

SOUTH TARANAKI THE MOST LIVEABLE DISTRICT



2022/23

Ngā Mahere ā tau Annual Plan



Scan the QR code with your cell phone to be taken directly to the full 2022/23 Annual Plan, or head to www.southtaranaki.com/annualplan

Our Focus for 2022/23

Our Council's long-term vision is to build on our many strengths and make South Taranaki the most liveable District. As such our focus for the 2022/23 year continues to be on undertaking activities that encourage sustainable, prosperous and vibrant communities through projects such as development of a District Business Park, revitalisation of the Hāwera town centre (primarily through the construction of Te Ramanui o Ruapūtahanga), development of town centre upgrades for Eltham, Waverley, Manaia, Pātea and Ōpunakē, implementation of our Environment and Sustainability Strategy, completion of the Nukumaru Station Road extension south of Waverley and further improvements to our road, water and wastewater infrastructure.

A key feature of the 2022/23 year is the impact the recent (September 2021) district-wide property valuation, will have on rates (You can read more about this further below). To minimise the impact the new property values may have on ratepayers, **Council has reduced the 4.68% rate increase, signalled in our Long Term Plan, to 2.84%.**

Council has been able to achieve this low increase by reducing the water (-\$28.75), wastewater (-\$11.50) and kerbside rubbish/recycling collection (-\$23) targeted rates and funding these activities using accumulated reserves.

As a result, there will be no changes in levels of service, and we will continue to meet our current and future infrastructure needs without compromising future plans or our overall financial position. Our total operational expenditure across all activities in 2022/2023 is \$74.5 million and

capital expenditure \$54 million.

Of this we will spend approximately \$30.5 million on our district road activity, including around \$810,000 on footpaths.

Other notable projects that we are working on in 2022/23 include: building a new reservoir at Waimate West, earthquake strengthening and upgrading the Eltham Town Hall, undertaking water pressure improvements in Pātea, establishment of a business enterprise hub and co-working space and progressing work on a new community facility in Manaia.

The Council is in a sound financial position, has a clear vision for the District and a focused programme of work to achieve that vision.



Phil Nixon
Koromatua o Taranaki
ki te Tonga
South Taranaki Mayor



Waid Crockett
Tumu Whakahaere
South Taranaki District
Council Chief Executive

What is an Annual Plan?

Every three years the Council must develop a Long Term Plan (LTP) which outlines the projects and services the Council intends to carry out in the District over the next ten years. The Council adopted its most recent LTP last year in 2021. Each year the Council also must develop an Annual Plan which highlights the Council's programme for the upcoming year, sets the rates and identifies any differences in that programme with what the Council said it was going to do in its LTP. The Annual Plan for 2022/23 represents Year 2 of the Council's 2021-31 LTP. Because there are no significant changes between the proposed 2022/23 Annual Plan and the corresponding second year of the Long Term Plan, there is no requirement for undertaking formal public consultation. However, the Council would still like to share the key projects and activities in the 2022/23 Annual Plan and provide an opportunity for feedback.

www.southtaranaki.com

Ph: (06) 278 0555 or 0800 111 323

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Our Plans for 2022/23 - Key Projects &



TOGETHER SOUTH TARANAKI

Social Well-being

- Continue water treatment enhancement and water pressure improvements in Pātea
- Build a new \$2 million reservoir for Waimate West
- Undertake \$1.3 million improvements to our wastewater reticulation network
- Spend \$30.55 million on the roading activity, including \$1.9 million on road improvements and \$810,000 on footpaths
- Undertake a digital transformation programme - (\$3 million over five years)



PROSPEROUS SOUTH TARANAKI

Economic Well-being

- Continue development of the South Taranaki Business Park
- Undertake town centre upgrades in Pātea, Waverley, Manaia, Ōpunakē and Eltham
- Complete the Nukumarū Station Road extension project
- Develop a District Business Innovation and Enterprise Hub
- Subsidise rates on average by \$6.5 million pa using earnings from the Long Term Investment Fund
- Continue work on the Hāwera town centre upgrade

Some quick statistics...

