



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

Date:	Tuesday, 19 July 2022
Time:	10.00am
Location:	Council Chamber 107 te Heuheu Street Taupō

AGENDA

MEMBERSHIP

Chairperson	Mayor David Trewavas
Deputy Chairperson	Cr Christine Rankin

Members	Cr John Boddy Cr Kathy Guy Cr Tangonui Kingi Cr Kylie Leonard Cr John Mack Cr Anna Park Cr Kevin Taylor Cr Kirsty Trueman Cr Yvonne Westerman Cr John Williamson
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Quorum	6
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**Gareth Green
Chief Executive Officer**

Order Of Business

- 1 Apologies**
- 2 Conflicts of Interest**
- 3 Policy and Decision Making**
 - 3.1 Adoption of the Annual Plan 2022-233
 - 3.2 Rates Resolution 2022-237
- 4 Confidential Business**

Nil

3.1 ADOPTION OF THE ANNUAL PLAN 2022-23

Author: Bryre Forlong, Policy Advisor

Authorised by: Nick Carroll, Policy Manager

PURPOSE

To adopt the Annual Plan 2022-23.

EXECUTIVE SUMMARY

The Annual Plan 2022-23 has been prepared and is now required to be adopted by Council. Adoption will ensure that Council meets requirements under section 95 of the Local Government Act 2002 (LGA).

Below is an outline of the process that has been followed to prepare the Annual Plan 2022-23:

- At the beginning of 2022, Council prepared a consultation document for the Annual Plan for the 2022-23 year.
- The consultation document outlined material changes compared to year two of Council's 2021-31 Long-term Plan (LTP), proposed changes to some Fees and Charges, asked for feedback on a revised Significance and Engagement Policy, and proposed an increase to the TownCentre Taupō management rate.
- A total of 53 submissions were received throughout the consultation period which ran from 14 March to 14 April 2022.
- Hearings and deliberations were held on 23 May 2022. At the meeting, Council adopted changes to Fees and Charges for the 2022-23 year and the update to its Significance and Engagement Policy.
- Council also agreed on the material changes compared to those specified in Year 2 of its LTP and directed officers to prepare the Annual Plan 2022-23 based on these changes.
- The Annual Plan 2022-23 has now been prepared and is ready to be adopted by Council.

While section 95(3) of the LGA requires that an Annual Plan must be adopted before the commencement of the year to which it relates, this has not been possible this year due to an unprecedented level of sickness creating staffing shortages. Once the Annual Plan is adopted, the rates can be lawfully set. Adopting the Annual Plan (and setting rates) after the commencement of the current financial year has no practical consequence for rates collection.

RECOMMENDATION(S)

That Council:

1. Adopt the Annual Plan 2022-23 (attached as Appendix 1); and
2. Note the Annual Plan 2022-23 will undergo graphic design work before publication on the Council's website.

BACKGROUND

The Annual Plan process provides Council with the opportunity to respond to changing context by modifying its budgets and workplans for the next financial year. The 2022-23 financial year will see material differences to year two of Taupō District Council's Long-term Plan. Because of these differences, Council is required to adopt an Annual Plan under section 95 of the LGA. The Annual Plan must include all of the information as per Part 2 of Schedule 10 to the LGA.

From late 2021 - March 2022, officers ran a series of workshops with Elected Members regarding Council's delivery programme for the 2022-23 financial year. At these workshops it became evident that the economic environment Council is currently operating in differs significantly from expectations when it adopted the LTP.

High inflation, rising interest rates, and supply chain shortages have driven the need to re-evaluate what is achievable in the current economic climate.

While much of the Council's work programme for 2022-23 is similar to what is set out in year two of its LTP, there is now an explicit recognition that not all of its programme will be able to be delivered in the second financial year. Challenges around contractor availability and supplies means a more flexible approach must be adopted. The deployment of Council's capital expenditure will be driven by what is achievable given the market conditions and its internal capacity.

