



Consultation Document

Proposed Annual Plan
2023/24

www.tararua.govt.nz



Why we are consulting

Your feedback is very important to us. This consultation is not just a box-ticking exercise for Council. We read every submission and what you tell us is considered in our final decisions. Your input helps to inform our decisions on a range of issues, including this proposed rates increase, and our ongoing work to improve our district's infrastructure and services. We encourage you to get involved, have your say, and help us to shape the future of our district.

For the upcoming Annual Plan 2023-24, Council is proposing a preferred rates rise of 13.18%, which is almost double the projected 6.7 percent rise originally signalled in our Long-term Plan. That is the reason for this consultation with you. Council has looked at this from every possible angle to ensure that our decision is well-informed and in the best interests of the community. This proposed rates rise is necessary to ensure the continued provision of vital services and infrastructure that the community relies on. We believe that we cannot afford to delay action any longer and stepping up investment in our infrastructure and services, and the systems, processes and staff that support them now is crucial to safeguarding the quality of life in our community.

We know that this will be challenging for many. We will be providing a range of opportunities for you to have your say, including community meetings, online feedback forms, and one-on-one meetings.

We would like to thank you for your participation in this important consultation process. We look forward to hearing your thoughts and ideas on whether you agree with our approach, whether our priorities are appropriate, and what you consider important. Your input will help us improve our work and better serve our community.

The planning processes

We are now in Year Three of the Long-term Plan, where we need to agree on the investments necessary to achieve our outcomes in the LTP. To deliver these outcomes, we have determined the projects, the underlying budgets and also the rates required. Year Three is also the year where pre-planning work on the upcoming Long-term Plan begins.

Long-term Plan (LTP) vs Annual Plan – What is the difference?

Every three years, we work with our community to come up with a plan for the future that reflects our shared vision. The result of this collaboration is the Long-Term Plan. It covers the services we provide, how to maintain our district's infrastructure, and sets-out new projects that will make our district an even better place to live in. As we are now in Year Three of the Long-Term Plan, we will start to engage with you during May to July this year to inform our LTP. We will then consult with you in April 2024 on the 2024-34 LTP.

For the two years between each LTP, Council prepares the Annual Plan that outlines the plans for the financial year ahead and how these plans are going to affect your rates. The budgets set out in the Annual Plan are based on outcomes in the Long Term Plan.

The purpose of this consultation document is to get input from our residents on the council's plans and budget for the 2023/24 Annual Plan, including the proposed rates increase.



2023-2024
Annual Plan

ANNUAL
PLAN
2023-2024

27 April to 19 May 2023
Community
Engagement

7 June 2023
Council
Hearings

14 June 2023
Council
Determination

28 June 2023
Adopt & release
to public

We are keen to hear feedback and submissions before the plan is formally adopted in June this year. View our Consultation Document and Supporting Information on Council's website www.tararua.govt.nz or leave feedback and submissions on our engagement platform at <https://engage.tararua.govt.nz>

Mayor & Chief Executive's Message

Fit for the Future



The last twelve months have been a rollercoaster of events which have presented significant challenges to our community. Our district has experienced the wettest year since 1950 along with still feeling the impact of the pandemic, not just in the way we live our lives, but also in the cost of living, the availability of goods and the impacts of inflation and interest rates. On top of this, Cyclone Gabrielle unleashed its fury causing widespread damage, flooding, slips and power outages in parts of the North Island, including our district.

The difficulty in this year's Annual Plan round is that there are so many factors that have come into play. There is also the fact that much of our infrastructure is already ageing and under-performing, which means we'll have to replace or significantly upgrade it in the coming years. Other challenges include disruptions in the supply chain, and the ongoing increase in compliance and regulations that Local Government must keep up with. At this stage, it's unclear how the 3 Waters Reform will impact the district, but one thing's for sure: keeping our water clean and treating wastewater is getting more and more expensive. National standards and requirements keep changing, which means we have to keep upgrading our facilities and spending more on operations. Adding to the challenge, it's becoming increasingly difficult to find the materials and skilled staff we need, due to supply chain disruptions. The first run of the budgets had the rates increase above 20%

We continue to balance our small ratepayer base against the ever-increasing costs whilst recognising the squeeze on household budgets from increases in food, fuel and other costs. Within the limitations and challenges highlighted above, your Council has worked incredibly hard to strike a balance between affordability for ratepayers and providing the necessary resources to maintain and where required improve our services. We have looked at every service, programme and project on our books to find areas where spending can be reduced, or where we can delay non-essential work. One of the things we did was to move more towards a user-pay system, where people pay for a service, without being subsidised by other ratepayers.