2.84% Total average rates increase is 2.84% down from the 4.68% signalled in the Long Term Plan

\$74.5m Total operational expenditure is \$74.5 million

\$54m Total capital expenditure is \$54 million

25% of Council operational expenditure goes into **Roading and footpaths**

61% of Council operational expenditure is on the core activities of roads, water and waste

44% of Council's projected income will come from sources other than rates (11% will come from the Council's Long Term Investment Fund)

\$160.55m The value of the Long Term Investment Fund is projected to increase to \$160.55 million

Debt \$144.9m Total debt is projected to be \$144.90 million by the end of 2022-23

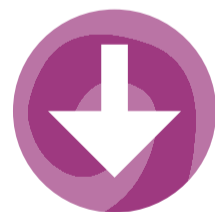
Key Changes from the 2021 - 2031 Long Term Plan



Reduced Rate Increase

The main change to what we had in our Long Term Plan has been the decision to reduce the projected total average rate increase from 4.68% to 2.84%. This was to minimise the impact of the district revaluation on urban ratepayers.

Council has been able to achieve this low increase by reducing the water (-\$28.75), wastewater (-\$11.50) and kerbside rubbish/recycling collection (-\$23) targeted rates and funding these activities using accumulated reserves.



Long Term Investment Fund Drawdown Increase

Each year we drawdown an average \$6.5 million of earnings from the Council's Long Term Investment Fund to subsidise rates (\$3.87 million) and for servicing the interest and loan repayments for specific community facilities and projects. In our 2022/23 Annual Plan the drawdown has been increased to include a one-off \$1.1 million contribution for our new Library, Culture and Arts Centre - Te Ramanui o Ruapūtahanga.



District Revaluation Impacts

The rates you pay vary from property to property depending on the value of your property and the services you receive. Every three years all the properties within the District are valued by an independent valuation company (e.g. Quotable Value New Zealand) to reflect market movements and capital improvements undertaken by property owners. Council has no control or influence over this revaluation process.

The latest valuation was done in September last year, and the new capital values will be used for calculating a portion of the 2022/23 rates.

Since our last valuation three years ago the District has had

an average increase in property value of 20.4%. This was largely driven by increases in the residential (average 86%) and commercial (average 40.7%) sectors - while dairy and pastoral properties saw a small (average -0.1%) decrease.

What does this mean for rates?

If your property's valuation increased more than the District average increase (20.4%) then you will pay more than the 2.84% rate increase explained in this Plan. Consequently, if your property's capital value did not increase as much as the District's average movement then your rates will not increase as much as indicated and may even decrease.

However, just because your property rating value may have increased by a certain amount, does not mean that your rates will change proportionately. Property rating values are just one component which is used to determine the share of the total rates paid. In our District it is only the general and roading portion of your rates that are based on your property's capital value. All the other rates are uniform (the same) for all properties for the services being delivered e.g. water, wastewater, kerbside collection.

For example, if a property previously valued at \$200,000 had increased in value by 86% (which is the average increase for residential properties) to now be worth \$372,000, the rate increase will be 5.58%, not 86%. Check out the examples we have provided as a guide to see how the change in property valuations may impact on your property.

Does the total rates Council collects increase because of property value increases?

No. The total amount of rates collected does not change as a result of the increased value of properties in the District. If you think of the budget like a pie, that pie doesn't get any bigger because of revaluation. Your property's value just determines the portion of the pie that you're going to pay and ensures your portion is the same as others whose properties are valued the same as yours.