Council consulted with the community on proposed changes to its delivery programme from 14 March – 14 April 2022. 53 submissions on the proposed changes were received. On 23 May 2022, a hearings and deliberations meeting was held. Council made a number of decisions that have now been incorporated into its Annual Plan for 2022-23.

Council voted to confirm the following major decisions, in line with feedback from the community.

- Noted a number of cost escalations are due to matters beyond Council's control or influence.
- Agreed to proceed with most capital projects identified in the consultation document.
- Agreed to leave the feasibility study for a second bridge across the Waikato River in the 2025-26 financial year rather than bring it forward to 2022-23. This will help avoid a significant increase in the operating costs for the coming year. It is important to note that this decision will not adversely affect the timing of construction, which is still planned to occur outside of the current Long-term Plan timeframe.
- Adopted the Fees and Charges for the 2022-23 financial year.
- Adopted an updated Significance and Engagement Policy.

In addition, officers request Elected Members note the following:

- In year two and three of its LTP, Council planned four Ultraviolet (UV) upgrades to its water systems. Upgrades are planned at Waihaha and Whareroa (2022-23), and Tirohanga and Ātiamuri (2023-24). At Annual Plan hearings it was agreed that these projects will continue as planned. The timing of these projects has now changed slightly. The Ātiamuri upgrade will be brought forward to the 2022-23 year, and the Whareroa upgrade pushed back to the 2023-24 year. This is because the Whareroa site is not yet ready for construction to begin.
- During the Annual Plan consultation process Council consulted on an increase in the TownCentre Taupō Management Rate for 2022-23. The increase to \$384.46 applies to each separately used or inhabited part of industrial/ commercial rating units within the Taupō town centre boundary. This increase will be formalised through adoption of the Annual Plan and setting of rates for the 2022-23 financial year.
- At the 28 June Council meeting, Elected Members agreed to remove the Five Mile Bay Water Capital Works Rate. In adopting the Annual Plan for 2022-23, the Funding Impact Statement has been amended to reflect the removal of this targeted rate.
- The LGA does not require Annual Plans to be audited.

OPTIONS

Council can either adopt the Annual Plan 2022-23, or not. It is preferred that Council adopt the Annual Plan 2022-23 to ensure it meets legal obligations under the LGA.

CONSIDERATIONS

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.

Financial Considerations

Financial considerations are included in the suite of financial statements and funding impact statement within the Annual Plan 2022-23.

In the second year of the LTP, Council forecast an average rate increase of 7.35 per cent. This was a reflection of the significant amount of work that was required to provide the community with the services and infrastructure it needed. Since then, economic conditions have changed significantly and costs (such as insurance, electricity, chemicals and roading materials) have risen across the organisation. In addition, there has been a substantial increase in the cost of carbon units that Council must purchase to offset our emissions.

Rather than passing those additional costs on to the ratepayer, Council adjusted to find greater internal efficiencies and absorbed most of the cost escalations. This meant the Annual Plan Consultation Document signalled an 8.35 per cent increase in the average rate.

Through the deliberations process Council undertook further changes to reduce the average rates increase down to 7.07 per cent. This was achieved through further limiting internal operating budgets, adjusting some of our revenue assumptions, and deferring some of our proposed operational expenditure to future years. This means Council budgets are tight, but manageable for the 2022-23 financial year.

Under legislation, Council must adopt the Annual Plan before it assesses rates for the year. This is because the Local Government (Rating) Act 2002 (Rating Act) requires rates to be set in accordance with the funding impact statement (which is found in the Annual Plan) for the relevant year. Although confirmation of the Annual Plan has been delayed due to staffing shortages, adoption on 19 July 2022 will avoid any significant ramifications for Council in setting and implementing new rates for the 2022-23 financial year. Rates in any particular year are not required to be set by any statutory date. We have sought legal advice from Simpson Grierson and are confident that the Annual Plan and proposed rates remain valid despite being adopted after the commencement of the current financial year.

The rates resolution is included as a separate report on this agenda, to be considered once the Annual Plan 2022-23 has been adopted.

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. This 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 all of the well-beings are of relevance to this particular matter.

