

Mā tō tātou takiwā
For our District

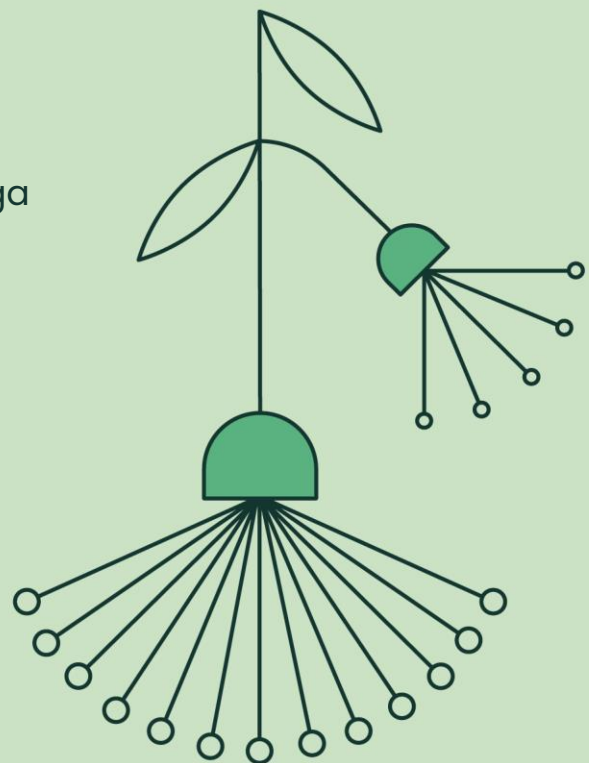
Annual Plan and Long Term Plan Committee (Annual Plan Meeting)

Komiti Kaupapa Tiro Whakamua

APLTP22-1

Tuesday, 8 March 2022, 9.30am

Council Chambers, Barkes Corner, Tauranga



Annual Plan and Long Term Plan Committee

Membership:

Chairperson	Deputy Mayor John Scrimgeour
Deputy Chairperson	Cr James Denyer
Members	Cr Grant Dally Cr Mark Dean Cr Murray Grainger Cr Monique Gray Cr Anne Henry Cr Kevin Marsh Cr Margaret Murray-Benge Cr Allan Sole Cr Don Thwaites Mayor Garry Webber
Quorum	6
Frequency	Quarterly

Role:

- To manage the process of development of the Annual Plan, Long Term Plan and amendments, including the determination of the nature and extent of community engagement approaches to be employed.

Scope:

- To undertake on behalf of Council all processes and actions precedent to the final adoption of the Annual Plan, Long Term Plan and any amendments including, but not limited to:
- the development of consultation documents and supporting documentation,
- community engagement approaches and associated special consultative processes (if required), and
- the review of policies and strategies required to be adopted and consulted on under the Local Government Act 2002 including the financial strategy, treasury management strategies and the infrastructure strategy.

- To listen to and receive the presentation of views by people and engage in spoken interaction with people pursuant to section 83(1)(d) of the Local Government Act 2002 in relation to any processes Council undertakes to consult on under the special consultative procedure, as required by the Local Government Act 2002 or any other Act.
- To engage with Council's external auditors regarding the audit work programme for the Long Term Plan and agree the terms and arrangements of the external audit.
- To review the effectiveness of the Long-Term Plan audit or any audit relating to an amendment to the Long-Term Plan.

Power to act:

- To make all decisions necessary to fulfil the role and scope of the Committee subject to the limitations imposed, including the adoption for the purposes of consultation under the Local Government Act 2002 of the consultation document and supporting documentation.
- To receive external and internal audit reports in relation to the Long Term Plan and any amendments to the Long Term Plan.
- To approve the Auditor's engagement and arrangement letters in relation to the Long-Term Plan and any amendments to the Long Term Plan.

Power to recommend:

- To Council and/or any Committee as it deems appropriate.

Power to sub-delegate:

The Committee may delegate any of its functions, duties or powers to a subcommittee, working group or other subordinate decision-making body subject to the restrictions on its delegations and provided that any sub-delegation includes a statement of purpose and specification of task.

