

Papamoa Residents and Ratepayers Association

Tauranga City Council Annual Plan Submission 2020/2021



Amended 1 July 2020

Executive Summary

Tauranga has the highest rates in New Zealand. Financially, post Covid19, this year is turning out to be a year of economic uncertainty for many of Tauranga's residents. And yet the Council is proposing a rates increase and in August you will be voting to approve a council controlled kerbside rubbish and recycling pickup which will further increase the rates.

The Annual Plan and Long Term Plans are financially unsustainable, environment unsustainable and are eroding the quality of life for Tauranga residents. The mayor says Tauranga is insolvent. This is not true, but the Long Term Plan has in the past driven Tauranga into debt and it continues to do so. All debt is bad debt. It is time to rethink the Long Term Plan with full community consultation and input. A business does not spend what it can not afford. The same needs to apply to the council.

PRRA made a submission to the Annual Plan (version 1) in May 2020 highlighting the results of an Online Community Poll conducted during the lockdown. The site is called Keep Tauranga Rates under Control. (www.noratesincrease.org) The highlights were

1. 94% of the respondents wanted a zero residential rate increase for 2020/2021
2. 72% agreed that commercial rates should pay a higher share of the rate take
3. 92% rejected a council controlled kerbside rubbish pickup which would add an additional charge to their rates
4. 96% wanted council to reduce operating expenditure including staff and consultants fees and to reduce capital expenditure

So where has the Council gone to in the last month since this presentation.

1. Continued to propose a rates increase. Our idea was to simply send out last year's rates bill again.
2. Increased the commercial rates
3. Going gung-ho ahead to introduce the kerbside collection, and now also appears to be getting into the business of rubbish.

There has been recently been an application to the Crown Infrastructure Partners for \$34.6 million of funds to upgrade the transfer station and buy optical sorting equipment for the Materials Recovery Facility. Isn't this the function of the private contractors. Business is not a place for council involvement.

There is a line item in the Annual Plan of \$1.3 million for a rubbish app.

And still the residents have no idea of cost or service to be provided. And there has been no approval.

4. Staff costs – removed from the Annual Plan the 3% annual allowance for staff salary increase. (\$1.9 million). Other councils have proposed 10% salary decreases. Status quo remains here.

5. Removed no major items in the Annual Plan. All growth items have remained.

And there is the incredible blowout in costs in the eastern corridor wastewater programme to provide new and upgraded mains pipe and pump stations in Papamoa East and Te Tumu.

The 2018 estimate was \$47 million. Now in 2020 the estimate is \$160 million. Where is the integrity and professional ability of the council estimating staff. And the excuses “council used to budget for the likely cost of a project but now worked almost the worst case scenario”

and how is it going to be funded

“the \$160 million would be split between ratepayer funded loans and growth funding and depreciation”

and best of all

“a shortfall in development contributions however meant \$15 to \$20 million of growth funding was expected to be converted into ratepayer funded debt.

Was anyone in council censured for this poor work? If this was private business they would be out the door including the section supervisor. Or is there a culture to pitch a lower price, have it accepted into the budget and into the Annual Plan, start work and then ramp up the final costs.

And this is not the only recent blowout. We can all list many. Cost overruns on council projects are the norm. It is a repeating trend. From the outside there is no accountability – no heads roll.

And who picks up the bill --- the ratepayer with increased RATES.

Harrington St Carpark– this must be strengthened/replaced – it is a critical component for downtown.

1. Council Controlled Kerbside Rubbish/Recycling Pickup:

There does not appear to be a valid reason for the TCC to control kerbside pickups and add an extra charge to the rate bill. Using data supplied from Joint Waste Assessment Report, the amount of waste generated in Tauranga per capita is about average in the city rankings, and Tauranga has a very effective private recycling industry. Currently around 34% of domestic rubbish is recycled. The goal is 65%. Working with the numbers from this report, if only paper and food waste were additionally collected at the kerbside then the target of 65% would be exceeded.

The costs of a council controlled collection should be included in the rates without any increase in the rates. Cut back on the growth fund and invest the available money with your residents.

