



Agenda

Hearing and Deliberation of Submissions to

Draft Annual Plan 2023/2024

**Thursday 18 May 2013
9.00am**

**Council Chambers
Queen Street
TE KUITI**

All attendees at this meeting are advised that the meeting will be electronically recorded (audio and video) for the purpose of webcasting to the Council 's website. Every care will be taken to maintain individuals' privacy; however, attendees are advised they may be recorded as part of the general meeting proceedings.



NOTICE OF MEETING

A MEETING OF THE WAITOMO DISTRICT COUNCIL FOR THE PURPOSE OF HEARING SUBMISSIONS TO THE DRAFT ANNUAL PLAN 2023/2024 IS TO BE HELD IN THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON THURSDAY 18 MAY 2023 COMMENCING AT 9.00AM

COUNCIL MEMBERS

Mayor John Robertson
Deputy Mayor Allan Goddard

Cr Dan Tasker
Cr Janene New

Cr Eady Manawaiti
Cr Janette Osborne

Cr Gavin Todd


MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT

ORDER PAPER

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4. Hearing of Submissions to the Draft 2023/2024 Annual Plan	3 – 4																		
5. Deliberation of Draft Annual Plan 2023/2024 Submissions	6 - 22																		
6. Karakia Whakamutunga																			

PLEASE NOTE

1. The business papers attached to this Order Paper set out recommendations and suggested resolutions only. Those recommendations and suggested resolutions **DO NOT** represent Council policy until such time as they might be adopted by Council resolution.
2. This Order Paper may be subject to amendment either by the addition or withdrawal of items contained therein.
3. This Meeting will be **webcast** in real time to the Waitomo District Council website and will also be available for viewing on demand as soon as reasonably practicable following the meeting.

Document No: A664458

Report To: Council



Meeting Date: 18 May 2023

Subject: **Hearing of Submissions to the Draft 2023/2024 Annual Plan**

Type: Hearing

Purpose

- 1.1 The purpose of this business paper is for Council to hear Submitters speak in support of their written submissions.
- 1.2 Distributed separately and forming part of this business paper is a Submission Booklet comprising copies of all submissions received to the Draft 2023/2024 Annual Plan.
- 1.3 Elected Members are reminded of their responsibility to consider all submissions without any pre-determination and with an open mind. This does not mean that Members' cannot have an opinion – it simply means that as an elected Council Member you must be prepared to listen to alternative views and to change your own views should you be convinced.

Commentary

2.1 2023/2024 Draft Annual Plan Consultation

- 2.2 At the consultation closing deadline of midnight on Monday 1 May 2023, a total of eight (8) submissions had been received as follows:

Sub No.	Submitter Name
1	Phil Brodie
2	Maria Willison
3	Matthew Maxwell
4	Tere Waitomo Community Trust (Kyle Barnes)
5	Waitomo Caves Museum (Bridget Mosely)
6	CCS Disability Action Waikato (Oliver Goulden)
7	Waitomo Ratepayers and Residents Collective (Kahutoi Te Kanawa)
8	Federated Farmers New Zealand (Frances Casey and Chris Irons)

- 2.3 No late submissions have been received.

2.4 Hearings Process

- 2.5 Of the eight submissions received, five Submitters have indicated they wish to be heard in support of their written submissions. Time has been allocated at the Hearing as follows:

Sub No.	Submitter Name	Time Allocated
1	Phil Brodie	9.00am
4	Tere Waitomo Community Trust (Kyle Barnes)	9.10am
5	Waitomo Caves Museum (Bridget Mosely)	9.20am
6	CCS Disability Action Waikato (Oliver Goulden)	9.30am
8	Federated Farmers New Zealand (Casey Frances and Chris Irons)	9.40am

- 2.6 Once Council has heard the Submitters speak in support of their written submissions, a resolution will need to be passed referring the verbal submissions for deliberation along with the written submissions received.