Notice is hereby given that a Annual Plan and Long Term Plan Committee Meeting will be held in the Council Chambers, Barkes Corner, Tauranga on:
Tuesday, 8 March 2022 at 9.30am

Order Of Business

1	Present.....	5
2	In Attendance	5
3	Apologies.....	5
4	Consideration of Late Items.....	5
5	Declarations of Interest.....	5
6	Public Excluded Items	5
7	Public Forum.....	5
8	Presentations	5
9	Reports	6
9.1	Annual Plan 2022/23 - Adoption of Consultation Document, Supporting Information and Schedule of Fees and Charges for Public Consultation	6
10	Information for Receipt.....	116

1 PRESENT**2 IN ATTENDANCE****3 APOLOGIES****4 CONSIDERATION OF LATE ITEMS****5 DECLARATIONS OF INTEREST**

Members are reminded of the need to be vigilant and to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest that they may have.

6 PUBLIC EXCLUDED ITEMS**7 PUBLIC FORUM**

A period of up to 30 minutes is set aside for a public forum. Members of the public may attend to address the Board for up to five minutes on items that fall within the delegations of the Board provided the matters are not subject to legal proceedings, or to a process providing for the hearing of submissions. Speakers may be questioned through the Chairperson by members, but questions must be confined to obtaining information or clarification on matters raised by the speaker. The Chairperson has discretion in regard to time extensions.

Such presentations do not form part of the formal business of the meeting, a brief record will be kept of matters raised during any public forum section of the meeting with matters for action to be referred through the customer contact centre request system, while those requiring further investigation will be referred to the Chief Executive.

8 PRESENTATIONS

9 REPORTS

9.1 ANNUAL PLAN 2022/23 – ADOPTION OF CONSULTATION DOCUMENT, SUPPORTING INFORMATION AND SCHEDULE OF FEES AND CHARGES FOR PUBLIC CONSULTATION

File Number: A4466202

Author: Matthew Leighton, Senior Policy Analyst

Authoriser: Rachael Davie, Group Manager Policy Planning And Regulatory Services

EXECUTIVE SUMMARY

1. Committee adoption of the Annual Plan 2022/23 Consultation Document and Supporting Information (Attachments A and B) is sought for public consultation between 21 March and 21 April 2022.
2. Committee adoption of the draft Schedule of Fees and Charges 2022/23 and accompanying Statement of Proposal (Attachments C and D) is also sought, for consultation alongside the Annual Plan.

RECOMMENDATION

1. That the Senior Policy Analyst's report dated 8 March 2022, titled 'Annual Plan 2022/23 – Adoption of Consultation Document, Supporting Information and Schedule of Fees and Charges for Public Consultation', be received.
2. That the report relates to an issue that is considered to be of medium significance in terms of Council's Significance and Engagement Policy.
3. That the Assessment of Materiality and Significance (Attachment E of the agenda report) be endorsed;
4. That the Supporting Information for the Annual Plan 2022-23 Consultation Document (Attachment B of the agenda report) be adopted for the purpose of providing supporting information for the Annual Plan 2022/23 Consultation Document
5. That in accordance with sections 82 and 95A of the Local Government Act 2002, the draft Annual Plan 2022/23 Consultation Document (Attachment A of the agenda report) be adopted for the purpose of consultation from 21 March to 21 April 2022.
6. That in accordance with Sections 82 and 150 of the Local Government Act 2002, the draft Schedule of Fees and Charges 2022-23 (Attachment C) and the Statement of Proposal (Attachment D of the agenda report) be adopted for the purposes of public consultation from 21 March to 21 April 2022.

7. That the Chief Executive Officer be delegated authority to make minor editorial changes to the documents if required.

BACKGROUND

3. The Annual Plan is Council's updated plan for the coming financial year, setting out the work scheduled to be undertaken over the next financial year (1 July 2022 – 30 June 2023).
4. Preparation and consultation on the Annual Plan must meet the requirements of the Local Government Act 2002, in particular sections 95 and 95A.
5. The Annual Plan 2022/23 rates increase is 3.96%, marginally lower than the 3.98% signalled for 2022/23 in the Long Term Plan 2021-31.
6. There are no material or significant changes to the plans or financials outlined in the Long Term Plan for the 2022/23 year, as shown in Attachment E.
7. However, the Council is considering potentially significant changes to the Pukehina Development Rate which triggers the requirement for consultation. Attachment E sets out the assessment of materiality and significance. Committee endorsement of this assessment is sought.
8. The Pukehina Development Rate was discussed by Council at its meeting on 4 November 2021. Council resolved to undertake community consultation with the Pukehina community on the rate as part of the Annual Plan 2022/2023.

