

2018 - 2028 LONG TERM PLAN

CONSULTATION DOCUMENT | THAMES-COROMANDEL DISTRICT COUNCIL

YOUR money. YOUR community. YOUR future.

Have YOUR Say!



Cover photo, Waiomu Domain

Consultation open 16 March to 16 April 2018

CONTENTS

INTRODUCTION	PAGE 2
HOW TO CONTRIBUTE	PAGE 4
WHAT'S A LONG TERM PLAN AND WHAT'S THIS ABOUT . . .	PAGE 5
ABOUT OUR DISTRICT AND OUR PEOPLE	PAGE 6
OUR FINANCIAL POSITION AND STRATEGY	PAGE 7
OUR INFRASTRUCTURE STRATEGY	PAGE 9
WHAT WE DO	PAGE 10
OUR CHALLENGES AND OUR OPPORTUNITIES	PAGE 11
THE BIG STUFF - OUR SIGNIFICANT PROPOSALS	PAGE 12
CHANGES TO WHO PAYS	PAGE 16
YOUR COMMUNITY	PAGE 18
COROMANDEL-COLVILLE	PAGE 18
THAMES	PAGE 20
MERCURY BAY	PAGE 22
TAIRUA-PAUANUI	PAGE 24
WHANGAMATA	PAGE 25
OUR MUSTS	PAGE 27
UNDERSTANDING WHAT THE FUTURE MAY BRING	PAGE 27
HOW WE'VE PREPARED THIS DOCUMENT	PAGE 28
AUDIT OPINION	PAGE 31

From 16 March to 16 April we are asking you to tell us what you think of our proposals for your Council services over the next 10 years and beyond. We've spent months putting together this Long Term Plan document and it's now your turn to have **YOUR** say.

The Coromandel is a fantastic place we are lucky to call home - some all year round and others for just a few relaxing weeks each summer. As your Council we play a key role in making the Coromandel such a great place to live.

Our job is making sure that the roads you use are safe, that your wastewater leaves your house (without making a stink) and is dealt with appropriately, that your rubbish and recycling disappear from the street each week and don't end up in a gully somewhere scenic. We look after our environment through land use planning, and look after people by regulating building, enforcing our bylaws and licensing food and alcohol businesses. Our core business is part of what makes Coromandel life so idyllic - imagine living here without these services.

In this consultation document you will find:

- Proposals for a new sub-regional aquatic facility, sealing the Wentworth Valley Road in Whangamata, taking on partial maintenance of 24 Council roads, and more.
- An overview of our Financial Strategy, our Infrastructure Strategy, the process we've been through for developing the Long Term Plan and some of our challenges in the near future.
- Descriptions of major projects in each Community Board area.
- Key investigation work we are undertaking in the next three years, including extending our water supply and wastewater services in Hahei, Wharekaho, and a number of areas around Thames.

What do you know about Council's rates subsidy?

Since at least 1996 the interest earned by most of the Council's financial reserves has been applied to reduce the rates requirement of the UAGC (uniform annual general charge payable by all ratepayers); in effect providing a rates subsidy. These financial reserves include our depreciation reserves, the insurance excess reserve, disaster reserve, retained earnings, reserve contributions, development contributions and the Power New Zealand Shares reserve. In recent years the rates subsidy has been approximately \$4 million annually.

The rates subsidy has not been highlighted in recent long term plans. The use of the reserves' interest is recorded in the Council's Revenue and Financing Policy (included in the supporting information and final LTP) and the Special Financial Reserves Policy. The Council considers the rates subsidy every three years with those policies.

What is the Power New Zealand Reserve?

Council currently has some \$23.9 million in its Power New Zealand Reserve. The fund was created using proceeds from the sale of the Power NZ shares that were originally vested in Council in 1994 following the national electricity reforms. Council has a responsibility to maintain the reserve's value, like all Council assets, for the benefit of both current and future ratepayers (to meet the local government principle of inter-generational equity).

The table below describes the average total rate increases, by year, across all ten years of this Long Term Plan. To see rate increases by Community Board area, please see pages 18-26. Higher rates increases in the first three years are driven by necessary increases in our maintenance and renewals budgets, higher contract costs and generally good financial management in using our reserves prudently. However, the average rate rise across the ten year period is 2.85% a year so the higher initial rises are offset by lower increases in later years.

	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028
District Average Rates Increase %	5.17%	4.22%	3.15%	1.11%	0.82%	3.39%	4.26%	1.74%	0.82%	0.84%
District Average Rates \$	2,822	2,941	3,034	3,067	3,092	3,197	3,333	3,391	3,419	3,448

Please remember that the average total rates increase does not necessarily match the increase in rates for your property. This percentage increase reflects our movement in total rates and not every ratepayer pays all rates. Rural ratepayers in general are not connected to Council’s water and wastewater systems and most do not have the refuse/recycling collection service so they don’t pay these rates. Since the water and wastewater rates make up a substantial part of an urban property’s rates their total percentage increase is lower than the general rate increase. Each Community Board area also has its own local works and services rate that reflects the costs in each Community Board area for community facilities - these costs are different for each area and there are a different number of rateable properties in each area for the costs to be divided against. You can see the differences more clearly in the rates examples on pages 18-26.

In addition to these variations in rating, all properties in the Thames-Coromandel district have recently been revalued. The revaluation occurs every three years. Each property can be affected differently. If the value of a property increases by more than the district average then that property will pay a higher contribution than in the past to total rates. If a property’s value decreases or increases by less than the district’s average then that property will pay a smaller contribution. The district as a whole increased its total land value by 36% with residential and lifestyle most affected (38% and 31% respectively). The average residential increases for each area were - Thames (52%), Whangamata (69%), Whitianga (40%), Matarangi (32%), Pauanui (29%), Coromandel (29%).

This is your money. It gets spent in your communities and helps shape the future of this district. So make sure you take the time to have your say. We look forward to hearing from you.

Sandra Goudie
Mayor



HOW TO CONTRIBUTE

This consultation document sets out our significant proposals for projects and programmes over the coming ten years. It also describes some proposed changes in the services we offer to ratepayers - all of this we would like your feedback on.

Every three years we consult on a new Long Term Plan. This is the greatest opportunity for residents, ratepayers, businesses and community organisations to influence Council decision-making about the services we provide. So we urge you to take the time to provide feedback to us on this Long Term Plan.

You can engage with us in a number of ways:



Completing a submission form online at www.tcdc.govt.nz/ltp



Sending us an email to consultation@tcdc.govt.nz



Attending a meeting in your community - you can find the schedule on our website



On Facebook at www.facebook.com/ThamesCoromandelDistrictCouncil/



Or, if you require a hardcopy submission form, you can pick one up from any of our offices or libraries in Thames, Coromandel, Whitianga, Tairua and Whangamata.

Hearings will be held for those wishing to present in person to the Mayor and Councillors in early May 2018. If you require an interpreter for Te Reo Māori or New Zealand Sign Language in order to attend the hearing, please let us know before 16 April 2018 as part of your submission.

After considering all feedback we will make decisions on the proposals and any other suggestions received from the community. We will then adopt our 2018-2028 Long Term Plan by 30 June 2018.

Supporting information for this consultation document can be found at www.tcdc.govt.nz/ltp and includes:

- Our financial and infrastructure strategies, as well as our Water Demand Strategy and Economic Development Strategy
- Our Revenue and Financing, Remissions and Rates Postponement, and Development Contributions policies
- Our proposed schedule of fees and charges
- The full set of assumptions we adopted for this Long Term Plan
- A full list of projects included in the Long Term Plan across the ten year period

Remember, you have from 16 March to 4pm 16 April to provide your feedback.

WHAT'S A LONG TERM PLAN AND WHAT'S THIS ABOUT

The Long Term Plan mightn't sound interesting, but it's one of our most important planning processes. It sets out our major projects, investments and the services we provide, why we provide these services, and how much they will cost. Ratepayers contribute over 70% of our annual funding, and this is your major chance to influence how the funding is spent and the direction for the district. So, perhaps more interesting than at first glance.

