

**I give notice that
an Ordinary Meeting of Council will be held on:**

Date:	Monday, 29 May 2023
Time:	9.30am
Location:	Council Chamber 107 te Heuheu Street Taupō

AGENDA

MEMBERSHIP

Chairperson Mayor David Trewavas
Deputy Chairperson Cr Kevin Taylor

Members

- Cr Duncan Campbell
- Cr Karam Fletcher
- Cr Sandra Greenslade
- Cr Kylie Leonard
- Cr Danny Loughlin
- Cr Anna Park
- Cr Christine Rankin
- Cr Rachel Shepherd
- Cr Kirsty Trueman
- Cr Yvonne Westerman
- Cr John Williamson

Quorum 7

Julie Gardyne
Acting Chief Executive Officer

Order Of Business

- 1 Karakia
- 2 Whakapāha | Apologies
- 3 Ngā Whakapānga Tukituki | Conflicts of Interest
- 4 Whakamanatanga O Ngā Meneti | Confirmation of Minutes
Nil
- 5 Ngā Kaupapa Here Me Ngā Whakataunga | Policy and Decision Making
 - 5.1 To Hear and Deliberate on the Annual Plan 2023-24 and Fees and Charges 2023-24.....3
- 6 Ngā Kōrero Tūmataiti | Confidential Business
Nil

5.1 TO HEAR AND DELIBERATE ON THE ANNUAL PLAN 2023-24 AND FEES AND CHARGES 2023-24

Author: Kendall Goode, Senior Policy Advisor

Authorised by: Nick Carroll, Policy Manager

TE PŪTAKE | PURPOSE

To hear and deliberate on the submissions received on the Annual Plan 2023-24 and Fees and Charges 2023-24.

WHAKARĀPOPOTOTANGA MATUA | EXECUTIVE SUMMARY

- Council Officers prepared a draft Annual Plan for the 2023-24 year.
- There were two significant and material changes compared to year three of the Long-term Plan 2021-31, and Council approved the consultation document highlighting these two issues, with public consultation being undertaken between 31 March and 28 April 2023.
- A total of 138 submissions were received on the draft Annual Plan and Fees and Charges 2023-24.
- Should the hearings and deliberations process create changes to the draft Annual Plan, Council will need to direct officers to make these changes.
- Council will need to adopt the proposed fees and charges, with or without amendments.
- Following hearings and deliberation, officers will prepare the final Annual Plan and will provide it to Council for consideration at the meeting on 30 June 2023.
- All submitters will be responded to following adoption of the Annual Plan.

NGĀ TŪTOHUNGA | RECOMMENDATION(S)

That Council:

1. Receives the report to hear and deliberate on the Annual Plan 2023-24 and Fees and Charges 2023-24, from Kendall Goode, Senior Policy Advisor; and
2. Accepts the late submissions from Bike Taupō Advocacy Group, Sarah Bolt, Tūrangi Co-Governance Committee, Rob Henderson, Patrick Wilson and the Tongariro Representative Group; and
3. Receives, considers, and where requested, hears, pursuant to sections 82 and 95 of the Local Government Act 2002 submissions on the Annual Plan 2023-24, with the written submissions provided in Attachment 1; and
4. Pursuant to sections 12, 83 and 150 of the Local Government Act 2002, adopts the proposed fees and charges for 2023-24, as set out in the document Taupō District Council Schedule of Fees and Charges 2023-24, to be effective from 1 July 2022; and
5. Approves preparation of the Annual Plan 2023-24 to incorporate the following direction and/or changes to the draft Annual Plan 2023-24 arising from the consideration of submissions:
 - a. Investment of \$7.6 million in the 2023/24 year to undertake earthworks and civil infrastructure in the East Urban Lands
 - b. A delay in the funding of depreciation of 8 percent for the 2023/24 year
 - c. (Insert other matters as required)

TE WHAKAMAHIKI | BACKGROUND

Council adopted the 2023/24 Annual Plan consultation document, proposed changes to the 2023/24 Fees and Charges, and supporting information, on 28 March 2023. Consultation started on Friday 31 March and finished on Friday 28 April 2023. A total of 138 submissions were received, of which six were late

submissions. There are 29 submitters who have indicated they wish to speak to their submission at a public hearing.

A full bundle of submissions has been made available separately to this report due to the large size of the document.

Council will need to make decisions on:

- Whether there are any changes required to the draft Annual Plan that Council needs to give officers direction on for preparation of the Final Annual Plan for 2023-24.
- The proposed changes to the 2023/24 Fees and Charges. Noting that the Animal Management fees and charges have already been adopted to ensure legislative requirements under the Dog Control Act 2006 were met.

Council will follow this process for the hearings:

1. Submitters will present their verbal submissions to Councillors who may ask questions of clarification.
2. Council will move into deliberations following the hearings. This is an opportunity to debate the changes to the Annual Plan suggested through the written and verbal submissions.
3. The deliberations process will enable Council to direct officers to make changes to the draft Annual Plan.
4. An additional day of deliberations has been organised for Tuesday 6 June 2023. This will be an opportunity for Council to consider the draft staff responses to the comments made by submitters and any other matters that might have been raised through hearings. These will be used as the basis for providing feedback to submitters.
5. Officers will make the changes to the draft Annual Plan and update the financial information.
6. Council will adopt the Annual Plan at the Council meeting on 30 June 2023.

The recommendations that are included in this report reflect the views of Council Officers from across the organisation. They are based on the written submissions that have been received, however the advice from officers may need to be reconsidered during and following the hearings. This reflects that submitters can sometimes raise new information or issues through their verbal submissions.

It is important that Elected Members come into the process without predetermined positions. In making decisions Elected Members will need to consider the views of submitters and expert advice from Council Officers. While Council Officers have formed the advice in this report based on the available information, the Elected Members are in no way bound to follow that advice.

NGĀ KŌRERORERO | DISCUSSION

Two significant and material changes from Year 3 of the Long-term Plan (LTP) 2021-32 which were identified as part of the Annual Plan 2023 development:

- An average rates increase significantly higher than the 3.74% forecast in the LTP,
- The intent to continue to invest in the development of Council's East Urban Lands which would require substantially more funding than what was signalled in the LTP 2021-31.

The consultation document outlined reasons why an average rates increase of 8.6% was being proposed, including the financial challenges where costs are increasing to deliver services and projects, and the high inflationary environment. Understanding the current cost-of-living crisis and the impacts this is having on many people, Council sought feedback on whether or not to postpone some depreciation funding to reduce the impact of the rates increase. If depreciation was fully funded, an average rates increase of 11.1% would occur.