CONSULTATION DOCUMENT

9. The draft Consultation Document (Attachment A) forms the basis of public participation. The document explains the key consultation proposal, encouraging submissions on this matter.
10. The Consultation Document has been prepared to meet legislative requirements.

DRAFT SUPPORTING INFORMATION

11. The supporting information (Attachment B) adds additional context to the Consultation Document and must be accessible to the public.
12. The key supporting information with regard specifically to the Pukehina Development Rate is:
 - (a) The 4 November 2021 Council Meeting agenda and minutes;
 - (b) the Central Government Three Waters Reform website;
 - (c) the Bay of Plenty Regional Council webpage on On-Site Effluent Treatment Systems (OSET); and
 - (d) the Pukehina Residents and Ratepayers Association submission to the Long Term Plan 2021-2031.

13. Supplementary to this, Council-wide information is also necessary. The Consultation Document also relies upon this information but is not consulting on it. This information makes it clear that the only material or significant change is the Pukehina Development Rate and therefore it is the only item in scope. The Council-wide information includes:
- (a) changes to Strategic Assumptions;
 - (b) list of changes to the capital programme;
 - (c) forecast financial statements; and
 - (d) the Funding Impact Statement (Rating).

FEES AND CHARGES

14. The review of the Schedule of Fees and Charges is carried out concurrently with the Annual Plan. The draft document (Attachment C) tracks the changes from last year to the forthcoming year. The key changes include:
- (a) Proposed reductions in FINCOS for community housing and Papakāinga developments (approach approved by the Policy Committee at its meeting on 9 December 2020);
 - (b) Animal services impounding fees have been increased to better match actual costs;
 - (c) Changes to building consent lodgement fees to recognise higher value applications and increased legal and LINZ fees;
 - (d) New Trading in Public Places License fee for new licence applications;
 - (e) Changes to Resource Consent fees;
 - (f) Elder housing rent has increased in line with inflation; and
 - (g) New kerbside collection fees.
15. The Statement of Proposal (Attachment D) sets out these key changes and is the basis of consultation on the Schedule of Fees and Charges 2022/23.
16. Consultation will run concurrent with the Annual Plan.

SIGNIFICANCE AND ENGAGEMENT

17. The Local Government Act 2002 requires a formal assessment of the significance of matters and decisions in this report against Council's Significance and Engagement Policy. In making this formal assessment there is no intention to assess the importance of this item to individuals, groups, or agencies within the community and it is acknowledged that all reports have a high degree of importance to those affected by Council decisions.

18. The Policy requires Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities.
19. In terms of the Significance and Engagement Policy this decision is considered to be of **medium** significance. This is due to the legislative requirements for the Annual Plan, the clear localised community interest and differing views on the future of the Pukehina Development Rate and because it may require further consultation to reverse decisions. The draft Schedule of Fees and Charges also has legislative requirements for consultation.

ENGAGEMENT, CONSULTATION AND COMMUNICATION

Interested/Affected Parties	Completed/Planned Engagement/Consultation/Communication	
Pukehina community	<p>The Annual Plan consultation is primarily targeted to the Pukehina community, because the Pukehina Development Rate is the only item in scope for consultation.</p> <p>Consultation will run from 21 March – 21 April 2022.</p> <p>The key elements are:</p> <ul style="list-style-type: none"> (a) Consultation Document and hardcopy submission form posted to all residents and ratepayers in the Pukehina rating area; (b) Consultation Document and hardcopy submission form available at all libraries and service centres; (c) Consultation Document and Supporting Information available online; (d) Online submission form; (e) In person drop-in event at Pukehina Fishing Club – 10am-12pm, 2 April 2022 (actual delivery may vary according to COVID-19 protocols). <p>Final Council decisions on the Annual Plan will be communicated via a decision document made available online and sent (either by email or</p>	<p style="text-align: center;">Planned</p> <p style="text-align: center;">Completed</p>

	hardcopy) to submitters. Individual responses are not proposed.	
Targeted stakeholders	Targeted engagement on the Draft Schedule of Fees and Charges will also be undertaken on specific fees where considered necessary. Te Ihu o te Waka o Te Arawa, Te Kāhui Mana Whenua o Tauranga Moana, community housing providers, and land trusts in the Papakainga space will be informed of the proposed changes to Financial Contributions.	
General Public	<p>The Annual Plan Consultation Document and Supporting Information will be made publicly available online.</p> <p>The Draft Schedule of Fees and Charges will be made publicly available on our website and in our libraries/services centres.</p> <p>No material or significant changes sought through submissions on any other matter, beside the Pukehina Development Rate, can be addressed by Council through the Annual Plan. The general approach will be to defer these matters to the Annual Plan 2023/24 (which commences in September 2022).</p>	

