

ATTACHMENTS

UNDER SEPARATE COVER 1

Ordinary Council Meeting

28 March 2023

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Kōrero mai

*Have
your say*

31 March - 28 April 2023

 **GREAT LAKE TAUPŌ**
Taupō District Council

DRAFT ANNUAL PLAN 2023-24
CONSULTATION DOCUMENT

Kia ora koutou



We all know the Taupō District is a great place to live, work and play.

We have an amazing natural environment, a rich cultural heritage, and vibrant communities all around our district, with a strong economic base centred around geothermal, tourism, forestry and farming.

In the last year we've seen some new and exciting projects, such as the Tūrangitukua Park Sports Facility get underway and some significant ones, such as the Taupō Town Centre Transformation Project, and the new Taupō Airport terminal, completed.

But there is no denying that for all of us – Council as well as our community – these are difficult economic times and challenges lie ahead for us in the upcoming financial year. This document lays out what those challenges are and how we plan to tackle them in a practical and achievable way.

We are acutely conscious that our community is facing a cost-of-living crisis, grappling with soaring inflation and rising interest costs. Council faces the same difficulties.

In our draft Annual Plan, we have tried our best to balance affordability for you, our community, with maintaining the levels of service and investment that our district needs to thrive. We have done everything we can to keep rates as low as possible.

Please take the time to read through this consultation document and the issues we have highlighted. We want to hear from you, our community, on whether you think we have this right, and what is important to you and your whānau.

Ki te kotahi te kākaho, ka whati; ki te kāpuia, e kore e whati. If a reed stands alone, it can be broken; if it is in a group, it cannot. Translated, this means when we stand alone we are vulnerable, but together we are unbreakable.

As a district and as a community, we stand together in our determination to make this a great place to live for ourselves, for our children and for our children's children.

Ngā mihi mahana kia a koutou katoa, warm regards to you all.

David Trewavas JP | Taupō District Mayor

Our rates challenge

The current economic environment we are all living and working in is challenging.

When Council set the Long-term Plan in 2021, we had a forecast rates increase of 3.74 percent for the 2023 -24 year. Since then, the state of the New Zealand economy has changed considerably, and this has a direct impact on what councils can deliver and at what cost.

Currently Taupō District Council is dealing with the financial effects of the global pandemic, weather-related disasters, overseas influences such as the war in Ukraine and global supply issues. These are all influencing our high inflation, rising interest rates, and constraints on resources and supplies. In addition to an increase of around 25 percent in construction costs, there have been uncontrollable cost increases across the board, including in basic items like fuel, electricity, and insurance costs.

This means it will cost Council more to invest in, maintain and operate its assets and services, such as looking after our parks and reserves and operating our libraries, pools, and community facilities.

When we first forecast how much rates revenue we would need in 2023-24, the impact of all the factors above meant we were looking at a rates rise of around 15 per cent, just to continue with our current work. We knew this would be unacceptable to the community.

In response, we have looked at every single Council operating cost and rationalised budgets as much as we can. We have also gone through our capital and community projects list to determine which

projects are essential to deliver and whether they can realistically be delivered in the coming year.

Aside from reducing operating costs and slimming down our capital projects, about the only other appropriate lever to reduce the rates increase is to delay some of our depreciation funding. While this will provide some short-term rates relief for this coming financial year, we do need to balance this against the burden on our future ratepayers. Delaying depreciation funding should only be a short-term intervention to smooth the rates rise in this year. This delayed funding will have to be added back on to rates in the next year or two to ensure the ratepayers who are using the assets pay their share of the use of those assets.

The proposed 2023-24 average rates increase is 8.6% or \$305 per year

Bearing those factors in mind and after extensive work, the final result is a proposed average rates increase of 8.6 percent in the 2023-24 year. While we realise this is still a considerable change from what was originally projected, this is realistically the lowest figure we could get to in the economic climate, without drastic cuts to Council's levels of service. It is no exaggeration to say this is one of

the most difficult Annual Plan budget-setting processes we have ever undertaken.

So, we are asking you, our community, to help us make some tough decisions. These decisions, and the options, are laid out in this document. Please read and consider it carefully and let us know your thoughts as we find a way through the challenges we face in this Annual Plan.

What your rates pay for... it's a lot!

Rates are important to ensure Taupō District keeps functioning. Some of the services and facilities that our communities receive through their rates are:



367km of footpaths



3168 street light poles



57 playgrounds



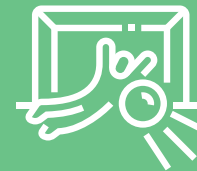
3 libraries



99,059m² of parking
(equal to about 14 rugby fields)



3 swimming pools



6 sportsgrounds



57 public toilets



43km of cycleways and shared paths



412 street litter/ recycling bins



781km drinking water pipes



628kms of wastewater pipes



806km of roads (sealed and unsealed)

What are we planning this year?