The East Urban Lands is a large area of residentially zoned land that Council has owned for many years. Over time Council has developed some areas and in other parts Council has sold large areas to developers. Acknowledging there are risks associated with property development, feedback was sought on whether Council should invest an initial \$7.6 million in the 2023/24 year and undertake earthworks and install infrastructure for a 6 hectare area of the East urban Lands. Additional investment would also be needed in

the following financial year to complete that work. The investment would likely increase the value of the land and provide options which include either selling the land for a profit to benefit the community, look at housing options, or retain the land for growth in the future.

The majority of submissions received provided feedback on these two matters, many elaborating and expressing concern about rates increases and Council spending during these challenging times. Submitters also raised projects that they would like to see continue, or new projects and works that should be undertaken as part of the 2023/24 financial year.

The discussion below has been structured to address submissions and has been grouped into five parts with key emerging themes from submissions captured.

1. Development of the East Urban Lands

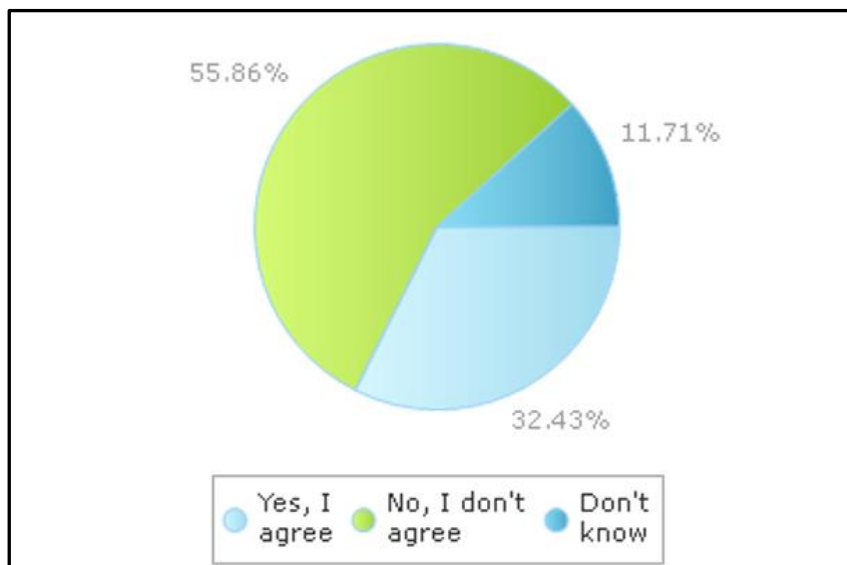
The East Urban Lands (EUL) is a residentially zoned piece of land owned by the Taupō District Council. Council has sold several undeveloped parcels of the EUL to developers, the profits from these transactions used to pay down debt. Council has sought feedback from the community on whether or not it should invest an initial \$7.6 million to develop a 6 hectare area within the EUL. The Strategic Property Reserve will fund the project, which will involve consenting, design, earthworks, and some civil works.

The Strategic Property Reserve is a Council created reserve, with funds able to be used by Council where it is considered appropriate. The reserve contains past profits made from land sales after any assigned loans associated with that have been repaid. Any proceeds from the sale of the land associated with the proposed project will also be assigned to the reserve.

The project has been spread over five quarters, reflecting the reality of resource and materials delays as a result of recent and continuing adverse weather events. The investment sought for the 2023/24 Annual Plan is \$7.6 million. Any additional funding required to complete the work would need to be considered as part of the Long-term Plan 2024-34.

The consultation document outlined several risks associated with land development, including cost escalations that may influence the ability for the development to be self-funded, a market downturn which may negatively impact profits, and a delay in returns on the investment. These risks, and the associated benefits of land development are further articulated in the attached business case (Attachment 2).

A total of 111 submitters responded to this question, the graph below illustrates the breakdown of responses.



Key emerging themes:

Submitter feedback extended beyond whether Council should develop the land. Many submitters suggested what the land could be used for in the future such as affordable housing and land supply. This section has focused on the feedback specific to the question rather than the future use of the land.

- Good investment that will benefit the community.
- The reserve fund will meet the development costs.
- Modest investment that gives better value add options to the Council to fully develop.
- Concerns there was not enough information around options, or the financial aspects and risks/benefits for the proposal to provide feedback.
- Council is in the best position to do the work and has done so successfully in the past with lessons learned, conversely submitters don't consider Council as property developers and this is not Council's core business/function.
- Council has the experience to carry out the requirements of development or can contract out areas where it lacks experience.
- The concept of developing and obtaining the increased return from the land and investment is sensible. Investment interest rates are higher but still not comparable to the returns available from sale of land.
- The earthworks and civil construction will provide jobs, especially if private land development slows down.
- Some submitters, not necessarily disagreeing with the proposal, were concerned about timing and sought that the project should not be undertaken this year.
- Don't believe it is appropriate to commit this money during these times of economic uncertainty.
- Concerns that Council is risking rate-payer's money being involved in property development and a concern that this may not be financially prudent given Council's limited expertise.
- That profit will still be made selling the land in the current condition which will assist with reducing debt and rates relief.
- Concerns there are conflicts of interest with Council being a regulator and a developer, and whether this could compromise the integrity of planning processes.
- Concerns that by acting as a developer, Council will compete with private developers and distort the market.
- Concerns that should losses be incurred the burden will fall to ratepayers.

Analysis of Options

There are two options for consideration, either proceed with the investment to develop the land or not proceed. The table below provides a high-level summary of the advantages and disadvantages. For a more detailed analysis refer to the attached Business Case (Attachment 2).

Option 1 – Proceed with investment

Advantages	Disadvantages
<ul style="list-style-type: none"> • The investment will increase the value of the land and has the potential to create profits greater than selling the land 'as is'. • Funding from the Council's Strategic Property Reserve will not impact rates for the 2023/24 financial year. • Provides additional options for Council to consider in terms of housing and growth for the district and avoids delays of future projects progressing should decisions be made. • Potential profits could be used for other projects or applied to reduce rates in the future. • Council retains ownership of the land, thus control of the eventual use of the land. 	<ul style="list-style-type: none"> • Potential resourcing, supply or weather delays may have cost implications and require additional funding. • Timeline to complete the project over winter is tight. Dry months could create nuisance effects on the surrounding area such as dust. • Possible market downturn could negatively impact the sale of the land. • Money in the Strategic Property Reserve could otherwise be used for alternative purposes.

