

TARANAKI KI TE TONGA – KA PUTA, KA ORA!
SOUTH TARANAKI – GREAT PEOPLE, CONNECTED
COMMUNITIES, WHERE WE BELONG!

South Taranaki

2024-2034

*Looking
after what
we've got*

Long Term Plan
Consultation
Document

UPGRADING THE
ELTHAM TOWN HALL
REVIEWING FEES
AND CHARGES

INCREASING YOUR
RATES SUBSIDY

INVESTING IN
OUR ROADING
INFRASTRUCTURE



Te Kaunihera o Taranaki ki Te Tonga
South Taranaki
District Council

TARANAKI KI TE TONGA – KA PUTA, KA ORA!

South Taranaki – great people, connected communities, where we belong!



PHIL NIXON

Koromatua o Taranaki ki te Tonga / South Taranaki Mayor



FIONA AITKEN

Tumu Whakahaere / Chief Executive

We live in one of the best places in the world. Our Council is committed to making sure that it stays that way, building on the many strengths we have to support our vision - great people, connected communities, where we belong.

Taranaki ki Te Tonga – ka puta, ka ora!

Three years ago in our last Long Term Plan, we focused on projects that would encourage sustainable economic growth (e.g. the South Taranaki Business Park), enhance vibrancy in our towns (e.g. Te Ramanui o Ruapūtahanga and town centre upgrades), take good care of our natural environment and prepare our community for climate change (e.g. Environment and Sustainability Strategy) and ensure our infrastructure continued to meet the needs and expectations of our community.

Since then, we have made great progress and South Taranaki is on an upward trajectory.

MAINTAINING MOMENTUM AND LOOKING AFTER WHAT WE'VE GOT

This Long Term Plan is about maintaining momentum, finishing what we started three years ago, while also doing what's needed to look after the services and assets we've already got.

In previous resident surveys and other feedback, you told us you want better maintained roads, our towns' amenities and gardens looking good and an improved dog control service. In response, over the next three years, we're proposing to increase our roading expenditure, have committed to undertaking town centre upgrades in Manaia, Eltham, Ōpunakē, Pātea and Waverley, and have budgeted to increase resources in the animal control team.

AN 'EXPLOSION IN COSTS'

The key challenge for us is how we afford to do this at a time when we are all facing unprecedented cost increases.

We know that it's pretty tough out there at the moment. Like households and businesses across the country, Council is facing increased costs for the things we buy. Local government inflation has risen by around 20% over the last two years and continues to rise. Fuel, bitumen, electricity, construction and insurance costs have all increased considerably (in some cases contractors costs have increased up to 60%). Higher interest rates have increased the cost of borrowing and paying back debt. Compliance costs driven by government requirements mean we need to spend a lot more on our infrastructure, particularly the need to provide tertiary treatment at our wastewater plants which will cost around \$43 million.

This means we need to pay more just to keep doing what we are already doing, without adding anything else!

South Taranaki by its very nature is a relatively high-cost District. We have a small number of residents (around 29,600 with 14,420 rateable properties) spread over a large geographic area. Most people living in seven small towns, each with their own services, infrastructure and community facilities, connected by an extensive road network.

We have worked really hard to find savings across all our activities to keep our rates down as best as possible. Despite this, the average total rate increase for the 2024/25 year is 11.29% with an average rate increase over the next ten years of 5.47%. This is higher than what we want and higher than we've had over the previous ten years, but it reflects what it costs to simply maintain existing services while ensuring our infrastructure meets our community's needs and Government requirements.

To lessen the impact of cost increases on our ratepayers we are proposing to:

- Increase the amount our Long Term Investment Fund subsidises rates each year by an additional \$350k, from \$3.87 million to \$4.22 million,
- Increase some user fees and charges,
- Delay and spread some (non-urgent) capital works projects to later years,
- Reduce budgets for Hāwera Town revitalisation and tourism and events,
- Increase our borrowing,
- Fund key projects with a combination of loans, existing reserves, external funding sources and earnings from the Long Term Investment Fund, and;
- Explore potential efficiencies to be gained from a regional three waters entity, and other shared services.

We want to make the best decisions we can for the future of South Taranaki and your feedback will help us do that. Given the major cost increases we are facing, we believe our proposed Long Term Plan will allow us to do what we are required to do and provide the services and facilities our communities expect. **But we want to know what you think.**

TARANAKI KI TE TONGA – KA PUTA, KA ORA!

South Taranaki – great people, connected communities, where we belong!

KEY CHALLENGES FACING THE COUNCIL

The key challenges we face over the next ten years are how we:

- Maintain our service levels and assets amidst rising costs,
- Adapt to the impacts of climate change and reduce our carbon footprint,
- Manage our sustainability requirements, including how we pay for the rising costs related to meeting environmental legislation,
- Manage our debt (with rising interest rates) while ensuring we complete our planned capital works programme, and;
- Fund our capital works programme, particularly in Three Waters, while keeping rates affordable.

To meet these challenges and work towards our vision, our focus for the next ten years is to:

- Complete key projects from our last Long Term Plan,
- Continue to upgrade our water, wastewater and stormwater infrastructure with a focus on wastewater,
- Increase our spend on roading,
- Review and continue to implement our Environment and Sustainability Strategy,
- Enable sustainable economic growth in the right places, with development of the South Taranaki Business Park, rezoning and infrastructure planning for identified growth areas to the west and north of Hāwera, and town centre upgrades for Manaia, Eltham, Ōpunakē, Pātea and Waverley,
- Work with central government to explore funding partnerships for key infrastructure, and;
- Explore whether there are any potential efficiencies to be gained from creating a regional three waters entity and other shared services.

This Consultation Document covers the key issues and proposals in our 2024-34 Long Term Plan, including the main projects and services we intend to carry out and the impact on your rates over the next ten years. It's important because it provides an opportunity for you to have your say on the services we provide and the rates we pay.

Ō KOUTOU KAIKAUNIHERA Your Councillors



Andy Beccard



Mark Bellringer



Racquel Cleaver-Pittams



Celine Filbee



Te Aroha Hohaia



Leanne Horo



Aarun Langton



Steffy Mackay



Robert Northcott



Tuteri Rangihaeata



Diana Reid



Bryan Roach



Brian Rook

TŌ MĀTOU ARONGA ME NGĀ WHAKAAROTAU-Ā-HAPORI

Our Vision and Community Priorities

Our purpose is to promote the social, economic, cultural and environmental well-beings of our communities now and into the future. To help us achieve these well-beings we have developed a vision with four key community outcomes for our District over the next ten years.

OUR VISION:

TARANAKI KI TE TONGA – KA PUTA, KA ORA!
SOUTH TARANAKI – GREAT PEOPLE, CONNECTED
COMMUNITIES, WHERE WE BELONG!

OUR COMMUNITY OUTCOMES:

Our Community Outcomes are grouped under four main headings that align with the four well-beings.

MANA ORANGA ECONOMIC WELL-BEING



Flourishing communities with a diverse economy, innovative people and resilient infrastructure.

MANA MAURI CULTURAL WELL-BEING



Creative, diverse communities that enhance the mauri (well-being) of our people.

MANA TAIAO ENVIRONMENTAL WELL-BEING



Sustainable communities that manage resources in a way that improves our environment for future generations.

MANA TANGATA SOCIAL WELL-BEING



Safe, connected communities where people feel happy and proud of where we live.

Key projects over the next three years to achieve our vision and community outcomes



MANA ORANGA ECONOMIC WELL-BEING

- Continue to develop the **South Taranaki Business Park**.
- Replace the Waverley water bore.
- Complete the installation of water, wastewater and stormwater infrastructure for residential growth in Hāwera.
- Provide assistance to owners of commercial earthquake prone buildings.
- **Subsidise rates** by \$4.22 million per year using earnings from the Long Term Investment Fund (see more on page 16).
- Fund key projects with a combination of loans, existing reserves, external funding sources and earnings from the Long Term Investment Fund, as well as through rates.
- Collaborate with other Taranaki councils where appropriate to achieve efficiencies and cost savings.
- Increase expenditure on roading by an average of \$1.4 million each year for the next ten years (see more on page 14).
- Spend an average of \$46.6 million per year on the road network, including an average of \$1.1 million on footpaths each year.
- Complete water treatment enhancement and water pressure improvements in Pātea.
- Build new reservoirs for Ōpunakē, Waverley and Eltham.
- Upgrade the Ōpunakē Water Treatment Plant.

HELPING TO GROW THE ECONOMY – SOUTH TARANAKI BUSINESS PARK

One of the Council's key economic growth initiatives that started three years ago, was the development of infrastructure for a business park on Waihi Road, on the western side of SH3 in Hāwera.

This \$22 million project is to be completed in three stages over nine years so growth can be managed in a sustainable and planned way. Stage one, installing a watermain, is complete and stage two, which includes installing roading, stormwater and wastewater infrastructure, is underway and will be completed in 2026. Council does not own

any land in the Business Park and is working alongside active developers who are generating demand in the area. The Business Park infrastructure is being **funded by a loan**. Over time, Council will receive **financial contributions** from businesses in the Park to help repay the loan, which means the impact on rates to fund the Business Park is minimal. This development is a strategic initiative designed to encourage greater private sector investment, sustainable economic growth, innovation, employment/jobs and resilience in the District. It is already generating growth, with several new and existing businesses being established and other lots committed to incoming tenants.

The budgets for all these key projects have been included in the rates projections outlined from page 21.

Key projects over the next three years to achieve our vision and community outcomes



MANA MAURI CULTURAL WELL-BEING

PROJECT TŪKAU – MANAIA MULTI-PURPOSE SPACE

The Manaia Town Hall and the Manaia Sports Complex were both found to be earthquake prone and have been closed for some time.

The Council and Te Korowai o Ngāruahine have partnered to explore the possibility for an Iwi-community multi-purpose space in Manaia. This could mean a large-scale development on one site, or multiple sites developed and phased over a longer period of time. Working together potentially presents greater benefits for Iwi and the Manaia community than if the projects were done separately.

To help the project proceed, the Toi Foundation funded a business case which is due to be completed by the end of May 2024. The business case will help Council make a decision on the next steps of the project. The Council has already committed \$1 million towards replacement of the facilities and \$2 million for the Manaia town revitalisation project.