Despite these efforts, a significant portion of this year's proposed total rates amount is due to fixed cost payments that are beyond our control, such as higher power and insurance costs, increasing interest payments on our debt, and inflation pushing up the prices of goods and services.

For all the reasons highlighted, Council is proposing a preferred rates rise of 13.18%, which is more than double the projected 6.7% rise originally signalled in our Long-term Plan. That is the reason for our consultation with you. We are aware that this is a challenging decision, but one that is necessary to ensure we can continue to provide the services and infrastructure that our community needs to thrive.

While we would prefer to assure you that there will be no increase in rates and everything will be smooth sailing, the reality is that keeping rates low is no longer feasible if we want to maintain our levels of service. We have looked at this from every angle, and have come to the conclusion if we were to reduce our rates any further than the proposed 13.18%, we would not be prudent and compromise our ability to make vital investments and improvements that we, and our mokopuna - future generations, need.

The next 12 months will be another interesting and challenging period in which we will continue to work with you to ensure the best outcomes for our district. Alongside this, there will be plenty more to discuss and more

consultations coming up on the Dannevirke Impounded Supply, the Eketāhuna Wastewater Treatment Plant, the District Strategy and more. We will be reaching out to you to ask for your ideas on this.

We know that the economic challenges that we are all facing will impact some more than others. With this in mind, we will continue to support community organisations that provide services and assistance to our people. Knock-on effects of the cyclone were also felt by our businesses, including sole-traders and self-employed people, who have experienced a decrease in income. Remember that every dollar spent in our rural community goes around eight times. Supporting our local businesses has never been more critical.

As the saying goes, every cloud has a silver lining. While the impact of the cyclone has been devastating, it has also presented opportunities, lessons learned, and offered new perspectives to create positive change. One of the opportunities which has arisen is building our relationship with Central Government to secure and advocate for funding to help rebuild our district. Our teams continue to work hard to get this funding and to make sure that it is channelled to the areas where it is most needed. Another opportunity is to leverage our Land of Ranges brand strategy. Additionally, let's not forget that with the expected completion date now set for June 2025, the upcoming completion of the Te Ahu a Turanga: Manawatū Tararua Highway presents a significant opportunity to help in our district's growth and economy.

Please take the time to read through this Consultation Document and the issues we have highlighted in it. We want to hear from you – our community – on whether you think we have this right, whether we have prioritised appropriately, and what is important to you.

In the Tararua district, we are facing a period of challenge and change. But rather than shying away from the tough conversations, we must embrace them with courage and foresight. For it is through facing the facts that we can create a better future for ourselves and those around us.

So let us be strong

– *kia kaha* – ,

let us be brave

– *kia maia* – ,

and let us stay united,

- *kia hononga* – ,

as we navigate the
road ahead.

We must remember that
we are all in this together

– *he waka eke noa* –

and that by supporting
one another, we can overcome
any obstacle.

Quick Facts

What changed from our LTP Year 3 for 2023-24 compared to our proposed Annual Plan.

	Annual Plan 2022-23	LTP Year 3 (2023-24)	Annual Plan 2023-24
Overall rates increase	11.22%	6.70%	13.18%
Fees & Charges This includes increases in Building Services, District Planning (Resource Management fees) and Animal Control fees. Solid waste fees have also been increased to take account of the increase in the costs of Carbon Credits and the Waste Minimisation Levy.	4.8m	4.2m	6.7m
Subsidies A significant portion of the total subsidies is from Waka Kotahi (Transportation subsidies of 77%).	17.5m	11.5m	16.8m
Finance Costs Interest costs assumptions increased from 2.2% to 3.93%.	1.7m	1.5m	2.5m
Employee Benefit costs Increase is due to market adjustments to staff salaries.	9.5m	7.3m	10.1m
Operating Expenses Significant increases in contract costs, maintenance and operational expenses to meet changes in regulation and inflation pressures.	22m	22.8m	29.5m
Depreciation expenses Reduce the funding levels as per the LTP to recognise the affordability issues for ratepayers.	15.6m	16.4m	16.5m
Capital Spend This includes capital spend that has moved from Year 1 to Year 2 of the LTP following a review of all capital projects especially for Route 52 (3.2M) which is a 3-Year Project.	28.7m	22.1m	35.6m
Accelerated Debt repayment Changed to reduce the overall rates impact. Intention is to catch up in the following years of the LTP.	1% of rates increase	2% of rates increase	1% of rates increase

Consultation Item – Rates Increase

This Annual Plan has been one of the hardest plans to work through. The difficulty in this year's Annual Plan round is that there are so many factors that have come into play, many of which are beyond our control.