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Priorities to Support our Vision



SUSTAINABLE SOUTH TARANAKI

Environmental Well-being

- Implement our Environment and Sustainability Strategy including: *Reforestation of Council-owned land, Develop an energy and carbon reduction plan and climate change risk assessment, Develop a district-wide climate change adaptation plan and support climate change research relevant to the District, Reduce waste going to landfill by 5% by 2023, Review and renew our 2018 Waste Management and Minimisation Plan, Progress development of a regional organic waste facility or facilities*
- Undertake Biodiversity Restoration and Protection work in Council parks and reserves



VIBRANT SOUTH TARANAKI

Cultural Well-being

- Develop an Iwi-Council Partnership Strategy
- Undertake earthquake strengthening and upgrades to Eltham Town Hall
- Build Te Ramanui o Ruapūtahanga, South Taranaki's new Library, Culture and Arts Centre
- Progress development of Manaia community facilities (Memorial Hall and Manaia Sports Complex)
- Provide more resources in the Parks team by employing someone to co-ordinate volunteers and volunteer groups

Rates Examples



URBAN

Capital Value	\$200,000 2021/22	\$372,000 2022/23	\$320,000 2021/22	\$595,200 2022/23	\$480,000 2021/22	\$892,800 2022/23	\$600,000 2021/22	\$1,116,000 2022/23
General Rates	\$184.50	\$297.13	\$295.20	\$475.41	\$442.80	\$713.12	\$553.50	\$891.40
Roading	\$127.44	\$196.19	\$203.90	\$313.91	\$305.85	\$470.86	\$382.31	\$588.58
UAGC	\$663.16	\$690.98	\$663.16	\$690.98	\$663.16	\$690.98	\$663.16	\$690.98
Water	\$661.25	\$632.50	\$661.25	\$632.50	\$661.25	\$632.50	\$661.25	\$632.50
Wastewater	\$759.00	\$747.50	\$759.00	\$747.50	\$759.00	\$747.50	\$759.00	\$747.50
Kerbside	\$218.50	\$195.50	\$218.50	\$195.50	\$218.50	\$195.50	\$218.50	\$195.50
Total Rates	\$2,613.85	\$2,759.80	\$2,801.01	\$3,055.80	\$3,050.56	\$3,450.46	\$3,237.72	\$3,746.46
Percentage Increase		5.58%		9.10%		13.11%		15.71%
Dollar Increase		\$145.95		\$254.79		\$399.90		\$508.74

*2022/23 Property Values projected using average increase (86.0%)



HĀWERA COMMERCIAL

Capital Value	\$600,000 2021/22	\$844,200 2022/23
General Rates	\$553.50	\$674.30
Roading	\$382.31	\$445.23
UAGC	\$663.16	\$690.98
Water	\$661.25	\$632.50
Wastewater	\$759.00	\$747.50
Hāwera Business Rate	\$542.04	\$564.13
Total Rates	\$3,561.26	\$3,754.64
Percentage Increase		5.43%
Dollar Increase		\$193.38

*2022/23 Property Values projected using average increase (40.7%)



RURAL

Capital Value	\$5,300,000 2021/22	\$5,294,700 2022/23	\$8,000,000 2021/22	\$7,992,000 2022/23
General Rates	\$4,889.28	\$4,229.12	\$7,380.04	\$6,383.57
Roading	\$3,377.08	\$2,792.43	\$5,097.47	\$4,215.00
UAGC	\$663.16	\$690.98	\$663.16	\$690.98
Water				
Wastewater				
Hāwera Business Rate				
Total Rates	\$8,929.52	\$7,712.53	\$13,140.67	\$11,289.55
Percentage Increase		-13.63%		-14.09%
Dollar Increase		-\$1,216.98		-\$1,851.12

*2022/23 Property Values projected using average increase -0.1%



Feedback - open until Friday 20 May 2022

You can send us your feedback by sending an email to annualplan@stdc.govt.nz or writing to us and either dropping it into the Hāwera Administration Building or any of our seven LibraryPlus Centres or posting it to us at Private Bag 902, Hāwera
Feedback can be submitted from Monday 9 May to 5pm Friday 20 May 2022.