

Our Journey to Resilience

Consultation Document

Draft Annual Plan 2023/2024

Waitomo District Council

April 2023

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Consultation Timetable

Community Consultation (one month)	31 March - 1 May
Hearings and deliberations (Attendance in person or via Zoom)	18 May
Adoption of Annual Plan	27 June (Council Meeting)

Visit our website to have your say:
www.waitomo.govt.nz/our-services/onlineservices/haveyoursay/

Building our resilience

Our draft Annual Plan (dAP) for the 2023/24 Financial Year outlines the cost of the activities we undertake, and the projects we plan to do and therefore the financial direction for the Waitomo District Council (Council). The dAP highlights any major change from our Ten-Year Plan (10YP) and ensures that Council is still on track towards achieving its community outcomes and priorities set in the 10YP.

The Annual Plan (AP) will be finalised in May 2023 following community consultation and adopted by Council in June 2023. There are no individually significant variations for the 2023/24 dAP, however overall the increase in the costs associated with delivering our services has impacted the rates revenue requirement and individual rates.

Rates affordability is a key consideration for Council. The unavoidable impact of inflation and rising costs means we are facing an average rate increase of 5.91% for the Waitomo District. To achieve a rate increase below inflation and deliver the same level of service does mean we have had to make other changes. This is especially the case as the cost of some goods and services we require have increased far more than the current inflation figure of 7.2%.

Although we have cut back as much as possible there are some work programmes and projects that we are including in our dAP to ensure levels of service are maintained or improved. With the impact of multiple severe weather events, central and local government reforms we must prepare for an uncertain future. The best way we can do this is to build-up our resilience. The projects and work programmes in the dAP help deliver this. Your feedback on our work programme is being asked for to ensure we are meeting the community's expectations for the year ahead.

Rates are calculated on property values and the services available to that property, therefore rate increases affect every property a little bit differently. To have more properties closer to the average rate increase of 5.91% across the District, Council proposes to lower the

With the impact of multiple severe weather events, and Central and Local Government reforms, we must prepare for an uncertain future.



MAYOR
John Robertson



CHIEF EXECUTIVE
Ben Smit

Uniform Annual General Charge (UAGC) (ie the fixed charge to each rateable property) to help achieve this. We are also asking if you agree we should use this approach to adjust the rate increases between properties. Due to rising costs the total rates revenue requirement has increased by 5.91% which is above the forecasted rise of 4.37% in the 10YP. There are a number of factors involved with this shift with increased costs across activities and some more specific ones are outlined in the consultation document for feedback.

Inflation also has an impact on the value of our assets, due to the significant movement in the value of our major assets being roads, 3 waters infrastructure, land and buildings. We have been able to reduce this impact on rates by proposing a policy change for rates which fund the replacement of 3 Waters' assets. We continue to deliver services and projects that will benefit our community now and in the future. This year and next year's projects are no exception.

We look forward to working with our community through a year that will be challenging but exciting as we continue our journey together.

Key Projects 2022/2023

In the current Financial Year 2022/2023 we have been working on some key projects that are now complete.



Gallagher Recreation Centre

Te Whare Takarangi o Te Kūiti – Gallagher Recreation Centre was opened on 11 February 2023.

3 Waters Infrastructure Renewals

Wastewater pipes replaced in King Street West and Tammadge Streets.

Mokau Toilet Block

The new toilet block in Mōkau was opened in November 2022



Rooding Network Repair

Rooding network repair from February 2022 weather event, Cyclone Dovi and subsequent events.

Proposed Waitomo District Plan

The Proposed Waitomo District Plan was publicly notified on 20 October 2022.

Proposed Waitomo District

Comprehensive Reserve Management Plan

The Proposed Waitomo District Comprehensive Reserve Management Plan was publicly notified on 20 October 2022.

“Better off” funded projects

In addition to the Annual Plan projects, we are also kicking off some of the projects we are delivering through the Government’s ‘3 Waters Better- Off’ funding. We have had \$3.55 million of Central Government funding approved with \$2.35 million going towards physical projects and \$1.2 million on social good and design projects. The projects are in various stages with more community engagement to come on the Town Entrance Gateways, and other Community projects. Projects within our social good partnerships are underway and some town amenity improvements involving tar sealing some parking areas for Piopio and Maniaiti/Benneydale are being delivered later this year.