The challenges include increasing interest payments on our debt, high inflation which is pushing up the price of goods and services, disruptions in the supply chain, and the ongoing increase in compliance and regulations that Local Government must keep up with. Then there is also the fact that much of our infrastructure is already ageing and under-performing, which means we'll have to replace or significantly upgrade it in the coming years. The first run of budgeting had an increase of over 20%.

We have looked at every single Council operating cost and rationalised budgets as much as we can. We have looked hard at every service, programme and project on our books to find areas where spending can be reduced, or we can delay non-essential work. We have moved towards a user-pay system, where people pay for a service, without being subsidised by other ratepayers.

Applying all of the factors above would result in an increase in rates, on average, of 16.72%.

This has created significant tension between delivering the services that you expect and considering the affordability of the rates to our community. We understand that you have increasing costs as well and that leaving the rates rise at this level would put pressure on the community.

To reduce the rates increase, your Council has looked at what we could do to reduce the increase and propose not funding depreciation as we normally would as part of the Long-term Plan.

What is depreciation funding?

Depreciation funding is a way to account for the wear and tear of assets such as bridges, roads, parks, and water treatment plants over time. These assets need to be renewed or replaced eventually, and depreciation helps to calculate the cost of this process. By funding this depreciation through rates each year, ratepayers can contribute their fair share towards the use of these assets, both currently and in the future.

What do we propose to change?

By reducing the funding of depreciation by \$1.059m, the rates increase reduces, on average, to 13.18%. The reduction in depreciation funding would be rated for over the next 10 years so that future generations are not paying for the costs of today.

Your Council has looked at this Annual Plan from every angle and have concluded if we were to reduce our rates any further than the proposed 13.18%, we would compromise our ability to make vital maintenance and improvements that we, and our mokopuna - future generations, desperately need. The reality is that keeping rates low is simply no longer feasible if we want to maintain the level of service asked for in previous LTPs.

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



Option 1

Council would fund depreciation based on current process and financial policies included in the Long-term Plan.

Rates Impact:

The rates increase would be 16.72%

Debt Impact:

There is no impact on debt for this option as funding would remain at the level required.

Visit our Engagement HQ at

<http://engage.tararua.govt.nz>

where you will be invited to register and submit at “Your Say Tararua”.

You’ll find all the Supporting Information here and see other peoples feedback and ideas.

Alternatively, you can use our Free Post feedback/submission form at the back of this document, just fill it in, fold it up (don’t forget to use a little tape on the edge to seal it!) and mail it to us.

Option 2 Preferred Option (budgeted)

Council would reduce the funding of depreciation by \$1.059m to reduce the rates requirement as per the table below and reduction in depreciation would be added to the rates over the next 10 years.

Depreciation not funded	Option 2 \$'000
 Transportation	424
 Community Buildings	235
 3 Waters	400
Total	1,059

Rates Impact:

Decreasing rates by \$1.059m results in there being a reduced rates increase on average of 13.18%

Debt Impact:

As the funding Council receives is reduced by \$1.059m there is a reduction of the cashflow of Council. Council would need to add an additional \$1.059m debt funding and this has been reflected in the budgets.

Rates requirement by sector for Annual Plan 2023/24 compared to Annual Plan 2022/23 is as follows

Sector	Rates by Sector 2022/2023	Rates by Sector 2023/2024	\$ change from prior year	% change from prior year
Rural	17,978,354.00	19,299,273.00	1,320,919.00	7.35%
Urban	13,374,277.00	16,063,536.00	2,689,259.00	20.11%
Industrial / Commercial	2,491,815.00	3,050,742.00	558,927.00	22.43%
Grand Total	33,844,446.00	38,413,551.00	4,569,105.00	13.50%

*excludes metered water consumption rates

Note: Rates above are GST inclusive

Annual Plan 2023/24 sees the industrial/commercial and urban sectors taking a larger share of the average rates increase. This reflects the significant increase in costs for water, wastewater and solid waste activities which are activities utilised by urban ratepayers.

Rate Impact Examples

These examples are from the sample set of ratepayers used by Council in modelling the impacts of rating scenarios. Council will send out sample rates invoices as part of the consultation process to each ratepayer, to indicate the proposed rates for Annual Plan 2023/24 compared to current rates.

