

Draft submission to Waikato Regional Council's 2018-28 Long Term Plan Consultation Document

TO	Council
FROM	Angela Jane - Group Manager Governance and Strategy
DATE	25 March 2018
SUBJECT	Draft submission to Waikato Regional Council's 2018-28 Long Term Plan Consultation Document

1 Purpose of report

The purpose of the report is to present a draft submission to Waikato Regional Council's 2018-28 Long Term Plan Consultation Document for Council's feedback and to request a delegation to the Mayor to finalise the submission.

Representatives from Waikato Regional Council will be in attendance at the meeting to make a presentation and answer questions from the councillors. The representatives include Councillors Dal Minogue and Kataraina Hodge and Director Integrated Catchment Management Claire Crickett.

2 Background

Waikato Regional Council is consulting on its 2018-28 Long Term Plan with 16 April 2018 as the closing date of submissions. Their Consultation Document and supporting information can be found at <https://www.waikatoregion.govt.nz/council/policy-and-plans/long-term-council-community-plan-annual-plan-and-annual-report/long-term-plan-2018-2028/ltf-fwd10/>.

To date our Council has shown interest in submitting on the regional theatre proposal and proposed changes to the regional services fund. The other major proposals for consultation include:

- 1) Not to fully fund depreciation for the Lower Waikato and Waihou Piako catchments in years 1 and 2 to alleviate the rates increase from additional expenditure required in these catchments.
- 2) To externally borrow (join LGFA) and diversify their investment portfolio (worth \$99.2M currently)
- 3) Limit rates increases annually to less than 9% (noted some ratepayers will exceed this in years 1 and 2)
- 4) Stop the decrease in the rates subsidy after 3 years (5 year transition agreed last LTP) and maintain rates subsidy at \$1.9M annually. The remaining investment income (estimated at \$1.5M) would go to Regional Development projects - the have assumed a project will be funded every 3 years - no mention of what type of projects in the Consultation Document.
- 5) Additional pest management expenditure - total impact \$1.88 per \$100,000 of capital value - to tackle wallaby management, kauri dieback, TB control where government has stopped funding, several programmes for specific plants
- 6) Additional catchment spending is \$1.9M over 10 years for Waihou Piako and \$730K for Coromandel (didn't look at other catchments)
- 7) Consulting on the community facilities framework that the Mayoral Forum has supported
- 8) Consulting on the regional theatre funding - options outlined under discussion

- 9) Consulting on changes to the regional services fund - options outlined under discussion
- 10) Rail from Hamilton to Auckland - only Hamilton ratepayers to fund
- 11) Water user charges - cubic metre rate for all water used above consented amount
- 12) Tauhei flooding protection for Stages 2 and 3 - mainly a targeted consultation as beneficiaries pay 50%; regional ratepayer pays 10%.

3 Issue

Submissions sent from the Council require ratification or a delegation to be put in place.

4 Discussion

Community Facilities Framework

The regional council is seeking comment on whether the regional council should have a role with delivering on the Community Facilities Framework. The framework was endorsed by the Mayoral Forum in 2017 and a number of Waikato councils have adopted it since then.

In WRC's Consultation Document the framework is described as allowing the Waikato councils to make collective and strategic investments in new subregional and regional community sports, recreation, arts and cultural facilities. More information is available from the regional council's website (link address is under the background heading).

The framework is a guide. The Thames-Coromandel District Council has not adopted the framework.

The attached draft submission notes our support for the framework as a guide.

Regional Theatre proposal

Refer to the Consultation Document for a summary of the proposal or to our Council's agenda for 20 February 2018 for more detail and background information.

On 20 February 2018 our Council considered at the request of the regional council the regional theatre proposal for funding and resolved the following:

Resolved

That the Thames-Coromandel District Council:

1. *Receives the 'Regional facilities funding proposal - regional theatre' report, dated 10 February 2018.*
2. *Supports the proposed funding model received from Waikato Regional Council for regional funding of the new regional theatre conditional on the regional capital contribution to not exceed \$5 million (to be repaid over 20 years) and the regional operational funding contribution to not exceed \$300,000 annually and to only be funded for three years.*

Five options have been presented in the Consultation Document:

- 1) Nil funding.
- 2) \$5M for capital build and \$300K annually towards an asset maintenance reserve fund using a split rate. TCDC ratepayers would fund approximately \$1 annually. This is denoted as the regional council's preferred option.
- 3) \$5M for capital build and \$300K annually towards an asset maintenance reserve fund using a flat rate across the region (excluding Hamilton which is funding the proposal directly). All regional ratepayers would pay \$5.12 annually.
- 4) \$5M for capital build only using a split rate. TCDC ratepayers would fund approximately 50 cents annually.