Suggested Resolutions

- 1 The business paper on Hearing of Submissions to the Draft 2023/2024 Annual Plan be received.
- 2 Council note the verbal submissions made by the following Submitters:

Sub No.	Submitter Name
1	Phil Brodie
4	Tere Waitomo Community Trust
5	Waitomo Caves Museum
6	CCS Disability (Oliver Goulden)
8	Federated Farmers New Zealand
- 3 The verbal submissions be noted for consideration as part of the deliberations process.



MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT

Separate Enclosure: Draft 2023/2024 Annual Plan Submission Booklet

Document No: A665737

Report To: Council



Meeting Date: 18 May 2023

Subject: **Deliberation of Draft Annual Plan 2023/24 Submissions**

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present to Council the submissions received on the Draft Annual Plan (dAP) 2023/24 and provide analysis on these submissions.

Background

- 2.1 The Local Government Act 2002 (LGA) requires local authorities to prepare and adopt an Annual Plan (AP) for each financial year. The AP is an exemption focused document addressing changes between the 10YP and the proposed AP.
- 2.2 On 28 March 2023, Council adopted the Consultation Document (CD) which outlined the changes proposed to the AP and invited the community to make submissions to Council. At the same time, submissions were open for changes to Fees and Charges for 2023/24.
- 2.3 Members of the public were able to submit using hardcopy forms (made available at three council locations), submit online via Council's website, or submit their feedback by their own preferred method.

Commentary

3.1 **PUBLIC CONSULTATION**

- 3.2 Attached for Council's information is a copy of the CD as consulted on (**Attachment 1**).

- 3.3 The CD contained a focus on:

- The average rate increase for the District proposed at 5.91%
- Delivering on work programmes for priority levels of service
- Retaining critical projects that improve resilience
- Policy on 3 waters depreciation
- Use of the UAGC and retaining rate proportions; and
- Recovering costs through fees and charges

- 3.4 A Consultation period was open from 31 March to 1 May 2023. Letters were sent directly to major users of water services in relation to changes to fees and charges. Public notice was made in the Waikato Times and King Country News; information and links were prominent on WDC website; and posts were made to WDC Facebook page.

- 3.5 At the close of the submission period, no submissions were received relating to fees and charges, eight submissions were received related to the dAP. Five of the submitters have chosen to present at Council Hearings.

- 3.6 A summary of submissions and analysis is presented below. Full submissions are also made available (**Attachment 2**).

3.7 SUMMARY OF SUBMISSIONS

Question 1: Improved Stormwater Maintenance – Which option do you prefer?

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

Option 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, as compared to Option 1.

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, as compared to Option 2

Submitter	Preference	Submission Point	Analysis
001 Phil Brodie	Option 2	Would prefer option 3 if financial constraints were not so severe.	Thank you for supporting additional spending on stormwater. Agree that with recent events we would like to spend more, however, affordability is a consideration.
002 Maria Willison	Option 2	It's the most affordable option that takes into account the probability of increased severe weather events.	Thank you for supporting additional spending on stormwater.
003 Matthew Maxwell	Option 2		Thank you for supporting additional spending on stormwater.

Question 2: Do you agree with the increased spend on Wastewater and Roading Repairs?

Submitter	Agree?	Submission Point	Analysis
001 Phil Brodie	Yes	Waitomo has had very few serious breaches of its wastewater resource consents so it's important to keep ahead of the game. Functional roads essential to the District's economy.	Thank you for supporting increased spending in this area.
002 Maria Willison	Yes	Wastewater and roads are high value/priority services for our community.	Thank you for supporting increased spending in this area.
003 Matthew Maxwell	Yes		
005 Waitomo Caves Museum	Yes	Roading – Waitomo Village Road repairs around Waitomo Village essential for tourism which impacts the whole district financially if reduced.	Thank you for supporting increased spending in this area.