- Complete Te Ramanui o Ruapūtahanga, South Taranaki's new library, culture, arts and information centre.
- Continue work on earthquake strengthening and upgrading Eltham Town Hall (*see more on page 13*).
- Replace or strengthen and refurbish the Manaia War Memorial Hall and Manaia Sports Complex (Project Tūkau).
- Budget \$654,000 to upgrade Council owned earthquake prone buildings.
- Implement our Iwi-Council Partnership Strategy / He Pou Tikanga Ngā iwi o te Tai Whakarunga.
- Upgrade the Kaponga LibraryPlus (\$102,000).
- Continue to hold community events across the District.



MANA TAIAO ENVIRONMENTAL WELL-BEING

- Refresh and continue to implement our **Environment and Sustainability Strategy**, which includes projects to reduce our **carbon emissions**, planting projects to offset the emissions we can't completely reduce, and a detailed carbon reduction and **climate change adaptation plan** to help minimise the impact climate related events will have on South Taranaki.
- Review how the District's significant natural areas and indigenous vegetation can be better protected and managed. The collaborative approach being taken to protect and enhance the Pātea saltmarsh is an example of how this could work.
- Continue to investigate the development of a regional organic materials processing facility.
- **Reduce the total amount of waste going to landfill by 5%** each year through waste minimisation activities.
- **Improve our water and wastewater infrastructure** by reducing water leaks within our water networks and reducing water entering our wastewater pipes (sewers).
- **Upgrade our wastewater network** and build new tertiary wastewater treatment facilities for Waverley, Hāwera, Pātea, Kaponga and Manaia wastewater treatment plants.
- Build a new anaerobic lagoon for the Hāwera Wastewater Treatment Plant.
- Support the **Rotokare Scenic Reserve Trust** with a \$60,000 annual grant.

ENVIRONMENT AND SUSTAINABILITY STRATEGY

Environmental sustainability and climate change are important issues that affect the way we live, work and play in South Taranaki, both now and into the future. Three years ago, as part of our last Long Term Plan, we developed an Environment and Sustainability Strategy that highlighted the changes we can make to increase our sustainability. The Strategy focused on the areas where we felt we could have the greatest impact in terms of sustainable resource management, environmental protection, climate change and waste minimisation.

Over the last three years a lot of work has gone into the planning, preparation and starting of a number of key initiatives identified in the Strategy. Over the next three years, our focus will be on progressing those initiatives. These include:

- **Reforestation programme** - replanting 150 hectares by 2027.
- **Protection of the Pātea saltmarsh**, the start of what may become a broader programme of significant vegetation and biodiversity protection initiatives.
- **Establishment of a regional organic materials processing facility** in partnership with all Taranaki district councils and private enterprise.
- **Waste minimisation**, including introduction of a weekly kerbside food scraps collection, change to fortnightly rubbish kerbside collection, improvements to transfer stations and establishment of a resource recovery centre in Hāwera.
- Develop a roadmap for future **climate change emissions reduction and adaptation**.
- Establishing a \$10 million **emergency disaster recovery fund**.

Key projects over the next three years to achieve our vision and community outcomes



MANA TANGATA SOCIAL WELL-BEING

- Undertake **town centre upgrades in Pātea, Waverley, Manaia, Ōpunakē and Eltham** and complete the Hāwera Town centre upgrade.
- Upgrade Waverley Swimming Pool plant (\$154,000).
- Upgrade Waverley Grandstand (\$428,000).
- Build new toilets in Ōhawe (\$205,000), Ōpunakē Lake (\$230,000), Pātea (\$388,000) and Rāhotu (\$274,000)
- Continue implementing Council's **digital transformation** programme to replace ageing digital infrastructure with more modern systems, so we can work more efficiently and our customers can do business with us more easily (\$4.2 million over three years).
- Build a new pump track at Aotea Park in Waverley (\$126,000).
- Upgrade Pātea Beach Camp amenities block (\$801,000).

TOWN CENTRE UPGRADES – KEEPING OUR TOWNS LOOKING GOOD

We're all proud of South Taranaki and the communities that make up our District. One of the main things we repeatedly get told in our annual resident surveys is that you want to see that sense of pride reflected in our town centres. You've told us you want to see vibrant, well maintained, attractive and safe town centres.

We began the journey of town centre revitalisation some years ago, starting in Hāwera, our largest population centre, with the development of the Campbell and Korimako lanes, the Nelson Street retail precinct and our new District library, culture, arts and information centre Te Ramanui o Ruapūtahanga. This work has helped rejuvenate what is now a buoyant town centre and has been instrumental in

encouraging private investment in the town.

Our focus over the next three years will be on finishing the Hāwera Town Centre revitalisation work (e.g. upgrading bollards and streetlights) and starting physical work on the town centre upgrades in Pātea, Waverley, Manaia, Ōpunakē and Eltham.

Following public consultation in 2021 \$10.6 million was budgeted to undertake these town upgrades, which will create vibrancy through enhanced amenity, wayfinding, public art, pathways and town entranceway improvements. We have funded all town centre upgrades (including Te Ramanui o Ruapūtahanga) with a combination of external grants and earnings from the Council's long term investment fund, so there has been no direct impact on rates to do this work.

The budgets for all these key projects have been included in the rates projections outlined from page 21.

Managing Our Infrastructure and Looking After Our Assets

Our proposed Long Term Plan includes a detailed Infrastructure Strategy that sets out how we plan to manage our roads, footpaths, pipes, reservoirs, treatment plants and community facilities over the next ten years (with a broader 30 year horizon), and how we will pay for them (our Financial Strategy).

Thanks to the work we've done over the last 20 years, our infrastructure is in pretty good shape. However, there are some key issues we face, which include: **meeting new environmental legislation** requirements (for example the government's freshwater requirements will introduce higher standards for doing things like taking water from our rivers and discharging wastewater to the environment), minimising the impacts of **climate change**, **improving our resilience** to more extreme weather events and **reducing waste** going to landfill.

Over the next ten years we plan to maintain our current assets and service levels, improve our wastewater infrastructure to meet government standards, strengthen our resilience and encourage sustainable growth in the right places.

We will do this by focusing on:

- Reducing water leaks within our water networks and reducing water entering our wastewater pipes (sewers). This will extend the lives of these assets, improve capacity and sustainability, and delay the need for further, more costly, investment.
- Upgrading our wastewater networks and budgeting for tertiary treatment at our wastewater treatment plants.
- Finding new sources of water and building new reservoirs to increase capacity.
- Completing the South Taranaki Business Park infrastructure.
- Completing the installation of water, wastewater and stormwater infrastructure for residential growth in Hāwera.
- Identifying future areas of growth and planning for the necessary infrastructure.

- Completing existing projects such as the town centre upgrades in Manaia, Eltham, Ōpunakē, Pātea and Waverley.
- Replacing and/or upgrading bridges, on average one per year.
- Establishing a \$10 million emergency disaster recovery fund to be prepared for extreme weather events.

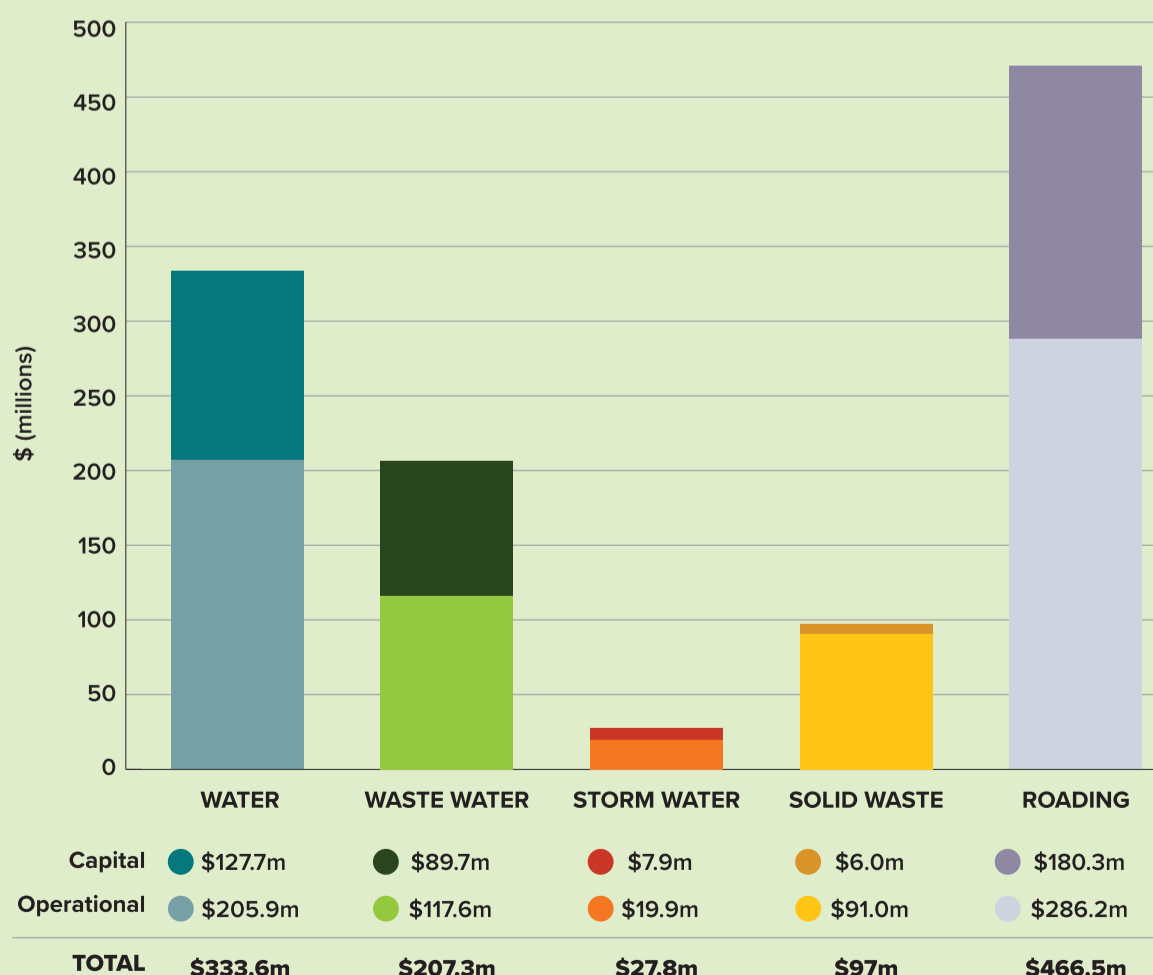
The money we have budgeted to spend on these areas over the next ten years is significant, but most is needed as part of our day-to-day operation to make sure we meet existing and upcoming standards, service levels and resource consent limits (i.e. it's not optional). For example, **our single biggest capital expense over the next 10 years is to upgrade our wastewater treatment plants (\$43 million) to meet the Government's freshwater standards.**

If we don't look after our assets, they will cost us more in the long term if we have to replace them sooner than expected.