Option 2 – Do not proceed with investment

Advantages	Disadvantages
<ul style="list-style-type: none"> • Money and resourcing could be diverted to other projects. • Risks associated with property development are avoided. • Potential profit (though likely to be less) could still be made from the sale of the land in its current condition and continue to pay down debt. 	<ul style="list-style-type: none"> • Opportunities to create additional income may be lost to both Council and the community as no value has been added to the land. • Council will no longer retain ownership and have a limited role influencing both the release and use of land.

Staff Response: Housing is a significant issue within the Taupō District community, and it has been getting worse. Through the current Long-term Plan 2021-31 the community asked Council to look at what could be done to address issues around:

- Access to affordable housing for workers to attract and keep them here
- Ensuring a ready supply of residential land so the supply was not held by a few developers
- Moving people out of living in motels as a form of transitional or emergency housing
- Enabling easier development of housing on Māori land
- Old housing stock that doesn't provide warm and healthy homes

Many of those same issues were also highlighted through the development of Te Ihirangi, the Taupō Regional Destination Management Plan.

In response, Council has been developing a Housing Strategy that sets out what we see Council's role being in addressing housing issues. We will be talking more widely about that with the community over June and July 2023.

What has become clear through all this work on housing, is the tremendous opportunity that Council has to make a direct impact on housing issues through the use of the East Urban Lands. That land was purchased many years ago to enable the development of the East Taupō Arterial route. It has been Council's strategy to progressively sell the surplus land over time to pay down debt.

At times that has involved selling large areas of undeveloped land, and at other times Council has acted as a property developer selling off individual residential sections. There are different levels of risk associated with the different strategies, but conversely Council will be able to recoup greater profits through more hands-on development. Those risks and potential profits have been discussed in the attached business case.

The proposal through this Annual Plan is to undertake investment that will move the land in question from bare undeveloped land to a large allotment that has the earthworks completed and services installed. This would increase the value of the land, while still leaving Council's future options open. In 2024 Council will be consulting the community on the next Long-term Plan, and as part of that there will be a discussion about what to do with the East Urban Lands. There could be options to sell the land as a large block, develop it into residential sections or work with other parties to provide different types of housing. The costs and benefits of those different options will be explored through the Long-term Plan process.

In the meantime, there is an opportunity to improve the value of a portion of the East Urban Lands without cutting off any of those future options. By doing the earthworks and infrastructure investment over the 2023/24 year we can speed up the time it takes to implement future housing options – whatever those might be.

There has been a clear community concern about the need for more housing, and particularly affordable housing. This proposed investment moves Council toward being able to deliver that housing to the market sooner. On that basis Council Officers recommend that Council proceed with the investment in the draft Annual Plan.

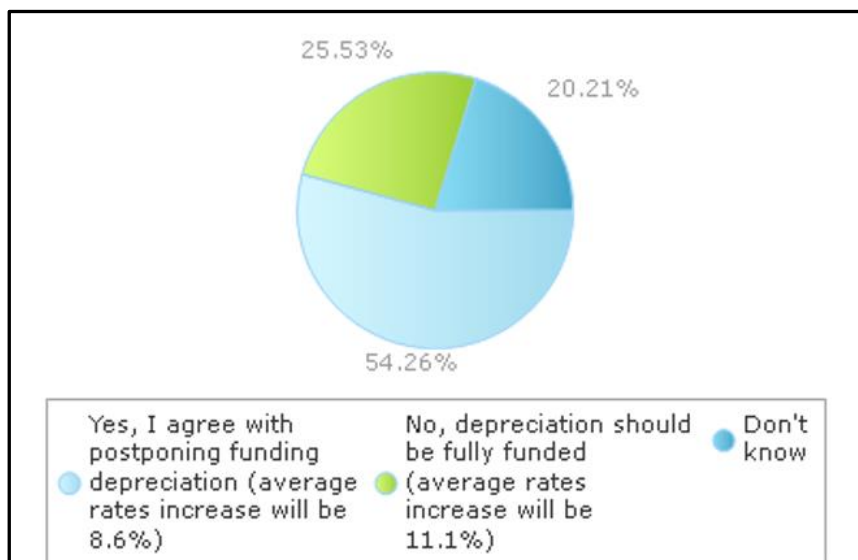
2. Proposed Average Rates Increase

Through the consultation document, Council proposed an average rates increase of 8.6%. This is quite different to the average 3.74% forecast in the 2021-31 Long-term Plan and reflects the different economic conditions. The high inflation environment has resulted in cost increases across most parts of the organisation, including interest payments, electricity, fuel, insurance and construction materials.

Council is aware that many in the community are struggling with the cost-of-living pressures and that rates increases will add to that. This has been forefront of mind during the development of the draft Annual Plan and although steps were taken to balance affordability while maintaining current levels of service, it was considered that further reductions were necessary. To achieve that, the consultation document proposed to decrease depreciation funding by 8% as depreciation funding is one of the larger contributors to rates at 4.9%. Decreasing depreciation by 8% would reduce rates by 2.5%, meaning the average rates increase would reduce from 11.1% to 8.6%.

While this mechanism reduces rates for the 2023/24 year, consequences are that non-funding depreciation incurs a deficit. This deficit will need to be reinstated in the following years to ensure both current and future ratepayers pay their share of the assets used. This will also lead to an additional increase on rates over the next 1 – 2 years to recoup this deficit. Non-funding depreciation up to 8% was proposed as a balance between reducing rates for the 2023/24 year and realistically being able to reinstate the deficit in the following 1 – 2 years.

The consultation document asked the community whether or not Council should postpone funding a portion of depreciation for the 2023/24 year and spread that cost over the following 1 – 2 years. A total of 94 submitters responded to this question. The graph illustrates the breakdown of responses.



Key emerging themes:

- Many submitters are unhappy about the proposed average rates increase of 8.6%, many emphasising this is still too high and unacceptable. This concern was also raised through social media on Council’s Facebook posts.
- Instead of non-funding depreciation, several submitters suggested alternatives to reduce rates including reviewing staff salaries, overheads, delay capital works programme and non-core activities.
- Support for non-funding depreciation given the current economic climate, particularly with the significant increase in property values and the cost-of-living.
- Council needs to be fiscally responsible and help ratepayers.
- Council should ensure money is spent wisely; non-essential investments should be paused.
- Concerns about the risks associated with delaying depreciation funding, which include impacts on future ratepayers, unknown effects on rates in the future and delays the inevitable.
- That this should only be a short-term measure due to risks involved.