ISSUES AND OPTIONS ASSESSMENT

20. Options regarding the Annual Plan 2022/23:

<p>Option A THAT the Committee endorses the assessment of materiality and significance, and adopts the Annual Plan 2022/23 Consultation Document and supporting information for public consultation.</p>	
<p>Assessment of advantages and disadvantages including impact on each of the four well-beings</p> <ul style="list-style-type: none"> • Economic • Social • Cultural • Environmental 	<p>Allows Council to meet its legislative requirements. Seeks the Pukehina community's input into a significant/material decision.</p> <p>Aligns with previous direction and decisions of the Council.</p> <p>Aligns with community requests to have this conversation.</p>

Costs (including present and future costs, direct, indirect and contingent costs).	Costs are within current budgets. The Consultation Document outlines potential future changes to rates income for the Pukehina Development Rate.
Option B THAT the Committee does not endorse the assessment of materiality and significance and does not adopt the Annual Plan 2022/23 Consultation Document and supporting information for public consultation.	
Assessment of advantages and disadvantages including impact on each of the four well-beings <ul style="list-style-type: none"> • Economic • Social • Cultural • Environmental 	Should significant changes or rework be required, this may put at risk Council's ability to meet its legislative requirements and gain effective community input into the decision making process. Assessment of materiality and significance identifies that Council should consult on any changes to the Pukehina Development Rate, before making any decisions.
Costs (including present and future costs, direct, indirect and contingent costs).	Should significant changes or rework be required, then significant staff time will be involved and the document represented to a further Committee meeting.

21. Options regarding the draft Schedule of Fees and Charges 2022/23:

Option A THAT the Committee adopts the draft Schedule of Fees and Charges 2022/23 and statement of proposal for public consultation.	
Assessment of advantages and disadvantages including impact on each of the four well-beings <ul style="list-style-type: none"> • Economic • Social • Cultural • Environmental 	Allows Council to meet its legislative requirements. Requirements for setting and reviewing fees and charges are outlined in the Act to which the activity relates e.g. requirements for setting dog registration fees are outlined in the Dog Control Act 1996.
Costs (including present and future costs, direct, indirect and contingent costs).	Costs are within current budgets.
Option B	

THAT the Committee does not adopt the draft Schedule of Fees and Charges 2022/23 and statement of proposal for public consultation.	
Assessment of advantages and disadvantages including impact on each of the four well-beings <ul style="list-style-type: none"> • Economic • Social • Cultural • Environmental 	<p>Should significant changes or rework be required, this may put at risk Council's ability to meet its legislative requirements.</p> <p>Legislative requirements mean that the draft Schedule of Fees and Charges should be subject to consultation prior to decisions being made to change on some fee categories.</p>
Costs (including present and future costs, direct, indirect and contingent costs).	<p>Should significant changes or rework be required, then staff time will be involved and the document represented to a further Committee meeting.</p>











STATUTORY COMPLIANCE

22. The recommendations of this report meet the requirements of:
- (a) the Local Government Act 2002, including sections 82, 83, 95, 95A and 150; and
 - (b) the Local Government Rating Act 2002.

FUNDING/BUDGET IMPLICATIONS

Budget Funding Information	Relevant Detail
Annual Plan and draft Schedule of Fees and Charges development costs	All costs associated with the production of the Annual Plan Consultation Document and draft Schedule of Fees and Charges have been budgeted for.

ATTACHMENTS

1. **Draft Annual Plan Consultation Document**  
2. **Draft Supporting Information to the Annual Plan Consultation Document 2022/23**  
3. **Draft Schedule of Fees and Charges 2022/23**  
4. **Statement of Proposal – Draft Schedule of Fees and Charges 2022/23**  
5. **Assessment of Materiality and Significance**  



Pay, pause or stop: the Pukehina Development Rate



**Annual Plan 2022/23
Consultation Document**

We're on track for 2022/23. We need to decide on the future of the Pukehina Development Rate.



Kia ora,

This year's Annual Plan 2022/23 consultation sees us focusing solely on the future of the Pukehina Development Rate.