Adopting the Annual Plan (and setting rates) after the commencement of the current financial year has no practical consequence for rates collection - the rates in any particular year do not need to be set by any statutory date. However, any decisions that rely on the authority of the Annual Plan will not come into effect until the Annual Plan is adopted.

Policy Implications

The Annual Plan 2022-23 sets out Council's work programme for the 2022-23 financial year.

Māori Engagement

Council is bound by various Acts to consult and/or engage with Māori, including a duty to act reasonably and in good faith as a Te Tiriti ō Waitangi partner. Equally, Council has a responsibility to develop and proactively foster positive relationships with Māori as key stakeholders across our district. Council is also required to give effect to the principles of Te Tiriti ō Waitangi including (but not limited to) the protection of Māori rights and their rangatiratanga over tāonga. While we recognise Māori in general, we also need to work side by side with the three ahi kaa / resident iwi of our district.

Although good faith does not necessarily require consultation, it is a mechanism for Council to demonstrate its existence and commitment to working together as district partners. Appropriately, the report author acknowledges that they have considered the above obligations including the need to seek advice, guidance, feedback and/or involvement of Māori on the proposed recommendation/s, objective/s, project/s or service/s outlined within this report.

Iwi partners were engaged with as part of the public consultation process. Members of the Iwi engagement team reached out to iwi partners and held meetings with those who had the availability. The consultation document was shared with them, and they were provided with the opportunity to submit on, and present at the scheduled public hearings.

Council received one submission from Te Kotahitanga Ngāti Tūwharetoa that the Council considered as part of its deliberations on the Annual Plan.

Risks

If Council chooses not to adopt the Annual Plan 2022-23, it will not meet its obligations under the LGA and will not be able to set rates for the 2022-23 financial year.

SIGNIFICANCE OF THE DECISION OR PROPOSAL

Council's Significance and Engagement policy identifies the following matters that are to be taken into account when assessing the degree of significance of proposals and decisions:

- a. The level of financial consequences of the proposal or decision;
- b. Whether the proposal or decision will affect a large portion of the community or community of interest;
- c. The likely impact on present and future interests of the community, recognising Māori cultural values and their relationship to land and water;
- d. Whether the proposal affects the level of service of an activity identified in the Long Term Plan;
- e. Whether community interest is high; and
- f. The capacity of Council to perform its role and the financial and other costs of doing so.

Officers have undertaken a rounded assessment of the matters in clause 11 of the Significance and Engagement Policy (2016) and are of the opinion that the proposal under consideration is significant.

ENGAGEMENT

Taking into consideration the above assessment, that the decision is significant, and an extensive consultation process, officers believe that no further engagement is required prior to Council making a decision.

Individual letters will be sent to each submitter advising them of Council's decision in relation to their submission.

COMMUNICATION/ MEDIA

A communications plan has been prepared in consultation with the communications team. There is a requirement for the Annual Plan to be available on Council's website within a month of adoption. We expect to meet that requirement, with the Plan to undergo graphic design following adoption.

CONCLUSION

It is recommended that Council adopts the Annual Plan 2022- 23.

ATTACHMENTS

1. Taupō District Council Annual Plan 2022-23

3.2 RATES RESOLUTION 2022-23

Author: Toni Wilkinson, Revenue Manager

Authorised by: Andrew Peckham, General Manager Corporate

PURPOSE

This report recommends for the Council to set rates for 2022-23 in accordance with section 23 of the Local Government (Rating) Act 2002, the due dates for payment in accordance with section 24 of the Local Government (Rating) Act 2002, and to authorise the addition of penalties in accordance with sections 57 and 58 of the Local Government (Rating) Act 2002.