Submitter	Agree?	Submission Point	Analysis
		<p>Water – Waitomo Village</p> <p>Residents of Waitomo village pay for water and wastewater treatment. The privately run treatment plant is not sustainable and will require spending beyond the (non-existent) level of service. We'd like to see funding for this - which was included in previous plans - to get underway.</p>	<p>The wastewater (and water supply) infrastructure at Waitomo Village is privately owned and operated by tourism Holdings Ltd. The option of the Village wastewater scheme, together with or independent of, the other Village infrastructure, being handed over to the Council, has been the subject of discussion between the parties over several years. Complexities relating to long-term tenure of the associated land, asset ownership, and funding have not been able to be resolved. The Waitomo Village system services predominantly commercial operations and an itinerant tourist population of up to 650,000 visitors per year.</p> <p>Previous LTPs have anticipated the above discussions being resolved and the assets and infrastructure being handed over to Council. Budget funding was allocated to include Waitomo Village water services in Council's spending. These talks have since ceased and remain unresolved. As such, there are no plans in current LTPs to pay for these services.</p> <p>Ongoing uncertainty remains in relation to three water services, at this stage these assets will become part of the Waikato water entity in 2026.</p>

Question 3: 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?

Submitter	Agree?	Submission Point	Analysis
001 Phil Brodie	No	<p>Dangerous precedent could be set from statement in CD "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%". From my recall ignores reason for original implementation.</p> <p>Don't recall significance of this ratio until preparation of 2022/23 AP (following 2021 District property revaluations) when ratio was used as basis for reducing UAGC (from \$728 to \$432) to reduce variance in individual rate increases. Costs previously shared equally, were transferred to the General Rate, which increased the share borne by higher CV properties, which were mostly rural.</p>	<p>The 36% of rates borne by residential properties has been used as an indicator to help ensure the level of rates paid by various sectors of our community stay similar over time. This would reduce major variations in rate increases between various sectors caused by swings in property valuations and / or movements in council costs that impact different groups of ratepayers differently. It is expected that this will sometimes favour higher value properties, and other times favour lower value properties.</p> <p>Council is reviewing the rates structure during the Long Term Plan process so there will be</p>

Submitter	Agree?	Submission Point	Analysis
		<p>The above appears to have become an established precedent now. Will the 'precedent' be applied with equal vigour when the 3 Waters Reform reduces Waitomo's rates revenue requirement by about \$6m (3 Waters Targeted Rates and Service Charges values in the dAP 2023/24), the vast majority of which would normally be paid by residential properties.</p>	<p>opportunities for more community input into the apportionment of rates.</p> <p>Council used the percentage that each category contributes to the total rates requirement as a mechanism for making rates more equitable across the rating groups in the 2022/23 rating year.</p> <p>The 36% 'indicator' will be reviewed once '3 Waters' are not rated by individual councils.</p>
002 Maria Willison	Yes	It makes sense to do this.	
003 Matthew Maxwell	Yes		
008 Federated Farmers	No	<p>FF supports the UAGC for more equitable spread of costs and acknowledges challenges. Understands challenge to make residential rates affordable but opposes this as it can increase rural rates by hundreds of dollars, passing the burden from residential to rural.</p> <p>Council can use UAGC to collect up to 30% of revenue, we calculate that in 2020/21, the UAGC contributed 22.6% of rate take. The proposal will reduce this to 14%. We oppose this significant decrease. Council should maintain UAGC at 22% of total rating revenue and consider alternatives to accommodate residential rate increases.</p> <p>Council should make it clear that this reduction in the UAGC is contrary to p.97 of the 2021-2031 Long Term Plan to maintain the UAGC at a s21 average of 23.2% of the total rate take.</p> <p>FF is concerned that Council will be tempted to decrease the UAGC in future years, as there is not a great deal of UAGC left to work with. We recommend that Council publish the UAGC % of total rating revenue in future consultation material</p>	<p>Thank you for your support of equitable spread of costs. Councils have very few mechanisms (other than changing the UAGC %) for keeping rate increases across ratepayer groups similar over time.</p> <p>Adjusting the UAGC % reduces major variations in rate increases between various sectors caused by swings in property valuations and / or movements in council costs that impact different groups of ratepayers differently. It is expected that this will sometimes favour higher value properties and other time favour lower favour properties.</p> <p>The Annual Plan does propose a reduction of the UAGC % from 9.7% in 2022/23 to 7.4% to moderate the increase in rates between various ratepayer groups.</p> <p>The narrative on Page 97 of the Long Term Plan is a statement of the average percentage in the Long Term Plan not a policy position or Key Performance Indicator.</p> <p>Council is reviewing the rates structure during the Long Term Plan process so there will be opportunities for more community input into the apportionment of rates. It will consider publishing the UAGC percentage at that time so thanks for your suggestion.</p>

