



24 April 2009

Environment Bay of Plenty Ten Year Plan 2009-2010 Submission

This submission is made on behalf of the Rotorua Chamber of Commerce (RCC) and has the support of the BrightEconomy Advisory Board. The RCC wishes to be heard in support of this submission.

1. Introduction

Thank you for the opportunity to make this submission. The summary document is very readable and encourages submissions to be made by asking the highlighted questions.

Page references below relate to Environment Bay of Plenty's Summary of the Draft Ten Year Plan 2009 – 2019 which opened for submissions on 30 March 2009.

2. Rates per district (page 4)

The figures for expected 2009/10 rates in the table below are based on statistics given on page 4 of the Plan.

District	Average land value	Rates per year for the average property	Rates per year for each \$100,000 of property value
Whakatane	\$128,000	\$84	\$66
Opotiki	\$230,000	\$104	\$45
Tauranga	\$205,000	\$151	\$74
Rotorua	\$148,000	\$242	\$164

Estimated rates for the average Rotorua property are at 2.9 times the rates for the average property in Whakatane. Rates for the average property in Rotorua are 60 percent above those in Tauranga.

When estimated rates are calculated based on each \$100,000 of property value, the comparison among districts becomes even worse for Rotorua, with Rotorua's rates 3.6 times that of Opotiki's rates, and 2.2 times that of Tauranga's rates.

EBoP should expect very close scrutiny of the cost allocation of its services by ratepayers and agencies interested in economic development in Rotorua.

3. Tauranga Harbour (page 5)

In the overview of the plan, the point is made that Tauranga Harbour is a significant asset and that EBoP carries out a lot of work in and around the harbour. This work is split across several areas within the Plan and no indication of the total expenditure is given.

We believe that the cost of the work undertaken at Tauranga Harbour should be shown in the Plan, and that the way in which this work is funded should be made transparent. Tauranga residents and businesses gain much more benefit from the Harbour than the rest of the Bay of Plenty. A targeted rate on Tauranga properties to cover between 60 and 75 percent of the cost of the work on the Harbour would be appropriate.

4. Location of EBoP's headquarters in Tauranga (page 6)

EBoP is well aware of the sensitivities in some non-Tauranga communities about the move of the EBoP headquarters to Tauranga. The headquarters in Tauranga should be in a location that works for the whole of the Bay of Plenty community, with excellent links to the rest of the region. EBoP may wish to rephrase the sentence: "The priority now is to ensure that we have a location that works for the Western Bay of Plenty community ..."

5. Respected culture and heritage (page 11)

We fully agree with the importance of a community outcome of "Respected culture and heritage." On page 11 this is expanded to "The history of the region and the value of Maori culture within it are recognised and fostered." Highly skilled migrants from many other cultural backgrounds are making a vital contribution to the social and economic development of the Bay of Plenty. It would be appropriate to mention the importance of respecting their cultures and heritage, too.

6. KPI for governance and accountability (page 13)

The target for the KPI for governance and accountability "Residents have confidence that the Regional Council makes decisions that are in the best interest of the region" starts off at 44% at present, increases to 50% in 2009/10, and then goes to "Up to 55% in Year Four". This should be "At least 55% in Year Four".

7. Environmental education (page 15)

As stated, EBoP's work on environmental education is discretionary. Under the present economic situation, we believe that the amount spent on this activity should be reduced, and that the priority for the remaining funding should be on Sustainable Schools.

8. Recreation and open space (page 15)

The expenditure on recreation and open spaces, and in particular on the Papamoa Hills Cultural Heritage Regional Park, is discretionary. EBoP should not become involved in any further regional parks, and the expenditure on managing the Papamoa Hills Park should largely come from targeted rates on properties in Tauranga and Te Puke.

9. Sustainable land management (page 16 and 17)

We strongly agree that private landowners should take responsibility for their negative impact on the environment. The way in which Sustainable Land Management will be funded, as set out on page 17, seems to contradict the previous statement, with 100% general funds being used for Sustainable Land-Use implementation; only 5% of other (not EBoP general funds) public funding for Biodiversity; and only 5% user fees and charges for Biosecurity. These figures should be reconsidered.

10. Rotorua lakes (page 17)

The funding from EBoP of \$39.8 million for work on the four priority lakes (Rotorua, Rotoiti, Rotoehu and Okareka) over the duration of the lakes water quality programme is given. The annual amount is not given here, although the table on page 31 gives an expenditure of \$12.3 for Sustainable Water Management for 2009/10. Forty-four percent of EBoP's expenditure on the lakes water quality programme will be funded from Rotorua District targeted rates.

The lakes targeted rate is a major contributor to the rates for the average Rotorua property, mentioned in paragraph 1 of this submission. For 2009/10 total rates for an average property in Rotorua will be \$242; of this, for residential properties (up to 1.9999 ha), the Rotorua District Lakes targeted rate in 2009/10 will be \$86, increasing to \$123 and \$133 over the following two years. Without this lakes targeted rate, annual rates for the average Rotorua property would have been \$156, very similar to the figure of \$151 for Tauranga.