Analysis of Options

Through the consultation document Council signalled an intention to postpone the funding of depreciation up to a maximum of 8%. In response to submissions Council should consider whether that level or a lower amount would be appropriate. If Council wants to postpone funding substantially beyond 8% there should be an assessment against the significance and engagement policy.

Option 1 – Postpone depreciation funding

Advantages	Disadvantages
<ul style="list-style-type: none"> • Will reduce the average rates increase for the 2023/24 financial year. The level of reduction is dependent on the percentage of non-funding applied. • Will help ease cost-of-living pressures on the community, during the challenging economic environment. • Measured approach, a small proportion of the total depreciation recommended for deferral and the depreciation funding would be reinstated in the following 1 – 2 years. • Assists in providing relief during the year which has the impact of the District Wide Revaluation on ratepayers, which has had a large impact on many communities and ratepayers. 	<ul style="list-style-type: none"> • Will add additional costs to future years through increased rates to reinstate the depreciation funding back to 100%.

Option 2 – Do not delay depreciation funding

Advantages	Disadvantages
<ul style="list-style-type: none"> • Depreciation will be fully funded. • Avoids reinstatement of funding in following years and impact to future years rates. 	<ul style="list-style-type: none"> • A higher average rates increase, and greater pressure on households. • Does not provide relief during the year of the District Wide Revaluation impact. • Consultation completed had majority community support.

Staff Response: The benefit of delaying depreciation by up to 8% is the ability to provide a reduced rates increase for the 2023/24 year. Officers acknowledge that a delay will shift costs onto the 2024/25 and the 2025/26 years. However, many submitters have described how that rates relief will assist with the current cost-of-living challenges.

By limiting the non-funding of depreciation to 8%, Council is still able to manage the ongoing renewal of critical infrastructure. At the same time the amount of funding that would need to be reinstated in the following years would still be at a manageable level. On that basis officers believe that this is a reasonable approach to address the cost-of-living challenges and smooth the impact of the District Wide Revaluation.

3. Capital Works Programme

The 2021-31 Long-term Plan allocated \$56.4 million to the capital works programme for the 2023/24 financial year. Several factors including increases in the cost of materials, supply chain shortages, and high inflation meant that delivering the same projects as outlined in the LTP would cost significantly more.

An adjusted capital works programme budget of \$58.2 million was prepared, prioritising projects which were both realistic from a deliverability perspective and affordable. Where delivery constraints were identified, the project was re-evaluated in terms of priority, and while work will continue to progress these projects as much as possible, it is unlikely they will be delivered this coming financial year. Workshops held in both February

and March 2023 identified that some key district projects would be slowed down due to deliverability constraints and were identified in the consultation document.

Through consultation, submitters have raised new projects or works to be considered for this coming financial year. Several submitters have also sought that delayed projects are re-considered, such as the Tūrangi Recreation and Events Centre and the Two Mile Bay carpark extension.

The projects/works raised in submissions are identified in the ‘Capital Programme – Submitter Proposals’ (Attachment 3). The purpose of this document is to identify whether or not the project is already planned for the 2023-24 year. Where they are not included in the 2023-24 year, staff have provided responses to assist elected members in deciding whether or not to include the project/work in this Annual Plan.

Analysis of Options

There are two options for consideration, either decide not to amend the 2023-24 Capital Works Programme or direct staff to amend and identify what projects should be included.

Option 1 – Do not amend the proposed capital works programme

Advantages	Disadvantages
<ul style="list-style-type: none"> Does not increase the number of projects to be delivered and improves the likelihood of the proposed capital works programme being delivered. The proposed programme is considered to be challenging but deliverable and affordable. 	<ul style="list-style-type: none"> The identified projects will not be undertaken this financial year.

Option 2 – Amend the capital works programme

Advantages	Disadvantages
<ul style="list-style-type: none"> Submitter satisfaction as projects will be included with an intent to be undertaken. 	<ul style="list-style-type: none"> Increases in capital investment will have impacts on ratepayers in subsequent years Resourcing might not be available with potential that projects are unable to be delivered.

Staff Response: Staff don’t propose that the capital works programme is amended. The analysis of submissions has not identified any strong theme of new capital works projects, and many of the projects raised by submitters are already included in the 2023/24 programme of works. Other projects have not been recommended for inclusion due to constraints that would mean they are unlikely to be delivered in the next financial year, or the nature of the project requires further planning and consideration by third parties so they can be considered as part of the 2024 Long-term Plan process.

4. Funding and Grants

Each year, Council approves funding and grants to several community groups and organisations to provide services and activities to the community. The submitter requests provided in the table below are those which have sought new or additional funding from Council. Council will need to decide whether or not to approve these requests through the Annual Plan process. Staff have provided responses outlining what steps/discussions have been undertaken to date to assist with this.

Submitter Number/Name	Grant/Funding Sought	Staff comments
81 Waiora Community Trust (WCT)	WCT’s mandate prior to the new build was to be not for profit, which we met, however this has meant our reserves are not substantial and the initial costs of outfitting the building so we can be fit for purpose in today’s digital world were not included in the cost of	Prior to the Council resolution to commence the construction of the new Waiora House in February 2022, the Council received a letter from the Waiora Community Trust outlining the principles that were agreed in both the relationship, and operation of the new building. A copy of that letter is attached. In relation to