	Property Type	Land value	Capital Value	Current	Proposed	Difference \$	Percentage %	Difference \$/week
 URBAN PROPERTIES	Urban - Settlement	67,000	265,000	2,623	3,139	516	19.66%	9.92
	Urban - Settlement	32,000	125,000	2,504	3,002	498	19.89%	9.58
	Urban Low Land Value	40,000	190,000	2,745	3,264	520	18.93%	9.99
	Urban Low Land Value	52,000	185,000	2,782	3,309	527	18.95%	10.14
	Urban Medium Land Value	102,000	380,000	2,922	3,484	562	19.24%	10.81
	Urban Medium Land Value	165,000	550,000	3,135	3,737	601	19.18%	11.56
	Urban High Land Value	250,000	700,000	3,386	4,036	650	19.18%	12.49
 RURAL PROPERTIES	Rural - Settlement	95,000	355,000	1,761	1,776	15	0.83%	0.28
	Rural - Settlement	405,000	415,000	2,584	2,639	56	2.16%	1.07
	Rural - Lifestyle	225,000	465,000	2,666	2,812	146	5.47%	2.80
	Rural Medium Land Value	2,150,000	2,730,000	7,627	8,190	564	7.39%	10.84
	Rural Medium Land Value	1,890,000	2,240,000	6,875	7,364	489	7.11%	9.41
	Rural High Land Value	6,060,000	7,630,000	18,939	20,620	1,681	8.88%	32.33
	Rural High Land Value	10,600,000	12,950,000	32,062	35,045	2,982	9.30%	57.35
 INDUSTRIAL / COMMERCIAL PROPERTIES	Ind/Com - Urban Low Land/Capital Value	20,000	104,000	2,945	3,511	566	19.22%	10.89
	Ind/Com - Urban Low Land/Capital Value	28,000	70,000	2,923	3,478	555	18.97%	10.66
	Ind/Com Rural - Medium - Land/Capital Value	72,000	300,000	1,903	2,012	108	5.68%	2.08
	Ind/Com Urban - Medium - Land/Capital Value	175,000	700,000	4,623	5,565	942	20.37%	18.11
	Ind/Com - Urban High - Land/Capital Value	820,000	6,520,000	16,594	21,164	4,570	27.54%	87.89
	Ind/Com - Rural High - Land/Capital Value	850,000	7,330,000	12,753	15,450	2,696	21.14%	51.85
	Ind/Com - Rural High - Land/Capital Value	580,000	10,150,000	14,599	17,964	3,365	23.05%	64.72

Note: Rates above are GST inclusive

Annual Plan at a glance

	Where we are spending the rates increases	Expenditure		Funding		
		What do we spend on	Capital	Operational*	How we fund our expenditure	Rates
 Building Communities & Leadership	-0.31%	77	3,945	3,128	899	21
 Community & Recreation Facilities	2.28%	2,655	7,354	6,983	755	1,102
 District Promotion & Economic Development	1.07%	124	1,447	1,453	0	26
 Regulatory Services	1.33%	78	5,677	2,709	350	2,122
 Roading and Footpaths	0.22%	9,937	10,790	6,751	13,030	344
 Solid Waste	1.00%	51	4,532	1,848	128	2,674
 Stormwater	0.31%	1,026	510	673	635	20
 Wastewater	4.71%	15,037	3,484	4,723	200	226
 Water	3.53%	5,447	4,294	4,715	645	236
 Treasury and support	-0.96%	1,214	87	898	118	22
TOTAL	13.18%	\$35,646	\$42,119	\$33,881	\$16,760	\$6,794

Note: Amounts above are in \$'000.

Other Consultation Topics in 2023

The following items have been reflected in the Annual Plan based on the information available at the time. However the details were not ready for consultation as part of the Annual Plan.



Dannevirke Impounded Water Supply

It is all too easy to take water for granted. After all, getting clean, reliable drinking water is as easy as turning on a tap, that is, until things go wrong. It is often only when failures occur that we are reminded of how much we take our access to safe drinking water for granted.

In recent years, disruptions to Dannevirke's water supply have caused increasing frustration, and rightfully so. Possible leakage of the Dannevirke Impounded Supply (often referred to as the 'dam' or 'reservoir') was detected in May 2021. Initial inspections and repairs to the liners were carried out, but loss of water from the Impounded Supply continued.

In September 2022, Council approved approximately \$1.1 million to plan for permanent repairs and functional improvements to the Impounded Supply. Council hired a program manager as part of this, to oversee planning, construction, and coordination with suppliers for Dannevirke's water supply amidst ongoing challenges.

To successfully fix the current issues with the water supply, Council needs to consider several issues including;

- installing a pre-treatment facility to minimise the risk of water quality issues and associated boil water notices when the Tamaki River is dirty,
- additional water storage, to minimise the risk of water supply issues and associated restrictions when the Tamaki River is in low flows
- additional water sources
- replacement of the dam cover
- repairs to the dam liner and underlying ground and drains
- installation of the required monitoring gear

- resolving the current hydraulic issues
- meeting additional legislative requirements, following adoption of the new Building (Dam Safety) Regulations 2022.

