

South Taranaki District's Annual Plan 2010 - 2011

Mayoral Message



Firstly thank you to all residents who took the time to attend meetings or made submissions on our 2010/2011 Annual Plan. Our draft Plan contained a number of cost saving proposals (such as introducing library book charges,

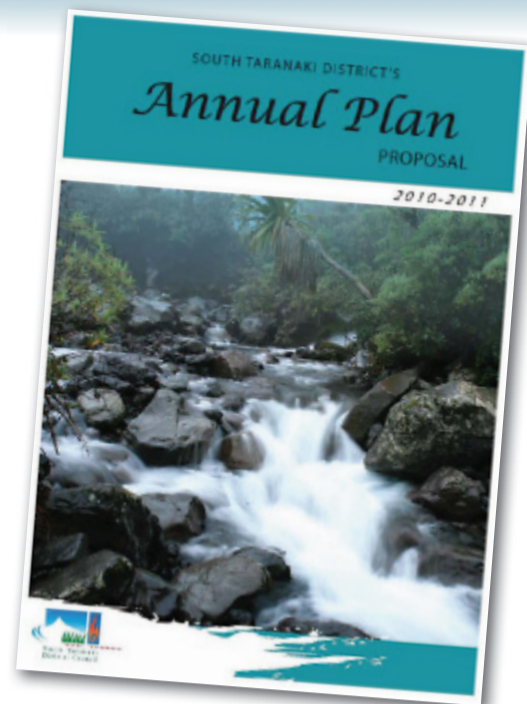
Reducing hours at transfer stations and libraries, and closing some halls) but the overwhelming feedback from the community was to keep current services intact.

The Council listened to that feedback and I believe has managed to strike the right balance between being financially responsible, continuing to invest in the district's core infrastructure while also retaining the services the public have told

us they want to keep.

It's certainly an exciting time to be the Mayor of South Taranaki. The TSB Hub is exceeding our expectations and is about to host its first international event. The new South Taranaki District Museum is opening in December and Tawhiti Museum's Traders and Whalers attraction is drawing big crowds. We are making huge progress with upgrading the district's water infrastructure and the Patea Freezing Works site is nearly cleaned up.

Thanks to all residents for the privilege of leading this great district.



Key decisions following consultation

Council decided to:

- * Keep borrowing of library books free
- * Maintain current library opening hours
- * Keep the Ancestry and Epic databases
- * Keep Manaia, Kaponga and Opunake Town Halls
- * Maintain current rural swimming pool season
- * Maintain annual grants budget
- * Maintain Opunake Plunket toilets
- * Keep Waitotara Transfer Station open
- * Maintain all rural Transfer Station hours
- * Grant SPCA \$10,000 annually for two years

Cost savings adopted by Council:

- * Reintroduce fines for overdue books and increase DVD rental (\$20,000)
- * Reduce PowerCo Aquatic Centre outdoor pool season by 6 weeks (\$12,000)
- * Reduce funded depreciation for the TSB Hub, wastewater, stormwater and water (\$458,000)
- * Sell Dixon Court bedsit pensioner units
- * Cancel upgrade of Dixon Court bedsits (\$300,000)
- * Reduce District Marketing Plan budget (\$65,000)
- * Increase Transfer Station fees (\$122,000)
- * Reduce unsubsidised roading programme (\$100,000)

Annual Plan Adopted!

Every three years the Council develops a Ten Year Plan which outlines the projects and services the Council intends to carry out in the district. Each year the Council also develops an Annual Plan which highlights the Council's programme for that year and identifies any differences in that programme with what the Council said it was going to do in its Ten Year Plan. After a month of consultation (which included 5 public meetings and 333 submissions) the Council adopted its final Annual Plan for 2010-2011 on Wednesday 30 June. This issue of Southlink looks at the final Plan in a bit more detail.

So what does this mean for your rates?

Previously, in the Annual Plan Proposal which went out for public consultation the average urban ratepayer (based on CV of \$240,000) was looking at a total rates increase of approximately \$204. That figure has now dropped significantly – though individual rates will vary depending on the change in property values.

Rural ratepayers not paying the targeted rates of water, wastewater and kerbside collection are looking at a total increase of around 4-5%, but again that depends on changes to property values.

Because a lot of the cost saving proposals were added back into the 2010-11 Plan, the Council had to raise the General/Roading rate and Uniform Annual General

Charge combined, by another 1.7% to that originally proposed. However, to counter that increase, the Council was also able to decrease the water and wastewater targeted rates by \$62.

Council Chief Executive, Craig Stevenson, says the Council was able to achieve the 'win win' situation of retaining services and lower than projected increases as a result of an improved financial situation.

"Approximately \$1.7m in additional savings was identified as a result of the Council being able to get lower interest rates on our loans (0.5% lower) combined with a reduction in the Council's external debt situation," says Mr Stevenson.

Lower Debt

A recent review of the Council's debt and equity position has established lower debt levels (\$17 million less) than previously identified in our planning documents. This means the water and wastewater rates increase by a smaller amount than initially projected.

Council costs

On top of general inflation the Council faces rising costs for energy, long term maintenance contracts for greenspace, water, waste water and waste management services, increased transportation, depreciation and higher levels of debt. Energy costs are projected to increase by 20% alone.

However Council's main expenditure continues to be in the water, waste and roading areas. Next year the Council plans to spend a further \$12 million on upgrading the district's water and wastewater infrastructure.

Below is a summary of the rate changes with the types of rates explained.

Not all ratepayers pay all the rates that the Council applies so most ratepayers are affected differently by the increases. Below is a summary of the rate changes with the types of rates explained. The far right column shows the affect of the increase in GST.

Copies of the Council's Annual Plan for 2010-2011 can be found online at www.stdc.co.nz or from any Council LibraryPlus centre or the Hawera Administration Building.

District Revaluation

Every three years all properties within the district are valued by Quotable Value New Zealand.

The latest valuation was released late 2009 and the new capital values are used for the 2010/11 rates. Overall the district had an increase in value of 10%.

If your property's valuation increased more than the district average then you will pay more than the rate increases explained in the Annual Plan. Consequently if your property's capital value did not increase as much as the district's average then your rates will increase by less than indicated.

Other highlights

- * New Patea Water Treatment Plant
- * Stage Four TSB Hub
- * Opening of South Taranaki District Museum
- * Waverley Pool Upgrade
- * New water bores for Patea, Waverley and Waiinu Beach
- * New district website
- * Local Government Elections

	2009/10	2010/11 12.5% GST	Difference	2010/11 with gst 15%
Combined general and roading rates			4% increase	
UAGC	\$400	\$451	\$51	\$459
Urban water targeted rate	\$429	\$460	\$31	\$467
Urban metered rate	\$1.19	\$1.59	\$0.40	\$1.61
Urban wastewater targeted rate	\$410	\$450	\$40	\$457
Kerbside Collection	\$179	\$200	\$21	\$203

Increase in GST

The government is changing the rate of GST to 15% from 1 October 2010. The rates notice sent in the first quarter will have the GST calculated at the current rate of 12.5%. Residents who pay their annual rates by the four instalments will pay 15% GST on the 2nd, 3rd and 4th quarter instalments. Residents who pay their full year's rates in the first instalment will pay 12.5% GST.