Question 4: Do you have any other feedback on our Draft Annual Plan 2023/24?

Submission 001 — Phil Brodie

The submission was received from Phil Brodie, he will speak to his submission.

	Submission Point	Analysis
1	<p>Funding Depreciation three waters</p> <p>Concern about not funding depreciation on three-water assets and the negative consequence this could have for the value of assets and attributed debt transferred to entity B on 1 July 2024. Raised question if transfer doesn't occur, will that deferred depreciation cost have to be bought to charge in the future, and what will be the consequential impact of that for ratepayers?</p> <p>Appears there is a lack of emphasis on the need for the 3 Waters Reforms to go ahead as currently proposed, as if it doesn't, the consequences for Waitomo ratepayers will be dire, particularly residential ratepayers.</p>	<p>Central Government has changed its approach to the movement of '3 Waters' assets and operations. The transfer is now planned to occur on 1 July 2026 and our operations will move to a Waikato entity and not Entity B which was a much larger entity.</p> <p>The non-rate funding of part of the '3 Waters' depreciation will:</p> <ul style="list-style-type: none"> not have an impact on the value of assets. These assets are still revalued periodically (generally every three years) so are not impacted by the rates funding of depreciation. Assets will also transfer to the new entity at nil value anyway. not have an impact on the value of debt being repaid to WDC. Debt is calculated on the basis of previous borrowing for '3 Waters' assets. This formula has been agreed with the National Transition Unit. have an impact on the amount of reserves that WDC repays to the new waters entity. Any funding collected from rate-funded depreciation for the replacement of infrastructure goes into a reserve. All these reserves need to be paid to the new entity so collecting more from ratepayers means this money will be passed on to the new '3 waters' entity. <p>The impact of reducing rating for the future replacement of '3 Waters' infrastructure is complex. The funding that is not collected as a result of this approach will not need to be collected in the future so there is no direct need to 'catch-up' the payments not made. However the level of financial reserves for the replacement of assets in the future will be lower because these funds were not collected from rates. These reserves will be passed on to the new entity so the impact of this on WDC ratepayers is unknown and will largely depend on what the new entity does with those financial reserves.</p> <p>The postponement of the transfer date for '3 Waters' to 1 July 2026 does question the current approach of not rate funding depreciation. This currently totals \$748,000. Should WDC start rate funding this for 2023/24?</p> <p>Council has been working hard to plan for the '3 Waters' transition. We have no influence over Central Government policy on this issue.</p>

Submission 004 – Tere Waitomo Community Trust Committee

The submission was received from Kyle Barnes, he will speak to his submission.