What is the proposed rubbish plan? Do you know? Yet the schedule is the councillors will vote on this in August. This is potentially a \$400 million cost to the ratepayers over the next 20 years. The ratepayers would also like to know the plan before you vote.

Be honest with the community and discuss costs, then listen to the community and take on board their comments, then make the decision, do not stealthily impose the changes as proposed. Please do not conduct mock online surveys (eg Talking Trash) which had very selective questions and never told the cost. Tauranga is not one of the worst cities in NZ for waste, contrary to information in the council rubbish publicity.

Summary:

There is no danger to our society or the well being of Tauranga if the decision on kerbside collections is deferred for 5 years. The processing of recycling is at a change point, today's ideas may be superseded rapidly.

2. Long Term Plan Unrestricted Growth

One of the major roots of the Long Term Plan is based on the idea that Tauranga must continually grow and build new homes on new greenfield sites which constantly extends the city limits. Currently we see the impending rezoning and inclusion of a further 190 hectares in Tauriko West. And already there is money in the Annual Plan to be spent here.

This strategy of unfettered growth is not working for Tauranga.

Each extension of the city limits place extra burdens on the infrastructure, requiring expensive upgrades, new roads, new pipes, new wastewater facilities, increased traffic densities, increased travel times to work, makes an impossibility of a public transport system and always increases the debt of Tauranga. All this expansion does is replicate the problems of Auckland and other cities with urban sprawl. Is this really your end goal?

Equally this diverting of rates into growth for new areas denies investment in the remainder of Tauranga, -- look at the hollowing out of the city centre, the woeful traffic jams caused by 15th Ave and the Turret Rd bridge road narrowing, lack of consumer spending downtown., increased stress.

TCC has throttled traffic in Greerton and slowed a major commuter route to a standstill, now there is a plan to choke traffic along Cameron Rd. Why bother going to the city centre.

Each extension of the city limits incrementally reduces the quality of life for our residents.

Your model of growth is not financially sustainable, this has been proven for years, and it is dumping a large financial burden on the next generation of ratepayers.

We know, you know, growth does not pay for itself. We have a choice in Tauranga, it is a given more people will choose to live here.

Choice 1: These new residents can live within the existing city limits with more intensive quality housing, closer to work, no need to build new infrastructure, improved facilities leading to an improved quality of life, less pollution. Money can be invested in cycleways, parks, community facilities and so on. The cost of kerbside rubbish and recycling can be included in the rates as the growth component will be axed.

Or

Choice 2 : Continue extending the city limits, be forever underfunded, continually increasing the community debt and be continually calling on the ratepayers to pay more. This has been going on for years. The experiment has not worked.