- 5) \$5M for capital build only using a flat rate across the region (as above). All regional ratepayers would pay \$2.76 annually.

The attached draft submission shows our support for Option 2 subject to the \$300,000 annual contribution towards the asset maintenance reserve fund should only last three years as per our original position in February.

Regional Services Fund

The Regional Services Fund is used to collect regional rates to fund volunteer emergency services. It currently funds on an annual basis Surf Life Saving (\$354,600); Coastguard (\$175,400); Philips Search and Rescue Trust (\$50,000) and Coromandel Rescue Helicopter Trust (\$50,000).

There are three options in a proposal that would expand the number of beneficiaries and the amount funded:

- 1) Status quo
- 2) Add LANDSAR and fund \$40K annually
- 3) Add LANDSAR (\$40K) and an additional \$25K for Surf Life Saving. This option is denoted as the regional council's preferred option.

The additional \$25K for Surf Life Saving is to cover two regional lifeguards working 2-3 hours each side of low tide cycles at Hot Water Beach, seven days a week.

The attached draft submission shows our support for Option 3.

Other matters and proposals

Staff suggest we show our support for the regional council joining the Local Government Funding Agency (LGFA) as this is the most successful shared services that local government has embarked upon to date and offers genuine savings to ratepayers.

Staff will develop other comment for the submission at the direction of Council.

5 Suggested resolution(s)

That the Council:

1. Receives the 'Draft submission to Waikato Regional Council's 2018-28 Long Term Plan Consultation Document' report, dated 25 March 2018.
2. Delegates authority to the Mayor to finalise the submission to the Waikato Regional Council's 2018-28 Long Term Plan Consultation Document and submit before submissions close on 16 April 2018.

References-Tabled/Agenda Attachments

Attachment A Draft submission to Waikato Regional Council's 2018-28 Long Term Plan Consultation Document

Attachment A

16 April 2018

Alan Livingston
Chairperson
Waikato Regional Council
401 Grey Street
Hamilton East
Hamilton 3216

Dear Alan

Submission to WRC 2018-28 Long Term Plan Consultation Document

Thames-Coromandel District Council thanks the regional council for the opportunity to provide feedback on the proposals within the 2018-28 Long Term Plan Consultation Document.

We have commented on the proposals that incorporate new regional funding, the expansion of the regional services fund and the proposal to join the LGFA.

Community Facilities Framework

Thames-Coromandel District Council is supportive of the Community Facilities Framework. The funding framework is a guide for councils to use. We have not adopted it as a formal document. If any council does adopt the funding framework, then it is still a guide not an absolute. Endorsement only means generic support.

Its guidance will assist the Waikato councils to determine balanced funding for facilities of subregional and regional nature. There are many facilities that our communities expect and receive in other parts of the country that the Waikato councils cannot afford to duplicate. The framework allows for structured conversations in developing proposals for funding that supports collaborative relationships.

Regional theatre proposal

Thames-Coromandel District Council maintains its February position with supporting Option 2 - a capital contribution of \$5 million and an annual contribution of \$300,000 for the asset maintenance reserve - subject to the \$300,000 contribution only lasting three years. We do not support the ongoing funding for operational costs nor do we support funding for the replacement of assets not owned by a council.

The residents of Thames-Coromandel District have a considerable distance to drive to attend cultural activities and are unlikely to attend as many events as regional residents living much closer to the proposed venue. For many residents attendance will also require an overnight stay which is an additional expense. Residents travelling from the southern and western part of our district allow over an hour in travel time and residents in the north and eastern part of our district need to allow nearly three hours; more for those residents living north of Whitianga and Coromandel Town.

Regional Services Fund

Thames-Coromandel District Council is supportive of Option 3 which will incorporate LandSAR as a beneficiary of funding and increases the support to Surf Life Saving to deliver on services at Hot Water Beach. The statistics for rescues at Hot Water Beach show the dire need to provide life saving services at this location. Visitor numbers have been increasing and are predicted to increase over the life of the ten year plan.

Local Government Funding Agency

Thames-Coromandel District Council supports the regional council's proposal to join the Local Government Funding Agency (LGFA). In our view the agency is the most successful collaborative shared service for local government offering real savings to ratepayers across the country.

We look forward to continuing to strengthen our collaborative working relationship over the term of the plan.

Yours sincerely

Sandra Goudie
MAYOR

DRAFT ONLY