Funding the work on the lakes through a targeted Rotorua rate of 56% seems fair. We support the work being done by EBoP to find a way of levying rates based on the principle that the amount of targeted rate paid should be proportionate to the nutrients leached from the property while those who benefit from clean lakes continue to make a contribution.

We note the list of work to be done on the lakes on page 17. We are pleased that it includes both long-term and short-term solutions, and urge EBoP to keep on placing emphasis on initiatives to clean up the lakes as soon as possible.

11. Sustainable coastal management (page 20)

The funding of about \$3 million for this activity will come 100% from general funds, according to the plan. It would seem logical to fund at least 75% of this work through a targeted tax on coastal communities. This would make it similar to funding for the Rotorua lakes where only 22% will come from general funds.

12. Rotorua air (page 21)

The targeted reduction in number of exceedences per year, as given in Table 6, is too slow, with 45 exceedences being the target until 2010/11.

It seems fair to fund this activity through an 80% Rotorua District targeted rate. With around \$1 million being spent on this activity annually, the amount per property would probably be too small¹ to warrant developing a rates postponement scheme to allow residents to draw down on the equity in their homes to pay the targeted rates. The administrative cost involved might well be more than the revenue from the targeted rate for those property owners interested in such a scheme.

13. Resource regulation (page 23)

We strongly agree that a high percentage of the cost of this activity should come from fees and charges for the party responsible for a pollution incident. It is not clear where the funding for the remediation work at Minginui and Kopeopeo Canal will come from; it should not come from general funds.

¹ The expenditure on Rotorua Air Quality, at about \$1 million per year, is about 1.4% of EBoP's total expenditure. Rotorua's rates for an average property are \$242 per year. The amount related to air quality is estimated to be around \$3.40 per year – not worth the additional administration of a rates postponement scheme.

The target of 20 working days set as the **mean** for the time taken to process non-notified resource consents is not appropriate. We understand that the Resource Management Act indicates a **maximum** of 20 working days. Setting a target to achieve this for a very high percentage of consents would be appropriate. EBoP should also, in the interest of encouraging large projects, set a target related to weighted means. Approving large numbers of small projects within 20 days while delaying a small number of large projects for much longer would be discouraged by a well-formulated target.

14. Sustainable transport (page 25)

The proposed way of funding the passenger transport in Tauranga and Rotorua seems fair.

The KPIs in Figure 9 should be improved. In addition to targeting running a number of bus trips per year, there should also be a target to increase the number of passenger-trips per year. Instead of setting a constant trip target for the Rotorua public transport service, there should be the flexibility to increase the number of trips as demand increases.

Office and retail workers comprise the majority of passengers using the buses between 7 and 9 am and between 4 and 6 pm. Adjust the timetables to their needs; buses leaving at 15 and 45 minutes past the hour in the afternoon would be better than departures on the hour and half past the hour. The needs of backpackers and other tourists should also be considered before bus services are cancelled on public holidays. The recent introduction of a weekday bus at 6 pm, and buses on Sundays, are much appreciated.

15. Sustainable regional development (page 27)

We agree that some support should be provided to carefully selected external parties to develop significant public infrastructure to help grow the region.

We note with interest that \$20 to \$40 million of the funds raised through the issue of Quayside Holdings Limited perpetual preferential shares will be made available to the regional infrastructure fund over at least 10 years starting in 2011. This is linked to the work done by the Regional Governance and Management Groups and the implementation of the Regional Economic Development Strategy. We have previously expressed concern about the representation of Rotorua's economic development potential in the Regional Economic Development Strategy. We look forward to an updated version of the Strategy in which some projects from Rotorua will hopefully feature.

16. Other changes in funding and/or level of service (page 31)

According to the Plan, EBoP proposes not to fund an energy strategy. This must have been overtaken by a decision by EBoP's Regional Governance and Management Groups to ask East Harbour Management Services to prepare a proposal to undertake the development of a regional energy strategy. We strongly support the development of a regional energy strategy, and commend the work being done by Rotorua's Energy Champion as one input into the regional strategy.

17. What about Rotorua's Regional Airport?

It is surprising that there is no mention of the developments at the Rotorua Regional Airport, or the joint Bay of Plenty promotional work being planned, in the Plan.

18. A picture speaks a thousand words

Apart from the triptych of photos on the cover of the plan, there is only one photo (Lake Tarawera on the inside back cover) that is recognisably from the Rotorua District. In contrast, there are eight photos of the coastal parts of the Bay of Plenty, plus one from,

presumably, Te Puke. This is not the first time that EBoP has published a well-presented document in which the graphics have largely ignored Rotorua. The Rotorua District Council's Economic Development Unit will no doubt be delighted to provide excellent appropriate photos to use in future EBoP documents.

19. Verbal submission

We do wish to make a verbal presentation, in Rotorua.

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