

OKOTAHI MĀHERE-A-TAU

Annual Plan 2022/2023

Continuing our Journey

Information Document

Annual Plan 2022/2023

Waitomo District Council

May 2022



Waitomo
District Council

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Maintaining rates affordability



MAYOR
John Robertson

Our Annual Plan (AP) for the 2022/23 Financial Year outlines the activities we undertake, the projects we plan to do, and the financial direction for the Waitomo District Council (Council). The Annual Plan was adopted by Council on 31 May.

The AP highlights adjustments from our Long Term Plan (LTP) and ensures that Council is still on track towards achieving its community outcomes and priorities set in the LTP.

There are no significant variations for the 2022/23 AP, however there are some changes that have impacted the rates revenue requirement and individual rates.

Rates affordability is a key consideration for Council. The general revaluation of Waitomo District properties in September 2021 resulted in significant increases for most property types with an overall increase in capital value of 26%.

Because the valuation increase is not the same across different groups of properties it has impacted the level of rates increase for different ratepayers.

Therefore, to maintain rates affordability across the District, Council has sought through its Revenue and Financing Policy



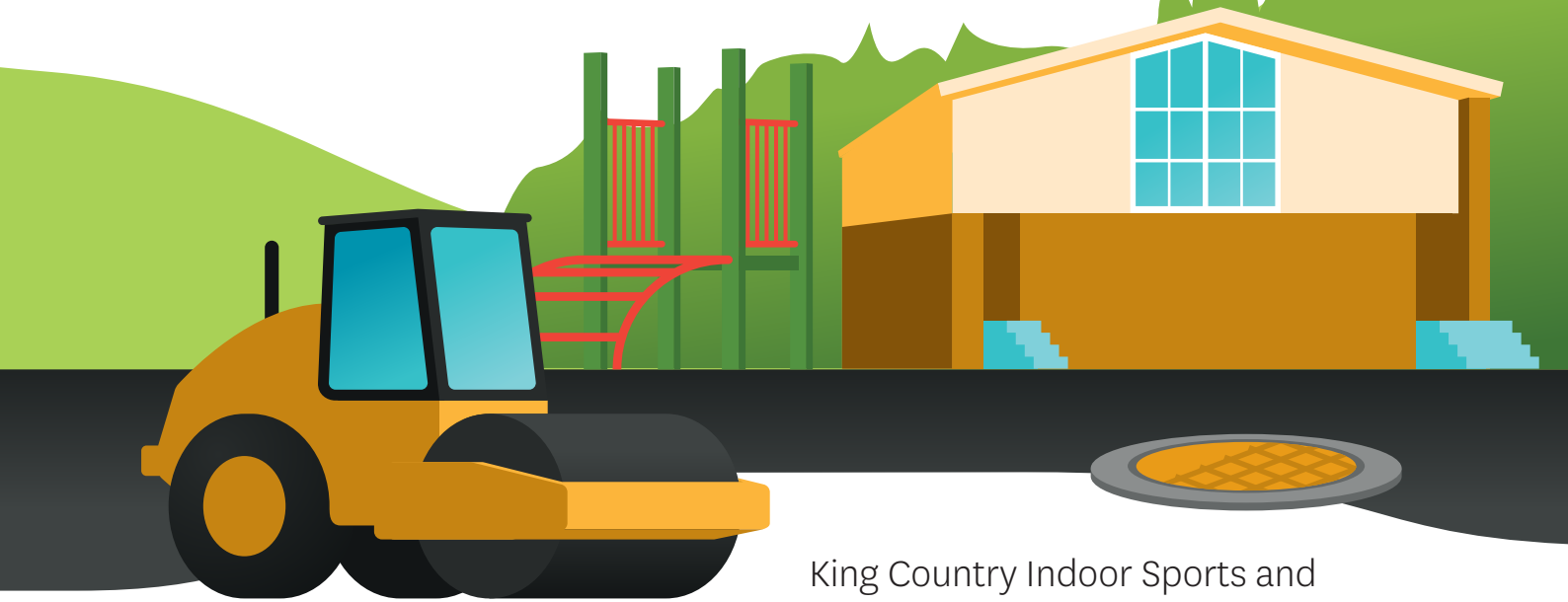
CHIEF EXECUTIVE
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(RFP), to reset the amount of the Uniform Annual General Charge (UAGC) to help smooth the effects of the revaluation. The UAGC is the fixed amount of general rates charged to each property.