Community Services

Council provides a range of regulatory services like building consents and environmental health. Our focus in the coming year will be making sure we are delivering a good customer experience and meeting our timeframes. Our Emergency Management work will be about building greater resilience and we will have a strong focus on growing our community engagement.



Solid Waste

Council provides a solid waste management system for refuse and recyclables. This includes operating the landfill and recovery centre at Broadlands Road and five other transfer stations in the district. Renewal projects will continue to keep the district looking attractive and prevent harm to the environment and communities. We will also continue to explore alternative waste collection methods such as wheelie bins and kerbside food scrap collection, as well as investigating the future of the Taupō Landfill.



Three Waters

Under the Government's Three Waters Reform programme these services will cease to be provided by Council from 1 July 2024 and will be transferred to a much larger entity. There are no guarantees that the Taupō District's water needs will be prioritised once Council is no longer providing the services. So, over the coming year we are working hard to make sure the critical improvements are made to meet the needs of our community and support continued growth before the change occurs.



Community Facilities

We provide a wide range of facilities including libraries, museum, the Great Lake Centre, Taupō Events Centre, community halls, parks, reserves, sportsgrounds, public toilets and housing for the elderly. Key projects include finishing Waiora House, upgrades to Owen Delany Park funded from the government's 'Better off' initiative and various erosion mitigation projects around the lakeshore.

What are we planning this year?



Transport

Our transport network isn't just local roads, there are footpaths, streetlights, cycle paths, bridges, bus shelters, traffic signals, carparking and signage. Along with maintaining this network and making it safer, we are undertaking investigations for a new bridge over the Waikato River into the Taupō town centre, new school bus shelters and finishing the East Taupō Arterial shared path.



Democracy & Planning

We will continue to review our District Plan to ensure it stays relevant and enables the type of development the community wants. We will be putting in place new reserve management plans for Tūrangi and Motutere. Council will be preparing for the transition signalled by the Government's reform of the Resource Management Act. Council will also be preparing and engaging with the community on the Long-term Plan 2024-2034. This is the document that Council develops to identify its budgets and projects for the next 10 years.



Investments

Council investments include property and cash. Investments generate a return that can be used on projects and other initiatives. This is an area where significant change is being proposed. We are asking for your feedback on whether to spend \$7.6 million to develop a 6ha area of land in the East Urban Lands. Other smaller land developments are also programmed within the industrial areas to free up more land for economic growth.



Economic Development

Council undertakes economic development to support our local economy via the promotion of our district to visitors, in-house events teams which support organisers to run community and commercial events and supporting Towncentre Taupō. Council also provides funding to economic development agency Amplify to continue providing economic services to help attract new businesses to our district.



Reviewing our capital programme

What is the capital programme?

Our capital programme sets out projects that we plan to deliver across the District over the coming year. These are a combination of new projects plus upgrades or renewals of current assets.

What's changed?

The 2021-31 Long-term Plan allocated \$56.4 million to our capital programme in 2023-24. Due to unprecedented global increases in the cost of materials, supply chain shortages, inflation, and increased interest costs, the costs to deliver these same projects are significantly more. This means we have had to rethink what we can deliver.

What have we done?

We have reset capital project budgets to reflect the current environment and have prioritised projects to ensure our capital works programme is both realistic and affordable. We are proposing an adjusted capital programme budget of \$58.2 million. This budget includes new projects, such as the East Urban Lands development.

Council understands the importance of investing in our District, however, we must be prudent with what we do and what it costs. We know that our ratepayers and residents are also facing cost of living issues.

What's slowing down for 2023-24?

Slowing down some capital projects means we can manage our debt levels, reducing our interest costs and the impact on rates.

We are still planning to complete these capital projects at a later stage, and this will be a focus for our upcoming 2024-34 Long-term Plan.

Projects that we plan to reprioritise or slow down in the year from 1 July 2023 to 30 June 2024 are as follows:

Motutere Campground drinking water upgrade – further work needs to be done before we can start delivering this project but it remains important and work on it is continuing.

Erosion control – Some of the options Council has trialled to manage erosion have not proven particularly effective and so will be reduced. We will work with the community and partners to look at new options to manage lakeshore erosion, particularly in the southern lake area.

Broadlands Road Landfill gas flare – Council was investigating a gas flare to manage methane, but given the landfill's consent expires in 2027 we need certainty around whether consent will be renewed before we spend money on this project.

Kinloch and Hatepe reservoirs – land for these is still being acquired, so timing is uncertain.

Two Mile Bay carpark extension – this projects relates to an area outside Anchorage Resort and will be undertaken later in conjunction with wastewater and stormwater upgrades.

Tūrangi Recreation and Activity Centre – the project will not get to the construction stage this year as planned, but work to understand what is best for Tūrangi will continue.