Apart from funding this work, one of our biggest challenges is whether we'll be able to complete all the capital work we've planned to do. Not completing our programme presents some risks. Continued delays could potentially result in increased costs and assets could fail before they've been upgraded or replaced.

To ensure we can complete our capital works programme, we've taken a number of steps including employing more project engineers and hiring external support for major projects. We also have in place a continuous monitoring programme of our critical infrastructure so, if required, we can prioritise our capital works programme to make sure we continue to meet our existing levels of service. There are things we can't control, such as the availability of contractors, availability of material or legal requirements, which could impact our ability to complete the capital works programme.

PROJECTED INFRASTRUCTURE EXPENDITURE OVER NEXT TEN YEARS



DID YOU KNOW?

65% of our total operating expenditure and **91%** of our capital expenditure is spent on our core infrastructure.

The operational expenditure for these activities includes \$263.6 million of depreciation. The funded portion will be used to fund loan repayments and some of the renewals.

Below is a summary of the key infrastructure projects coming up over the next ten years. Most of these projects are required to meet current service levels and all have been included in our rate projections.

SUMMARY OF PROJECTS 2024 - 34

ACTIVITY	INFRASTRUCTURE PROJECT	EST COST	YEAR/S
Water Supply	Water supply pipe renewals	\$43.3 million	2024/34
	Treatment plant renewals	\$31.7 million	2024/34
	Replace Waimate West reservoir 1	\$10.5 million	2029 - 32
	Normanby resilience (second water main)	\$5.5 million	2030 - 33
	Waimate West trunk main duplication	\$4.3 million	2025 - 28
	Water meter installations	\$4.2 million	2032 - 34
	Backwash recycling and filter renewal	\$3.8 million	2024 - 27
	Second Kāpuni bore	\$2.8 million	2028 - 30
	Eltham reservoir	\$2.1 million	2024 - 27
	Ōpunakē treatment upgrades and second reservoir	\$3.5 million	2024 - 26
	Waverley second reservoir and replacement bore	\$3.2 million	2025/26
	Replace Rāhotu reservoir	\$939,000	2030/31
	Demand management (leak detection)	\$817,000	2024 - 34
	Eltham flushing enhancement	\$158,000	2025/26
Roading	Bridge replacement programme (one per year)	\$24.8 million	2024 - 34
	Footpaths	\$9.7 million	2024 - 34
	South Taranaki Business Park roading	\$4.2 million	2024 - 26
	Total road renewals, resurfacing, upgrades and minor improvements (includes one bridge upgrade per year)	\$133.8 million	2024 - 34
Wastewater	Tertiary treatment Wastewater Treatment Plant – Hāwera, Pātea, Kaponga, Manaia, Waverley and Ōpunakē	\$43.6 million	2025 - 34
	Wastewater pipe renewals	\$25.1 million	2024 - 34
	Hāwera new anaerobic lagoon	\$6.4 million	2024 - 27
	South Taranaki Business Park wastewater	\$3.9 million	2024 - 26
	CCTV programme	\$2.1 million	2024 - 34
	Treatment plant renewals	\$2.7 million	2024 - 34
	Ōpunakē wetland soakage field enhancements	\$495,000	2024/25
Stormwater	South Taranaki Business Park	\$2.7 million	2024 - 26
	Matangarara landfill drainage	\$2.3 million	2025 - 28
	Stormwater pipe renewals	\$2.4 million	2024 - 34
	Stormwater reticulation CCTV inspections	\$377,000	2024 - 27

The table below shows the major infrastructure projects we think are likely to be needed for the years 2034-54. Depending on demand, Government legislation and affordability, some of these projects may or may not proceed.

SUMMARY OF PROJECTS 2034 - 54

ACTIVITY	PROJECT	EST COST	YEAR/S
Coastal structures	Coastal structures renewal	\$3 million	2034 - 54
Roading	Bridge replacement programme – average two per year	\$16 million	2031 - 51
Water	Urban water supply reticulation renewals	\$88 million	2034 - 54
	Demand management (leak detection)	\$4.9 million	2034 - 54
	Treatment plant renewals	\$47.7 million	2034 - 54
	Kāpuni, Rāhotu, Ōpunakē Treatment Plant membrane renewal	\$6.1 million	2034 - 54
	Eltham, Ōpunakē, Rāhotu Waverley Beach, Wai-inu fluoridation	\$2.4 million	2034 - 54
	Waimate West treatment plant	\$2.2 million	2034 - 54
	Waimate West and Inaha sludge disposal	\$5 million	2034 - 54
Wastewater	District anaerobic lagoon desludging	\$3.3 million	2034 - 54
	District oxidation pond desludging	\$3.3 million	2034 - 54
	Treatment renewals	\$3.3 million	2034 - 54
	Tertiary treatment Wastewater Treatment Plant – Hāwera, Pātea, Kaponga, Manaia, Waverley and Ōpunakē	\$9.8 million	2034 - 54
	Inflow and infiltration	\$4.8 million	2034 - 54
	CCTV programme inspections	\$4 million	2034 - 54
	Wastewater pipe renewals	\$50 million	2034 - 54
Stormwater	Stormwater reticulation CCTV	\$1.7 million	2034 - 54
	Stormwater pipe renewals	\$12 million	2034 - 54

More Changes for Three Waters

Over recent years there has been a lot of activity around how our three waters services (our water, wastewater and stormwater) are delivered. This was driven by the previous Labour Government who initially sought to create an independent water regulator and move the ownership and running of three waters services from local councils to four new multi-regional water entities. The goals were to improve water quality and to reduce costs by operating at a larger scale. This would have seen South Taranaki joining an entity made up of 22 councils covering a huge geographical area between Rangitikei and Tauranga.

In the run up to the 2023 general election the Labour Government increased the number of these new entities, from four to ten, with South Taranaki set to become part of a Taranaki entity. However, the change to a new National led Government in November 2023 has seen the law to set up these ten water entities withdrawn and the ownership and control of three waters services given back to local councils.

The three Taranaki district councils already work closely together in the delivery of water services, with joint contracts and shared services. Before the Government driven water reforms, our councils had started to examine what benefits there were to the operation of our water services as a single Taranaki unit. We will continue to investigate the possibility of being part of a regional water entity as we seek to deliver the best and most efficient water services to our communities.

Previously Council had been told by the Government not to include anything related to three waters delivery in our Long Term Plans, except for the first year. The new Government and new direction has meant a late inclusion of three waters services into our long-term planning. Because of the uncertainty and complexity around three waters, and to make it more manageable for Council, the Government has allowed us to have an un-audited consultation document.

Another consequence of the late inclusion is that some of the three waters renewals in our current proposed Long Term Plan budget and Infrastructure Strategy may differ. This will have an impact on rates and the amount of loans needed for the three waters activities. We will provide the updated renewals for the final Long Term Plan, which will be audited and adopted by 30 June 2024.

Until the Government's new legislation is in place, we won't know for sure what the options for funding three waters infrastructure are. Until then we will continue to fund three waters infrastructure in the same way we have in the past – through a combination of loans, targeted rates and user fees and charges.

To see our full 30 year Financial and Infrastructure Strategies go to southtaranaki.com

CONDITION OF ASSETS

The maintenance, renewal and capital expenditure programme for our core assets is based on the information in our asset management plans. This is the best information available to us about these assets. For most assets, the information around age, type and quantity is reliable. While information around condition has some limitations, we are continuously working to improve what we know about our assets, including their condition, how well they're performing and their expected remaining life. We have less confidence in the information about our stormwater pipes; however, our ongoing stormwater inspection and condition assessment programme will continue to improve our knowledge and, as a result, the future renewal programme may be different to what is currently planned. This could also result in us having to spend unplanned money on fixing stormwater assets if they break unexpectedly.

Making our Money Work for Us – our Financial Strategy

Our proposed Long Term Plan includes a detailed Financial Strategy that explains how we will pay for our infrastructure, facilities, activities and services over the next ten years.

The key priorities in our Financial Strategy are to:

- Effectively manage our resources,
- Encourage sustainable growth in the District,
- Effectively manage our debt,
- Keep rates affordable, and;
- Improve our environmental sustainability.

We will achieve these priorities by:

1. Careful borrowing and management of our debt.
2. Effectively managing our Long Term Investment Fund including using earnings from the Fund to subsidise rates and pay for specific projects.
3. Limiting the total rate increase to a 6% cap*.
4. Finding efficiencies and cost savings through shared services with other Taranaki councils.
5. Seeking partnerships with external organisations to access funding where it is available.
6. Using financial contributions to help fund growth related projects.

**Note: We increased the total rate cap from 4.75% in our last Long Term Plan to 6%. We go over our cap in the first three years of our Long Term Plan because of the significant growth in costs, return of three waters services to Council, the need to meet Government standards as well as allowing for some improvements and growth. However, over the next ten years we average a total rate increase of 5.47%.*

CAREFUL BORROWING - USING DEBT TO FUND KEY INFRASTRUCTURE

Over the last 18 years we have invested \$428 million renewing and upgrading the District's key infrastructure (including roads) and facilities. Much of this work was done to meet new Government standards or to replace old facilities. Some of it was funded by taking out loans paid back over a number of years. We use loans to build infrastructure and facilities so the costs are spread over the lifetime of the assets, on average around 30 – 35 years. This means current and future generations, who will also use and benefit from the assets, contribute their fair share of the loan repayments – this is called 'intergenerational equity'.

All debt and Long Term Investment Fund figures in this document include the Council's internal borrowing.

MANAGING OUR DEBT

We have debt as a result of investing in the District's infrastructure (see page 8 for more about this). We could pay off most of our debt using our investments, however it's more sensible to borrow money to fund infrastructural projects because the money we make on our investments is greater than the cost of paying back our loans. This approach also supports intergenerational equity.

Our total debt as at 30 June 2024 is projected to be \$154 million. Over the next ten years we plan to make about \$108 million in loan repayments, including \$11.1 million in internal

loan repayments, and raise about \$179.6 million in new loans. Debt is projected to peak in 2033/34 at \$225.6 million and we expect debt to decrease after that point.