Submitter Number/Name	Grant/Funding Sought	Staff comments
	<p>construction.</p> <p>Whilst the Council lets the complex to the trust, it is still a council/community owned facility no different to the library or AC baths for the provision of social service delivery, the difference being the Trust is responsible for the day to day running, not Council.</p> <p>The WCT long-term goal is to be financially sustainable but the initial modelling shows we will require underwriting from Council as we build the member base and utilise the meeting rooms to full capacity.</p>	<p>this Annual Plan submission, the attached letter includes the following principles which were agreed at the time:</p> <ul style="list-style-type: none"> - Waiora House should expect to be financially self-sustaining (within an agreed period of time) without the need for ongoing financial support from the Taupō District Council (TDC), similar to other models around New Zealand. Any surplus made at the end of the financial year should be used to support the ongoing running of Waiora House and/or re-distributed appropriately within the social sector - TDC acknowledges that there will be a need to provide some additional financial support during the transition process. Amounts and duration to be agreed. <p>During the construction period, the Trust has been busy with the build, but has now submitted a business plan through this Annual Plan submission process. To ensure success of the new Waiora House complex, consideration should be given to funding the amount required by the Trust, enabling them to stand up the operation of the new building for 2023/24.</p>
<p>133 Bike Taupō Advocacy Group</p>	<p>Seeks continuation of current funding and additional funding for the Craters Park Rebuild.</p> <p>While Bike Taupō (BT) can and will rebuild the trail system, additional financial assistance will accelerate this process and get the Park open sooner.</p> <p>BT is applying for central government assistance to rebuild the Park. Such funding requires 50% co-funding of which BT, with the help of the generosity of users and others, will be able to contribute to.</p> <p>The rebuild is estimated to cost \$300,000. BT does not have the full funds required to fund the full \$150,000 local co-funding required to reinstate the 21.5kms of trails. If we did, we would be able to have the Park open in 7-10 weeks.</p> <p>Bike Taupō is seeking financial assistance from Council to be able to rebuild and reopen this important community asset. Any contribution that Council puts into this fund Bike Taupō will match.</p>	<p>Council has worked with Destination Great Lake Taupō (DGLT) in order to provide funding support towards the 50/50 contribution and some of Council's partnership fund was able to be reallocated towards this. Due to the timing of the Annual Plan hearings and deliberations we were unable to meet the Tourism Infrastructure Fund (TIF) fund timeframes, however we have indicated that their funding request would be considered through the Annual Plan.</p>
<p>47 Anna Donaldson</p>	<p>Several submitters requested that Council fund the venue hire for Te Taiopenga o Tūwharetoa.</p>	<p>Te Roopu Taiopenga o Tūwharetoa submitted an application to the latest Creative Taupō funding round (April 2023). The request was to</p>

Submitter Number/Name	Grant/Funding Sought	Staff comments
<p>48 Sharlyn Holt</p> <p>65 Marina Biddle</p> <p>98 Hariata Paki</p> <p>118 Ngāti Tūrangitukua Charitable Trust</p> <p>131 Te Takinga New</p> <p>135 Tūrangi Co-Governance Committee</p>		<p>support event venue hire costs. This was approved in full by the Creative Taupō Committee (\$5,500). Cr Williamson attended the meeting and listened to the application being presented. He suggested the applicants investigate a partnership agreement with Council in future.</p> <p>Officers are investigating two relevant work streams: the first looking at the purpose and future of partnership agreements. The second looking at groups coming to apply for community grants to offset the cost of using council facilities.</p> <p>There is an opportunity for the Community Engagement & Development team to work with the Events & Venues team to develop supporting information/guidance on the costs to hire venues for community groups.</p>
<p>64 Creative Taupō</p>	<p>Creative Taupō is aware of the financial pressures that the Council is under in setting the rates for the next financial year. It is highly likely that the grants to various organisations such as Creative Taupō will come under scrutiny. We wish to remind you that we have in place a three-year agreement, terminating on 31 July 2024, to distribute \$30,000 of Council money each year throughout the District.</p>	<p>Staff support Creative Taupō retaining current funding.</p>
<p>82 Taupō Leisure Marchers</p>	<p>For the past 20 Years approx., our marching team has hosted a Mayday Marching Event whereby teams from around the North Island gather for a day of Marching. This is a popular event on the Leisure Marching Calendar. We usually attract between 20—30 teams. We pay for the Event Centre costs with registration fees, raffles and food sales and in the past, we would make a modest profit. Each year costs have increased to the point where, even with cutting back on services we will be lucky to break even. We have been advised that next year the cost will increase from \$1400 to \$2400 which will make it impossible for us to hold this event. We think it is fair that commercial enterprises should pay whatever the council charges are, however, considering that our event, which is organised by a few ladies, attracts approx. 300 women to Taupō who spend money in shops, motels, restaurants etc, it seems crazy that our Event be cancelled because of the cost of the venue. In October 2019 our team</p>	<p>The events facilitator has reviewed the Leisure Marching groups 2023 booking and 2024 event enquiry. The 2 quotes are quite different. The 2023 event was a one-day event utilising one space and quoted at a community rate. The 2024 quote (as it stands) shows the cost of multiple spaces including a pack in day at the commercial rate. The event facilitator is awaiting the client to confirm which rooms & spaces they require so the quote can be confirmed. Request to the event facilitator to contact client has been requested.</p>

Submitter Number/Name	Grant/Funding Sought	Staff comments
	hosted the North Island Event which attracted 480 marchers. At this event we hired the Event Centre and the Great Lake Centre. It is disappointing when we hear that other teams can hire venues like QE2 Stadium in Tauranga for \$432 and Walter Nash Stadium in Lower Hutt for \$490 to hold their Events.	
21 Joanie Young	<p>Taupō Connector Bus Service.</p> <p>The service no longer travels to the AC Baths which the submitter used frequently and now has to use more expensive methods of transportation. Staff have advised that funding has been included in the next annual plan to reinstate this part of the service, so I would like to give my support to see this happen.</p> <p>Can the Councillors please consider additional funding for the reinstatement of this very important bus service to AC Baths in the coming financial year?</p>	Staff will provide information to Council through the 2024 Long-term Plan process to allow a decision to be made on this service.
111 Waikato River Trails	Ongoing support from Taupō District Council will continue to enable the Waikato River Trails to develop further the trail and to grow economic, social and environmental benefits and Council can support future initiatives.	Staff recommend that Council continue to support Waikato River Trails as per existing arrangements.

Key Emerging Themes:

- Submitters that currently receive funding from Council are seeking that this is maintained for the 2023/24 Financial Year.
- Submitters seeking that particular services continue to be funded e.g. public transport.
- A number of submitters are seeking that Council assist with venue hire costs associated with the AC Baths and Taupō Events Centre.

Analysis of Options

There are two options for consideration, these being to not approve any new requests for funding or approve all or specific proposals for new funding only.

Option 1 – Do not approve new or additional funding

Advantages	Disadvantages
<ul style="list-style-type: none"> • Will not further impact the average rates increase. 	<ul style="list-style-type: none"> • Activities for which funding has been sought may experience delays or not be able to be delivered at all. Submitters have suggested that there may be potential loss of economic benefits as a result.

Option 2 – Approve proposals for new and additional funding

Advantages	Disadvantages
<ul style="list-style-type: none"> Provides ongoing support to community groups who can continue to deliver affordable services and activities which promote the four well beings. Potential on-going economic benefits for the Taupō district. 	<ul style="list-style-type: none"> Any new funding approved will have an impact on the average rates increase. The impact will be determined by the amount approved.

5. Fees and Charges

The 2023/24 Fees and Charges were set as part of the 2021-31 Long-term Plan and these remain largely unchanged. Consultation was undertaken on a small number of fees which were proposed to change as a result of supplier increases, reflecting changes to levies, operational adjustments and the decrease or removal of some fees.