Town Gateways

Creation of town entrance gateways that enhance the entry points to each township including artwork, recognition of mana whenua, landscaping and traffic calming.

Social Good Partnerships

- Rangatahi Pathways – working with the schools, a programme to develop rangatahi from year 5 – 13 to help them plan, make choices and be more ready for employment and further education.
- Housing Strategy – develop a strategy and action plan in collaboration with our community to ensure the right investment is made to meet housing needs for more and better quality homes.
- Methamphetamine use and impact reduction programme in association with NZ Police.
- Centennial Park development plan to make the best use of this area for sport and recreation activities while considering the development of the wider surrounding community.

Town Amenity Improvements

Upgrades and improvements to town amenities throughout the district including community spaces, improvements to Piopio and Maniaiti/Benneydale parking, pedestrian areas and amenities.

Walkways

Linkage of Motakiora, the awa and Te Araroa Trail through Te Kūiti following the Mangaokewa Stream, upgrading and improving the trails and pathways to provide a safe and attractive walk along the awa and out to the Mangaokewa Reserve. The project will also include storyboards which will tell the rich history on this area.

Cultural and Community Hub

We have funding to complete a concept design for a community space that could provide for a range of community services, a space for art, cultural, and historical displays, a place to collaborate and bring the community together. This feasibility work is on hold while long term funding for the project is assessed.

Our plan for the journey ahead



The key projects and work programmes we have retained for 2023/24 are the ones we considered essential to deliver the level of service the community expect. The increased costs associated with continued operation or additional works contribute to the rate increase so your feedback on these projects and work programmes is being asked for. These resilience projects include:

Key Projects 2023/2024

Improved Stormwater Maintenance

The need to increase spending on stormwater maintenance has been highlighted through recent severe weather events. We can accommodate some increase with minimal impact on this year's rates, but a higher spend would impact Te Kūiti ratepayers with a slightly higher increase. Works would include cleaning pipes and clearing open channels, and making improvements to the stormwater system.

** We are asking for your feedback on page 9.*

Wastewater Operations and Sludge Removal

Wastewater operations costs have significantly increased just to maintain the same levels of service we provide. We also now have an urgent need to address the sludge build-up in our wastewater treatment ponds. This work was started using funding from the initial 3 waters reform funding, but we now need to continue this at an accelerated rate. Most of the sludge removal costs can be funded by money previously set aside, so there will be minimal rates impact.

Storm Event Road Repairs

The severe weather events that occurred in 2022 and earlier this year has had a significant impact on our roading network. The Emergency Funding allowed for in the 2022/23 and 2023/24 budgets fell well short of what was required for the repairs.

Although repair work will occur over the next few years, additional funding is required now. Waka Kotahi (NZ Transport Agency) will cover the majority of the cost, however due to the scale of the damage, there will still be a cost to Council as we are dipping into the funds set aside to replace our roading infrastructure at a later date. In the short term this impacts debt levels and interest costs.

** We are asking for your feedback on page 9.*

Te Kūiti Water Supply Certainty

We have a major project starting in this year to improve the resilience of water supply for Te Kūiti. The capital cost of this is approximately \$9 million (over two years). Our project to find an alternative water source was unsuccessful and the drought pressure in previous years meant we needed to look for other ways to improve the certainty of the water supply for Te Kūiti.

A project has been approved by Council to build a new reservoir and dedicated rising main to help ensure Te Kūiti residents do not have water shortages in summer.

This project also has no rate impact this year as it will be loan funded. If the 3 waters reforms go ahead as currently planned the debt for this project will transfer to the new water entity. If 3 waters reforms are changed and Council retain 3 water assets, there would be an increase in rates to pay for the project.

Solid Waste

Due to rapidly increasing costs, and the future uncertainty of the solid waste sector, we are halting the next cell development at the Te Kūiti Landfill.

We have engaged specialist consultants to assess the affordability of the landfill over its lifetime so we can compare this to other options such as transporting waste to a managed landfill site such as Hampton Downs. This would free up financial resources to provide an improved solid waste service that would help reduce the waste we send to landfill.

There is no rate impact for this project in the coming year as the work would be loan funded once underway.

We will engage fully with our community on the future options for solid waste management over the coming months once all information collected and discussed with Council. There is no formal submission on these two projects as they do not impact the 2023/24 rates and no further decisions are required at this point

Impact of Inflation and Rates Revenue Requirement



The current inflation level is 7.2% in New Zealand, this reflects the increasing cost of goods and services.