Due to rising costs the total rates revenue requirement has increased by 2.88% which is above the forecasted rise of 2.06% in the LTP. There are a number of factors involved with this shift including the severe weather event mid-February 2022.

There are several key projects being started and delivered this financial year that will have measurable benefit to the communities and wider district.

Key Projects 2022/2023



Roading network repair from February 2022 weather event

Cyclone Dovi caused damage to a vast area of our roading network. Over 300 individual sites were affected and over 50 of them will require further structural remediation. Geotechnical investigations and designs for roading network repairs are underway and physical works will be completed over two financial years.

Risk Management and Business Continuity Planning

The intention is to develop a Risk Management Framework that identifies Council's top risks, establishes a monitoring and reporting framework, and to develop business continuity plans for the highest rated risks.

Refresh of our Town Concept Plans

Our Town Concept Plans were finalised and adopted by Council on 25 June 2019. However, due to COVID-19, no further action was taken to implement any of the projects contained within those plans. Due to the time passed and the impact of COVID-19 on our communities, it is appropriate to refresh the TCPs with our communities prior to implementing any of the projects.

Development of new cell and gas extraction at Te Kuiti landfill

The Waitomo District Landfill, located in Te Kuiti, has nearly reached capacity. Further development of the existing cell has been programmed commencing in 2022/23 and involving installation of gas wells followed by progressive stabilisation of the highwall adjacent to the site and lining of the cell base and highwall.

King Country Indoor Sports and Recreation Centre

Construction of the Stadium at the Te Kuiti High School location is scheduled for completion in December 2022. The owners of this community partnership project will be Waitomo District Council, Ministry of Education and the Te Kuiti High School Board of Trustees.

Notification of the Proposed Waitomo District Plan and the Reserve Management Plan

For the last few years, Council staff have been undertaking a review of the Waitomo District Plan. The District Plan is the rule book on how land in the District is used, protected and developed. Council is planning to notify the Proposed Waitomo District Plan in the second half of 2022. Once notified there will be the opportunity to make formal submissions and speak at a hearing.

Council is required under Reserves Act 1977 to prepare a Reserve Management Plan for any reserves under its control, management or administration. To ensure consistency with the Proposed Waitomo District Plan, Council will undertake notification of the Reserve Management Plan in conjunction with the Proposed Waitomo District Plan.

Walking and Cycling Strategy development

Development of a Walking and Cycling Strategy for the District that will link into the Town Concept Plans and help to inform renewal and upgrades to existing tracks and facilities. The Strategy will also highlight opportunities for new connections and facilities across the District, and potentially with neighbouring Districts.

Relocating Customer Service operations to Rora Street

Building and associated works at the i-Site/Railway Building 1 to facilitate the transition of Customer Service operations to Rora Street.

Rates Revenue Requirement

The rates revenue required for the 2022/23 financial year is \$20.9M, this is an overall increase of 2.88%. This is above the forecasted LTP increase of 2.06%.

In the current economic climate, costs are continuing to rise. Council has considered all funding options and reduced expenditure before using rates to cover increasing costs.

The area of 3-Waters has had close scrutiny in light of the upcoming reform, these services are becoming more expensive to provide. The use of operational reserves in wastewater and deferral of depreciation in line with the Revenue and Finance Policy on new 3-waters assets have been used to reduce the impact on rates.

The metered water rates have increased by 10% in order to meet the rising cost of water supply by those high demand users.

The new rates are (\$/m³):

Te Kuiti \$3.05 (currently \$2.77)

Piopio \$3.33 (currently \$3.03)

Mokau \$4.88 (currently \$4.44)

Maniaiti/Benneydale \$3.67 (currently \$3.34)

Solid waste disposal is another area that is facing increasing costs. The proposed installation of gas extraction at the Waitomo District Landfill will offset increased costs of solid waste disposal long term by reducing the amount of money we need to spend purchasing carbon credits.