The Overweight Vehicle Permits were not consulted on as these fees are set by legislation, and the community is unable to influence any change. The change to these fees was to ensure alignment with legislation.

A full schedule of the Fees and Charges is included in Attachment 4. This identifies the proposed changes in the context of the full schedule.

A number of submitters provided general support for the fees and charges and also queried why some aspects such as the private thermal pools were reducing but regular services such as the landfill were increasing.

Building Consent Authority Administrative Fee

Council uses an electronic system for the lodgement of Building Consents. The fee increase proposed represents an increase by the supplier and will cover the actual costs incurred. This proposed change is outlined in the table below.

Building consent	2023/24
Building Consent Authority Administration Fee	\$60.00 \$90.00

A total of 53 submitters responded to the Building Consent Administrative fee. There were 34 submitters who agreed and 19 submitters who disagreed.

Key Emerging Themes:

- The increase is excessive, should be cheaper
- The system was put in place to make the process easier, but it takes more time than before, if the supplier is charging more what are those breakdown costs?
- Does Council have contestable contracts with suppliers and is the market tested regularly?

Staff recommendation: Staff recommend accepting the increase. Staff will continue to monitor the supplier and ensure the rate is comparable to others in the market.

Solid Waste

The majority of fees associated with solid waste are proposed to increase for both the Broadlands Road Landfill and transfer stations around the district. These are driven by Central Government levies and contractor costs. One decrease is proposed to 'Large Loads'. The proposed changes are outlined in the table below.

Broadlands Road Landfill	2023/24
Residential refuse collection (per bag up to 60L)	\$1.50 \$2.00
Refuse (per tonne) (\$17.00 minimum charge)	\$200.00

	\$210.00
Small load e.g., car (<100kg) (minimum charge)	\$20.00 \$21.00
Medium load e.g., small van, utility, trailer (<250kg) (minimum charge)	\$50.00 \$52.00
Large load e.g., large van, utility, trailer (<400kg) (minimum charge)	\$92.00 \$84.00
Green waste (per tonne) (\$5 minimum charge)	\$52.00 \$60.00
Special waste – immediate burial (per tonne)	\$210.00 \$220.00
District Transfer Stations	2023/24
All loads (>400kg) per tonne	\$200.00 \$210.00
Small load e.g., car (<100kg) (minimum charge per load)	\$20.00 \$21.00
Medium load e.g., small van, utility, trailer (<250kg) (minimum charge per load)	\$50.00 \$52.00
Large load e.g., large van, utility, trailer (<400kg) (minimum charge per load)	\$92.00 \$84.00
Green waste	2023/24
Small load e.g., car (<100kg) (minimum charge per load)	\$5.00 \$6.00
Medium load e.g., small van, utility, trailer (<250kg) (minimum charge per load)	\$12.00 \$15.00
Large load e.g., large van, utility, trailer (<400kg) (minimum charge per load)	\$19.00 \$24.00
Green waste (per tonne) (\$5 minimum charge)	\$52.00 \$60.00

A total of 55 submitter responses were received for Broadlands Landfill, 26 agreed and 29 disagreed. A total of 52 submitter responses were received for District Transfer Stations, 24 agreed and 28 disagreed. A total of 55 submitter responses were received for Green waste, 24 agreed and 30 disagreed. One submitter left a comment only.

Key Emerging Themes:

- Concern that increased waste disposal charges (including bag fees) will result in increased littering or fly-tipping. More items need to be accepted for recycling.
- Current fees are high enough, significant change for people to manage.
- Fees should be increased further, and the income invested in recycling, reuse and kerbside food collections.
- Regular free green waste days
- Supportive of continued work on improving waste minimisation.
- TDC need to challenge central government about the levies.
- Concerns why it costs more to try and recycle green waste when most green waste is repurposed and resold.

Staff recommendation: Staff recommend accepting the proposed changes to ensure that government levies and contractor costs are paid by the users. Solid Waste is already heavily subsidised by rates and any reduction in charges will put further pressure on rates. Staff will continue to investigate alternative waste minimisation methods.

Engineering Services

The proposed increases better reflect the skillsets and experience of staff working in this area. The table below outlines the proposed changes.

Recovery of Engineering staff time per hour (where flat fee does not apply)	2023/24
Asset Manager, Development Engineering, Deeds of Arrangement	\$225.00 \$235.00
Other staff involved with development engineering and development contributions	\$160.00 \$170.00

A total of 51 submitters responded to the Engineering Services fees. There were 35 submitter responses who agreed and 16 that disagreed.

Key Emerging Themes:

- Concern these fees are too high and profit is being made.
- Ensuring staff are qualified and trained to do the job.

Staff recommendation: Accepting the proposed increases to ensure that staff time continues to be cost recoverable.

Water Supply

There are three changes proposed for water supply. The first relates to a discrepancy with the new pipe laying distance requirements, the second is a reduction to better reflect the time taken to complete a final read of a meter and the associated administration time, and the third relates to hydraulic modelling which has now finished, and any future requirements will be 'at cost'. The table below outlines the proposed changes.

Other Works	2023/24
**If new connection requires pipe laying more than 10 m 4m and or through hard surface / thrusting of road, additional cost will be recovered	**At Cost
Final meter reading	\$215.00 \$110
Hydraulic Model Impact Assessment Small Development (available in Taupō & Kinloch only)	\$2,705.00 At Cost

A total of 47 submitters responded to the water supply fees. There were 42 submitters who agreed with the proposed changes and 5 submitters who disagreed.

Staff recommendation: Adopt the proposed changes for Water Supply.

AC Baths

Council is proposing to decrease the entry fee for the private thermal pools. Aqua fitness classes, both casual and memberships, are proposed to increase. The proposed changes are outlined in the table below.

Fee	2023/24
Casual Entry	
Private thermal pool (minimum two people, 18 years +)	\$26.00 \$15.00
Aqua Fitness Class Casual Entry	
Adult includes pool entry	\$14.50 \$15.50
Senior/Student includes pool entry	\$10.50 \$11.50
Aqua fitness class includes pool entry	

3 months adult	\$160.00 \$155.00
3 months senior (65+)/student	\$130.00 \$115.00
6 months adult	\$225.00 \$232.50
6 months senior (65+)/student	\$170.00 \$172.50
12 months adult	\$375.00 \$387.50
12 months senior (65+)/student	\$275.00 \$287.50

A total of 56 submitters responded to the AC Baths fees. There were 39 submitters who agreed with the proposed changes and 17 who disagreed.