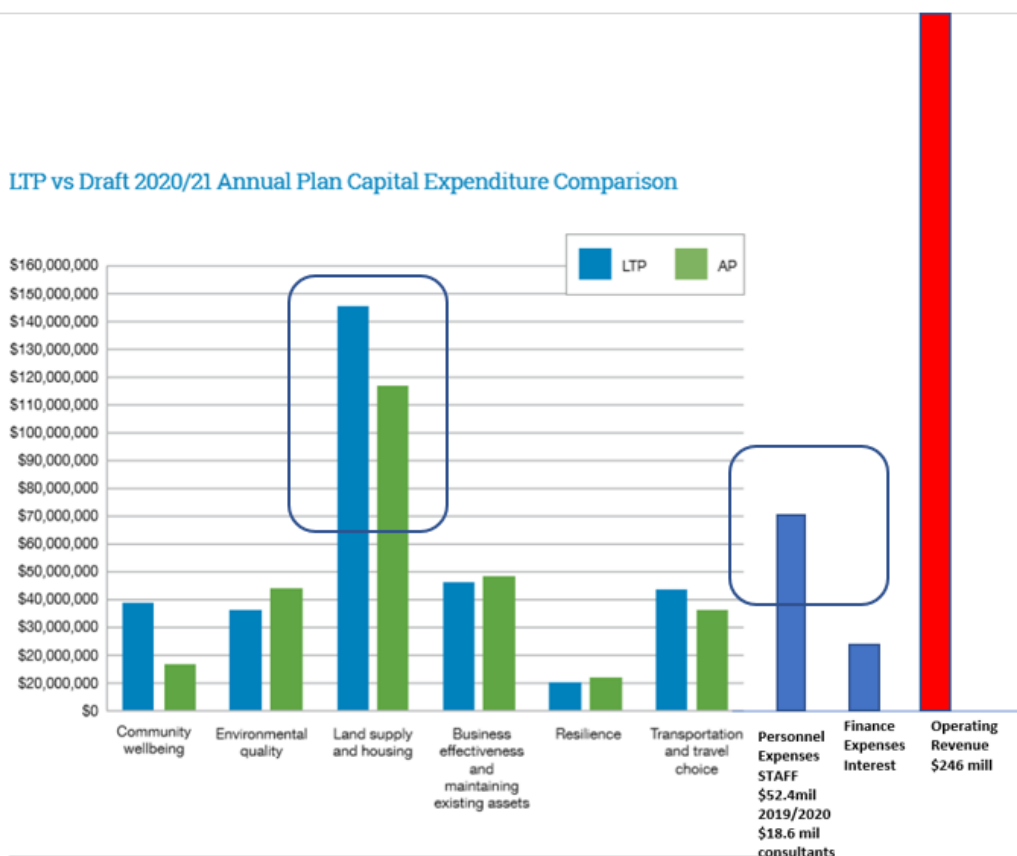
Which legacy do you want to leave for the next generations?

Consider a moratorium on extending the city limits for 5 years and work out a sustainable new Long Term Plan.

Who is pushing for this constant expansion?

3. If the rates are not to increase what can we do:

Definitely not borrow more. Like any business you should look at costs. Reduce costs and spending. Recently, TCC staff received an above inflation pay increase and the councillors voted themselves good pay rises at the start of this term. And what did the 40% of Tauranga’s population who are on fixed incomes and the working poor get for a pay rise this year. Next to nothing if they were lucky. Where do they get the additional funds to pay for the rate increases?



The TCC Expenditure graph with Operating Expenditure added the to it.

The two largest costs/expenses are:

Land supply and housing (new subdivisions and associated infrastructure)

The existing ratepayers receive benefit from only part of this expenditure, why are they asked to pay for all of it.

Personnel Expenses. Staff cost (including \$18.6 million for consultants, 33% of the staff wage bill) 96% of the online pollsters agreed with cutting wages bill.

Both these items must be reduced.

Growth is not self funding, TCC and Infrastructure NZ have said so, simply, every new section developed puts Tauranga further into debt. Who pays? Existing ratepayers.

If the plan must be new greenfield development, strike a deal with the government that they pick up all the developmental and infrastructure costs including water and waste water upgrades - a blank cheque, and **no cost to Tauranga Ratepayers**.

If the newspaper reports are correct, borrowing up to \$500 million from a fund which takes the loan away from the loan ratio guidelines is mischievous and fiscally irresponsible -- at the end of the day the **Tauranga Ratepayer** is still guaranteeing the loan and will need to pay it back.

All debt is debt. We are not short of money, simply, it is not being spent to get maximum value for the residents.

More money needs to be placed in the other categories to improve the quality of Tauranga life. Invest in what will improve the quality of life in Tauranga. This is the reason we all moved here, not to replicate the Auckland problems. As an example, money not used for funding growth could pay for the kerbside rubbish collection and recycling initiatives.

4. Items in the Annual Plan which affect Papamoa

Street Lighting

Without any consultation the Tauranga City Council decided to replace all the street lights with new LED lights in the Papamoa area. Before, each subdivision had its own unique street lamp design and gave a touch of class and uniqueness to an area and some history. Now without any consideration it was decided to chop and destroy the look of the light frames to put the LED lights in place. It has now been stopped but too late for the vandalism that has occurred.

