balance of the fund is \$483,501.71.

In 2009, Council consulted through its Long Term Plan 2009-2019 on the development of a sewerage scheme in Maketu, Little Waihi and Pukehina Beach. There was limited support for the scheme in Pukehina (mainly in relation to the cost to property owners) and Council decided that a new on-site septic tank for the primary treatment of solids must be installed at each property in Pukehina, and all wastewater from Maketu and Little Waihi would be reticulated to a treatment plant in Arawa Avenue with land-based disposal.

Since Pukehina properties would not be serviced, there was no increase in the Pukehina Development Rate, which remained at \$20 per property.

There is a lot of uncertainty around when or if a wastewater scheme will be needed for Pukehina and exactly how much it would cost. We believe that a scheme will be needed at some point, and it could cost \$30-40 million, depending on the type of system that is required.

From 1 July 2024, Government will transfer the management of drinking water, wastewater and stormwater from 67 councils to four public-owned entities. Under this reform, we envisage the existing funds will be allocated to this entity as it was collected for a wastewater scheme for the area. This means that we focused this consultation around the future collection of the rate.

Annual Plan consultation

Our consultation document set out the key information and options for the community to consider:





Option 1

Continue to pay

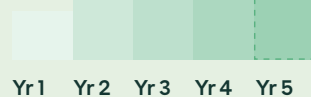
Council continues to collect the Pukehina Development Rate (PDR) at \$20 per rateable property for wastewater purposes (status quo).

- ✔ Raises \$12,640 a year that could help to offset potential future wastewater scheme costs.
- ✔ Consistent with the contribution of previous ratepayers.

✘ Uncertainty if Government's Three Waters reform would guarantee use of the funds collected for Pukehina.

Future wastewater costs

\$70,150[†] could be available over five years



[†]Based on rates collected and accrued interest.



Option 2

Pause

Council pauses collecting the PDR for the next two years.

- ✓ The Pukehina community would not need to pay the rate for the next two years.
- ✓ More time to see how the Three Waters reform will affect the fund.
- ✗ Not consistent with what previous ratepayers have contributed over the past 21 years.
- ✗ The balance of the Development Fund would not increase through rating contributions.



Option 3

Stop

Council stops collecting the PDR.

- ✓ The Pukehina community would not need to pay the rate in the future.
- ✗ Not consistent with what previous ratepayers have contributed over the past 21 years.
- ✗ The balance of the Development Fund would not increase from rating contributions.
- ✗ No further funds would be collected that could be used to lower the impact of future wastewater projects.



Option 4

Repurpose

Council continues with the collection of the PDR but repurposes it for recreation purposes. (This option is only for future funds gathered, with the current \$483,500 to be set aside for transfer to the Three Waters entity in 2024).

- ✓ **Raises \$12,640 a year** that could contribute to recreation projects in Pukehina.
- ✓ Over the next five years there could be \$70,150 available for local recreation projects (from rates and accrued interest).
- ✗ No further funds would be collected that could be used to lower the impact of future wastewater projects.



Consultation was undertaken from 21 March to 21 April 2022 and targeted to the Pukehina community. Every ratepayer in Pukehina was sent a postcard, providing information on the consultation, and asking for online feedback through the Have Your Say website. A community information session was held on 2 April 2022 at the Pukehina Fishing Club, with a billboard sign erected at the entrance to Pukehina Beach, promoting the drop-in session and online feedback opportunities.

Overall, 141 submissions were received on the future of the Pukehina Development Rate. Targeted consultation with the Pukehina Beach community was undertaken. We received 141 submissions on this topic. The submissions are part of the considerations in making a decision. The feedback received on the options is summarised in the table below.

Option	Count	%
Option 1 - Continue to pay (Council's preferred option)	30	21
Option 2 - Pause.	25	18
Option 3 - Stop.	42	30
Option 4 - Repurpose.	43	31
Total	140*	100

* Note: One submission suggested an alternative option.

Council decided to pause the collection of the Pukehina Development Rate for two years, until there is more certainty on the Three Waters reform and what it means for the Pukehina Community. This means that the rate will be set at \$0 for 2022/23 and 2023/24. Council can revisit this decision through the next Long Term Plan 2024-34 process.

Consultation on the Pukehina Development Rate was focused on the collection of the rate and its purpose going forward, and not related to the accumulated funds of \$483,501.71.

However, Council received 19 submissions requesting that the accumulated funds from the Pukehina Development Fund be refunded to the ratepayers of Pukehina.

Council decided to retain the accumulated funds from the Pukehina Development Rate, as it is expected to be transferred to the new Three Waters entity. If Council can retain ownership of the Fund through the Three Waters process, Council can revisit this conversation with the community.

You can see more information and detail on the issues and options considered by Council as part of the deliberations report from June 9 2022 - available online at [westernbay.govt.nz/council/meetings-and-committees/agendas-and-minutes](https://www.westernbay.govt.nz/council/meetings-and-committees/agendas-and-minutes).