The Long Term Plan describes our financial strategy and financial position for the next 10 years. It includes the income and expenditure budgets for each council activity along with a description of the services to be delivered and shows the impacts of these budgets on rates and user fees. The Long Term Plan is based on assumptions about:

- Our economy in the future - likely growth rates, inflation and interest rates
- The district going forward - population changes, land use changes
- The services we deliver - when the renewing of assets is required, impact from recent legislation

All these factors affect the Council's financial situation and the rates you pay.

In looking ahead 10 years we must consider the impact of short term decisions on future rates, and the future condition of our assets. We are responsible for being good stewards of all our assets and to ensure those assets are available for the benefit of future generations.

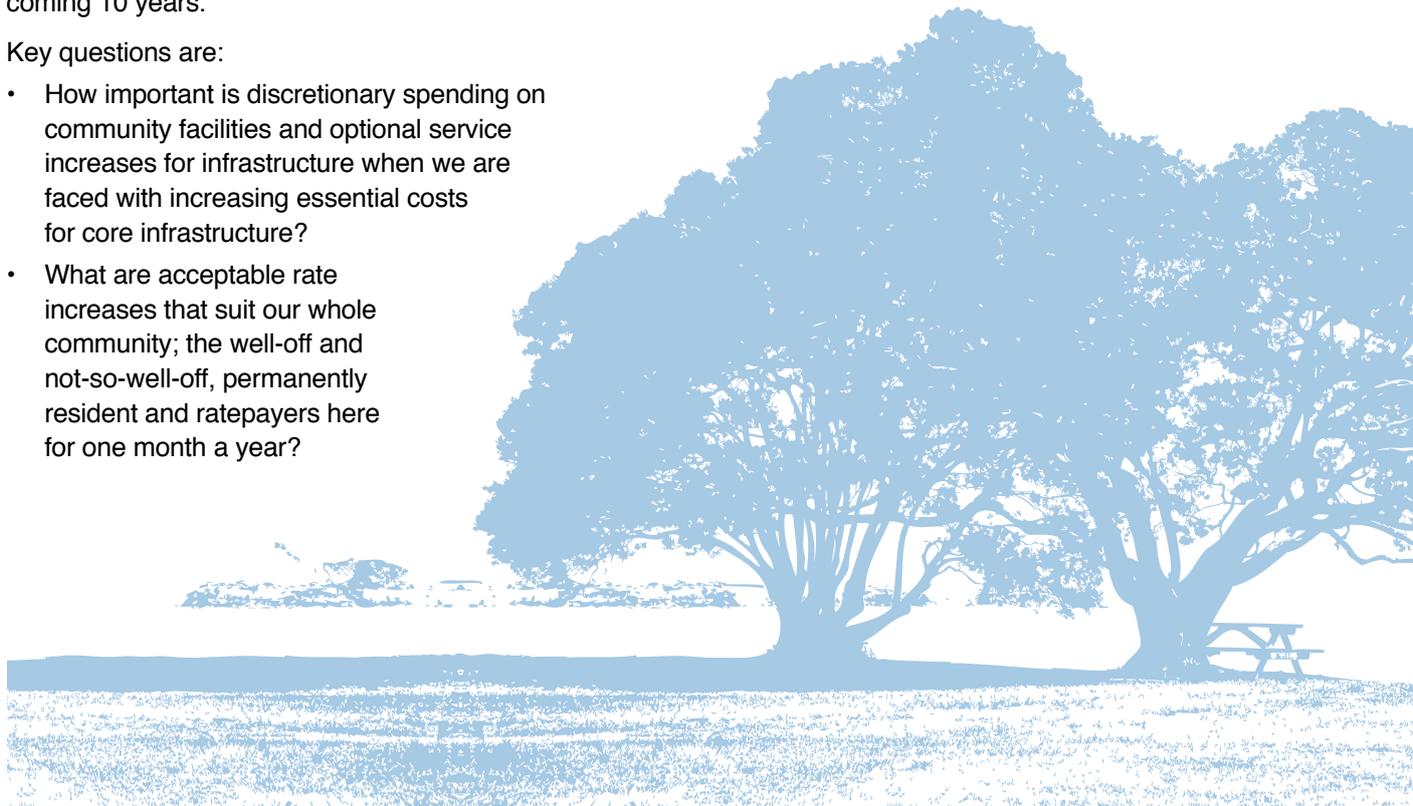
The purpose of this consultation document is to provide a concise and accurate portrayal of the major matters in our proposed Long Term Plan. This includes what we intend to achieve and how they affect rates, debt and levels of service.

The Right Debate

Each Long Term Plan consultation should present our communities with 'the right debate' - the questions we need to ask ourselves and each other about balancing our needs and wants with good financial management for this district in the coming 10 years.

Key questions are:

- How important is discretionary spending on community facilities and optional service increases for infrastructure when we are faced with increasing essential costs for core infrastructure?
- What are acceptable rate increases that suit our whole community; the well-off and not-so-well-off, permanently resident and ratepayers here for one month a year?



ABOUT OUR DISTRICT AND OUR PEOPLE

The more we understand trends about our district, our residents and ratepayers, the better we can plan appropriately for our future. Knowing the age profile, expected population growth and expected household growth helps us figure out what infrastructure and services to provide where and when. These assumptions are monitored through the life of the plan and adjusted when circumstances change.

Our ratepayers

Approximately 55% of our ratepayers reside outside of the district - this varies from around 4% in Thames to 85% in Matarangi. This characteristic is forecast to slowly increase in the future. There are currently 27,356 rateable units in the district and this is expected to increase to 29,935 by 2028.

Knowing where our ratepayers live helps us determine what level of service we need to be able to provide year round in different settlements, and the services required for our peak population. For example, additional summer kerbside collections are provided in many of our east coast settlements to meet the needs of a temporary influx of people.

Population, housing and rating unit changes

Over the next 10 years we expect there to be slow growth in population overall on the Coromandel Peninsula. While Mercury Bay will grow slowly over the whole 10 year period, all other areas are expected to begin slowly decreasing in population. Thames, Whangamata and Tairua-Pauanui are expected to decline from 2024, and Coromandel-Colville from 2027. This reflects our ageing population in the district, a lower birth rate than death rate, and decreasing migration. However, the popularity of all areas as holiday destinations means we should still see increases in new houses and rating units in every community board area throughout the 10 year period.

As a result, we are planning to meet this increasing peak summer period demand while maintaining the services we offer to our resident population year round. This requires a balancing act between having enough for everyone in December and January, but not over extending the services we offer when they won't be used to the same extent for the majority of the year.

If you want details about our growth projections they can be found at www.tcdc.govt.nz/ltp

Resident population

Residents on the Coromandel Peninsula are older than the New Zealand average with an estimated 29% aged 65 or older (around double the national average). By 2048 over 45% of our population is expected to be aged 65 years or older. The number of people living in the district at the last census (2013) was 26,847 and in 2018 is estimated to be 29,042.

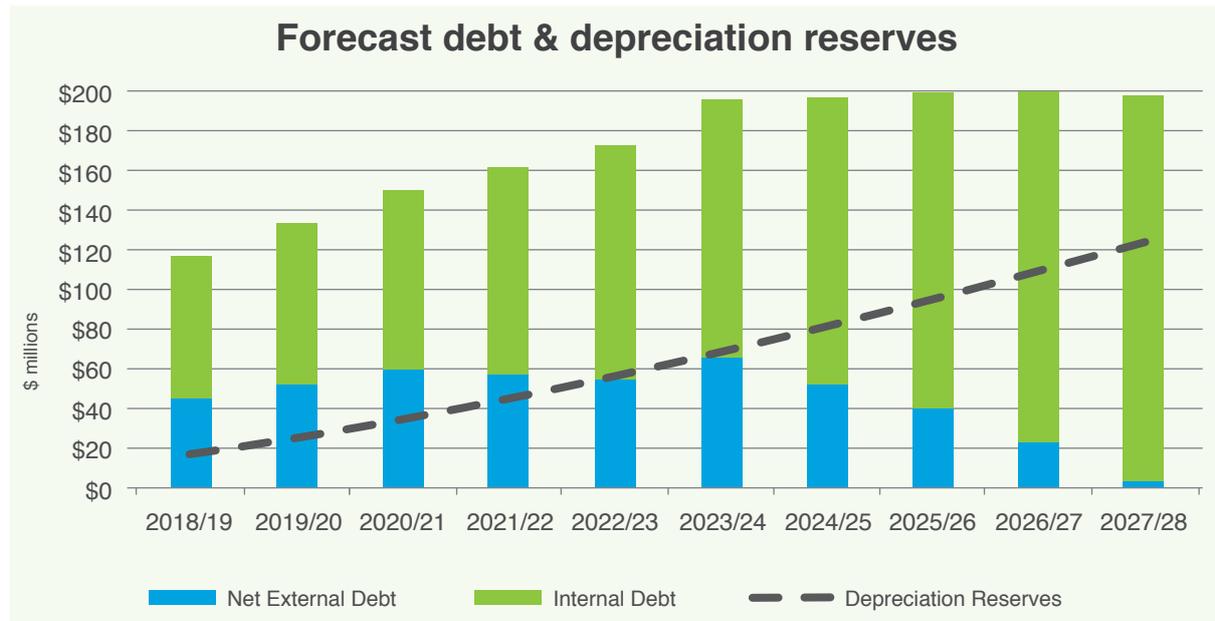
The better we know our population, the better we can ensure we provide services that meet their needs. As the district with the highest proportion of people over 65 in the country, we know that many of our facilities and services need to be particularly accessible to older people. Understanding the expected trend around the increase of people over 65 also helps us plan so that our facilities and services meet the needs of this demographic in the future.