To make sure we don't get into a situation of having too much debt, we have some firm limits on how much we can borrow. These limits include:

- Net debt per capita is less than \$2,000,
- Net debt is less than 150% of total income,
- Net interest expenditure is less than 15% of total income, and
- Net interest expenditure is less than 25% of total rates.

We will stay well within these limits over the next ten years

COUNCIL INVESTMENTS = LOW LEVELS OF NET DEBT

As well as having debt, we also have a lot of investments. So, while our debt at 30 June 2023 was \$136.1 million, we had \$144.8 million worth of investments. This means our net debt (the amount of debt we have after subtracting investments) was zero.

When debt is projected to peak at \$225.6 million in 2033/34 our Long Term Investment Fund is forecast to be at \$181.8 million, so our net debt would be \$43.5 million (both amounts include internal borrowings).

The Long Term Investment Fund (LTIF)

- Current Value - \$147.6 million at 31 January 2024.
- Projected value 2033/34 - \$181.8 million.
- Average future gross return - 7.34%.
- \$133 million – the amount returned to community through rate subsidies and community projects since the fund started.

Our goal is to grow the Long Term Investment Fund (LTIF) so that annual returns are used, in order of priority, to:

- Subsidise rates (by \$4.22 million), (see our proposal on page 16 to increase the subsidy),
- Service interest and loan repayments for specific community projects (\$1.73 million),
- Service interest and loan repayments for the Hāwera Town Centre Strategy and projects related to earthquake prone buildings (\$762,000 per year on average),
- Maintain the LTIF's real value,
- Continue to build an investment fluctuation reserve that can be used to pay off debt or fund future projects,
- Earn an overall net return of 4.75% after inflation and fees.

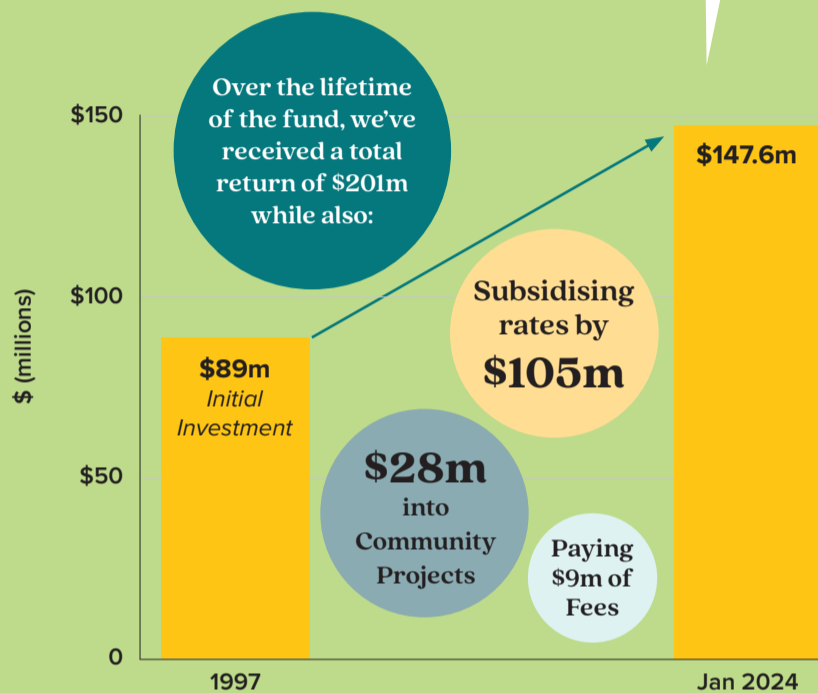
Over the next ten years, we plan to use returns from the LTIF to help pay for several of our priority projects (e.g. town centre revitalisation projects). By using earnings from the LTIF instead of increasing rates, we are able to achieve our goals of affordability and intergenerational equity.

Over the next ten years the average annual drawdown from the LTIF for the rates subsidy and specific community projects is \$6.7 million. To do this, the LTIF needs to make an annual gross return of 4.5%.

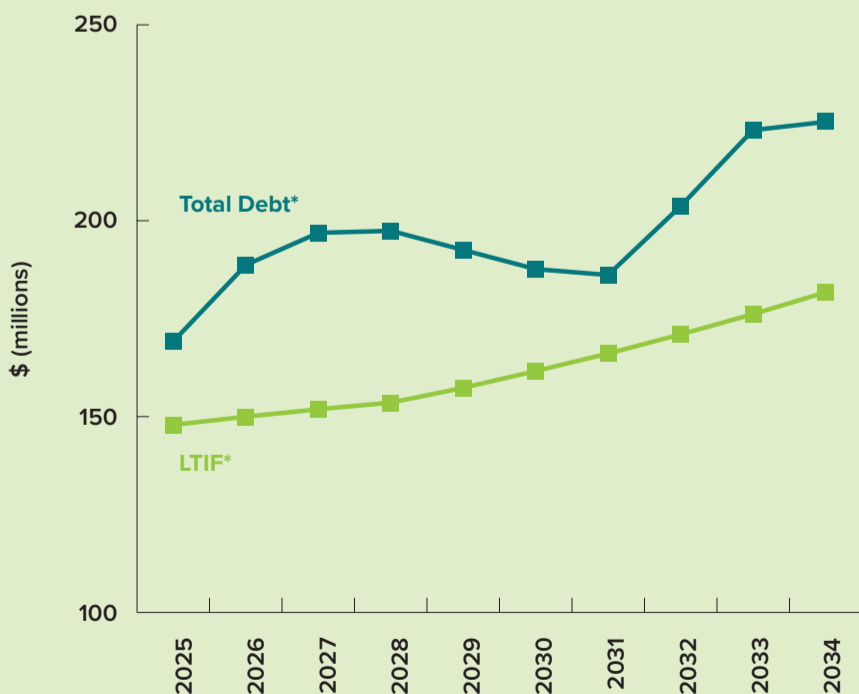
Since the LTIF began in 1997 to June 2023 it has achieved an average gross return of 6.83% and we are projecting it will achieve returns of 7.3% – 7.6% over the next ten years.

Like all investments, the LTIF carries a degree of risk – investments are subject to market movements and returns are uncertain. The value can go down as well as up. The important thing is to look at the LTIF's performance over the long term, and we are confident it will achieve its targets.

LIFE OF THE LTIF



COUNCIL'S DEBT PROFILE OVER THE NEXT TEN YEARS COMPARED TO OUR INVESTMENT FUND



*These figures have been calculated including internal borrowing (for example in 2025, total debt is projected to be \$169.2 million which includes \$11.6 million of internal debt). In 2034, total debt is projected to be \$225.3 million, which includes \$1.8 million of internal debt, and after withdrawal of the annual drawdown for rates subsidy and specified community projects.

FINANCIAL CONTRIBUTIONS, SHARED SERVICES AND PARTNERSHIPS WITH EXTERNAL ORGANISATIONS

Another tool we use to help pay for new infrastructure is **financial contributions**.

We fund some of our growth-related projects (e.g. the Business Park), by taking out loans that will be paid back over a number of years. Over time, we will receive financial contributions from the businesses and developers that want to use the new infrastructure. This allows us to undertake growth projects that the private sector hasn't the capacity for, with minimal impact on our ratepayers.

We are also committed to pursuing **shared services** and **partnerships with external organisations** where we can achieve efficiencies and cost savings. We are involved in about 50 shared service arrangements with the other Taranaki councils, ranging from library services to insurance, civil defence to purchasing vehicles.

A good example of this collaborative approach is the Taranaki Regional Waste Collection Contract, which has resulted in cost savings to ratepayers.

Establishing effective partnerships (for example with central government and charitable organisations) to access external funds and receiving financial contributions from private developers are key strategies for funding several of the projects proposed in this document.



Eltham Town Hall

SHOULD WE STRENGTHEN THE ELTHAM TOWN HALL TO MEET 67% OF THE NEW BUILDING STANDARD?

We would like your feedback on any aspect of our Long Term Plan, but in particular we would like to know what you think about the following four proposals.

KEY ISSUE

The historic Eltham Town Hall currently meets the minimum 34% new building standard (NBS) structural requirement following earthquake strengthening work completed in 2016. While this means the Hall is not identified as an earthquake risk, it does mean it is categorised as 'earthquake prone' unless more strengthening work is done to bring the building up to 67% NBS. At the same time, other planned repairs and upgrades have been put on hold to avoid duplicating costs until a decision has been made about the strengthening.

PROPOSAL

We are proposing to strengthen the historic Eltham Town Hall (in years 2 and 3 of the Long Term Plan) so that it meets 67% of the new building standard and undertake upgrades to extend the life of the building.

COSTS

The cost to complete the strengthening and upgrades is estimated to be around \$1.95m. These can be broken down into the following parts.

Eltham Town Hall proposed projects and costs	
Recladding the exterior	\$230,000
Repairing the historic front façade	\$85,000
Earthquake strengthening	\$1,635,000

Please tell us what you think. Give us your feedback on page 24

OPTION 1 Council's preferred

Complete both the earthquake strengthening and associated upgrades

The Council's preferred option is to complete the earthquake strengthening work so that it meets 67% of the new building standard and undertake upgrades to extend the life of the building. While the Hall meets the minimum 34% new building standard, upgrading it to 67% of the new building standard will provide a greater degree of protection and means the Hall would no longer be identified as 'earthquake prone'.

Cost – The total cost to complete the strengthening and upgrades is estimated to be around \$1.95m.

Funding – Loan.

Impact on rates – This would add approximately \$150,000 per year in interest and loan repayments or 0.3% on total rates. This would be an extra 15 cents a week or \$7.80 a year for an urban residential ratepayer with a property value of \$380,000.

Impact on debt – This would add \$1.95 million to our overall debt.

OPTION 2

Complete the upgrades but not the extra earthquake strengthening

There is the option of only completing the repairs to the front façade and replacing the exterior cladding and not undertaking any additional earthquake strengthening work. While this option means the building remains compliant and is not identified as an earthquake risk, it does mean the Hall is categorised as 'earthquake prone' unless more strengthening work was done to bring it up to 67% NBS.

Cost – The total cost to complete the upgrades is estimated to be around \$315,000.

Funding – Loan.

Impact on rates – This would add approximately \$24,000 per year in interest and loan repayments or 0.05% on total rates. This would be an extra 0.03 cents a week or \$1.56 a year for an urban residential ratepayer with a property value of \$380,000.