For several of our contracts and services we are now paying significantly more (30-40% in some cases). It is for this reason, we cannot avoid an increase in the rates and fees and charges required to deliver our services to the community.

The rates revenue required for the 2023/24 financial year is \$22.2M, this is an overall increase of 5.91%.

We are also facing higher interest rates as are many New Zealanders. This affects new or maturing loans so not all Council debt is impacted by the higher rates.

Council has carefully considered financial policy changes to keep rates more affordable.

Our total interest costs for all Council debt is forecast to be \$370,000 more than the current year so this accounts for nearly a third of the 5.91% rate increase.



The average value (\$385,000) Te Kuiti Residential property is forecast to receive an increase of \$281 (+7.1%). The average value Maniaiti/Benneydale example forecasts an increase of 7.0%. While the average value Piopio sample property forecasts an increase of 6.8% and Mokau an increase of 2.9%. Rural and Mokau properties do not pick up the same increases in the wastewater and urban stormwater rates that other residential properties do.

* Proposed rates increases includes Council's preferred option for stormwater maintenance. See Page 8



Asset Replacement

Council has carefully considered financial policy changes to keep rates more affordable. As a council we put money aside each year to replace significant infrastructure assets (like 3 Waters) at its current value. With changes to the policy, there are two ways we can reduce the total rates requirement.

We currently only fund a portion of this for our drinking water, wastewater and stormwater assets. By not funding depreciation on new assets from recent projects, this will save \$500,000.

We are proposing to further extend this policy by not funding the most recent increased asset valuation of our 3 waters infrastructure. This will save \$248,000.

If 3 Waters assets do not pass to a new waters entity this policy will need to be reviewed again and will have an impact on future rates.

Visit council's website to see the proposed annual rates for your property in 2023/24.
<https://www.waitomo.govt.nz/council/rating-information/rates-calculator/>

Rates Affordability

Rates affordability is a real concern for the Council, and the impact of the rate increase has been discussed thoroughly during the development of the dAP. Calculating an average rate increase is not a simple process and outliers do occur.

To mitigate this, Council has decided to reduce the UAGC to help bring more properties closer to the average rate increase of 5.91%.

As it has in recent years, Council will try to maintain the percentage of rates it receives from residential properties at 36% and pastoral properties at 31%. Setting the UAGC at \$340 (a drop from \$423) will make the rate increase more even across most ratepayers in the District and help maintain these percentages.

However there is still a wide range of movement for individual properties due to the spread of cost increases across different Council activities.



Average High Value Dry Stock

Increase: **+5.2%**

The high value dry stock sample property is now forecast to receive an increase of \$1,686 (+5.2%).



Average Te Kūiti High Value Commercial

Increase: **7.0%**

The sample high value Te Kūiti Commercial property is now forecast to receive an increase of \$4,190 (7.0%).

Have your say!!!!

Improved Stormwater Maintenance

The need to increase spending on stormwater maintenance has been highlighted through recent severe weather events.

We can accommodate some increase with minimal impact on this year's rates, but a higher spend would impact Te Kūiti ratepayers the most. Works would include cleaning pipes and clearing open channels, and making improvements to the stormwater system.

We are considering 3 options.



OPTIONS

1. No additional spend with minimum pipe cleaning and inspections and no improvements.

2. Spend \$110,000 extra on pipe cleaning and inspections and \$240,000 on some improvement. This will cost the average value residential Te Kūiti property an extra \$42.

Council's preferred (budgeted) option

3. Spend \$300,000 extra on pipe cleaning and inspections and \$240,000 on some improvements. This will cost the average residential Te Kūiti property an extra \$113.

Uniform Annual General Charge

Rates are calculated on property values and the services available to that property, therefore rate increases affect every property a little bit differently. To have more properties closer to the average rate increase of 5.91% across the District, Council proposes to lower the UAGC (ie the fixed charge to each rateable property) to help achieve this, and maintain the percentage contributed by each rating category. Do you agree?

Increase spend on Wastewater and Rooding Repairs

The most significant costs increases have been in wastewater operations and rooding repairs. We believe it's important to continue maintaining our current levels of service in both these areas, but it will require a rates increase. Do you agree?