OUR FINANCIAL POSITION AND STRATEGY

We intend to optimise our financial position and resources by rating at levels that enable:

- prudent management of our financial reserves for asset renewals and investment protection;
- us to better meet our inter-generational equity responsibilities; and
- us to fund future expansion of necessary infrastructure for the growth of the district.

A brief summary follows about our debt and reserves along with an explanation of fundamental changes to the way we manage our financial reserves and our mix of rating.



Depreciation reserves

We are responsible for ensuring the Council’s assets are maintained and renewed on time to ensure best value from the asset for the benefit of ratepayers now and in the future. We do this by annually funding the depreciation on our assets to build up depreciation reserves which we use to fund the renewals of our assets. This allows all the generations that enjoy the benefits from these assets to pay a share of the capital cost.

At times we have utilised our depreciation reserves for building new assets which has reduced the cost for today’s ratepayers for these new assets but has reduced the depreciation reserves available for renewals.

We intend to stop using the depreciation reserves for funding new assets (ones that are not replacing an old asset) and to repay debt so that we have the appropriate reserves in place for our future renewals programme. The depreciation reserves currently have \$6.8 million and we have \$153 million of renewals planned in the next 10 years. By disconnecting the new asset funding we will fund the plan’s renewals and have \$124 million

in the depreciation reserves by 2028 for future years. The new assets will be loan funded and contribute to the projected higher debt described below. The loan repayments will be funded from rates and other available reserves.

Council’s debt

The Council currently has total debt of \$106 million. This debt has funded a mix of renewals and new assets. By the end of 2027/28 our total debt will be \$199 million. The extra debt is to loan fund new assets and fund renewals for activities that do not have depreciation reserves large enough. Only \$35 million is external debt with the rest borrowed from our depreciation and investment reserves (called internal borrowing). By the end of 2027/28 our external debt is forecast to be \$4 million.

Maximising the funding from the uniform rates - increasing the UAGC

We propose to maximise the use of uniform rates to legislative limits reducing the complexity of the Council’s Revenue and Financing Policy and rating system. For more information on this proposal please refer to page 16.

What is internal borrowing?

The Council currently has \$106 million of total debt. Only \$35 million is borrowed externally through the Local Government Funding Agency and New Zealand banks. The balance is borrowed against the Council's reserves. This saves on the fixed costs associated with borrowing and safeguards against interest rate fluctuations. The activity that borrows from the reserves pays interest at the going rate and this interest is utilised as part of the rates subsidy. For example some of the wastewater debt to build the three eastern seaboard treatment plants utilised reserve funding and pays interest on that portion of debt in the same way the activity pays interest on its external debt.

How did we get this much debt?

We only started funding depreciation in the late 1990s so at times since then, as the reserves built up, we have loan funded some asset renewals. A significant example was the replacement of the three eastern seaboard wastewater treatment plants. These collectively cost approximately \$105 million but the plants were a huge step up in performance and value on the old oxidation treatment plants that they replaced so the reserves could not cover the expense. We loan funded the balance and also had developers pay a contribution for the additional capacity created. We have also built brand new assets for new purposes and have loan funded some of these assets when the reserves could not be utilised.

Our future approach

Be prudent in our financial management

- Responsible management of our reserves and investments to ensure we are meeting the inter-generational equity principle.
- Prudent use of our reserves to ensure we use the right reserve for the right use at the right time.
- Align our debt protection tools with the current financial situation.

Future proof the district's infrastructure

- Have capacity to fund improvements for potential increases in quality standards of key infrastructure.
- Have capacity to fund expansion of our current networks (planned to be investigated) subject to affordability.
- Rebuild and maintain the Council's disaster reserve to address damage from recent events and have provision for future events.

Address the past under delivery in asset management

- Improve our levels of asset maintenance and renewals, especially for some of our community facility assets and property assets.
- Commence asset management of 24 Council owned roads that have been previously unmaintained by Council.

We intend to maximize the use of uniform rates to legislative limits reducing the complexity of the Council's Revenue and Financing Policy.

It is always a balancing act between meeting the wants and needs of our communities while keeping rates affordable and sustainable. This Long Term Plan has been prepared with this in mind and has resulted in a cumulative increase (using 2017/18 as the base year) of rates revenue of 28% (2015: 23%) over the 10 years.

To help achieve what we think is a good balance we have set the following limits on rates:

- Total rates revenue must not exceed 80% of operating revenue
- Total rates revenue will increase by no more than Local Government Cost Index (LGCI) plus 2%.

The following specific borrowing limits have been set:

- Net external debt as a percentage of total income will not exceed 150%
- Net external interest expense as a percentage of annual rates income will not exceed 15%
- Net interest expense as a percentage of total income will not exceed 15%.

OUR INFRASTRUCTURE STRATEGY

Infrastructure provides an important foundation for healthy, thriving communities and prosperous economies.

Alongside assets like roads, and water networks, when we think about infrastructure we include social assets like halls, libraries, coastal assets, parks and swimming pools. We include them because like our transport and water infrastructure they are fixed, long-lived assets, they are in Council's domain and the money spent on them influences the overall quality of life for people who live and visit our district. Investing in and effectively managing our infrastructure assets accounts for a significant proportion of Council's annual expenditure.

Since adopting the 2015-2025 Long Term Plan we have invested significantly in improving our asset management data and dedicated resourcing in-house to support good asset management. This helps us make sure we are making the right decisions about future investments and priorities for renewals and maintenance.

The Infrastructure Strategy must cover infrastructure used to provide roads and footpaths, water supply, wastewater, and stormwater; our strategy covers other infrastructure groups, in recognition of the important services that they support across our district.

Our Infrastructure assets, for the purpose of delivering these activities, are estimated at over

\$707 million. These range from pipes under the ground to reservoirs, roads, footpaths, wharves, boat ramps, libraries, and community halls, public toilets, changing rooms, playgrounds, and sports fields. Our responsibility to look after these assets on behalf of our community is a key factor in our decision making as part of this Long Term Plan.

Our approach to ensuring that we manage our existing assets efficiently and effectively and invest in new infrastructure assets wisely is based on the following principles:

- Making best use of our existing infrastructure and ensuring good stewardship of the investment that we have already made
- Managing our assets based on quality information
- "Right sizing" our infrastructure assets
- Ensuring that we invest in new infrastructure only where demand is certain and long term
- Taking a careful approach to adopting increased service levels

The table below shows total expected capital and operational expenditure for each infrastructure asset group over the 30 year period between 2018 and 2048.