Impact on debt - This would add \$315,000 to our overall debt

OPTION 3

Do neither

There is the option of not doing any earthquake strengthening or upgrades/repairs to the building over the next ten years. This would reduce total rates by 0.3% (15 cents a week or \$7.80 less a year for an urban residential ratepayer with a property value of \$380,000).

However, this would result in greater deterioration and considerably reduce the lifespan of the facility. In the long run this approach would be more costly to fix or replace the building.



Roading

SHOULD WE INCREASE THE AMOUNT WE SPEND ON OUR ROADS?

KEY ISSUE

Through satisfaction surveys and customer requests, our residents have told us that their biggest concern is the condition and maintenance of our roads, which they believe have been falling over time, and they would like to see more done to improve this situation. Despite the fact that expenditure on roading has increased, it has still not kept up with the even higher increase in costs for things like contractors and bitumen that occurred after COVID-19. This has meant that we haven't been able to do as much work maintaining or renewing our assets as previously. In addition, over the last ten years the road network has been impacted by more frequent extreme weather events resulting from climate change and, along with much heavier vehicles using the roads, has led to more rapid deterioration and a greater need to undertake emergency works.

PROPOSAL

Over the next ten years we propose to increase the expenditure on roading to compensate for the rise in costs so we can better manage the lifespan and resilience of our infrastructure, maintain existing levels of service and increase work done on our bridges. More specifically, **each year** for the next ten years, we propose to:

- Maintain 1663 km,
- Widen 9 km and reseal 80 km of road,
- Renew 2km of footpaths,
- Upgrade a one-lane-bridge to two lanes,
- Upgrade or replace one bridge, and;
- Improve key rural road intersections.

COST

We propose to spend an average of \$46.6 million each year for the next ten years on our roading activity, including both capital and operating expenditure, which on average is an increase of \$1.4 million each year.

Note: The Council has applied to Waka Kotahi/NZ Transport Agency for a 65% subsidy on eligible road work programmes. All budgets in our Long Term Plan have been made on the assumption that we will receive this subsidy, which won't be known until later this year. Some work may need to be scaled back if we don't receive the full subsidy.

Key Roding Capital Works Projects	2024 - 2034
Total road renewals, resurfacing, upgrades and minor improvements (includes one bridge upgrade per year)	\$133.7 million
Bridge replacement programme (one per year)	\$24.7 million
Footpaths	\$9.7 million
South Taranaki Business Park roading	\$4.2 million

OPTION 1 Council's preferred

Spend an extra \$4.9m on roading in the first year (an average increase of \$1.4m each year for the next ten years).

The Council's preferred option is to increase expenditure by \$4.9 million in Year 1, and an average increase of \$1.4 million each year for the next ten years.

Cost – \$466 million total roading activity expenditure over ten years (an average of \$46.6 million each year).

Funding – Combination of general (roading) rate/borrowing (loans) for bridges/Financial Assistance Rate from Waka Kotahi/NZ Transport Agency.

Impact on rates – For most roading work the Council receives a 65% subsidy from Waka Kotahi/NZ Transport Agency for every dollar we spend. The impact of spending an extra \$4.9 million on roading in the first year is an average 3.9% increase on total rates. This equates to \$1.40 a week or \$72.80 in the first year for an urban residential ratepayer with a property value of \$380,000.

Impact on debt – Over the next ten years we would take out \$18.4 million in new loans and make repayments of \$13.7 million.

Increasing the budget for roading will compensate for the recent increase in costs, which will help us better manage the lifespan and resilience of our infrastructure so we can be prepared for extreme weather events and enable us to maintain existing levels of service. It will also help meet our community's desire to see an improvement in the condition of our roads. If we don't increase spending to meet the cost increases we will actually do less than what we do currently and the condition of our roads will deteriorate more rapidly. In the long term we will be faced with a greater spike in costs when the assets need to be replaced.

Please tell us what you think. Give us your feedback on page 24

Roading

SHOULD WE INCREASE THE AMOUNT WE SPEND ON OUR ROADS?

OPTION 2

Maintain funding at existing or similar levels to 2023/24 (no increase in spending)

Cost – \$382 million total roading expenditure over ten years (an average of \$38.2 million each year).

Funding – Combination of general (roading) rate/Financial Assistance Rate from Waka Kotahi/NZ Transport Agency.

Impact on rates – If we did not increase our expenditure on roading at all the average total rates would decrease by 3.9% compared to **Option 1**. This would be \$1.40 less a week or \$72.80 less in the first year for an urban residential ratepayer with a property value of \$380,000.

Impact on debt – This would reduce the need to take out new loans by \$14.3 million.

There is the option of not increasing our expenditure on the roading activity but keeping the budget at or similar to the current 2023/24 year.

If we maintained roading expenditure at existing or similar levels, we would have to decrease our levels of service. Because costs have risen at a higher rate than budgets, we would do less work with the same money. This would result in our roading assets deteriorating more quickly and coming to the end of their lives sooner, leading to higher costs for replacement in the long run and greater dissatisfaction amongst road users.

OPTION 3

Increase (or decrease) expenditure on roading

Cost – This would vary depending on the size of increase/decrease.

Funding – Combination of general (roading) rate/borrowing (loans) for bridges/Financial Assistance Rate from Waka Kotahi/NZ Transport Agency.

Impact on rates – For every \$1 million increase (or decrease) spent on roading there would be an additional average increase (or decrease) of 2.05% on total rates. This would be 74 cents more (or less) a week or \$38.48 a year for an urban residential ratepayer with a property value of \$380,000.

Impact on debt – This would vary depending on the size of increase/decrease.

We could increase or decrease the amount we have proposed to spend on roading in **Option 1**. If we spend more than we've proposed it would allow us to renew and replace parts of our infrastructure at a faster rate than we have planned. However, this funding would be unsubsidised and would see the average total rates increase by an additional 2% for every \$1 million, which Council considers would be unaffordable for ratepayers. If we spend less than we have proposed we would do less work on our road network, which may result in our roading assets deteriorating more quickly and coming to the end of their lives sooner, leading to higher costs for replacement in the long run and greater dissatisfaction amongst road users.

Council's largest annual operating expense is on roading. Over the next ten years we have budgeted to spend \$466 million (including both operational and capital spending) on this activity alone. For most roading work, the Council receives a 65% subsidy from Waka Kotahi/NZ Transport Agency.

DID YOU KNOW?

The State Highways that run through our country and our towns are managed by the Waka Kotahi/NZ Transport Agency (a government agency). The other local roads in the District are managed by the Council.

Long Term Investment Fund Subsidy

SHOULD WE INCREASE THE AMOUNT WE SUBSIDISE RATES FROM OUR LONG TERM INVESTMENT FUND

KEY ISSUE

Due to a number of large cost increases, Local government inflation has risen by around 15% over the last two years and continues to rise. Fuel, bitumen, electricity, construction and insurance costs have all increased considerably. Higher interest rates have increased the cost of borrowing, and paying back debt and compliance costs driven by Government requirements have meant we need to spend a lot more on our infrastructure, particularly to provide tertiary treatment at our wastewater plants. As a result, the average rate increase over the next ten years is 5.47%. This is higher than we want and higher than we've had over the previous ten years.

PROPOSAL

Each year a portion of the returns received from the Council's Long Term Investment Fund (LTIF) is used to subsidise rates (\$3.87 million) and service interest and loan repayments for specific community projects (\$1.73 million). The \$3.87 million rate subsidy has never increased since the Fund started in 1997, so the value of the subsidy has decreased in real terms over the years. To lessen the impact of rate increases on ratepayers, we're proposing to increase the annual rate subsidy by \$350,000 from \$3.87 million to \$4.22 million.

COST

This is not an additional cost to the ratepayer, but an extra \$350,000 will be taken from the LTIF's returns (not the principal amount).

Please tell us what you think. Give us your feedback on page 24

OPTION 1 Council's preferred

Increase the annual rate subsidy from \$3.87m to \$4.22m

The Council's preferred option is to increase the annual rate subsidy from \$3.87 million to \$4.22 million as one way of lessening the impact of projected rate increases on ratepayers. The purpose of our LTIF is to provide benefit to current and future ratepayers. Over the next ten years the average annual drawdown from the LTIF for the rates subsidy **and** specific community projects is \$6.7 million. To be able to do this, the LTIF needs to make an annual gross return of 4.5%. Over the next ten years we expect it will achieve returns of 7.3% – 7.6%. Increasing the rate subsidy by \$350,000 will mean the LTIF will generate slightly lower returns (an extra 0.1% in the first year). However, by using earnings from the LTIF instead of increasing rates, we can achieve our goals of affordability and intergenerational equity at a time when the rate increase is high.

Impact on rates – Increasing the subsidy by \$350,000 would reduce the total rate increase by 0.7%. This would be an annual saving of \$20 for an urban residential ratepayer with a property value of \$380,000.

Impact on debt – No impact on debt.

OPTION 2

Keep the rates subsidy as it is at \$3.87m

There is the option of not increasing the annual rate subsidy and keeping it at \$3.87 million. By not increasing the subsidy the LTIF would generate slightly greater returns (for example an extra 0.1%) in the first year. However, the general rate would need to increase by an extra 0.7% to pay for the activities and services outlined in this proposed Long Term Plan.

Impact on rates – Not increasing the subsidy means the total rate would need to increase by an additional 0.7% compared to **Option 1** which would be an extra \$20 for an urban residential ratepayer with a property value of \$380,000.

Impact on debt – No impact on debt.

OPTION 3

Increase the annual rate subsidy from \$3.87m to \$4.57m

We could increase the rate subsidy by an extra \$700,000 from \$3.87 million to \$4.57 million. This would reduce the total rate increase by 1.4%. However, it also means the LTIF would generate lower returns (an extra 0.2% less in the first year, which could be used more carefully for future debt repayment and community projects).

Impact on rates – Increasing the subsidy by \$700,000 would reduce the total rate increase by 1.4%. This would be an annual saving of \$40 for an urban residential ratepayer with a property value of \$380,000.

Impact on debt – No impact on debt.

User Fees and Charges

SHOULD WE INCREASE USER FEES AND CHARGES TO COVER COSTS FOR INCREASE GENERAL RATES?