At the end 2022/23 financial year, Council staff submitted a report to Council regarding the possible options for the course of action with initial estimates for the project between \$18m to \$20m (not included in the proposed Annual Plan). Additional information was requested by your Council, and this will assess the various options, taking into account factors such as cost, impact to water service delivery, timeframes, and cultural considerations. Consultation with the community is planned following this additional information going to Council.

Wastewater Treatment Plant Upgrades

New discharge consents for the Pahiatua and Eketahuna Wastewater Treatment Plants (WWTP) were granted in July 2021. Under the new consents more stringent effluent quality limits will take effect in January 2023 and apply until 2033.

The consents also requires that effluent from the plant be discharged to new constructed wetlands.

The National Policy Statement for Freshwater Management (NPS-FM) also sets the expectations for wastewater quality, current water quality trends at a catchment level, opportunities for land disposal and the technology that will be required to meet sustainable environmental outcomes.

The existing treatment systems do not meet these effluent quality requirements. As such upgrades to the systems are required.

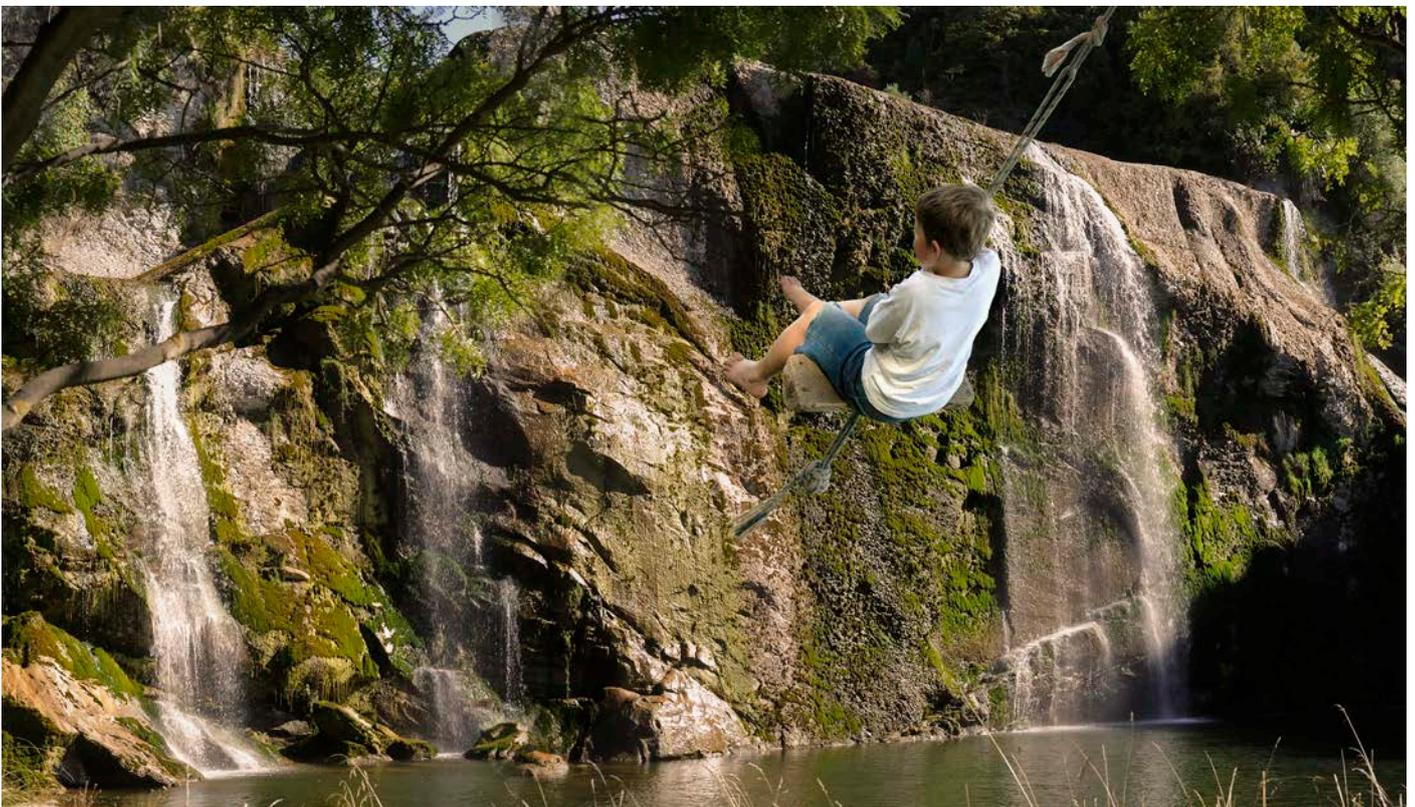
An increase over the existing capital budget of \$2.2mil. to an estimate of \$7.5mil. for the upgrade of the WWTPs is required to construct a solution that will meet the new consent conditions. There will also be an increase to annual operational cost of \$300,000 for Pahiatua and \$200,000 for Eketahuna expected once the plants are operational.