	Submission Point	Analysis
1	<p>Council’s submission process</p> <p>The submission forms do not invite open feedback about the plan. Wider views are lost. Both the online form and the PDF form lead the respondents down a very narrow response path, seeking only a defined range of feedback. The process itself loses its integrity if it doesn’t provide for a healthy discourse. We would endorse in-person consultation meetings.</p>	<p>Annual plans focus on exceptions to the long term plan (which is consulted on), so the areas of proposed change are the areas that form the basis of our consultation document. We have allowed additional feedback in our process, and we welcome anyone to come to hearings to discuss with council. In person consultations are more commonly used for long term plan consultation as there is a wider scope for discussion.</p>
2	<p>Waitomo Village Entranceway</p> <p>If any area in the District is seeking resilience after the pandemic, Waitomo Village must be top of the list. The plan allows for entrance beautification for many of the settlements in our district; however Waitomo Village entrance is conspicuous in its absence.</p> <p>For tourists travelling from Auckland their entrance to the Waitomo District is still usually via Waitomo Valley Road.</p> <p>As a community and village, we were the first village or township to submit a structure plan to the council. (Key Move 2, pg 22, Waitomo Caves Village Town Concept Plan). The community hoped that the outcome would be a “Gateway” befitting of the attraction people have come to see. Recognition of mana whenua, landscaping and traffic “calming” would be the key objectives and outcomes in the design of a Village Gateway.</p> <p>For an iconic tourism destination the present approach, as a first impression, is pretty depressing and may unfairly reflect on the District as a whole.</p>	<p>The better-off projects had to be prioritised due to the limited funds. At the stage when these were initially prioritised. Tranche two funding was originally available, but this has been withdrawn by Central Government.</p> <p>Waitomo Village Gateway is currently listed as a contingency project, if other projects come in under budget, it will come up as an option. Failing that it will move into an LTP consideration.</p> <p>The data we have available to us is showing the majority of traffic is using SH37 rather than Waitomo Village Road.</p> <p>Hangatiki has been prioritised as it is an entrance to our district, and as the first indicator to Waitomo Village it will promote Waitomo Caves. It also enables a better indication to travellers on SH3 to turn toward Waitomo Village.</p>
3	<p>Publicity of the “Southern Route”</p> <p>We encourage the Council to explore opportunities to leverage off the visitation that Waitomo Village has for the benefit of the District with its many communities. Encouraging visitors to head south and orient themselves to the District. We recommend that consultation with our Committee on this should be added to the Annual Plan.</p>	<p>We partner with Hamilton & Waikato Tourism for this support, they help promote and bring visitors to the District as they are more specialist in this area.</p> <p>In their most recent report to Council they note that they have promoted various other local destinations including:</p> <p>Ruakuri Walk, Omaru Falls, Waitanguru Falls, Marokopa Falls, Discover Waitomo, Mangaotaki Scenic Reserve, Pureora Forest Park, Mangaokewa Scenic Reserve, The Timber Trail, Tunes of Waikato, Te Kuiti township, Meads Brothers Exhibition, Conservation Week, Waitomo District Christmas Parade,</p>

	Submission Point	Analysis
		Hairy Feet Waitomo, Piripiri Cave Walk, Wai Dome O, Marokopa, Mangapohue Natural Bridge, Black Water Rafting.
4	<p>Water and Wastewater</p> <p>Discussions about solutions for the water and wastewater in Waitomo village had for almost 20 years. There have been budget allocations previously in 10-year plans to address or at least look at solutions. Nothing in this plan, references the issue.</p>	See 3.9, response to submission 005.

3.13 Submission 005 – Waitomo Caves Museum

The submission was received from Bridget Mosley, she will speak to her submission.