Key Emerging Themes:

- Fees for private pools should not be reduced.
- Cheaper rates should be considered for locals and other groups such as seniors and children.
- Loyalty schemes should be considered.
- Increase in fees may discourage users, community facilities are important and need to be affordable.
- Should not be subsidised by rates.
- Service charges for maintenance of the facility must be maintained.

Staff recommendation: Accept the proposed changes to ensure costs are recovered from users.

Fitness Studio

The fees proposed to be changed in this section relate to the fitness studio and those combined memberships for the fitness studio and pool membership at the AC Baths. Changes proposed are all small decreases and align with the membership formula based on the casual entry rate at the time. The proposed changes are outlined in the table below.

Fitness Studio at the Taupō Events Centre

Fee	2023/24
Fitness Memberships	
Adult	
6 months	\$248.00 \$247.50
12 months	\$413.00 \$412.50
Senior/Student	
6 months	\$143.00 \$142.50
12 months	\$238.00 \$237.50

Joint Fitness Studio and Pool membership at the AC Baths/Taupō Events Centre

Fee	2023/24
6 months	\$378.10 \$377.60
12 months	\$631.85 \$629.40
Senior/student pool and fitness	
6 months	\$221.35 \$220.90
12 months	\$368.60 \$368.10

A total of 47 submitters responded to the fitness studio fees. There were 38 submitters who agreed with the proposed changes and 9 who disagreed.

Key Emerging Themes:

- Should not be subsidised by rates.
- Service charges for maintenance of the facility must be maintained.
- Change the formula to maintain the same rate, decreasing fees sends the wrong message.

Staff recommendation: Accept the proposed changes to ensure costs are recovered from users.

Climbing Wall

The child and student memberships are proposed to increase slightly to better cover actual costs. We have also developed two additional options for child and youth climbing clubs, which include either a 1 day or 2 day training session with other access days provided for during the week. These options reflect current demand. The proposed changes are outlined in the table below.

Fee	2023/24
MEMBERSHIPS:	
Child (under 16) 3 months	\$91.00 \$95.00
Student (any student with valid ID) 3 months	\$102.00 \$105.00
Student (any student with valid ID) 6 months	\$155.00 \$157.50
Chalkies climbing club (5-12 years old) Per term and includes tuition and equipment hire during sessions, 2 sessions per week and 1.5 hours each Tuesday and Thursdays. Equipment is shoes, and harness each valued \$4 per session each (\$8 per session for both per week per term equals \$160 per term rental given to them) <u>Per term and includes tuition and equipment hire during group lesson, 1 group lessons per week and weekend/school holidays, general membership during scheduled opening hours</u>	\$87.00
Chalkies climbing club (5-12 years old) Per term and includes tuition and equipment hire during group lessons, 2 group lessons per week and weekend/school holidays, general membership during scheduled opening hours	\$110
Stalactites youth club (13-17 years old) Per term and includes tuition and equipment hire during sessions, 2 sessions per week and 2 hours each Mondays and Thursdays. <u>Per term and includes tuition and equipment hire during group lesson, 1 group lessons per week and weekend/school holidays, general membership during scheduled opening hours</u>	\$102.00
Stalactites youth club (13-17 years old) Per term and includes tuition and equipment hire during group lessons, 2 group lessons per week and weekend/school holidays, general membership during scheduled opening hours	\$130

A total of 46 submitters responded to the climbing wall fees. There were 34 submitters who agreed with the proposed changes and 12 who disagreed.

Key Emerging Themes:

- Increase in fees may discourage users, community facilities are important and need to be affordable.
- Service charges for maintenance of the facility must be maintained.
- The fee should be the same regardless of the lessons.

Staff recommendation: Accept the proposed changes to ensure costs are recovered from users.

Libraries

Council is proposing to no longer change for overdue items (other items -fines). This aligns with both national and international trends to remove fines, as the time and cost to administer fines outweighs what is recovered. The proposed change is outlined in the table below.

Overdue items	
Other items	20c/day/item after six days overdue and up to a maximum of \$5.00 No Fee

A total of 54 submitters responded to the Library fees. There were 44 submitters who agreed with the proposed changes and 10 submitters who disagreed.

Key Emerging Themes:

- Concerns that if there is no fine there will be no incentive to return books. People waiting for books may have to wait longer.
- Increase fines to make them more effective.
- Taupō people must be encouraged to use our libraries, and this will help.
- Users should pay the over-due fee and recovery cost.
- Concerns there might be cost implications of book replacement if fines are not charged.

Staff recommendation: Accept the proposed change as it aligns with current national and international trends. There are 34 Territorial Authorities in New Zealand that no longer charge overdue fines. The following requirements will still incentivise people to return books:

- Borrowers are still billed for lost books if not returned by set time
- If they have debt owing, they can't borrow anything else
- Maximum loan limits apply
- Email and post reminders are sent out before and after the due dates
- Automated renewals apply unless there are reservations on overdue items.

Taupō District Libraries currently do not collect overdue fines. This was initially implemented in response to the impact of COVID-19. There has been no discernible difference in the amount of time that people keep materials out or the number of books that are billed for (not returned).

Superloo

COVID-19 altered the operation of the Superloo and subsequently the business model was reviewed. The review resulted in no charge for toilets and lockers, while a time limit was put on showers and the price increased. The price increase includes towel hire (which was separate) and selected toiletries. The proposed changes are outlined in the table below.

Fee	2023/24
Entry fee	\$0.50
Shower <i>(5 minutes, includes towel hire, soap and shampoo) (KiwiCash used, no cash onsite)</i>	\$2.00 \$5.00
Locker	\$2.00 No Fee
Towels	\$3.00

A total of 25 submitters responded to the Superloo fees. There were 21 submitters who agreed with the proposed changes and 4 submitters who disagreed.

Key Emerging Themes:

- The proposed fee is too expensive, should be reduced for locals.
- Could deter tourists.
- Superloo should continue to charge.
- Fee is good but increase time to 10 minutes for the shower.
- Supportive of toilets being free.

Staff recommendation: Accept proposed changes which are currently in place.

6. General Feedback

The general feedback from the community covered a range of issues and is detailed in the attached Submission Category Report. Staff will provide responses to submissions for Council consideration and approval on Tuesday 6 June 2023. These responses will be provided to submitters once the Annual Plan has been adopted.