RECOMMENDATION(S)

That, pursuant to section 23 of the Local Government (Rating) Act 2002, and in accordance with the Taupō District Council's Annual Plan 2022-23, including the Funding Impact Statement the Taupō District Council hereby sets the rates and charges as set out in this resolution; (and in accordance with sections 24 and 57 states the due dates for payment of rates and authorises the addition of penalties to unpaid rates) for the period commencing on 1 July 2022 and ending on 30 June 2023:

The rates and charges are as follows:

1. General Rate

A General Rate, set under section 13 of the Local Government (Rating) Act 2002 on every rating unit in the district and calculated on the capital value of each rateable rating unit. This rate is set on a differential basis as follows:

Rating Unit Category	Rate per \$ of CV 2022/23 GST incl
Residential	0.0026425/\$
Rural	0.0026425/\$
Utility Assets and Networks	0.0026425/\$
Electricity generators	0.0026425/\$
Industrial/Commercial	0.0047565/\$
Accommodation	0.0047565/\$
Other	0.0026425/\$

2. Uniform Annual General Charge

A Uniform Annual General Charge set under section 15 of the Local Government (Rating) Act 2002 assessed on every separately used or inhabited part (SUIP) of a rating unit in the district.

Per SUIP	2022/23 GST incl
Uniform Annual General Charge	\$250.00

3. Sewage Disposal

A targeted rate for sewage disposal, set under section 16 of the Local Government (Rating) Act 2002, assessed on every rating unit connected or available to be connected (serviceable) to an accessible Council scheme on the basis of one charge per pan or urinal (with the exception of the residence of a single household – which shall be assessed only one charge) for connected rating units and per rating unit for serviceable rating units. For the avoidance of doubt the words 'a single household' do not restrict the charge to one pan/urinal in the situation where a rating unit has separately used or inhabited parts. In such a situation each separately used or inhabited part is regarded as a separate household, and the pan charge applied will be at the cumulative per pan rate multiplied by the number of households. (Serviceable - rating units within 30 meters of an accessible sewage drain).

The sewer schemes are: Taupō Township, Acacia Bay, Kinloch, Whakamaru, Mangakino, Ātiamuri, Tūrangi Township/Tokaanu, Omori/Kuratau/Pukawa, Motutere, Whareroa and Motuoapa.

Targeted Sewer Disposal charges per rating unit are:

Factor	2022/23 GST incl
Connected (1 pan/urinals) per pan/urinal	\$865.72
Connected (2 pans/urinals) per pan/urinal	\$649.29
Connected (3 or more pans/urinals) per pan/urinal	\$432.86
Connected Schools per pan/urinal	\$216.43
Serviceable (available to be connected) per rating unit	\$432.86

4. Water supply

A fixed targeted rate for water supply, set under section 16 of the Local Government (Rating) Act, assessed on each separately used or inhabited part of a rating unit, and being a rating unit which is connected, or is available to be connected (serviceable), to an accessible Council scheme. A full charge will be made for each connected separately used or inhabited part of the rating unit and a half charge for serviceable separately used or inhabited parts of a rating unit (those within 100 meters of any part of the water scheme).

Water Supply rate	2022/23 GST incl Serviceable (available to be connected)	2022/23 GST incl Connected
District wide fixed targeted	\$291.73	\$583.46

The water schemes are: Taupō, Kinloch, Whakaroa, Bonshaw Park, Whakamoenga Point, River Road, Mangakino, Tirohanga, Tūrangi, Motuopa, Tokaanu, Hatepe, Omori/Kuratau/Pukawa, Whakamaru, Ātiamuri, Rakaunui Road, Waihaha, Whareroa, Centennial Drive

5. Metered Water Supply

Targeted rates for metered water supply, set under section 19 of the Local Government (Rating) Act 2002, and assessed on the volume of water supplied to every rating unit with a water meter. These metered water charges apply for supply over and above the equivalent supply allocation provided under the fixed targeted rate, where the equivalent supply allocation is the amount of the fixed targeted rate, divided by the rate per m3 for the relevant water scheme that the property is connected to.