	Submission Point	Analysis
1	<p>Better-off funding - town entranceways</p> <p>Anticipate being involved in conversations around the town entrance gateways project (for Waitomo) and other community projects.</p>	There will be significant engagement for these projects.
2	<p>Cultural and Community Hub</p> <p>Question the inclusion of historical displays in plan for cultural hub when existing organisations already do this and could be funded. Suggest WDC partner with these.</p>	<p>As changes have been made to the three waters proposal, the Government are no longer offering council's the second tranche of Better-off funding.</p> <p>At this stage we won't be able to fund this as previously proposed, but this could be explored if there is enough community support and options available for other sources of funding.</p> <p>Council will always partner with community groups to represent our culture and history.</p>
3	<p>Town Amenity Improvements</p> <p>Suggestion to add town amenity improvements for Waitomo Caves Village to list of projects for the better-off funding.</p>	The better-off projects had to be prioritised due to the limited funds. At that stage there was tranche two funding available, Waitomo Village town amenities improvements is listed as a contingency project, if other projects come in under budget, it will come up as an option. Failing that the project could move into an LTP consideration.
4	<p>Walkways – Te Araroa trail</p> <p>Suggestion of upgrade to path and inclusion of storyboards extending along trail through to Waitomo Caves Village.</p>	The walkway project scope has been defined and there is no funding for storyboards through to Waitomo Caves. Funding was used for where local people would most use the trails.

Submission 006 – CCS Disability Action

The submission was received from Ollie Goulden, he will speak to his submission.

	Submission Point	Analysis
1	Suggestion to create a financial incentive for developers to build Universal Designed, Lifemark® certified homes catering for the needs of people with disabilities and older people.	WDC does not have a development contributions policy so this would not be something we could easily incorporate at the moment.
2	Suggestion for WDC to conduct an Accessible Streets Audit to identify barriers that may prevent people from enjoying the district.	Accept as suggestion for consideration and something we could look into next time we audit our footpaths. As upgrades are planned disability access is part of the consideration.
3	Suggestion to conduct Accessibility Audits of key facilities such as the Gallagher Recreation Centre and Centennial Park. Suggest working with Barrier Free, to identify and remove barriers.	<p>As a brand new building, Building Act compliance automatically ensures disabled persons access to the stadium facilities is factored into the building design. The stadium is part -owned by the Ministry of Education hence compliance with its design standards for a school recreational facility adds further, specific emphasis to the design standards for accessibility. That includes provision of disabled parking, toilets, changing facilities, counter heights, and seating.</p> <p>The stadium is a single floor structure on a level site with a simple layout so that removes the need for lifts to a second floor.</p> <p>The Centennial Park project is still in concept scoping stage. Accept as suggestion if this project does go ahead.</p>
4	Suggest seeking accessibility advice on the Cultural and Community hub.	Accept as suggestion for consideration if this project does go ahead.
5	Suggest review of Mobility Parking in the district with the view to conducting an audit to ascertain the appropriate provision and location of parks.	This will be considered through the Land Transport bylaw review in 2025.
6	Suggest Disability Awareness training is provided for all council staff and that opportunities are identified to promote and encourage local business and community providers to adopt this training for their staff.	Accept as suggestion for consideration.
7	Suggest establishing a fund that can be accessed by community groups to encourage initiatives that will improve accessibility throughout the district.	<p>WDC currently have a Community and Partnerships fund, this purpose would meet our single-year community assistance grant criteria.</p> <p>The scope of the grant is to support not-for-profit organisations with community-led projects aligned with Council plans and strategies, and support the social, cultural, economic, and environmental well-being of the District.</p>

	Submission Point	Analysis
8	Suggest infrastructure that encourages active modes of Transport is reviewed and implemented, walkways and cycleways are created and developed in accordance with the Pedestrian planning and design guidelines with Universal Design principals applied.	Accept as suggestion for consideration.
9	Suggest establishment of a Disability Strategy and processes to ensure ongoing consultation with the Disabled community.	We are developing a project management framework; this would currently be the most appropriate place to incorporate this.

3.15 Submission 007 – Waitomo Ratepayers and Residents Collective

The submission was received from Kahutoi Te Kanawa, she will not speak to her submission.