Approval was obtained from Council to take a two-staged approach to upgrade the wastewater treatment plants, where a design of a suitable solution could be developed with more accurate costing of construction.

Work is progressing with Stage 1. External consultation with Iwi on the plant design specifics will be undertaken. Design and optioneering reports will be workshopped with Elected members.

Following that workshop, a further report will be submitted to Council to agree on the preferred options and decide on the community engagement plan.

Initial estimates indicate that Council may need to consult with the community on these projects prior to proceeding. We expect to consult with the community in May to June 2023 once we have agreed on the preferred options to achieve the desired outcomes.



What else is going on in 2023

There is plenty more happening across the horizon for Council. While we are not formally consulting on these matters, we do think they are important for our community to understand.



Water

Over the past few years, the cost of providing water services has increased significantly, beyond the rate of inflation. The rise in costs is a result of several factors.

Disruptions in national and international supply chains have led to higher expenses in purchasing necessary materials. Local governments throughout the country are increasing their investment in water infrastructure as the true condition and performance of the infrastructure becomes more apparent – it is not unique to the Tararua District. Many councils across the country have spent the last four decades under-investing in infrastructure, especially water, wastewater and stormwater. This underinvestment in water infrastructure has played a significant role in the Central Government’s sweeping 3-Waters Reform. Due to the demands of the 3-waters programme, the cost of skilled labour such as staff and consultants, equipment, and materials is increasing and continues to do so.

Then there are additional costs because of increasing regulatory requirements. Regulatory changes that Council needs to adapt to include the new New Zealand Drinking Water Standards which were introduced in 2021 following the establishment of Taumata Arowai as the country’s new water regulator. This has increased the amount of monitoring and reporting needed to meet increased public health expectations.

Unfortunately, despite the increased costs, water users may only see minimal improvements, however planned works to repair and/or improve some of our vulnerable assets/ systems continues.

Wastewater

Similar to water, the increasing costs for wastewater are largely due to increased direct costs and increasing regulatory requirements.

Wastewater discharge resource consents have recently been renewed for Eketāhuna, Pahiatua and Woodville. The new consents demand a change in the quality of the wastewater discharge, as well as stricter monitoring and reporting. Most of our existing wastewater treatment plants, which are predominantly based on simple oxidation ponds, have not been capable of achieving compliance with resource consents for wastewater discharge for a long time, and the new quality standards required are significantly more challenging to achieve. This means we need to move towards more advanced – and more expensive, mechanical-based treatment methods to meet the new requirements.

Upgrades for wastewater treatment plants have been planned at four locations, including Dannevirke, to address historical and persistent non-compliances. These upgrades will result in substantial increases in operating costs, particularly in terms of chemical usage, power consumption, and sludge management, as well as requiring additional staff time.

Affordable Waters Reform Impact

The government has decided to reform 3 Waters (drinking water, urban wastewater and urban stormwater) services across New Zealand with the formation of ten new 3 waters agencies that will carry out governance, management, and service delivery of 3 waters.

Extensive work on planning for the transfer of assets and services to the new entity is underway to take effect from early 2025 with a staggered approach to ensure all entities are fully operational by 1 July 2026. Most of the key information for Tararua required by the new 3 Waters Entity will be completed by June 2023, with the 2024/25 year focused on completing the handover and documenting the operational requirements. The process is highly disruptive for Council staff and partners in the 3 Waters activities.

For the 2023/24 year covered by this Annual Plan Council will continue to own, manage and deliver the 3 Waters activities in Tararua. Council will continue to improve these services largely within existing policies and budgets as set out in the 2021-2031 LTP. There are several major projects that Council is including additional funding for in this 2023/24 Annual Plan. These decisions need to be made in consultation with our community, and also the National Transition Unit as part of the 3 Waters reform.

The government is currently reviewing the 3 Waters reform process and some changes have been made. The outcome of the national election later this year could also result in changes to the reforms. The outcome of these national decisions will be reflected in the 2024-2034 LTP. Regardless of the future governance and service delivery structure, there are some significant additional investments required for 3 Waters in Tararua to meet mandatory national standards and enable urban growth.

As part of the reforms Council has already received approval for five projects funded by the 'Better Off' funding package of \$3.8 million. These projects will be completed over the next two years. There is an additional \$1.4 million 'no worse off' 3 Waters funding to compensate Council for some remaining overhead costs, as well as a possible 2nd stage 'Better Off' funding package that will be considered by government during 2023/24. The details of this future funding will be included in the 2024-2034 Long-term Plan process.