The targeted water meter rates by water scheme are:

Water Scheme	2022/23 GST incl
	cents/m ³
Taupō (includes Taupō township, Waitahanui, Wairakei Village, Acacia Bay, Five Mile Bay and the wider Mapara area).	227
Kinloch	173
Whakaroa	229
Bonshaw Park	291
Whakamoenga Point	161
River Road	194
Mangakino	178
Tirohanga	93
Tūrangi	69
Motuoapa	110
Tokaanu	131
Hatepe	259
Omori/Kuratau/Pukawa	148
Whareroa	227
Whakamaru	152
Ātiāmuri	178
Rakaunui Road	63
Centennial Drive (untreated)	51
Waihaha	93

6. District Refuse Disposal Charge

A targeted rate for district refuse disposal, solid waste operations and waste minimisation initiatives, set under section 16 of the Local Government (Rating) Act 2002 and assessed on each separately used or inhabited part (SUIP) of each rateable rating unit in the district on the basis that properties categorised as residential, rural or other shall be assessed with one charge per SUIP, and industrial/commercial, accommodation, electricity generator and utility assets and network rating units shall be assessed with twice the charge per SUIP. For the avoidance of doubt, where a rating unit is divided into separate parts for rating purposes, each separate part is treated as if it were a separate rating unit for the application of this District Refuse Disposal Charge.

The targeted District Refuse Disposal Charge is:

	2022/23 GST incl Accommodation, Industrial/Commercial, Electricity Generators, Utility Assets & Networks	2022/23 GST incl Residential, Rural or Other
District Refuse Disposal Charge	\$234.24	\$117.12

7. Whakamaru Fire Protection Rate

A targeted Whakamaru Fire Protection Rate, set under section 16 of the Local Government (Rating) Act 2002, assessed on specified rating units within the Whakamaru Village as a fixed amount per rating unit.

The targeted Whakamaru Fire Protection Rate is:

	2022/23 GST incl
Whakamaru Fire Protection	\$181.13

8. Whareroa Refuse Rate

A targeted Whareroa Refuse Rate, set under section 16 of the Local Government (Rating) Act 2002, assessed on all rating units in the Whareroa rating area as a fixed amount per rating unit.

The targeted Whareroa Refuse Rate is:

	2022/23 GST incl
Whareroa Refuse Rate	\$90.90

9. Town Centre Taupō Management Rate

A targeted Town Centre Taupō Management Rate, set under section 16 of the Local Government (Rating) Act 2002, assessed on each separately used or inhabited part of industrial/commercial rating units within the Taupō town centre boundary.

The targeted Town Centre Taupō Management Rate is:

	2022/23 GST incl
Town Centre Taupō Management	\$384.46

10. Tūrangi Tongariro Community Board Rate

A targeted Tūrangi Tongariro Community Board Rate, set under section 16 of the Local Government (Rating) Act 2002, assessed on each separately used or inhabited part of all rateable rating units within the Tūrangi-Tongariro ward.

	2022/23 GST incl
Tūrangi Tongariro Community Board Rate	\$4.56

11. Goods and Services Tax (GST)

15% GST is included in the rates.

12. Due dates for payment

The due dates for the four instalments for rates assessed (excluding rates for metered water supply) are set out in the table below:

Instalment	Due Dates
One	22 August 2022
Two	21 November 2022
Three	20 February 2023
Four	22 May 2023

The due dates for the targeted rates for metered water supply are set out in the table below:

Meter area	A/c numbers	Due dates from 1 July 2022 to 30 June 2023
Taupō Town	015115 - 015970	22 August 2022 & 20 February 2023
Taupō Town	017950 - 018910	
Taupō Town	012375 - 015100	20 September 2022 & 20 March 2023
Wairakei	018915 - 018955	
Taupō Town	019000 - 019999	
Acacia Bay	020000 - 024999	
Taupō Town	015985 - 017640	20 October 2022 & 20 April 2023
Tūrangi	050015 - 055000	
Mapara	100000 - 109999	
Tokaanu	130000 - 130482	
Omorī/Kuratau/Pukawa & Whareroa	160015 - 160355	
Broadlands Rd/TMP	301000 - 399999	
Mangakino/Ātiāmuri/Whakamaru	040000 - 040580	21 November 2022 & 22 May 2023
Centennial Drive/Rakaunui Road	080000 - 089999	
Whakamoenga Point	025000 - 029999	
Bonshaw Park	120000 - 129999	
Waitahanui/Hatepe/Motuopa	140000 - 159999	
River Road	170000 - 179999	
Waihaha	450000 - 459999	
Taupō Town	017650 - 017935	20 December 2022 & 20 June 2023
Kinloch	030000 - 039999	
Whakaroa	060000 - 069999	
Serenity Cove	400010 - 400510	
Tirohanga	110000 - 119999	
Taupō Town	010015 - 012325	20 July 2022 & 20 January 2023
Ashwood Park	300000 - 300999	
Various (read monthly)	090000 - 099999	20th of each month (or next working day)
Various (read monthly)	200000 - 299999	
Various (read quarterly)	180000 - 189999	20 September & 20 December 2022, 20 March 2023 & 20 June 2023