	Submission Point	Analysis
1	2015 council decision was to grant \$30,000pa for 3 years to establish marketing entity for the Timber Trail. No expectation this would continue beyond that. To date they have received \$150,000.	This point was raised during our annual plan workshops. As the funding is allocated on a three-year basis, the discussion will be had again during the next LTP process.
2	Mayor Hanna and Deputy Mayor Whittaker were found by Auditor General to be in 'technical breach of legislation' by participating in council discussions on Timber Trail funding due to conflicts of interest.	No comment required
3	There has been no review of benefits to the community of Timber Trail funding.	Whilst we do not do an internal review of the funding, Hamilton & Waikato Tourism present six-monthly reports to Council on tourism in the district and wider Waikato region. They measure their performance against certain performance targets and report the publications the Timber Trail specifically has been promoted.
4	Recommendation to redirect funding to community initiatives likes Maara Kai, or housing and social services reflecting rising costs for residents and rate payers.	For Elected Member decision

Submission 008 – Federated Farmers

The submission was received from Jacquelin Hahn, Chris Irons, and Casey Frances, Casey will speak to the submission via Zoom.

	Submission Point	Analysis
1	<p>Rates</p> <p>Commend Council for achieving an average general rate increase below the rate of inflation, and a rural property rate increase that is less than the residential and commercial rate increase. Encourage Council to continue to recognise the different benefit that each sector derives from Council services funded by rates.</p> <p>FF overall supports increasing rates in the circumstances; contend that rate increases should always be within the rate of inflation respecting the financial headwinds that ratepayers are facing. Recommendation that council maintains average general rate below inflation as proposed and maintain or reduce proposed rural property rate.</p>	<p>We will review the rate structure as part of the next LTP planning process, this will cover the rate burden for different sectors and the structure of our Revenue and Finance Policy which governs this.</p> <p>For the Annual Plan 2023/24 WDC will continue to use the same principles of how much each sector benefits and rate accordingly.</p>
2	<p>Roading</p> <p>Concern with condition of local roads. Following weather events many roads are dangerous and vulnerable to future events. Concern with proposal to fund road repairs with borrowing, as short-term impacts (debt and increased interest) will likely result in long-term rate rises.</p> <p>Communities should not pay for central governments failures to increase NZTA funding (e.g. exempting EVs from RUCs). Council should avoid borrowing and put pressure on NZTA for increased financial assistance to meet road maintenance demands arising from adverse weather events. FF will support council with this.</p>	<p>Council has worked hard to reduce debt. Since 2017, Council’s debt has dropped from \$43.4 million to \$28.2 million as at 30 June 2022. While an increase has been forecasted for the next financial year, there are several factors that contribute to this, including an increase in costs associated with delivering our services, and an unprecedented rise in interest costs. We also have significant projects in the mix such as the Te Kūiti water resilience project and cell development at the Waitomo District Landfill. These projects are essential and are the two highest contributors to the forecasted increase.</p> <p>There will be no material increase in debt from roading, and it’s important to remember that WDC has one of the highest rates in the country for Waka Kotahi subsidised funding at 75%. Road repair as a result of storm damage is funded by Waka Kotahi at 95%. WDC does not borrow to fund normal road maintenance and repairs for subsidised roads.</p> <p>WDC adopts sound accounting practices. We loan fund when it’s appropriate, and when it’s appropriate to use reserve funds, we do so. We also demonstrate prudent financial management by using debt to fund intergenerational projects and spread the burden to future ratepayers. WDC does not borrow to fund operating costs.</p>
3	<p>Better-Off Funding on road repairs</p> <p>Concern of “better-off” funding projects while borrowing is the only option for roading. Local roads could be a candidate for Better-Off funding within the guidelines. Encourage WDC to consider other option to free up funds for road repair and maintenance costs.</p>	<p>Using the first tranche of \$3.55m of ‘Better-off’ funding from Central Government is not an option as there was set criteria on what it could be used for, this included nothing in our existing LTP, which includes roading. The second tranche of ‘Better-off’ funding has been withdrawn.</p>