Now there is a line item of \$9.9 million to continue this work and with the note that it is largely NZTA funded. Why is the Tauranga contribution so high?

Planting in Royal Palm Beach Reserve part of the Wairakei Stream

Recently, after no consultation with the local community, under the auspices of a [BOP Regional Council Resource Consent 63636](#), the Tauranga City Council created the Wairakei Landscape Plan with Boffa Miskell and now have started implementing the plan by planting flax bushes around the edges of the Palm Beach Reserve waterways to create a wetland. The resource consent stipulated that consultation must have taken place with each resident bordering on the waterways. This has not happened. TCC lodged the landscape plan before meeting the residents and still has not met them.

The residents do not want the planting, just leave the Reserve as it is, with grass to the edge of the streams and lakes. The "scientific" reasons for the planting in Palm Beach Reserve contained in the Boffa Miskell plan are faulty, the planting will affect the performance of the flood design of the area and are without any basis.

TCC has recently employed a marketing consultant to try and convince the residents that the planting is acceptable. If the conditions of the Resource Consent had been adhered to, then the residents bordering onto the park would have been consulted and the final landscape plan would be different.

Royal Palm Beach Reserve is the only true park in Papamoa.

The funds being spent in this small part of the Wairakei Stream is wasteful. There is an item of \$1.4 million for planting included in this year's budget and then add to this the cost of the marketing consultant. This is a cost which can be deleted from the Annual Plan.

Te Tumu

The Papamoa Eastern Interchange was historically to be funded by NZTA, now it is in the TCC annual plan. What has changed?

Papamoa Beach Road

The traffic flow count has exceeded the numbers required to hot seal the road. The new housing at Papamoa East and Te Tumu will bring increased traffic. When will this road be upgraded?

Community Hall Papamoa East

This has been proposed for a few years and we believe land has been bought. There is a need for a community hall to be managed by the TCC and available to be used by the public.

5. Lack of Communication and Mock Consultation with the Community:

The feedback posted by pollsters in our online surveys has reinforced a feeling we have had for sometime in Papamoa. The council is not listening to the residents until after the event when it is too late. Subsequently ratepayers funds are being wasted. There is sadly a perceived disconnect between council and residents. More so than could be considered normal. The crux of the complaint is that no one in council is listening and there is an entrenched silo mentality amongst the council staff who tell the community what they are getting.

A lot of the feeling stems from the Mock Consultations used by TCC after a plan is finished to try and get community buy in and justify the project or just a Lack of Consultation with the residents. Erecting a drop in tent for a couple of hours is not consultation.

Communicate with the community, not at the community after the horse has bolted. The community needs to be involved before the plan is developed.

A current example is the amount of money being spent by TCC on a marketing consultant to convince the Palm Beach residents to accept the council wetland planting.

The local resident usually knows what works, what doesn't work, use their knowledge and expertise, don't impose on them. Include them in the hatching of a plan.

This quote sums it all up

"The problem is, once the plan has already been written and budgeted for – consultation becomes a tick on a tick box, when it should be done **before a plan is written**"

6. Summary:

This is a year for austerity, the council's desire to spend is not matched by the ability or desire of a large part of your ratepayers to pay an increased rate. Equally of concern is the stealth introduction of the council controlled kerbside rubbish/recycling collection which will add around \$500 to each rate bill. It doesn't matter which year it starts, as it will always be an additional imposed charge on ratepayers. Waste minimisation and recycling are important, the proposed method and cost is not desired. The current privately run rubbish service is highly competitive, very recycling friendly and customisable.

The Long Term Plan and Annual Plan are not working for Tauranga. Growth which extends the city limits is financially killing Tauranga. The ratepayers should not be asked to pick up the cost of growth funding requirements. They get no benefits.

It is time to develop a financially sustainable Long Term Plan that improves the quality of life in Tauranga and creates a better place to live in. This Plan is not working. Rates are for paying for what we use and the upkeep of these services. Spend ratepayers money Improving Tauranga.

LTP vs Draft 2020/21 Annual Plan Capital Expenditure Comparison