KEY ISSUE

The money to pay for the services and activities Council provides comes from different sources such as general and targeted rates, user fees and charges, Government subsidies and grants, and investment income. We believe that for services and activities where it is easy to identify those who benefit, the individual users should pay for the service, or at least make a contribution towards the service. Because of this, many services and activities are funded by a combination of user fees and charges (private benefit) and general rates (public benefit).

Like households and businesses across the country, Council is facing increased costs for the things we buy. While household inflation has been high at around 4.7%, local government inflation has risen even higher - around 20% over the last two years. Most of our user fees and charges will increase a small amount to cover the general rate of inflation. However, we've had to increase some fees and charges by a higher amount for those activities where costs have increased a lot more than the general rate of inflation or where we've made improvements to how we deliver a service, or where the user fees portion has not covered the cost of the service. These fees and charges include dog registrations, cemeteries, building and resource consenting and solid waste.

To see a full schedule of our proposed fees and charges over the next three years, check out our 2024-2034 Long Term Plan supporting information on our website www.southtaranaki.com/longtermplan

PROPOSAL

Increase user fees and charges for dog registrations, cemeteries, building/resource consents and solid waste. We've chosen dog registrations and cemeteries as examples.

Cemeteries

Contractor costs for the maintenance and provision of cemetery services have increased by over 20% in the last year. To recover costs and maintain our current levels of service we need to increase the cemetery fees. Rather than increasing the fees and charges all in one year, the increases will be spread over several years. Approximately 60% to 80% of the costs for cemeteries are recovered through fees and charges (private benefit) while the rest is recovered by the general ratepayer (public benefit).

Cemeteries	2023/24	2024/25
Adult Interment (single depth)	\$2,120.00	\$2,438.00

Dog Registration

Feedback through our annual residents' survey and customer requests has indicated some dissatisfaction with the response time for dog related matters. A full review of the animal control service was undertaken where the Council considered a number of options to improve the service. As a result, we have decided to provide additional resources to improve the level of service around response times and community safety, this includes bringing the afterhours animal control service inhouse. We are proposing a 15% increase in dog registration fees to cover the cost of providing the extra resources. Approximately 60% to 80% of the costs for animal control are recovered through fees and charges (private benefit) while the rest is recovered by the general ratepayer (public benefit).

COST

Dog registration	2023/24	2024/25
Urban	\$175.00	\$201.00
Rural (first 2 dogs) per dog	\$68.00	\$78.00
Rural (3 or more) per dog	\$57.00	\$66.00
Urban Spayed/Neutered	\$150.00	\$173.00
Selected Owner Policy – Entire	\$105.00	\$121.00
Selected Owner Policy – Spayed/Neutered	\$80.00	\$92.00

OPTIONS AND FUNDING

There are three options:

1. Increase the user fees and charges to cover more of the cost of the service,
2. Don't increase the user fees and charges but increase the general rates portion to cover the shortfall, or;
3. Decrease the level of service provided.

Remember, if we decrease any user fee and charges, we either need to do less with what we have or increase the amount of general rates required to fund the activity.



Scan me!

Please tell us what you think. Give us your feedback on page 24

What we do – Getting Value for Money

7 campgrounds and 7 swimming pools

9 urban halls (plus financial support to 29 halls)

TSB Hub, financially supporting Hāwera Cinemas, Sinclair Electrical and Refrigeration Event Centre and Ōpunakē Community Baths

38 playgrounds and 220 hectares of parks/reserves

36 public toilets and 10 cemeteries

1,663 km of roads that we construct and maintain (83% sealed)

243 bridges and major culverts

2,276 streetlights and over 201km of footpaths

Including the isite Information Centre



COMMUNITY FACILITIES



ROADING

72 Housing for the Elderly units



HOUSING



ECONOMIC DEVELOPMENT, TOURISM AND EVENTS SERVICES



WASTE



WATER

Rubbish, recycling and greenwaste collection

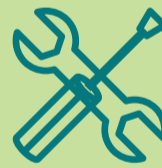
7 transfer stations

8 wastewater treatment plants

188 km of pipes



ARTS AND CULTURE



OTHER SERVICES

641 km of pipes

10 Water Treatment Facilities

37 Reservoirs

96 km of stormwater pipes

7 LibraryPlus

Partnership with the District Museum – Aotea Utanganui

Building Control and Planning Services

Licensing (Alcohol and Gambling)

Regulation Monitoring

Noise Control

Parking Control

Animal Services and Environmental Health

Civil Defence and Emergency Management

QUICK FACT

We do all this in a District with around 14,420 rateable properties and a population of approximately 29,600, many of whom live in seven small towns spread over a large geographic area (362,000 hectares).

WHERE WE PROPOSE EACH \$100 COMES FROM OVER THE NEXT TEN YEARS



RATES



GRANTS, SUBSIDIES AND CAPITAL CONTRIBUTIONS



USER FEES AND CHARGES



LTIF AND OTHER INVESTMENTS



OPERATIONAL SUBSIDY



SUNDRY REVENUE

WHERE WE PROPOSE TO SPEND EACH \$100 OVER THE NEXT TEN YEARS



ROADING AND FOOTPATHS



WATER



COMMUNITY FACILITIES



WASTEWATER



SOLID WASTE



ARTS AND CULTURE



REGULATORY SERVICES



DEMOCRACY AND LEADERSHIP



DISTRICT ECONOMY



OTHER



STORMWATER



COMMUNITY DEVELOPMENT



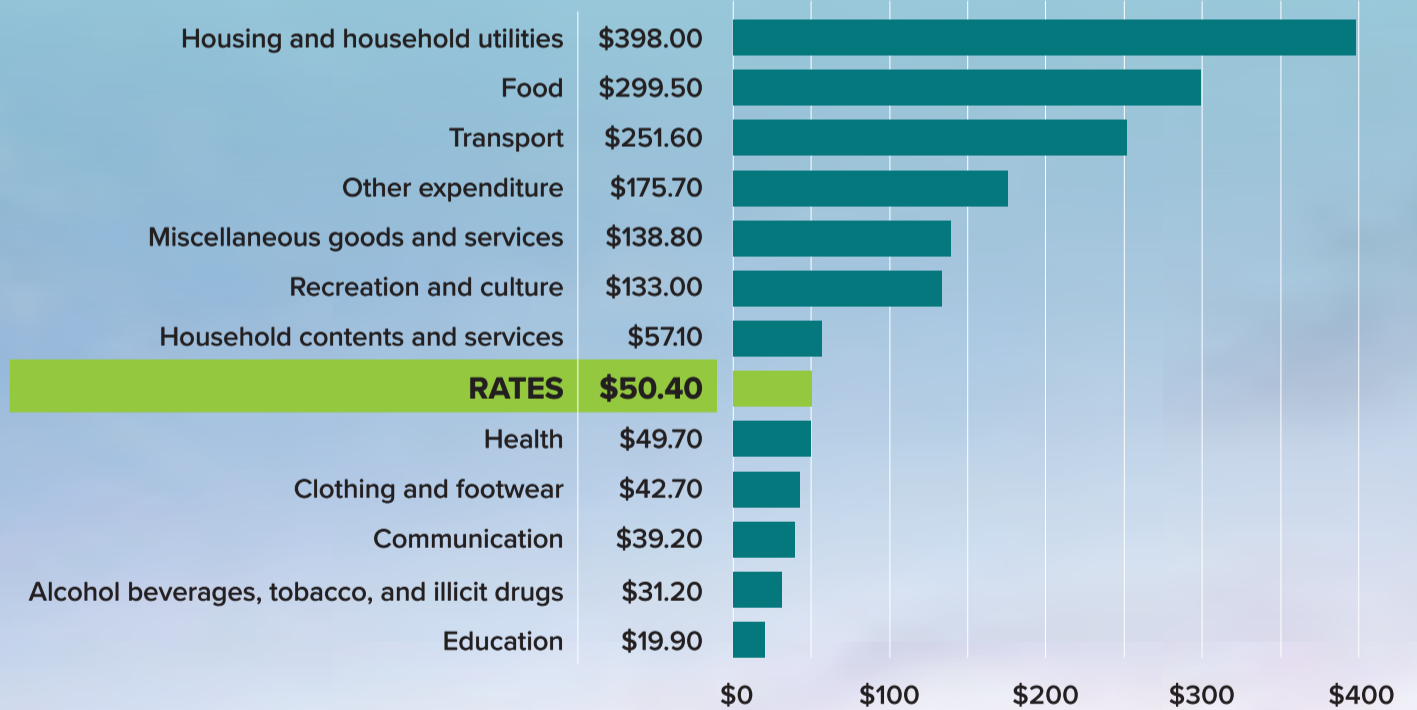
ENVIRONMENTAL MANAGEMENT



COASTAL STRUCTURES

COMPARISON OF NZ AVERAGE WEEKLY HOUSEHOLD SPENDING

When compared to what the average household spends per week, we believe the rates we pay for the services and facilities we receive represent good value for money.



Information from Stats NZ
June 2023 three yearly
economic household survey

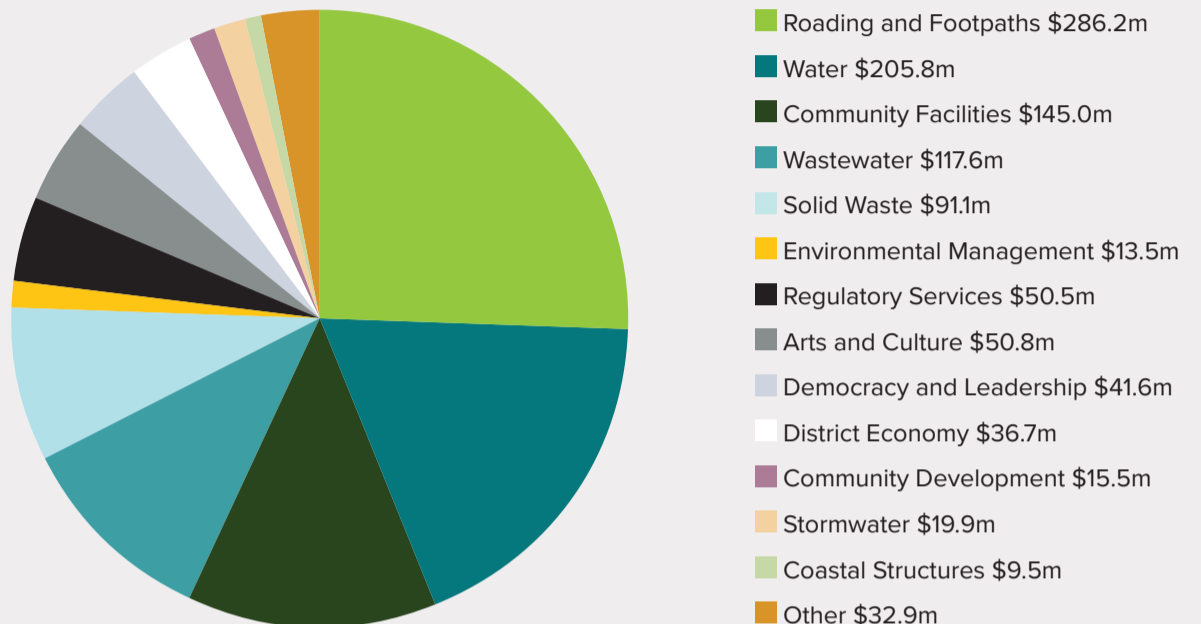


TE PŪTEA-Ā-TE-KAUNIHERA Council's Finances

DID YOU KNOW?