Why? For 21 years we have been collecting funds towards a Pukehina wastewater scheme, but given the uncertainty around how Central Government's Three Waters Reform Programme would affect this fund, we want your opinion on what the future use of this rate should be. We have also been asked by the Pukehina Ratepayers and Residents Association to have this conversation with the Pukehina community.

Should we keep collecting the rate to help reduce the cost of a future wastewater scheme, if one is needed? Or should future funds be repurposed for projects such as a skate park or boardwalk? Or should we take a break from collecting the rate?

I look forward to hearing from you.

Nga mihi nui,

Garry Webber
Mayor

What is the Annual Plan?

The Annual Plan is Council's updated plans for the coming financial year, setting out the work we are planning to undertake in your community over the next 12 months (1 July 2022 - 30 June 2023).

Through this process we consider what was outlined in the Long Term Plan and assess what changes are needed to reflect current circumstances and community needs.

Given the Long Term Plan was adopted just last year (2021), there are no big changes to what we agreed with the community through the process.

As outlined in this document, the only big change that is being considered affects the Pukehina Development Rate. Which is why we are holding a specific conversation with the Pukehina community, who pay this rate.

Also out for consultation

There are a number of other matters that you may wish to provide feedback on:

- Fees and Charges 2022/23
- Te Puke-Maketu Ward Reserve Management Plan
- Other items to be confirmed by the policy committee

Visit us online for all Annual Plan 2022/23 information and to have your say

Have your say online

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



Pukehina Development Rate (PDR) Background

For the past 21 years the Pukehina community has paid \$20 a year, per rateable property, into the Pukehina Development Fund, saving up funds toward a future wastewater scheme for the area. The current balance of the fund is \$483,500.

As it stands, 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 are focusing this consultation around the future collection of the rate.

So, the big question is:

Should we continue, pause, stop, or repurpose the Pukehina Development Rate?

Whether you're a past, present or future Pukehina resident, we want to hear your thoughts on the **future** of the rate (not the money already saved up over the last 21 years). You don't have to have contributed to the rate in the past, to share your opinion on its future.



What do you prefer?



(Council's preferred option)

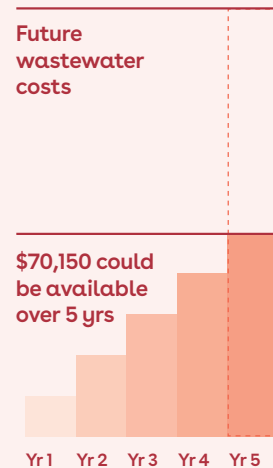
Option 1

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.



Option 2

Pause

Council pauses collecting the PDR for the next 2 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 five years there could be \$70,150 available for local recreation projects (rates and interest).

✘ No further funds would be collected that could be used to lower the impact of future wastewater projects.

*Note: If you would like to see the Rate repurposed for something other than recreation, please let us know what this would be.

For full information and to have your say, visit: haveyoursay.westernbay.govt.nz



What next?

Consultation	21 March – 21 April 2022
Community information session	Saturday 2 April, 10am-12pm Pukehina Fishing Club*
Council considers feedback received and makes decisions	Thursday 9 June 2022
Council adopts final Annual Plan and sets rates	Wednesday 29 June 2022

How to have your say

1. Have your say online

Take part in our survey via the link below and provide comments and ideas on what the fund should be used for.

2. Fill out our survey card

Fill out the included survey card and post it for free to us or drop it into any one of our library and service centres in the District.

3. In person: At our information session

Come chat with us at our information session
Saturday 2 April, 10am-12pm, Pukehina Fishing Club, 304 Pukehina Parade*

Have your say online

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



Feedback closes 5pm Thursday 21 April

*In person event subject to Government's COVID-19 Protection Framework and vaccination restrictions. Please check westernbay.govt.nz or our Facebook page @westernbaycouncil for any event updates or cancellations.

2022/23 Annual Plan Consultation Document

Supporting Information



Contents

The Annual Plan Process this year	3
Supporting Information for the Pukehina Development Rate	4
Changes to the Strategic Assumptions	8
Changes to projects	14
What rates are used for	16
Funding Impact Statement - Rates	17
Prospective Financial Statements	38
Funding Impact Statements	45
Annual Plan disclosure statement for the period commencing 1 July 2022	47
Your Mayor and Councillors	48

10 INFORMATION FOR RECEIPT