Key emerging themes:

- Questions raised by submitters about aspects of the consultation document that were not clear and wanting further information on these matters.
- Funding for new staff positions to support Council strategies and engagement.
- Feedback on aspects that Council is doing well and should continue.
- Fees for venues such as the AC Baths and Taupō Events Centre should be cheaper for locals, school children and seniors.
- Council to consider lower fees for school aged children in at the Turtle Pools, Tūrangi.
- Requests for reserve management plans and review of certain Council policies such as the rates remission policy.
- Ensuring budgets are sufficient to respond to reforms and that Council can build capacity to support hapū involvement/outcomes.
- Membership of the Local Government NZ organisation reconsidered.
- Concerns raised around the Arts and Cultural Strategy and Destination Management Plan.
- The Annual Plan does not go far enough address things like kerb side recycling, maintenance of green spaces, public toilets and the lack of them around the lake, poor enforcement of freedom camping bylaws.
- Submitters concerned not enough regarding greenhouse reduction or climate change in the consultation document.
- General improvements to be made around the district.

NGĀ HĪRAUNGA | CONSIDERATIONS

Whakahāngai ki tā te Kaunihera wawata | Alignment with Council's Vision

Council's vision is 'to be the most prosperous and liveable district in the North Island'. This is accompanied by a core set of values to underpin decision-making, the following of which are relevant to this particular proposal: World Class; Authentic; Charming; Vibrant; Quality; Resilient and Value.

Ngā Aronga Pūtea | Financial Considerations

Council's Long-term Plan is the starting point for constructing our Annual Plan each year, including the rates requirement we have consulted on for 2023/24. The proposed average rates increase of 8.6% has been primarily driven by high inflation, which has impacted operating and infrastructure costs.

Steps have been taken to reduce costs, whilst still maintaining the current levels of service. To further reduce the pressure of rates increases on the community, Council through the consultation document proposed to postpone funding up to 8% of depreciation. This approach passes on that rating impact to make up the deficit to the following two financial years.

The direction that Council provides through the deliberations process will enable officers to prepare the Annual Plan for the 2023/24 year. It will include all of the financial implications of those decisions, enabling Council to consider them in advance of adopting the Annual Plan at the 30 June 2023 meeting.

Ngā Aronga Ture | Legal Considerations

Local Government Act 2002

The matter comes within scope of the Council's lawful powers, including satisfying the purpose statement of [Section 10](#) of the Local Government Act 2002. That section of the Act states that the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; and (b) to promote the social, economic, environmental, and cultural well-being of communities in the

present and for the future. It is considered that social / cultural/ economic / environmental well-beings are of relevance to this particular matter.

The different fees and charges that Council sets are governed by a range of legislation. The requirements of each of those has been considered in the process of proposing and setting those fees and charges.

Ngā Hīraunga Kaupapa Here | Policy Implications

Council's Long-term Plan 2021-31 sets out the proposed work programme and funding to support it. Year three of the LTP is expected to be materially different as a result of a range of changes across the organisation driving up the costs to deliver services. The proposed reduction in depreciation funding will help meet that challenge, however the consequence is that the deficit will need to be recouped over the first two years of the next Long-term Plan. That will provide some financial limitations on what Council and the community can afford to do over those years.

Te Kōrero tahi ki te Māori | Māori Engagement

Taupō District Council is committed to meeting its statutory Tiriti O Waitangi obligations and acknowledges partnership as the basis of Te Tiriti. Council has a responsibility to act reasonably and in good faith to reflect the partnership relationship, and to give effect to the principles of Te Tiriti. These principles include but are not limited to the protection of Māori rights, enabling Māori participation in Council processes and having rangatiratanga over tāonga.

Our statutory obligations outline our duties to engage with Māori and enable participation in Council processes. Alongside this, we recognise the need to work side by side with the ahi kaa / resident iwi of our district. Engagement may not always be required by law, however meaningful engagement with Māori allows Council to demonstrate good faith and our commitment to working together as partners across our district.

Iwi partners were engaged with prior to, and during the public consultation process. Members of the Iwi and Co-Governance team reached out to Iwi partners outlining key issues associated with the Annual Plan. This included early circulation of the consultation document and opportunities to meet face to face.

Ngā Tūraru | Risks

A decision to delay the funding of depreciation will pass those costs onto the following two years. That will limit Council's ability to fund new work over those years.

There are also risks identified with the investment in the East Urban Lands. Those risks have been discussed in the attached business case.

TE HIRANGA O TE WHAKATAU, TE TONO RĀNEI | SIGNIFICANCE OF THE DECISION OR PROPOSAL

Council's Significance and Engagement Policy identifies matters to be taken into account when assessing the degree of significance of proposals and decisions.

Officers have undertaken an assessment of the matters in the [Significance and Engagement Policy \(2022\)](#), and are of the opinion that the proposal under consideration is significant.

TE KŌRERO TAHI | ENGAGEMENT

Council engaged with the community between 31 March and 28 April 2023. During this time, officers held drop-in sessions twice daily at the Taupō Library each Monday and the AC Baths on Wednesdays, elected members attended when they were available as well. Meet and greet sessions were held with each of the Representative Groups, with a combined one held for Tūrangi and Tongariro. These provided the opportunity for members of the community to meet their representatives and also speak and question aspects about the proposed Annual Plan. Engagement staff were also frequently available at the Customer Service centres during consultation to assist with public enquires.

Once decisions on submissions are made, it is important that the decisions are communicated back to submitters and the general public. Submitters will receive a letter which will advise them of the decisions that were made and any specific questions they raised. As these letters will be personalised, they will take several weeks to complete following the adoption of the Annual Plan. Council's decisions will be communicated through a media release and social media to the general public.

TE WHAKAWHITI KŌRERO PĀPAHO | COMMUNICATION/MEDIA

A communications plan has been prepared with the communications team.

WHAKAKAPINGA | CONCLUSION

Through the Annual Plan consultation document Council identified two significant and material changes from Year three of the Long-term Plan 2021-31. The first being a significantly higher average rates increase than the 3.74% forecast, this has been driven by the challenging economic environment, in particular high inflation. The second being the requirement of new funding to undertake land development on the East Urban Lands.

Having considered submissions and other information, officers are of the view that both changes are adopted, and that no changes are made to the proposed Capital Works Programme 2023/24.

NGĀ TĀPIRIHANGA | ATTACHMENTS

1. Full bundle of submissions (under separate cover 1)
2. East Urban Lands (EUL) Business Case
3. Capital Programme - Submitter Proposals
4. Fees and Charges
5. Submission Category Report
6. Waiora Community Trust - Letter to Council