Solid Waste

Council's suppliers are experiencing increases in their direct costs due to the rise in fuel, minimum wage, and machinery expenses.

Additionally, the Council's sales of recyclable glass have decreased considerably, to a point where we have to pay for disposal rather than sell the glass - leading to further cost increases. Council's supplier sells fibre (e.g. paper and cardboard), tin/aluminium, and plastics and previously the revenue generated from the sale of these recyclables helped to offset the cost of service delivery. However, this revenue has reduced, which places additional burden on rates.

Although our district is facing increased costs for refuse disposal, it is essential that we increase the amount of waste we recycle. Council has been transparent about these rising costs, which are in part due to the Government's Waste Disposal Levy. This levy has been increasing progressively, with landfill sites that take household waste seeing the rate rise from \$10 per tonne (set in 2009) to \$60 per tonne as of July 2024. There will be an increase from \$30 to \$50 per tonne on 1 July of this year.

Landfill owners must buy carbon credits for every ton of waste they dispose of, and as a result, Councils are charged for this expense. Over the past few years, the price of carbon credits has increased substantially. This increase, combined with inflation and rising fuel and labour costs, has had a significant impact on the costs associated with managing and operating refuse transfer stations, transporting waste to landfills, and the expenses of landfills.

The government is currently reviewing legislation to reduce waste in the country, with the goal of sending less waste to landfills. We anticipate that new measures will be implemented to reduce the amount of waste going to landfills throughout the country. We will review Tararua's Waste Management & Minimisation Plan this year and encourage feedback from our community on how we can enhance our services and work together to improve waste disposal and recycling practices. We appreciate your input and look forward to working together towards a cleaner and more sustainable future.

District Strategy

During last year's public consultations, we set out to ask people in our community what their big ideas were for the future of our district. Council received a lot of great inputs and they have now been compiled and processed. This has resulted in the Draft Tararua District Strategy - Thriving Together – 2050.

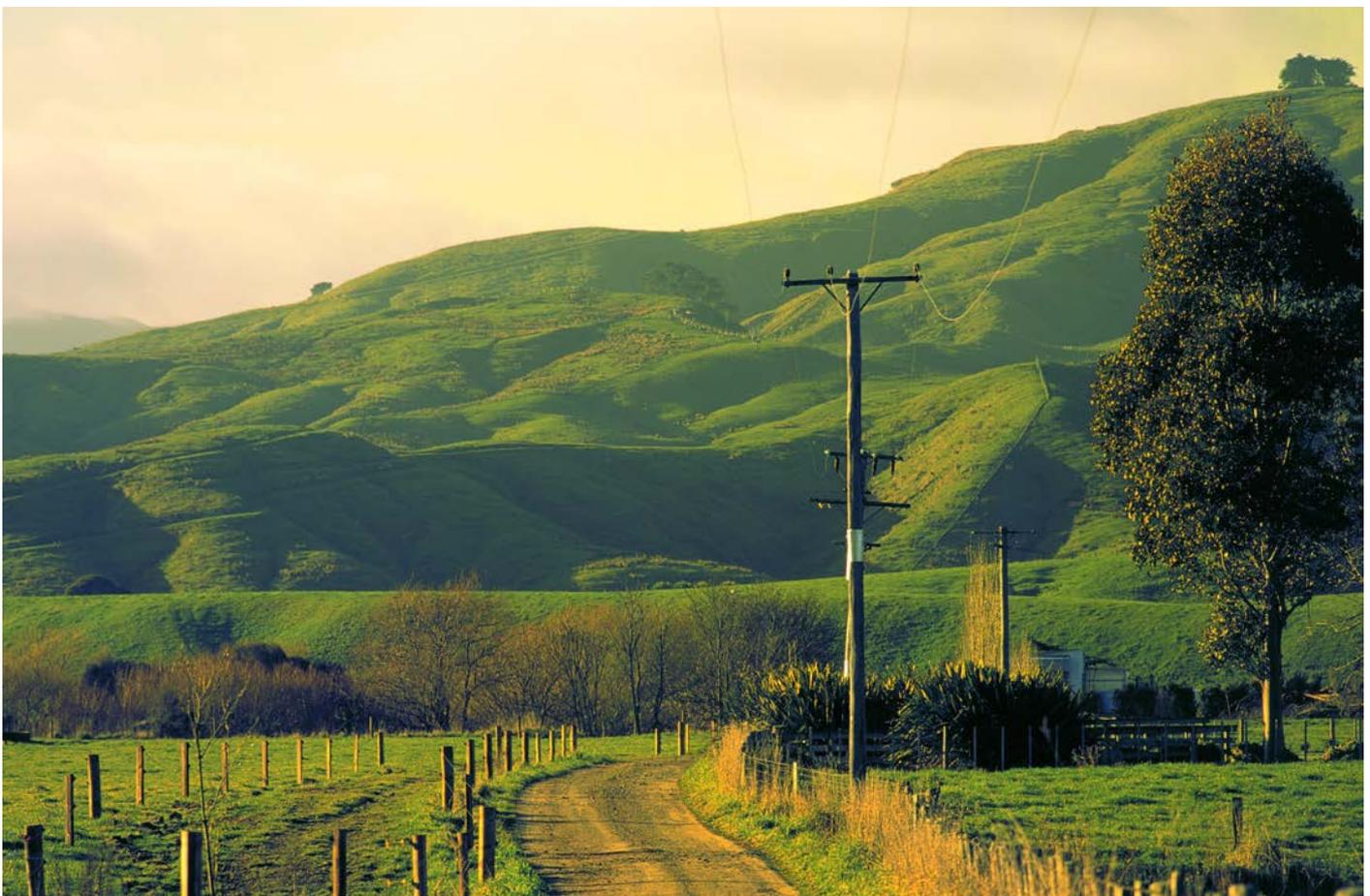
The Draft District Strategy sets-out goals for the future, with concrete examples of how they will be achieved. It provides the direction to drive our district forward, adapting to environmental and social changes over the next 30 years. Through all the changes we want the people, our whenua, of Tararua to thrive together.