Infrastructure Activity	Capital Expenditure	Operational Expenditure
Roads and Footpaths	\$356 million	\$656 million
Water Supply	\$117 million	\$385 million
Wastewater	\$156 million	\$546 million
Stormwater	\$85 million	\$118 million
Solid Waste	\$16 million	\$265 million
Community Facilities including Harbours	\$257 million	\$503 Million
Corporate and Commercial Buildings	\$30 million	\$70 Million
Total	\$1.02 billion	\$2.54 billion

The focus of our Infrastructure Strategy over the next 30 years will be on:

- Maintenance and renewals programmes based on quality information
- Priority safety improvements
- A small number of growth related projects
- Investment to improve standards and meet consent conditions where necessary
- Local network improvements

We know that we have ageing infrastructure and this will be the focus of a prioritised programme of work. We also know that we need to improve our asset information to ensure that we plan and

prioritise our renewals programme; this will be a focus over the first few years of the strategy.

The Infrastructure Strategy, available at www.tcdc.govt.nz/ltp, provides an overview of the:

- issues that we have identified as likely to have a significant impact on our infrastructure over the next 30 years
- options that we have identified for managing each of these issues and the implications of these options
- significant capital projects that we expect to undertake over the next 30 years

WHAT WE DO

We provide a wide range of services. Some of these are essential for people's well-being, like water supply, wastewater and rubbish and recycling collection, while others are part of making this a great place to live, like parks, boat ramps, community halls and public libraries. We are also the regulator for many activities in the district, like land use, building, alcohol and food licensing and making sure all dogs are registered and well behaved. This page is designed to give you a glimpse of what our key services look like.



OUR CHALLENGES AND OUR OPPORTUNITIES

Responsible management of assets

One of our core responsibilities is maintaining our assets for the benefit of current and future generations. In some cases we are behind on good management of our assets and over the next 10 years need to make some big investments to make sure that those assets are protected for the future. This also means taking responsibility for all of our assets, which is a key driver for our proposal to start maintaining structures to a safe level for public access on 24 currently unmaintained Council roads - you can read more about this on the following pages.

Affordability of providing core services

Across the country annual rates increases are greater than inflation. The cost of delivering our core services, such as water supply and wastewater treatment, continues to rise as the national standards for these services increase. For example, the outcome of the Havelock North Drinking Water Inquiry is likely to drive a continued increase in standards from all councils when it comes to the drinking water they provide to their communities. Meeting these standards is important for healthy and safe communities. We aim to balance the necessary costs of delivering our core infrastructure services with the cost of discretionary projects (which make our communities nicer to live in), while being mindful of keeping rates increases as low as possible.

Climate change

A year of heavy storms with flooding, slips and damage to property has highlighted for many in our communities, and us as the Council, the impact serious weather events can have on our district, now and in the future. Our Long Term Plan assumptions reflect the most current government advice on how to plan for climate change. All of our major new infrastructure and renewals will be tested against a potential sea level rise of 1.4m by 2120 up to a rise of 1.88m by 2150 in line with this assumption. The first three years of this Long Term Plan include investigations and planning for what coastal erosion and hazards we need to take into account around the Peninsula. We have taken an approach of gathering the most accurate information available on climate change and coastal hazards in order to best plan for a sustainable district.

Demographic change

The impact of gradual population decline across much of our district over the life of this plan on our rating base is offset by the projected increase in non-resident ratepayers buying and building homes in the district. While we are fortunate that resident population decline will not mean increasing challenges around affordability as it will in other districts, we will continue to navigate the challenge of competing interests and desires from those who live on the Peninsula permanently, and those who visit infrequently.

Photo credit: Kirsty Griffin

The Woolf family amongst damage to Thornton Bay during 5 January 2018 weather event

THE BIG STUFF - OUR SIGNIFICANT PROPOSALS

In this section you'll find the major matters for this Long Term Plan. These are projects which meet our thresholds for significance because of the money involved, a change to the services we offer or because the project is particularly important to our residents and ratepayers. The rating impact of these proposals will not take effect until the entire project has been completed, i.e. if something is constructed in year 5, rating for it will begin in year 6.

Sub-regional aquatic facility

We are looking at building a major new pool complex in the district. The current Thames 25m swimming pool is due for replacement by 2027, which also aligns with the long-held desire by Ngāti Maru for Council to vacate the site given it covers an urupā/burial ground. The current Thames pool is well used by swimmers throughout our district, neighbouring districts like Hauraki and from as far away as Pukekohe. With increasing visitor numbers to the district and a projected ageing population, we have the opportunity to provide a major new facility which increases our services at the pool for many groups of users.

Since 2017 we have investigated what an expanded aquatic facility might look like, the services it might offer, and possible locations. Our proposal is ambitious and includes replacing the current Thames pool with a sub-regional aquatic centre which would include a 25m pool and a hydrotherapy pool within a permanent building, expanded changing facilities, and could include features like hydro slides, spa pools, a gym and sauna, café and spectator facilities. Possible locations for the new facility are still being investigated however a site near Thames is likely given its centralised location within the East Waikato sub region.

This project will be loan funded which will increase the Council's debt levels. The Council has capacity for this debt and will remain within debt limits. The loan for the proposed option will be repaid through district wide rating.

	OPTION A <i>(proposed)</i>	OPTION B	OPTION C
What is it?	A Sub-Regional Aquatic Centre, including a 25m pool, hydrotherapy pool, a permanent building and scope for hydro slides, spa pools, a gym and sauna, and café and spectator facilities. The facility will be built in years 4 to 6.	A like-for-like 25m Thames pool within a permanent building. The facility will be built in years 4 to 6.	A Sub-Regional Aquatic Centre, including a 25m pool, hydrotherapy pool, a permanent building and scope for hydro slides, spa pools, a gym and sauna, and café and spectator facilities. The facility will be built in years 4 to 6.
How does this impact our level of service?	Increased level of service by a larger pool complex and provision of bespoke hydrotherapy pool.	Same level of service for the Thames area.	Increased level of service by a larger pool complex and provision of bespoke hydrotherapy pool.
What will it cost?	\$21.1 million construction We assume that a sub-regional facility will attract \$3 million in external funding from national and regional partners. Estimated \$1.5 million operating cost per annum. District general rate funded, requires \$130 each year per ratepayer across the life of the asset. This option will increase total Council debt by \$18.1 million.	\$11.7 million construction Construction of a like-for-like facility is unlikely to attract any external funding. Estimated \$1.2 million operating cost per annum. Thames local rate funded, requires \$477 each year per Thames ratepayer across the life of the asset. This option will increase total Council debt by \$11.7 million.	\$21.1 million construction Estimated \$3 million in external funding. Estimated \$1.5 million operating cost per annum, equally shared between district and Thames ratepayers. First \$11.7 million funded by Thames ratepayers, requires \$393 each year per ratepayer. Remaining \$9.4 million funded district general rate, requires \$68 each year per all district ratepayers. Rates impacts are across the life of the asset. This option will increase total Council debt by \$18.1 million.

** Please note - If an alternate option to the proposed option is adopted after consultation then the rates required is substituted for the proposed rates required.*

Road maintenance - upgrading structures on formed Council owned roads

We are aware that there are 24 Council owned roads in the district which, for either the whole road or a part, we do not currently maintain. This has put the responsibility for maintenance of these roads on to the ratepayers who use them most. Public access to these roads needs to be provided so they need to be maintained to a safe standard to avoid unreasonable risk to all users.

After considering our responsibilities for making sure Council owned roads are safe for the public to access, we are proposing that all structures on these 24 roads be maintained by Council. This will require updating many of these structures over a period of four years to a safe standard, and then implementing a programme of maintenance and renewals going forward. The other two options we considered are set out in the table below.

This project will be loan funded which will increase the Council's debt levels. The Council has capacity for this debt and will remain within debt limits. The loan will be repaid through district wide rating.