The severe weather event that occurred mid-February 2022 has had a significant impact on our roading network. The Emergency Funding allowed for in the 2022/23 budget falls well short of what is required for the repairs. Although repair work will occur over the next 2 years, additional funding is required now to restore the network. Waka Kotahi (NZ Transport Agency) will cover the majority of this funding, however due to the scale of the event, there will still be a significant cost to Council.



Proposed Fees and Charges

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

Due to the on-going impact of COVID-19, Council has made every effort to retain fees and charges at the 2021/22 level. However, costs need to be recovered so that Council services are not subsidised further by rates.

There is an increase in landfill charges and the cost of the official WDC rubbish bags due to the Government's increase in the Emissions Trading Scheme charges and the waste levy. These costs are incurred for every tonne of waste going to landfill. The tonnage charge will increase to \$30 and the official WDC rubbish bags will increase to \$4.50.

The library services have been essential in the home-schooling environment created by the pandemic response. To help alleviate costs, the fee charged for customers putting a reservation on books/materials has

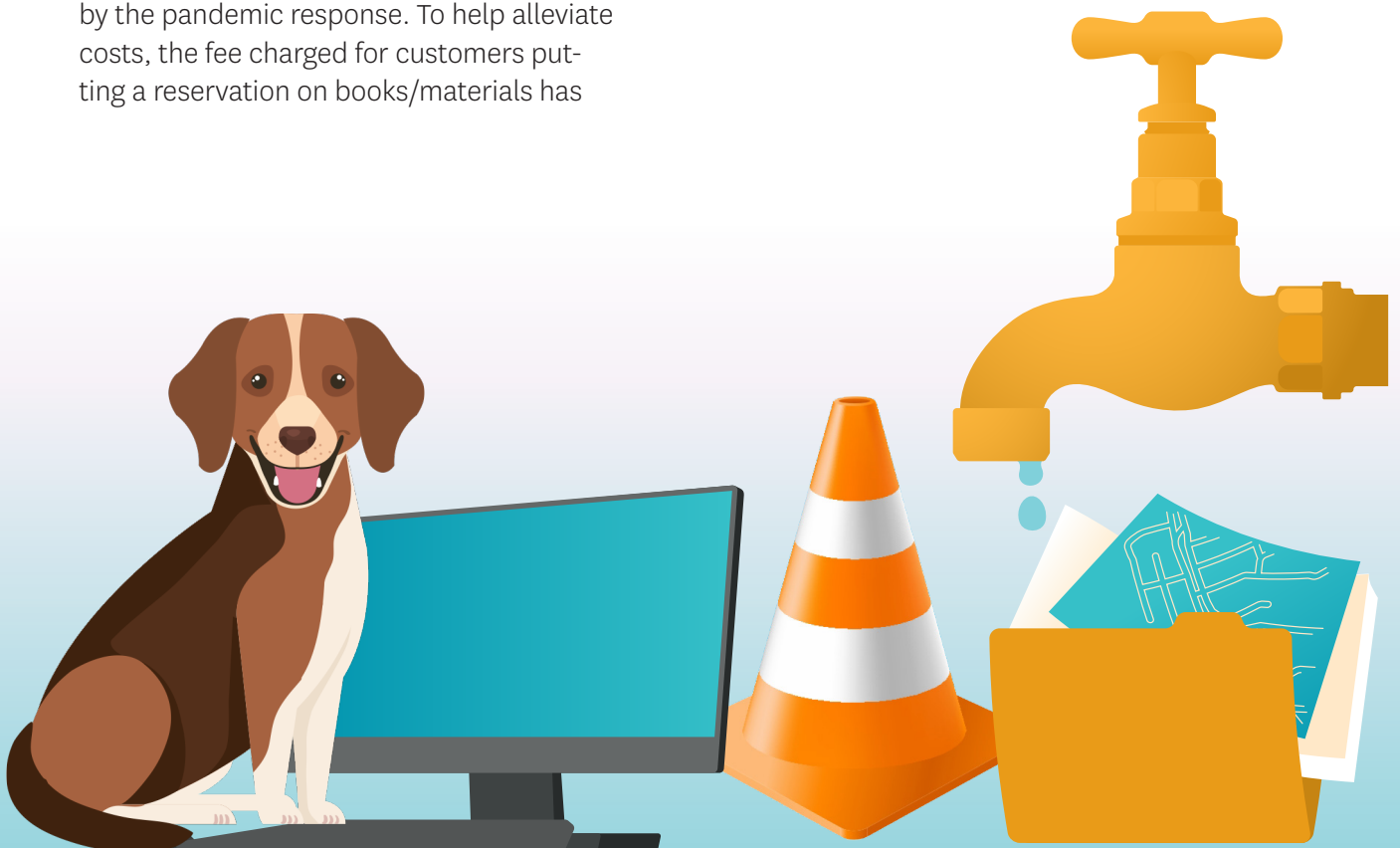
been removed. However increased courier charges need to be recovered so the fee for items requested from other libraries has increased by \$0.50.