	Submission Point	Analysis
4	<p>Light on details</p> <p>Understand recent storm events but find WDC proposal light on detail. No specific info on additional funds council is proposing to borrow, the contribution from NZTA, and impact this has on Council's total public debt.</p>	<p>Actual Debt at 30.06.17 \$43.4 million</p> <p>Actual Debt at 30.06.22 \$28.2 million</p> <p>Forecast debt at 30.06.23 \$30.2 million</p> <p>Forecast debt at 30.06.24 \$40.3 million</p> <p>The increase in external debt forecast for 23-24 of \$10m is mostly attributed to the following projects:</p> <ul style="list-style-type: none"> \$5.2 million water supply (mostly resilience project) \$3.8 million solid waste (cell development) \$0.8 million district plan development \$0.6 million wastewater \$0.5 million IS cloud migration \$0.5 million parks and property \$0.3 million roads \$0.2 million stormwater <p>Total: \$11.9 million</p> <p>For Roads loans forecast for 23-24:</p> <p>\$189K for unsub roads – this is for unsub road improvements and retaining wall renewals</p> <p>\$144K for sub roads – this is the 25% local share of footpath improvements, minor improvements and road to zero improvements (total gross spend \$577K)</p> <p>The forecast increase in current liabilities is \$11.7m against Y3 of the LTP 2021-31. When considering Council's debt both current and non-current borrowings need to be considered. Current portion of borrowings is forecast to increase by \$10m compared to Y3 of the LTP, mostly due to aligning debt maturities to 1 July 2024, when the three water assets were to transition to the new water entity and the debt settlement funding was forecast to be received from central government. The non-current portion of borrowings is shown under non-current liabilities. Non-current borrowings are forecast to reduce by \$8 million compared to Y3 of the LTP as this debt is now recognised in current liabilities.</p>

	Submission Point	Analysis
5	<p>Forestry Rating Differential</p> <p>Forestry has a high impact on local roads, council should review its rating policy for roads with a view to introduce a more sustainable model for the 24/2034 LTP. Support increasing the share of road funding paid by forestry. A simple capital value rate to fund the roading network is entirely inadequate going forward.</p>	<p>We will review the rate structure as part of the next LTP planning process, this will cover the rate burden for different sectors.</p>
6	<p>Support for Waitomo Rate Payers and Residents Collectives Submission</p> <p>We support the submission by WRRRC and endorse their concerns regarding the Timber Trail Cycle way and oppose further funding of that activity.</p>	<p>As above, see 3.15.</p>

Analysis of Options

- 4.1 There are two options relating to the adoption of the AP and the Fees and Charges:
- 4.2 **OPTION ONE:**
- 4.3 Council adopt the Fees and Charges and the AP as consulted on with the community with no changes.
- 4.4 **OPTION TWO:**
- 4.5 Council consider the points made by the submitters and suggest possible changes to the AP.

Considerations

- 5.1 **RISK**
- 5.2 Council needs to adopt the Annual Plan by 1 July 2023, any amendments would need to be made ready for adoption at the June meeting.
- 5.3 **CONSISTENCY WITH EXISTING PLANS AND POLICIES**
- 5.4 There are no inconsistencies with Council's plans and policies.
- 5.5 **SIGNIFICANCE AND COMMUNITY VIEWS**
- 5.6 An assessment under Council's Significance and Engagement Policy was undertaken and Council considered that consultation would be undertaken in accordance with the Special Consultative Procedure under LGA. There were eight submissions made and five have elected to present at hearings.

Recommendation

- 6.1 It is recommended that Council receive the eight submissions and ensure that the points raised are considered.

Suggested Resolutions

- 1 The business paper on Deliberation of Draft Annual Plan 2023/24 Submissions be received.
- 2 Council receive and acknowledge submissions.



ALICE TASKER
SENIOR STRATEGY AND POLICY ADVISOR

11 May 2023

Attachments:

- 1 Consultation Document
- 2 Submissions Booklet