Roading is the Council's largest annual operating expense. Over the next ten years we have budgeted to spend \$466 million, including both operational and capital spending, on this activity alone.

PROJECTED EXPENDITURE OVER THE NEXT TEN YEARS – TOTAL EXPENDITURE \$1,116 MILLION



Our **main drivers** of cost increases over the next ten years are **local government inflation** and the costs related to meeting new health and environmental legislation requirements.

PROPOSED RATES FOR THE NEXT TEN YEARS

There are four parts to your rates.

1

General Rate

Calculated using the capital value of your property.

2

Roding Rate

Also calculated using the capital value of your property and funds the maintenance of our roading network.

3

Targeted Rates

Targeted rates fund water supplies, wastewater disposal and kerbside rubbish and recycling collection. Only ratepayers who are able to use these services pay the targeted rates (mainly urban ratepayers).

4

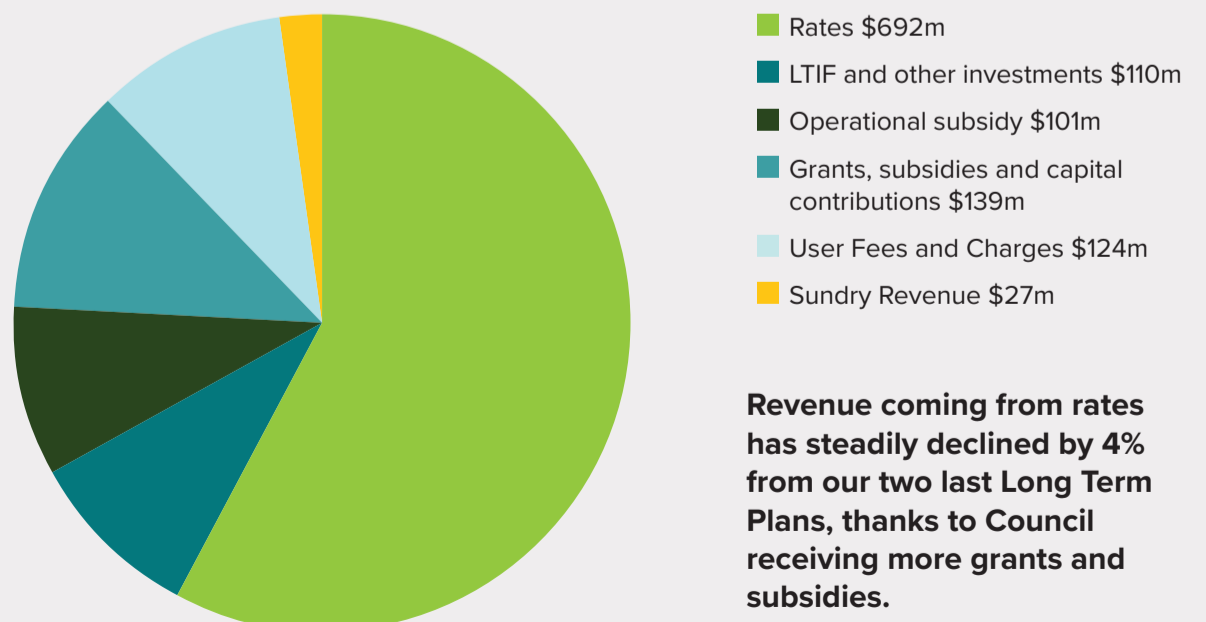
Uniform Annual General Charge (UAGC)

A set fee all ratepayers pay.

WHAT IS THE LOCAL GOVERNMENT COST INDEX?

Just like households have price increases for things like food and household services (the Consumer Price Index), councils are faced with a variety of price increases for the things we spend money on, like for example steel, bitumen for roads, construction materials, fuel and power. The prices for these goods and services have their own inflation index called the Local Government Cost Index (LGCI). Because the prices for the things councils spend money on tend to increase at a greater rate than common household services, the LGCI is higher than regular inflation. Over the next ten years the LGCI is projected to increase by an average of 2.4%.

PROJECTED REVENUE SOURCES OVER THE NEXT TEN YEARS - TOTAL INCOME \$1,192 MILLION



Revenue coming from rates has steadily declined by 4% from our two last Long Term Plans, thanks to Council receiving more grants and subsidies.

TE PŪTEA-Ā-TE-KAUNIHERA
Council's Finances

TEN YEAR PROJECTION FOR RATES (ALL FIGURES INCLUDE INFLATION)

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
District Rate*	7.95%	13.06%	10.33%	6.19%	3.99%	3.22%	2.61%	2.29%	2.08%	2.29%	2.06%
UAGC	\$727	\$758	\$824	\$872	\$909	\$945	\$976	\$1,005	\$1,033	\$1,063	\$1,093
Targeted Rates											
Water	\$673	\$684	\$713	\$744	\$776	\$811	\$840	\$865	\$891	\$911	\$937
Wastewater	\$805	\$891	\$966	\$1,035	\$1,116	\$1,196	\$1,288	\$1,380	\$1,472	\$1,564	\$1,656
Kerbside Collection	\$220	\$325	\$351	\$374	\$397	\$420	\$449	\$477	\$506	\$535	\$564
Water by meter rates (m³ per day)											
Urban	\$2.56	\$2.97	\$3.11	\$3.28	\$3.42	\$3.57	\$3.70	\$3.82	\$3.93	\$4.03	\$4.14
Urban High User >4m ³	\$2.56	\$2.97	\$3.11	\$3.28	\$3.42	\$3.57	\$3.70	\$3.82	\$3.93	\$4.03	\$4.14
Urban Extra High User	\$2.70	\$3.16	\$3.28	\$3.36	\$3.42	\$3.57	\$3.70	\$3.82	\$3.93	\$4.03	\$4.14
Waimate West/Inaha	\$1.13	\$1.16	\$1.21	\$1.27	\$1.30	\$1.35	\$1.39	\$1.45	\$1.51	\$1.56	\$1.62

*The District rate includes the UAGC, general rate and roading rate.

THE TOTAL RATE INCREASE EACH YEAR OVER THE NEXT TEN YEARS

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Average total rate increase	11.29%	8.72%	6.19%	4.77%	4.50%	4.19%	3.93%	3.76%	3.69%	3.63%

The average total rate increase over the next ten years is 5.47% per year.



HEOI, HE AHA TE PĀNGA MĀU?

So, what does all this mean for you?

URBAN PROPERTY WITH A CAPITAL VALUE OF \$380,000

	2023/24	2024/25	2025/26	2026/27
General	\$320.32	\$353.76	\$379.92	\$409.94
Roading	\$225.75	\$286.01	\$330.84	\$345.75
UAGC	\$727.10	\$757.57	\$823.65	\$872.29
Water	\$672.75	\$684.25	\$713.00	\$744.05
Wastewater	\$805.00	\$891.25	\$966.00	\$1,035.00
Kerbside Collection	\$220.00	\$325.00	\$350.75	\$373.75
Total rates	\$2,970.92	\$3,297.84	\$3,564.15	\$3,780.77
Total \$ increase		\$326.93	\$266.31	\$216.62
Total % increase		11.00%	8.08%	6.08%

These tables give several examples of what the total rates increase would be for urban properties of different values that use all water, wastewater and kerbside collection services, a commercial property and a rural property over the next three years.

Please tell us what you think. Give us your feedback on page 24

Given the major cost increases we are facing, we believe we have struck the right balance between doing what we are required to do, providing the services and facilities our communities expect and affordability.

URBAN PROPERTY WITH A CAPITAL VALUE OF \$600,000

	2023/24	2024/25	2025/26	2026/27
General	\$505.77	\$558.56	\$599.87	\$647.27
Roading	\$356.45	\$451.60	\$522.37	\$545.92
UAGC	\$727.10	\$757.57	\$823.65	\$872.29
Water	\$672.75	\$684.25	\$713.00	\$744.05
Wastewater	\$805.00	\$891.25	\$966.00	\$1,035.00
Kerbside Collection	\$220.00	\$325.00	\$350.75	\$373.75
Total rates	\$3,287.06	\$3,668.23	\$3,975.64	\$4,218.27
Total \$ increase		\$381.17	\$307.41	\$242.63
Total % increase		11.60%	8.38%	6.10%

HĀWERA COMMERCIAL PROPERTY WITH A CAPITAL VALUE OF \$850,000

	2023/24	2024/25	2025/26	2026/27
General	\$716.51	\$791.30	\$849.81	\$916.97
Roading	\$504.97	\$639.76	\$740.03	\$773.38
UAGC	\$727.10	\$757.57	\$823.65	\$872.29
Water	\$672.75	\$684.25	\$713.00	\$744.05
Wastewater	\$805.00	\$891.25	\$966.00	\$1,035.00
Hāwera Business Rate	\$614.16	\$631.50	\$645.77	\$660.04
Total rates	\$4,040.48	\$4,395.63	\$4,738.26	\$5,001.72
Total \$ increase		\$355.14	\$342.63	\$263.47
Total % increase		8.79%	7.79%	5.56%

URBAN PROPERTY WITH A CAPITAL VALUE OF \$900,000

	2023/24	2024/25	2025/26	2026/27
General	\$758.65	\$837.84	\$899.80	\$970.91
Roading	\$534.68	\$677.40	\$783.56	\$818.87
UAGC	\$727.10	\$757.57	\$823.65	\$872.29
Water	\$672.75	\$684.25	\$713.00	\$744.05
Wastewater	\$805.00	\$891.25	\$966.00	\$1,035.00
Kerbside Collection	\$220.00	\$325.00	\$350.75	\$373.75
Total rates	\$3,718.17	\$4,173.31	\$4,536.76	\$4,814.87
Total \$ increase		\$455.14	\$363.45	\$278.11
Total % increase		12.24%	8.71%	6.13%