	OPTION A (proposed) Structures only	OPTION B - Low standard of maintenance	OPTION C - Higher quality which meets NZTA funding standards
What is it?	We will upgrade and maintain all structures on Council owned roads over years 1 to 4. This includes bridges, fords, retaining walls, culverts and the like.	We will upgrade and maintain Council owned roads, and where appropriate provide a lower standard of road than other roads in the district. This will be across the 10 years of the Plan.	We will maintain Council owned roads to a standard which will attract on-going NZTA maintenance subsidy. This will be across the 10 years of the Plan.
How does this impact our level of service?	This will improve the integrity and safety of structures on 24 currently unmaintained Council roads.	This will improve the integrity and safety of all 24 roads, including upgraded structures, minimal widening and improved surfaces.	The integrity and safety of all 24 currently unmaintained Council roads will be greatly improved, including upgrades to all structures, additional widening and a more even surface resulting in a smoother ride.
What will it cost?	Upgrade cost of \$3.7 million. The total cost of these upgrades and future maintenance requires \$15.05 each year per ratepayer across the life of the asset. This option will increase total Council debt by \$3.7 million.	Upgrade cost of \$11.8 million. The total cost of these upgrades and future maintenance requires \$61.05 each year per ratepayer across the life of the asset. This option will increase total Council debt by \$11.8million.	Upgrade cost of \$16.7 million. The total cost of these upgrades and future maintenance requires \$54.40 each year per ratepayer across the life of the asset. This option will increase total Council debt by \$16.7 million.

** Please note - If an alternate option to the proposed option is adopted after consultation then the rates required is substituted for the proposed rates required.*



Entirely unmaintained	Part unmaintained
<ul style="list-style-type: none"> • Harriett Kings Road • Kirikiri Valley Road • McBeth Rd (alternate) • Russek Road • Waikanae Valley Road • Wairotoroto Road • Ward Road 	<ul style="list-style-type: none"> • Adams Road • Boat Harbour Road • Buffalo Road • Captain Amodeo Road • Cemetery Road • Grafton Road • Kitahi Road • Mill Creek Road • Old Coach Road • Pahi Road • Rangihau Road • Station Road • Te Punga Road • Waiomu Valley Road • Waitaia Road • Wood Road • Woods Road South

Wentworth Valley Road, Whangamata seal extension

As part of the 2015-2025 Long Term Plan we consulted with you on a seal extension of the Wentworth Valley Road and providing a formed walkway and cycleway on the valley road. After undertaking a business case for this project, we now propose to only undertake the seal extension and not the walkway and cycle way. The road is currently narrow and metal for most of its length. Sealing the total length of 3.2km is proposed.

This project will be loan funded which will increase the Council's debt levels. The Council has capacity for this debt and will remain within debt limits. The loan will be repaid through district wide rating.

	OPTION A <i>(proposed)</i>	OPTION B
What is it?	Complete sealing of Wentworth Valley Road (a total additional sealed area of 3.2km).	Do not seal the remaining 3.2km.
How does this impact our level of service?	This seal extension is an increased level of service replacing a gravel surface with asphalt resulting in a smoother ride.	No change - remains a gravel surface.
What will it cost?	A cost of \$1.3 million, requires \$4 each year per ratepayer across the life of the asset. This option will increase total Council debt by \$1.3 million.	Nil. There is no impact on debt.

** Please note - If an alternate option to the proposed option is adopted after consultation then the rates required is substituted for the proposed rates required.*

Pottery Lane Extension, Coromandel

Traffic to and through Coromandel Town is stilted over busy periods, and with visitor and ratepayer numbers set to increase, relieving this congestion and redirecting traffic where possible is becoming more important. A proposed extension of Pottery Lane to 255 Kapanga Road will reduce the number of service vehicles stopping on Kapanga Road which will relieve congestion from commercial traffic. The extension would be undertaken in years 2 to 4 of this Long Term Plan.

This project will be loan funded which will increase the Council's debt levels. The Council has capacity for this debt and will remain within debt limits. The loan will be repaid through district wide rating.

	OPTION A <i>(proposed)</i>	OPTION B
What is it?	Complete Pottery Lane Extension in Coromandel Town over three years.	Do not undertake the extension project.
How does this impact our level of service?	Residents, ratepayers and visitors will see the benefit of reduced congestion in Kapanga Road.	No change - traffic flow will remain congested at peak times.
What will it cost?	Costs \$2.2 million, requires \$7 each year per ratepayer across the life of the asset. This option will increase total Council debt by \$2.2 million.	Nil. There is no impact on debt.

** Please note - If an alternate option to the proposed option is adopted after consultation then the rates required is substituted for the proposed rates required.*

Totara Valley, Thames service extensions

Our new District Plan promotes development in the Totara Valley in Thames. Growth in this area will be good for Thames and good for the district. To help support and encourage development to occur in this area, we are proposing to get ahead of the development and provide key infrastructure like road sealing, wastewater, and water supply and storm water infrastructure. This reflects our direction to support likely development in desirable locations by ensuring services are available for developers.

This project will be loan funded which will increase the Council's debt levels. The Council has capacity for this debt and will remain within debt limits. The loan will be repaid through district wide rating.

	OPTION A <i>(proposed)</i>	OPTION B
What is it?	Extend wastewater, roading, water supply and storm water services up Totara Valley Road to facilitate development in that area in years 1 to 3.	Do not extend these services until development is consented and seek contributions to total cost of these service extensions as part of the developments.
How does this impact our level of service?	Residents and ratepayers on Totara Valley Road will get access to improved roading, as well as enhanced Council wastewater, water supply and storm water systems. New residents and ratepayers will have access to these services from the start of the development period instead of being connected at a later date.	No change to current levels of service.
What will it cost?	Costs \$2.8 million, requires \$10 each year per ratepayer across the life of the assets. This option will increase total Council debt by \$2.8 million.	Nil. Any future costs to ratepayer to be determined as and when service extensions required. There is no impact on debt.

** Please note - If an alternate option to the proposed option is adopted after consultation then the rates required is substituted for the proposed rates required.*



CHANGES TO WHO PAYS

We are recommending some changes to how we fund Council activities, including through our Revenue and Financing Policy and Rates Remissions Policy, as well as our fees and charges. As part of our consultation these two policies are available in full for submissions at www.tcdc.govt.nz/ltp Please take a look and give us your feedback on these proposed changes

Removing the Economic Development rate

We propose to remove the economic development rate from commercial and industrial properties. The removal of the economic development rate is based on the change in direction we are undertaking in our economic development activity. The focus of our economic development programme is now almost exclusively on facilitating engagement with business and developers in the district. This is a change from funding the anchor projects previously identified by Council as those projects were seen as providing a direct benefit to Coromandel businesses by fostering the visitor industry.

With this change in focus, we don't think a targeted rate on commercial and industrial properties to support economic development in the district is necessary as our new 'connect the dots' type approach requires significantly less funding and is accessible to all ratepayers who wish to engage with us.

OPTION A <i>(proposed)</i>	OPTION B
<p>Commercial and industrial ratepayers will no longer pay \$8.35 per \$10,000 of improvement value. For example, a property with \$1 million improvement value currently pays \$835 on this rate.</p> <p>All rateable properties, including commercial and industrial ratepayers, will pay \$22 each year as part of the general rate.</p>	<p>Current rating of commercial and industrial ratepayers for \$8.35 per \$10,000 of improvement value continues, with no increase for all rateable properties.</p>

Maximising the funding from the uniform rates - increasing the UAGC

The Council considers that many of its services provide the same or similar level of benefit to all ratepayers regardless of a ratepayer's location in the district, the size of the property and/or value of the property. The best match for funding services that benefit all ratepayers in an equal manner is a uniform rate where all ratepayers pay exactly the same amount.

The legislation about rating allows councils to charge 30% of the total rating revenue from rates set on a uniform basis. The water and sewerage rates are exempt from this calculation.

The Council proposes to increase the amount of rating collected from the Uniform Annual General Charge (UAGC) and reduce the amount collected from the land valued based rating for the general rate. The overall increase in uniform rates will be set to reach the 30% limit. In general this means that properties with lower land values will pay a bigger contribution on rates where land value was previously used.

OPTION A <i>(proposed)</i>	OPTION B
<p>The Uniform Annual General Charge, the fixed part of the general rate, will be at a higher level than previous years and this means lower value properties will pay a higher proportion of total rates. The impact is different for every rateable property.</p>	<p>Uniform rates are not maximised and the UAGC is set at a similar level to previous years (showing a small increase to reflect the higher total rates required).</p>

Removing the rates remission available for second dwellings

131 ratepayers in the district currently have been granted a rate remission for a second dwelling on their property through our Rate Remissions Policy. A second dwelling is defined as being more than 50sqm with its own kitchen which can be used independently of the main dwelling. Second dwellings are often used by tenants, paying visitors, family or friends and usually attract rates associated with their impact on Council services. In the past ratepayers that can show that these dwellings will not be used for payment have been able to apply for a remission. We propose to remove this remission on the basis that the use of these second dwellings regardless of who is using them has an impact on Council services and the applicable ratepayers need to pay for this impact. Otherwise everyone is helping to pick up the extra cost. The total value of the remitted rates is approximately \$230,000 per year. The value to the individual ratepayer receiving the remission is dependent on the services they receive and their location.