*It's important we receive your feedback
between 31 March 2023 and 1 May 2023!!*



FORMAL SUBMISSION FORM

SUBMISSIONS CLOSE 5PM ON MONDAY 1 MAY 2023

You can share your views on our **DRAFT ANNUAL PLAN 2023/24** by:

- Completing this submission form and returning it to us by:
 - Visiting our office at 15 Queen Street, Te Kūiti
 - Emailing it to: haveyoursay@waitomo.govt.nz (scan and pdf or take a photo)
 - Posting to: FREEPOST 112498, Waitomo District Council, PO Box 404, Te Kūiti 3941
- Visiting our website: www.waitomo.govt.nz/our-services/onlineservices/haveyoursay/ and fill in an online submission form

FULL NAME: _____ **PHONE:** _____

ADDRESS: _____

EMAIL: _____

I wish to speak to Council about my submission Y / N

Hearings are scheduled for 18 May 2023. If you indicate 'YES', we will contact you to arrange a time. Attendance can be in person or via Zoom.

Improved Stormwater Maintenance - Which option do you prefer? : 1 / 2 / 3

Reasons and feedback: _____

Do you agree with the increased spend on Wastewater and Roding Repairs? Y / N

Reasons and feedback: _____

Council is proposing to lower the Uniform Annual General Charge to bring more properties closer to the average rate increase of 5.91% across the District. Do you agree with this? Y / N

Reasons for / or against: _____

Other feedback:

Proposed Fees and Charges

As part of the annual planning process, fees and charges are reviewed to ensure the costs of providing these Council services are recovered by those who use them. This annual review provides the opportunity to reflect changes in the costs and services.

Due to the increased operating costs most fees and charges are being increased between 5% and 7%. We need to ensure costs are recovered so that Council services are not subsidised further by rates.

These increases apply to:

- Animal and dog control fees
- Permits and licences which includes food premises and fees under the Food Act 2014. Licencing not set by Council governed by regulation remain unchanged such as Alcohol licencing.
- Parking and infringement fees
- Land use and subdivision consent fees
- Fees for facilities use and hireage
- Office and administration fees

Services provided by contractors are also increasing in areas of roading, water supply, wastewater, storm-water and solid waste. As there are cost increases forecast for water supply, metered water charges will also increase.

There is an increase in landfill charges and the cost of the official WDC rubbish bags due to increasing operating costs and the government's increase in the Emissions Trading Scheme charges and the Waste Minimisation Levy.

These costs are incurred for every tonne of waste going to landfill. The tonnage charges will increase

by \$20, and the official WDC rubbish bags will increase from \$4.50 to \$4.80.

Elderly housing weekly rent will increase by \$5 per week so that it more closely covers the cost of providing the service. The new prices would be \$130 for a small single, \$140 for a large single, and \$120 for a bedsit.

Some of our fees and charges have required more significant increases often due to increased staff time to complete the service or higher contractor costs. For example, land use and subdivision consents.

Some additional charges are being added to other fees and charges where costs need to be recovered for a specific service. These include travel costs for building consents and traffic management charges.

To help our community utilise our Les Munro Centre we have included the option to rent per hour at \$68 for up to 6 hours.

There are some fees and charges that we have been able to maintain at the 2022/23 level as the cost recovery is being met.

We are seeking feedback on the 2023/24 fees and charges schedule under the Special Consultative Procedure. We value your opinion, so please have your say on the following page.

You can read more about our new Fees and Charges schedule [here](#)



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SUBMISSIONS CLOSE 5PM ON MONDAY 1 MAY 2023

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- Completing this submission form and returning it to us by:
 - Visiting our office at 15 Queen Street, Te Kūiti
 - Emailing it to: haveyoursay@waitomo.govt.nz (scan and pdf or take a photo)
 - Posting to: FREEPOST 112498, Waitomo District Council, PO Box 404, Te Kūiti 3941
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FULL NAME: _____ **PHONE:** _____

ADDRESS: _____

EMAIL: _____

I wish to speak to Council about my submission **Y / N**

Hearings are scheduled for 18 May 2023. If you indicate 'YES', we will contact you to arrange a time. Attendance can be in person or via Zoom.

Do you have any feedback on the overall 5-7% increase to our fees and charges?

Do you have feedback on fees and charges that have increased by more than 7%?

Do you have any other feedback on the fees and charges?



Your Council

John Robertson

Mayor

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Allan Goddard

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Janene New

Councillor: Urban

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Janette Osborne

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