(unless otherwise noted in the table, meters are read six monthly)

13. Penalty Charges

A 10% penalty will be added to any part of the rates instalment that remains unpaid after the due date as shown in the table below as provided for in Section 57 and 58(1)(a) of the Local Government (Rating) Act 2002.

Due Date	Penalty added
22 August 2022	29 August 2022
21 November 2022	28 November 2022
20 February 2023	27 February 2023
22 May 2023	29 May 2023

A further 10% penalty on any rates that are unpaid from previous years on 26 July 2022 being 5 working days after this resolution is made, as provided in Section 58(1)(b)(ii) of the Local Government (Rating) Act 2002 will be added on 27 July 2022.

BACKGROUND

On 22 February 2022 Council adopted the Consultation Document for the Annual Plan 2022-23. The submission period opened on 14 March and closed on 14 April 2022. A total of 53 submissions were received. Hearings and deliberations were held on 23 May 2022, where 11 submitters spoke to their submissions.

On 28 June 2022 Council adopted changes to the Revenue & Financing Policy to remove the Five Mile Bay Water Capital Works rate and in prior items today Council have adopted the Annual Plan 2022-23 including the Funding Impact Statement.

OPTIONS

The two options Council have are to either set the rates, set the due dates and authorise penalties in accordance with the Local Government (Rating) Act 2002, or not. If Council chose not to do so Council would not have the ability to assess and collect rates for 2022-23 until some alternative rates, due dates or penalties were set.

CONSIDERATIONS**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.

Financial Considerations

The rates resolution sets the rates to be assessed.

Legal Considerations

The Local Government (Rating) Act 2002 provides Council with the mandate to set and collect rates. Section 23 of the Local Government (Rating) Act 2002 requires the Council to set rates by a resolution of the local authority.

Policy Implications

The rates resolution is a complete statement of the rates to be set and is in accordance with the Funding Impact Statement.

Risks

To mitigate the risks of inconsistent data and invalidity of the rates and charges the rates model, the rating information database, the funding impact statement and this resolution are cross checked.

This resolution meets the requirements of legislation to set the rates, it was reviewed by Simpson Grierson and Audit NZ for the previous rating year and remains unchanged expect for the updated dates and rates.

The methodology used to calculate the rates for the 2022-23 rating year is on the same basis as in previous years.

SIGNIFICANCE OF THE DECISION OR PROPOSAL

Officers have undertaken an assessment of the matters the Significance and Engagement Policy (2022) and are of the opinion that the decision to set the rates, set the due dates for payment and authorise the addition of penalties to unpaid rates for 2022-23, is a significant decision.

ENGAGEMENT

Council consulted with the community to develop the Annual Plan, which has now been adopted. There is no further engagement required prior to Council making a decision to set rates, set due dates for payment and authorise the addition of penalties to unpaid rates for 2022-23.

COMMUNICATION/MEDIA

The Annual Plan and the revised rates will be published on the Council website and in hard copy.

CONCLUSION

The Annual Plan 2022-23 has been adopted, including the Funding Impact Statement. Under Section 23 of the Local Government (Rating) Act 2002, rates need to be set for 2022-23 as set out in this resolution.

ATTACHMENTS

Nil