OPTION A <i>(proposed)</i>	OPTION B
Remove the rates remission for properties with a second dwelling which is not rented for payment. This will increase rates for the 131 current remitted properties by between \$710 and \$2,006 and reduce the overall rating impact by approximately \$230,000.*	Do not remove the rates remission for properties with a second dwelling which is not rented for payment. No change to the current rating for all ratepayers in the district as a result.*

* The draft LTP budgets referred to in this document are based on the current remission remaining in place.

Returning large bed and breakfasts to residential rating

Our last proposal is to return Bed and Breakfast accommodation providers with four or more bedrooms available for rent to the residential category. The ratepayers were classified as commercial as part of the 2015-2025 Long Term Plan. The major difference in rating for a commercial ratepayer and a residential ratepayer has been the Economic Development rate and higher wastewater rates. The scale of Bed and Breakfast businesses across the district varies and this means the commercial wastewater rate is not always appropriate. Without the Economic Development rate we think it is best to return the large bed and breakfast businesses back to the residential rating category.

OPTION A <i>(proposed)</i>	OPTION B
Move B&B providers with 4 or more beds to residential ratepayers (affects 8 properties).	Retain B&B properties with 4 or more beds as commercial ratepayers.

Fees and charges

We aim to recover as much through fees and charges from the actual users of our activities as is practical in order to lower the impact of these activities on the ratepayer. This includes the majority of funding for activities like building and resource consenting, and environmental health (liquor licensing and food licensing). A smaller proportion of the funding of our community facilities like halls, boat ramps, libraries and our pool are covered by proceeds from fees and charges where the public good element is higher.

In this Long Term Plan there are no major proposed changes to our fees and charges.

The Resource Management Act requires that we specifically consult on any changes to resource consenting fees. Small changes to reflect inflation and the actual cost of consent processing are proposed, and we are seeking your feedback on these charges. For more details look on our website at www.tcdc.govt.nz/ltp and a specific question is provided for this on the submission form.

We are also proposing to align the fees for boat ramp and harbour facilities across the district where the services provided are virtually the same, unless the service at a particular facility warrants a higher or lower fee. Passenger fees in the Coromandel-Colville area will remain set at \$1 but will now be calculated each time the vessel loads and unloads passengers from our facilities.

You can find our entire schedule of current and proposed fees at www.tcdc.govt.nz/ltp

YOUR COMMUNITY

The following pages show some of the big projects you can expect to see in each of our community board areas in the coming 10 years: Coromandel-Colville, Mercury Bay, Tairua-Pauanui, Thames and Whangamata.

We know that community facilities that reflect community wants and need are important to our residents and ratepayers, so we invite your feedback on the projects set out for each area as well as feedback on what might be missing. For a full list of projects over the 10 years by community board area, please visit www.tcdc.govt.nz/ltp

This is a Long Term Plan which has a strong focus on looking after and updating our core infrastructure and services. Renewals of major assets and community facilities are planned, with few big discretionary projects in the Long Term Plan. We've adopted this approach to keep your rate increases reasonable while making sure we can continue looking after our core business. Tell us what you think of this approach.

COROMANDEL-COLVILLE

The Coromandel-Colville Community Board area extends from north of the Waikawau River to the top of the peninsula, down the east coast to the top of the Whangapoua hill. It includes the settlements of Manaia, Coromandel Town, Colville, Port Charles, Little Bay, Tuatēawa and Kennedy Bay.

Major projects happening in the Coromandel-Colville area

	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028
District funded										
Te Kouma Rd Intersection	225K	785K								
Pottery Lane Extension		316K	325K	1.559M						
Locally funded										
Glover St Car Park Enhancement								205K		
Hannafords Wharf Renewals							363K			
Fureys Creek Retaining Walls and pontoon	82K	458K	54K	56K						
Coromandel Wharf Renewals	5K	5K	232K	6K	6K	2.595M	6K	6K	6K	42K
Coromandel Premier Netball Courts	21K		325K							
Hauraki House Reserve Improvements	77K	42K								
Public Convenience Renewals	51K	63K	65K	67K	69K	159K	12K	12K	13K	13K

K = thousands M = millions

How much will this cost you?

Below is a sample of rates in the Coromandel-Colville Community Board area by property type and value. To find out what the proposed changes mean for your rates in 2018/19 visit the rates comparison tool online at www.tcdc.govt.nz/rates

Rate sample by property type	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
Residential LV \$246K (17/18 \$192K)	\$2,381	\$2,506	\$2,637	\$2,695	\$2,726	\$2,759	\$2,892	\$3,067	\$3,143	\$3,177	\$3,209
Rural Other* LV \$350K (17/18 \$266K)	\$1,371	\$1,486	\$1,589	\$1,656	\$1,650	\$1,682	\$1,722	\$1,832	\$1,878	\$1,864	\$1,856
Farming & Horticultural LV \$4.2m (17/18 \$3.9M)	\$6,106	\$5,095	\$5,556	\$5,945	\$5,866	\$6,022	\$6,108	\$6,599	\$6,774	\$6,644	\$6,537
Commercial LV \$670K (17/18 \$642K)	\$4,384	\$3,227	\$3,412	\$3,528	\$3,558	\$3,615	\$3,764	\$4,002	\$4,096	\$4,116	\$4,141

* These examples are properties not connected to all Council services and are typically small urban or coastal properties.



Coromandel-Colville Community Board: Tony Brijevich (Councillor), Keith Stephenson, Jan Autumn, Peter Pritchard (Chair). Absent: John Walker

THAMES

The Thames Community Board area extends from the Hikutaia River to the Waikawau River and along the western side of the Coromandel Range. It includes the settlements of Hikutaia, Puriri, Matatoki, Kopu, Thames, Tararu, Whakatete Bay, Ngarimu Bay, Thornton Bay, Te Puru, Waiomu, Ruamahunga Bay, Tapu, Te Mata and Waikawau.

Major projects happening in the Thames area

	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028
District funded										
Totara Valley Road Service Extensions	51K	1.655M	1.127M							
Kopu Storm water Improvements			282K	635K	3.412M	600K				
Thames South Water Improvements	790K	623K	1.647M							
Locally funded										
Open Gutter Covering	268K	164K								
Shortland Wharf Renewals		422K	1.083M							
Ruamahunga Boat Ramp Improvements		70K								
Rhodes Park Grandstand and Clubrooms		332K	2.801M							
WWI Monument Accessibility Improvements	51K	53K	163K							
Te Puru Skate Area	57K									
Hauraki Rail Trail Extension		16K	65K							

K = thousands M = millions

Rhodes Park club rooms and grandstand, Thames

A proposal for Council to rebuild the club rooms and grandstand at Rhodes Park is the third of three big projects for Active Thames 2018, the first two being the Jack McLean Community Recreation Centre and the Thames Skate Park. We are proposing to defer this project until 2019/20 within this Long Term Plan to allow for further investigation of the feasibility of the project in light of an under commitment of external funding and higher costs with the first two projects, and to see what alignment there may be with the proposed sub regional aquatic facility. This will also give us the opportunity to undertake an assessment of the risk from flooding and coastal inundation to any major facility at Rhodes Park in line with new guidance from the government on planning for climate change. Confirmation of the project would be through the 2019/20 Annual Plan.

The rebuild of the grandstand and club rooms at Rhodes Park is a Thames local rate funded project. This project will be loan funded which will increase the Council's debt levels. The Council has capacity for this debt and will remain within debt limits.

What is it?

How does this impact our level of service?

What will it cost?