Our financials for 2022/23

To mātou kōrero ahumoni 2022/2023

Council undertook an assessment of its debt level and interest rate assumption to ensure our budgets matched market reality. Council's current debt is lower than forecast in the Long Term Plan 2021-31, which meant that forecast debt for the Annual Plan 2022-2023 was reduced accordingly. Council also increased its interest rate assumption from 3.80 percent to 4.25 percent, as interest rates are forecast by the Reserve Bank of New Zealand to increase over the 2022-2023 period. These combined changes had no impact on Council's rate revenue requirement for the Annual Plan 2022-2023.

What this means for your rates:

We set a limit for a maximum of 4 percent average rates increase for 2022-2023, as part of our financial strategy in the Long Term Plan 2021-31. We have kept our plans in line to meet this limit, with the average rates increase for 2022-2023 being 3.92 percent.

Schedule of Fees and Charges 2022/23 – Community Housing and Papakāinga

Rārangi o ngā utu 2022/2023 – Papakāinga ā hāpori, Papakāinga

Council sets the fees and charges for its services annually. We undertook consultation on the Schedule of Fees and Charges 2022-2023 alongside the Annual Plan.

The key proposal made through our Draft Schedule of Fees and Charges was to change how we charge financial contributions for community housing and Papakāinga developments.

We received feedback from 10 submitters, including one that spoke to their submission. Seven supported the proposal, with some matters raised for Council to consider. You can see more detail on the key issues and options considered in the full meeting agenda from June 9 2022 – available online at [westernbay.govt.nz/council/meetings-and-committees/agendas-and-minutes](https://www.westernbay.govt.nz/council/meetings-and-committees/agendas-and-minutes).

Council decided to proceed with the proposal, but made some modifications to respond to feedback received. This is set out, with the changes shown in italics and underlined:

FINCOs reductions for Papakāinga and Community Housing:

- All applications for developments of *two or more dwellings*, where FINCOS apply will be charged a FINCO for one Household Equivalent (HHE). This is the base charge.
- Community Housing Providers will receive a 100 percent reduction in FINCOS for additional dwellings (over and above the base charge of one HHE), for applications up to a maximum of 10 dwellings.
- Papakāinga will receive a 100% reduction in FINCOS for additional dwellings (over and above the base charge of one HHE), for applications up to a maximum of 10 dwellings

The following criteria and definitions apply:

- Kainga Ora are excluded from any waiver / reduction.
- Organisations that are not registered Community Housing Providers (CHPs) will need to provide alternative evidence that the housing they are developing will be held as assisted rental or assisted ownership in the longer term.

- For development of community housing, a 10-year restrictive covenant specifying the use of the housing for community housing will be lodged against the title. This will be managed through the resource consent or building consent process.
- Additional dwellings (i.e. applications for more than 10 dwellings) will have the FINCOS for the additional dwellings assessed in accordance with the District Plan.
- Papakāinga is defined as homes and associated community facilities developed to support those homes on whenua Māori, where homes will be owned and occupied by the owners of the whenua, and whanau who whakapapa to the land have the opportunity to live according to Te Ao Māori.
- Community Housing is defined as housing provided and/or operated by a not-for-profit group, as long term social, assisted rental or assisted ownership housing.

Council will monitor the number of applications received and implementation of the reduction and review its position for the 2023-2024 financial year.

We will also continue to work with Te Kāhui Mana Whenua o Tauranga Moana and Te Ihu o Te Waka o Te Arawa on advancing Māori housing aspirations, including through roadshows and engagement on the District Plan review.

We will also continue to work sub-regionally through the SmartGrowth Housing Working Group, to explore and implement ways to address the housing challenges faced by older people

Schedule of Fees and Charges - Other matters

Rārangi o ngā utu 2022/2023 - ētahi atu kaupapa

Aside from our key proposal on community housing and Papakainga, we also signalled some changes for our fees and charges for Animal Services, Building Services, Compliance, Resource Consents, Elder Housing, Kerbside Collection and Waste Licencing fees.

Six submitters made comments relating to Fees and Charges across a range of fee categories.

In considering this feedback, Council decided to remove library fines for overdue books, to provide improved opportunities to make literacy and learning equitable for all in the community. This is in line the approach increasingly being taken by other councils across New Zealand. It is also in recognition of the costs incurred through staff time and administration, against a small income from overdue library book fees.

Thank you for your feedback Ngā mihi mō ōu whakaaro

If you require further information or have any questions please phone our Customer Services Team on 0800 926 732, email us at info@westernbay.govt.nz or visit your nearest library and service centre.:

- Waihi Beach Library and Service Centre, 106 Beach Road, Waihi Beach
- The Centre - Pātuki Manawa - Katikati Library, Service Centre and Community Hub, 21 Main Road, Katikati
- Ōmokoroa Library and Service Centre, 28 Western Ave, Ōmokoroa
- Te Puke Library and Visitor Information Centre, 130 Jellicoe Street, Te Puke
- Barkes Corner head office, 1484 Cameron Road, Greerton

View the full Annual Plan 2022/2023

westernbay.govt.nz/annual-plan-2022-2023



**Western
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District Council



Mā tō tātou iwi
For our people