RURAL PROPERTY WITH A CAPITAL VALUE OF \$8,000,000

	2023/24	2024/25	2025/26	2026/27
General	\$6,743.58	\$7,447.50	\$7,998.22	\$8,630.28
Roading	\$4,752.68	\$6,021.29	\$6,964.96	\$7,278.88
UAGC	\$727.10	\$757.57	\$823.65	\$872.29
Total rates	\$12,223.36	\$14,226.36	\$15,786.83	\$16,781.45
Total \$ increase		\$2,003.01	\$1,560.47	\$994.62
Total % increase		16.39%	10.97%	6.30%



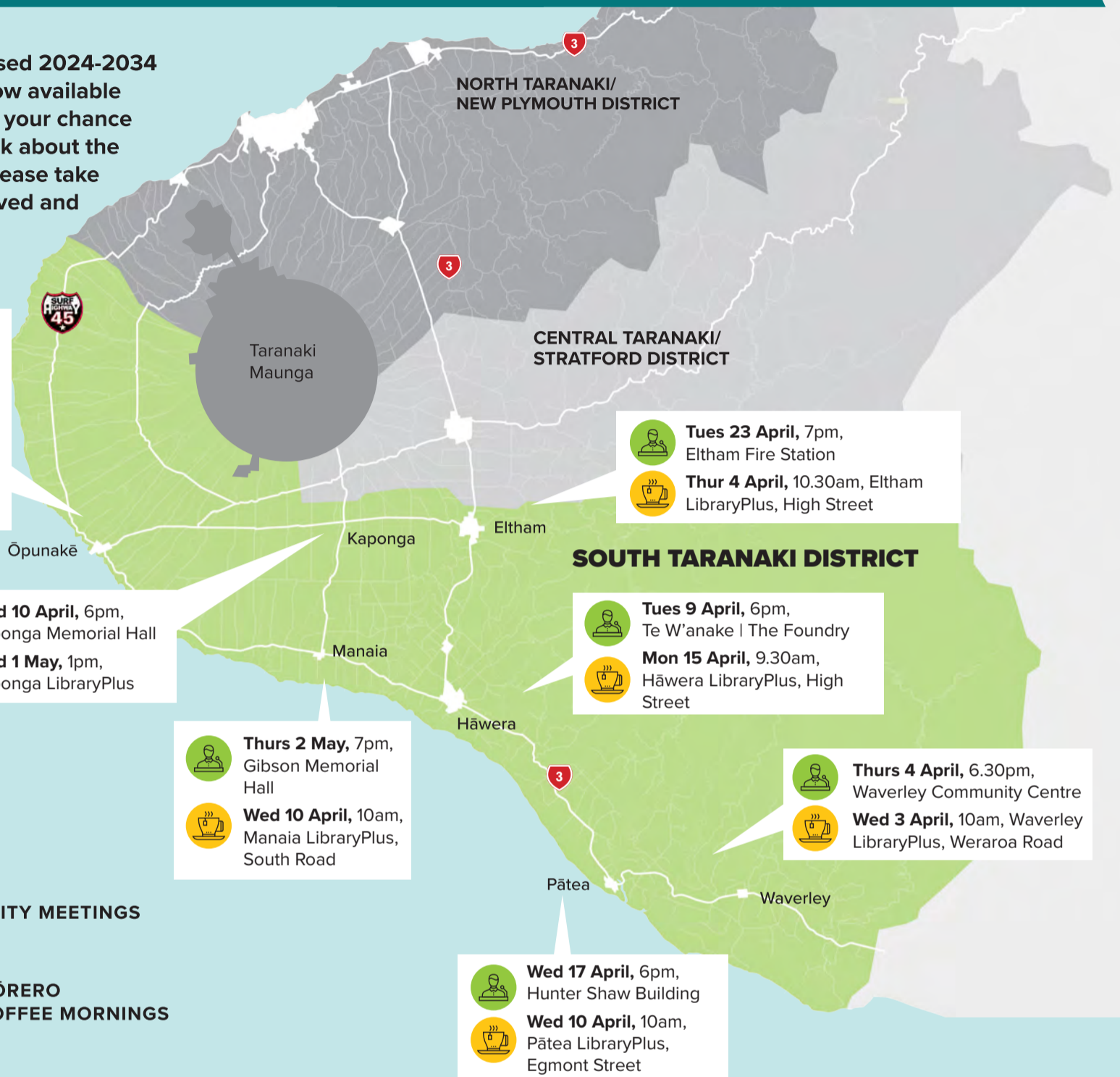
ME PĒWHEA AU E WHAKAHOKI MAI

How Can I Have My Say?

The Council's proposed 2024-2034 Long Term Plan is now available for comment. This is your chance to give your feedback about the proposed Plan, so please take the time to get involved and have your say.

 **Thurs 18 April,** 6.30pm, Sinclair's Electrical and Refrigeration Events Centre

 **Wed 3 April,** 10am, Ōpunakē LibraryPlus, Tasman Street




 **Wed 10 April,** 6pm, Kaponga Memorial Hall

 **Wed 1 May,** 1pm, Kaponga LibraryPlus

 **Thurs 2 May,** 7pm, Gibson Memorial Hall

 **Wed 10 April,** 10am, Manaia LibraryPlus, South Road

 **Tues 23 April,** 7pm, Eltham Fire Station

 **Thur 4 April,** 10.30am, Eltham LibraryPlus, High Street

 **Tues 9 April,** 6pm, Te W'anake | The Foundry

 **Mon 15 April,** 9.30am, Hāwera LibraryPlus, High Street

 **Thurs 4 April,** 6.30pm, Waverley Community Centre

 **Wed 3 April,** 10am, Waverley LibraryPlus, Weraroa Road

 **Wed 17 April,** 6pm, Hunter Shaw Building

 **Wed 10 April,** 10am, Pātea LibraryPlus, Egmont Street

 = COMMUNITY MEETINGS

 = KUPPA KŌRERO CASUAL COFFEE MORNINGS

WHERE CAN I FIND MORE INFORMATION?


To view the detailed supporting information, please contact us toll free **0800 111 323**, call into any one of our LibraryPlus centres or visit www.southtaranaki.com/longtermplan

KA AHA INAĪĀNEI?

What happens now?

The Council meets on 20 and 22 May 2024 to hear those people who want to speak to their submissions. If you would like to speak, please indicate this on your Feedback Form. You will be contacted to arrange a time. Once the Council has considered all feedback it will adopt the final 2024 - 2034 Long Term Plan by 30 June 2024.

A summary of the Council's decisions will be published in a July 2024 issue of Southlink - the Council's newsletter, that appears weekly in the Taranaki Star.



You can get there more quickly by scanning the QR code with your cellphone

GIVE YOUR FEEDBACK ONLINE

Complete the online submission form at www.southtaranaki.com/longtermplan

Send an email to longtermplan@stdc.govt.nz

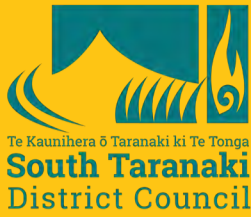
GIVE YOUR FEEDBACK IN PERSON

Phone us on (06) 278 0555 or toll free 0800 111 323 and we can fill out a submission form for you.

GIVE YOUR FEEDBACK ON PAPER

Complete the hard copy feedback form and post it to: Private Bag 902, Hāwera 4640

Or drop it into any LibraryPlus or the Hāwera Administration Building.



Feedback Form

Comments must be received by **5pm, Monday 6 May 2024**

CONTACT DETAILS:

Name: (who is the submission from?)

Contact Person: (if the name above is an organisation)

Postal address:

Telephone (Day)

(Night)

Email address

I wish to speak to the Mayor and Councillors about my submission at the Council Hearing on 20 OR 22 May 2024:

If yes, you will be contacted to arrange a time

Yes No

Eltham Town Hall

Do you support Council's proposal to spend \$1.95 million on upgrading and earthquake strengthening the Eltham Town Hall to meet 67% of the New Building Standard? (See page 13)

- Option 1.** (Council's preference) Spend \$1.95 million to upgrade and earthquake strengthen the Eltham Town Hall to meet 67% of the New Building Standard
- Option 2.** Just complete the upgrades for \$315,000
- Option 3.** Don't do the upgrades or the earthquake strengthening work

Comments:

Rates Subsidy

Do you support Council's proposal to increase the annual rate subsidy from \$3.87 million to \$4.22 million? (See page 16)

- Option 1.** (Council's preference) Increase the annual rate subsidy by \$350,000 from \$3.87 million to \$4.22 million
- Option 2.** Leave the annual rate subsidy at its current level of \$3.87 million
- Option 3.** Increase the annual rate subsidy by \$700,000 from \$3.87 million to \$4.57 million

Comments:

Roading

Do you support Council's proposal to increase the amount we spend on our roads? (See page 14)

- Option 1.** (Council's preference) Spend an extra \$4.95 million on roading in the first year
- Option 2.** Maintain funding at existing or similar levels to 2023/24
- Option 3.** Increase (or decrease) expenditure on roading (please state clearly if you want to see an increase or decrease).

Comments:

User Fees and Charges

Do you support Council's proposal to increase some user fees and charges by more than the rate of inflation? (See page 17)

- Option 1.** (Council's preference) Increase the user fees and charges to cover the cost of the service
- Option 2.** Don't increase the user fees and charges but increase the general rates portion to cover the shortfall, or
- Option 3.** Decrease the level of service provided.

Comments:

Other comments or need more room? You can attach extra pages, but please make sure they are A4 and also include your name and contact information.

Privacy Statement We collect your personal information so we can contact you throughout the Long Term Plan consultation process. Any submissions received through the consultation play an important role in the decision-making process. Any personal information, e.g. your name and statements made in your submission, will be publicly available. Providing your personal information is optional, however Council will be unable to contact you regarding important dates, the process, providing a response to your submission and any outcomes. You have the right to ask for a copy of any personal information we hold about you and, if applicable, request correction of that information. If you want to check personal information that we hold about you, please contact us at PrivacyOfficer@stdc.govt.nz