OPTION A <i>(proposed)</i>	OPTION B
Rebuild of Rhodes Park grandstand and club rooms undertaken in years 2 and 3.	Do not rebuild Rhodes Park grandstand and club rooms.
A rebuilt grandstand is intended to cater for more user groups than the current facility can.	Grandstand and club room facilities at Rhodes Park are retained at current service levels.
Total cost of \$3.1 million. Up to 23% of this will be sought from Rhodes Park user groups and external grants. Constructing this facility requires \$62 each year per Thames ratepayer across the life of the asset. This option will increase total Council debt by \$1.8 million.	Nil. There is no impact on debt.

** Please note - If an alternate option to the proposed option is adopted after consultation then the rates required is substituted for the proposed rates required.*

How much will this cost you?

Below is a sample of rates in the Thames Community Board area by property type and value. To find out what the proposed changes mean for your rates in 2018/19 visit the rates comparison tool online at www.tcdc.govt.nz/rates

Rate sample by property type	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
Residential LV \$215K (17/18 \$141K)	\$2,592	\$2,731	\$2,839	\$2,925	\$3,006	\$3,026	\$3,147	\$3,224	\$3,289	\$3,332	\$3,375
Rural Other* LV \$350K (17/18 \$266K)	\$1,761	\$1,815	\$1,897	\$2,007	\$2,053	\$2,072	\$2,098	\$2,092	\$2,125	\$2,120	\$2,124
Farming & Horticultural LV \$4.2m (17/18 \$3.9M)	\$10,169	\$8,074	\$8,545	\$8,916	\$9,019	\$9,120	\$9,141	\$8,905	\$9,018	\$8,955	\$8,950
Commercial LV \$670K (17/18 \$642K)	\$5,066	\$3,716	\$3,878	\$4,062	\$4,153	\$4,192	\$4,322	\$4,392	\$4,467	\$4,500	\$4,544

** These examples are properties not connected to all Council services and are typically small urban or coastal properties.*



Thames Community Board: Catherine Croft, Sally Christie (Councillor), Rex Simpson (Councillor), Lester Yates, Strat Peters (Councillor), Mike Veal. Absent: Diane Connors (Chair)

MERCURY BAY

The Mercury Bay Community Board area extends east from the Whangapoua hill, takes in the Kuaotunu peninsula and then runs south to Boat Harbour. It includes the settlements of Whangapoua, Te Rerenga, Matarangi, Kuaotunu, Otama, Opito Bay, Wharekaho, Whitianga, Coroglen, Whenuakite, Ferry Landing, Cooks Beach, Hahei and Hot Water Beach.

Major projects happening in the Mercury Bay area

	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028
District funded										
Matarangi Wastewater Treatment Plant Upgrade			217K	4.232M	6.870M					
Whitianga Wastewater Treatment Plant Balance Tank					114K	4.120M				
Whitianga Transfer Station Replacement	648K	1.307M								
Hahei Lees Rd Car Park & Improvements		139K	3.246M							
Whitianga Carina Creek Development	386K									
Locally funded										
Ferry Landing Toilet Replacement									448K	
Hahei Beachfront Toilet Waste Disposal				501K						
Whangapoua Beach Front Toilet Waste Disposal		369K								
Greys Beach to Quarry Point Footpath			336K					198K		
Hahei Beach Car Park		16K	190K							
Mercury Bay Cycleway Development				28K	82K	177K				
Mercury Bay Cemetery Stage 3 Development				707K						
Whitianga Wharf Pontoon			43K	401K						
Whangapoua Boat Ramp	40K	108K			169K					
Hahei Village Car Park Extension	21K	172K						77K	432K	
Matarangi Walk to Village					160K					
Mercury Bay Skate Park		26K	433K							
Taputapuatea Walkway & Footbridge	26K	300K								
Whitianga Boat Ramp Reclamation*				227K		3.649M	3.509M			

* Consultation on this project will be undertaken as part of a future Long Term Plan. Additional options will be investigated and presented at this time.

K = thousands M = millions

How much will this cost you?

Below is a sample of rates in the Mercury Bay Community Board area by property type and value. To find out what the proposed changes mean for your rates in 2018/19 visit the rates comparison tool online at www.tcdc.govt.nz/rates

Rate sample by property type	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
Residential LV \$347K (17/18 \$248K)	\$2,727	\$2,959	\$3,078	\$3,166	\$3,200	\$3,227	\$3,377	\$3,546	\$3,627	\$3,681	\$3,733
Rural Other* LV \$350K (17/18 \$266K)	\$1,394	\$1,579	\$1,661	\$1,751	\$1,752	\$1,779	\$1,838	\$1,931	\$1,980	\$1,992	\$2,010
Farming & Horticultural LV \$4.2m (17/18 \$3.9M)	\$7,066	\$6,542	\$6,921	\$7,497	\$7,471	\$7,610	\$7,824	\$8,263	\$8,482	\$8,528	\$8,588
Commercial LV \$670K (17/18 \$642K)	\$4,450	\$3,389	\$3,545	\$3,695	\$3,735	\$3,786	\$3,962	\$4,178	\$4,278	\$4,336	\$4,397

* These examples are properties not connected to all Council services and are typically small urban or coastal properties.



Mercury Bay Community Board: Murray McLean (Councillor), Tony Fox (Councillor), Paul Kelly (Chair), Bill McLean, Rekha Giri-Percival, Deli Connell

TAIRUA-PAUANUI

The Tairua-Pauanui Community Board area runs from Boat Harbour in the north to Ohui in the south, and westward to the Coromandel Range. It includes the settlements of Te Karo Bay, Tairua, Hikuai and Pauanui.

Major projects happening in the Tairua-Pauanui area

	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028
Locally funded										
Pauanui CBD Car Park				67K						
Ocean Beach Rd Kerb & Channel		172K								
Pauanui Royal Billy Boat Ramp/Pontoon	1.028M									
Tairua Wharf Pontoon & Paku Boat Ramp				150K						
Tairua Skate Park		21K	163K							
Pauanui Playground Equipment Replacement	129K	105K	108K	139K						
Kennedy Park Tennis Courts			147K							
Manaia Rd Community Hub				223K						
Pepe Reserve Public Convenience Extension			433K							

K = thousands M = millions

How much will this cost you?

Below is a sample of rates in the Tairua-Pauanui Community Board area by property type and value. To find out what the proposed changes mean for your rates in 2018/19 visit the rates comparison tool online at www.tcdc.govt.nz/rates

Rate sample by property type	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028
Residential LV \$586K (17/18 \$451K)	\$3,070	\$3,255	\$3,383	\$3,485	\$3,518	\$3,560	\$3,660	\$3,831	\$3,871	\$3,904	\$3,923
Rural Other* LV \$350K (17/18 \$266K)	\$1,414	\$1,589	\$1,662	\$1,734	\$1,739	\$1,773	\$1,787	\$1,860	\$1,875	\$1,874	\$1,868
Farming & Horticultural LV \$4.2m (17/18 \$3.9M)	\$5,874	\$5,319	\$5,579	\$6,025	\$5,986	\$6,162	\$6,085	\$6,381	\$6,336	\$6,292	\$6,177
Commercial LV \$670K (17/18 \$642K)	\$4,413	\$3,349	\$3,490	\$3,615	\$3,658	\$3,719	\$3,831	\$4,019	\$4,067	\$4,106	\$4,133

* These examples are properties not connected to all Council services and are typically small urban or coastal properties.



Tairua-Pauanui Community Board: Jan Bartley (Councillor), Terry Walker (Councillor), Brent Turner, Sarah Campbell, Bob Renton (Chair), Warwick Brooks

WHANGAMATA

The Whangamata Community Board area extends from Ohui in the north to the Otahu River in the south. It includes the settlements of Opoutere, Onemana and Whangamata.

Major projects happening in the Whangamata area

	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	2025/ 2026	2026/ 2027	2027/ 2028
<i>District funded</i>										
Wentworth Valley Seal Extension	51K	1.265M								
<i>Locally funded</i>										
Nib and Kerb Construction	257K	263K								
Whangamata Beach Boardwalk Extensions	154K	137K	179K					83K		
Skatebowl Upgrade	54K	285K								
Whangamata Fire Station Reserve Playground				167K						
Onemana Public Convenience Renewals	154K									

K = thousands M = millions

How much will this cost you?