Elderly housing weekly rent will increase by \$5 so that rents are closer to covering the cost of providing the service. The new prices will be \$125 for a small single, \$135 for a large single, and \$115 for a bed-sit.

During the review it was highlighted that production of a Project Information Memorandum (PIM) requires a significant amount of specialist staff time and administration support. The fee will increase by \$70 to recover this cost.

Please note, this is a general overview of our proposed fees and charges for 2022-23 and does not cover all changes.

A full list will be publicly available on our website soon.



Impact of District Revaluation



The general revaluation of Waitomo District's property values for rating purposes was carried out in September 2021, with notices sent out to owners and ratepayers in February 2022. The resulting valuations saw an overall increase in Capital Value of 26.2%.

The average increase for residential properties was 64%, lifestyle 47%, Pastoral and Dairy 15%, Industrial 42% and Commercial 15%.

The revaluation does not affect how much Council needs to collect in total for rates; however, the revaluation can result in a change to the rates charged to individual properties, with some increasing and some decreasing because part of the rates are charged based on the capital value of the property.

If you think of Council's rate income as a pie, the size of the pie does not increase because of the revaluation. However, an individual ratepayer's slice of the pie might get bigger or smaller depending on how their property value has changed in relation to other properties in the District.

As shown in the table (next page) residential properties have had a significantly larger increase in value than other property types, which means that residential properties would be paying a 'bigger share of the pie' in 2022/23.





Main Categories	No. of properties	Capital Value % Change
Commercial	202	15.3%
Industrial	106	42.1%
Dairy	118	3.2%
Pastoral	785	17.9%
Lifestyle	1381	46.7%
Residential	2439	64.1%
TOTAL (all categories)	5871	26.2%

Rates affordability is a real concern for the Council, and the impact of the general revaluation has been discussed thoroughly during the development of the AP. As a result, Council has decided to help smooth the effects of the revaluation by setting the UAGC at \$423. This is a reduction of \$305 from the current year rate of \$728.

The UAGC is a set amount charged per rating unit. It used to fund activities that provide overall district-wide benefit.

By capping the UAGC at a lower rate, it will reduce some of the extreme increases and decreases caused by the revaluation, however there is still a wide range of movement for individual properties due to the new values.

Resetting the UAGC also keeps the proportion of rates paid by each property type about the same, for example residential ratepayers will contribute approximately 36% as they did in 2021/22. The amount collected from UAGC will fall and the amount collected from general rates based on property value will increase but the aim was to keep the total paid about the same.

Visit Council's website to see the proposed annual rates for your property in 2022/23.

<https://www.waitomo.govt.nz/council/rating-information/rates-calculator>



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The Annual Plan was adopted by Council on 31 May 2022. Please feel free to email one of the Council members to discuss or just share your thoughts by emailing us at: info@waitomo.govt.nz