Below is a sample of rates in the Whangamata Community Board area by property type and value. To find out what the proposed changes mean for your rates in 2018/19 visit the rates comparison tool online at www.tcdc.govt.nz/rates

Rate sample by property type	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028
Residential LV \$605K (17/18 \$357K)	\$2,804	\$3,062	\$3,191	\$3,272	\$3,320	\$3,341	\$3,451	\$3,615	\$3,664	\$3,686	\$3,719
Rural Other* LV \$350K (17/18 \$266K)	\$1,308	\$1,436	\$1,508	\$1,564	\$1,580	\$1,600	\$1,622	\$1,690	\$1,711	\$1,704	\$1,708
Farming & Horticultural LV \$4.2m (17/18 \$3.9M)	\$5,304	\$4,400	\$4,677	\$5,017	\$5,052	\$5,124	\$5,109	\$5,351	\$5,359	\$5,258	\$5,220
Commercial LV \$670K (17/18 \$642K)	\$4,490	\$3,359	\$3,496	\$3,592	\$3,648	\$3,683	\$3,803	\$3,981	\$4,037	\$4,064	\$4,105

* These examples are properties not connected to all Council services and are typically small urban or coastal properties.



Whangamata Community Board: Jan Bartley (Councillor), Evelyn Adams, Kay Baker, Terry Walker (Councillor). Absent: Ken Coulam (Chair), Ryan Thompson

OUR MUSTS

There are some things we have to do as a council to make sure our district is a safe place for those who live and visit here. This includes upgrading our water supplies to make sure all water we provide to our communities is safe to drink. Over the first three years of this Long Term Plan we will be spending an estimated \$15 million across our 10 water supplies to bring them up to national drinking water standards.

We anticipate that standards for wastewater treatment before disposal may increase in the life of this Long Term Plan. As a result our wastewater plants may require significant upgrades while some of our older treatment plants, like in Thames, could need a full replacement. Prudent financial management means we will have the financial capacity to make sure these upgrades can be funded when the time comes.

UNDERSTANDING WHAT THE FUTURE MAY BRING

Water supply and wastewater service extensions

National standards around drinking water supplies and wastewater disposal continue to be a focus and we think it's only a matter of time before councils will be required to take responsibility for the drinking water and wastewater disposal of all settlements in their district. We also know that community water supplies are coming under pressure as the enthusiasm of volunteers who look after these services wanes, and that individual property wastewater systems have a detrimental impact on waterways as they come to the end of their life. From many angles, this looks like future costs for our council and others to pick up.

We want to get ahead of this likelihood and plan for what infrastructure may be required to transition many of our communities onto a more reliable source of drinking water and a more environmentally responsible form of wastewater treatment and disposal. Over the first four years of this Long Term Plan we will be undertaking investigations into extending existing wastewater and water supply services to unconnected properties in Hahei, Wharekaho, and areas surrounding Thames. These investigations, at a total cost of \$1.8 million, will inform our projects in future Long Term Plans.

We are interested in your feedback on the increased service and cost this would bring for residents and ratepayers in these locations.

Coastal erosion protection

We live in a dynamic coastal environment and know that the sea can present a threat to our services, our assets and our communities. Climate change is expected to increase the severity and frequency of these threats. While we have theoretical projections around the extent of sea level rise to expect and plan for, we need to know more about what action we should be taking to protect our communities and our infrastructure, and to inform where new building and development might occur. In the 2018/19 year we are spending \$75,000 to undertake a district wide assessment of areas at risk of coastal erosion which will then inform a programme of coastal protection works at the 2019/20 Annual Plan. We also have another \$75,000 allocated across the 2019/20, 2020/21, and 2021/22 years to understand the risks to our coastal communities, coastal infrastructure and our water supplies in coastal areas where intrusion of sea water into the groundwater source may be a risk.

One lane bridges in our district

We have heard for years that the one-lane bridges in Tairua are a major frustration to travellers on the east coast and to residents of the town, particularly over the busy December/January period and other holiday weekends. At times this summer, the travel time quadrupled with very long queues and no option of a detour. These bridges are on the state highway network and are the responsibility of the government. We have been advocating for upgrades on behalf of our community and will continue to do so. There may come a time when our advocacy needs to be backed up by a financial contribution - and we'll have a conversation with our community about how important these bridge upgrades are if and when that time comes.

HOW WE'VE PREPARED THIS DOCUMENT

A Long Term Plan is Council's major strategic planning document. Our staff and elected members have put a year and a half of solid work into producing this consultation document, through workshops, meetings, research, planning, prioritising and community engagement. It's important that we put in this hard work because this plan now describes our work programme for the next ten years.

Coastal Management Strategy engagement

Since April 2017 our staff and elected members have been working together to produce a comprehensive Coastal Management Strategy. Our focus in this strategy is on making sure we have the most relevant information about coastal processes to best plan for our management of the coastal environment as far as we control it. Where the coastal environment is the responsibility of other authorities like the Waikato Regional Council or government departments, then the strategy gives us direction for how we advocate to them on behalf of our communities. We ran an engagement process with our communities in October-November 2017 and had over a hundred people attend our workshops across the district. This feedback has helped us identify project priorities in this Long Term Plan. A final Coastal Management Strategy will be adopted alongside the Long Term Plan in June 2018.

Water Demand Management Strategy

In June 2017 we signed off on our Water Demand Management Strategy. This strategy identifies the problem of high water demand over our peak summer period and sets out a range of initiatives we will take to manage water demand on Council supplies in the district. The Long Term Plan includes projects such as installing water meters on Council's network, requiring installation of efficient water fittings by some of our biggest users, and a strong push for all residential properties around the peninsula to invest in rainwater tanks for non-drinking purposes.

Economic Development Strategy

We have undertaken a major review of our economic development role, and determined that we are best positioned to support economic growth in the district through facilitation between businesses and our regulatory functions. We are also focused on advocacy on behalf of industry in our district to regional and national organisations. This means fewer projects planned and funded to encourage visitor growth and an increased focus on making sure our processes are open and accessible to businesses and developers.

Policy reviews

We reviewed a whole range of our policies on rates remissions and postponement, the contribution of Māori to decision making, development contributions, and our revenue and financing policy. We made very few notable changes other than those changes to who pays described earlier in this document.

All of this supporting information is available in full on our website at www.tcdc.govt.nz/ltpl



Our pre-consultation on library services

The Tairua-Pauanui and Mercury Bay Community Boards wanted to know what their communities thought about different ways of running the Whitianga and Tairua libraries, and we undertook a month long engagement in November and December 2017 to hear from residents and ratepayers on alternative library models and services. The response was overwhelming from 693 submitters that the services at Tairua and Whitianga libraries are valued as they are and that our communities do not want to see change to how these libraries are run. We've taken that feedback on board and no changes to library services are proposed in this Long Term Plan.

Asset management planning

Our major assets all have a detailed plan describing their maintenance schedule, renewal timeframes and capacity. As part of this Long Term Plan we have revised these asset management plans in order to make sure our budgets for the next ten years appropriately include all necessary work to achieve the full potential of our assets.

To address identified issues with our asset data and improve asset management, over the last three years, we have:

- Introduced new asset management software to provide consistent and sustainable management across all of our assets.
- Introduced new software that provides real time information on how our water and wastewater treatment plants are operating
- Increased dedicated resourcing for maintaining asset data
- Commenced our programme of investigations into underground 3 waters assets.

Waste Management and Minimisation Plan

We undertook a review of our Waste Management and Minimisation Plan (WMMP) alongside our partners in the Hauraki and Matamata-Piako Districts. This Plan guides our initiatives and targets for waste reduction and increasing our proportion of recycling. Changes to performance targets and proposed projects within our Solid Waste Activity reflect this plan review. To view our WMMP go to www.tcdc.govt.nz/ltp



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

I am the Auditor-General's appointed auditor for Thames-Coromandel District Council (the Council). Section 93C of the Local Government Act 2002 (the Act) requires an audit report on the Council's consultation document. We have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 13 March 2018.

Opinion

In my opinion:

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

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information* that were consistent with those requirements. We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document. We did not evaluate the security and controls over the publication of the consultation document.

Responsibilities of the Council and auditor

The Council is responsible for:

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

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

Independence

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

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

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



Athol Graham

Audit New Zealand

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

THAMES – COROMANDEL DISTRICT