The Tararua District faces numerous challenges in maintaining and upgrading its infrastructure to meet regulatory standards and maintaining a vast rural roading network. Additionally, the risk of recession, and the effects of climate change, require a resilient response from the district. There are also opportunities as our district is also experiencing growth, which places more pressure on housing and council infrastructure. There is uncertainty regarding the government's reform plans for local government functions and community assets.

With all this in mind, this District Strategy will need to be dynamic and nimble to change whilst holding onto its vision for Tararua and at the same time adapt to constant change driven by central government / political, economic, social, technology, legal, environment, and other changes.

The District Strategy is a living document that helps guide other important strategies such as the Housing, Growth and Recreation Strategy, as well as the District Plan, Spatial Plans, Annual Plan and Long-term Plan.

The next step is to make sure to get as much feedback as possible on the Draft Strategy. Your Council will be driving this forward, to implement the actions and plans needed to achieve our district vision.



Cyclone Gabrielle

Cyclone Gabrielle was a significant weather event impacting across northern and eastern New Zealand on the 14th/15th February 2023.

The event

Tararua District experienced widespread damage to homes, property, businesses, farms, the natural environment and infrastructure.

The breadth and scope of flooding and damage in the Tararua District from Cyclone Gabrielle has been unprecedented.

Tararua District experienced the highest recorded river levels in some of our coastal areas on 14 February 2023, requiring emergency response and powers of the Civil Defence Emergency Management Act 2002.

Recovery

Recovery is not business as usual. It is the co-ordinated, collaborative programme of work to bring about immediate, medium-term and long-term recovery and resilience for our communities following this emergency. Recovery is a developmental and remedial process with the main objective of efficiently organising the resources available to restore communities to the point where normal social and economic activities resume. It is most successful when it is locally led, with regional and national support.

Recovery is complex and time consuming. It is also dynamic. For recovery to be effective it must identify and address the short, intermediate and long-term needs of communities. To do this effectively, community will be the focal point of the recovery process.

A recovery team has been established and aims to build on sustainable partnerships with iwi, rural professionals, local agencies, regional and national agencies.



Next steps

- Continue to build understanding of the impacts from Cyclone Gabrielle
- Finalise the Recovery Framework and the 100-Day Plan that establishes five, interrelated environments of built, social, economic, rural, and natural. Objectives and outcomes for each environment are being developed along with a range of success factors, milestones and indicative timeframes.
- Continue to support those impacted by Cyclone Gabrielle through the Mayoral Relief Fund
- Continue to provide recovery information and updates through a variety of communication channels
- Build collaborative relationships with a wide range of stakeholders/groups who are working to support Tararua to recover
- Engage with the impacted residents and communities to ensure the recovery programme is meeting their needs

Better Off Funding

The government reform of 3 Waters is progressing with the new structures operational on 1 July 2024. In recognition of the significance to the local government sector (and the communities they serve) of this reform, the government has made significant funding into the future for local government with a focus on community wellbeing.

The funding has been made available in two parts through the Department of Internal Affairs (DIA). Applications for the first part closed on 30 September 2022. For Tararua this grant amount was \$3.8 million. The Council application had to meet some or all of the following criteria:

1. Supporting communities to transition to a sustainable and low-emissions economy;
2. Delivery of infrastructure and/or services that enable housing development and growth;
3. Delivery of infrastructure that support improvements in community well-being.

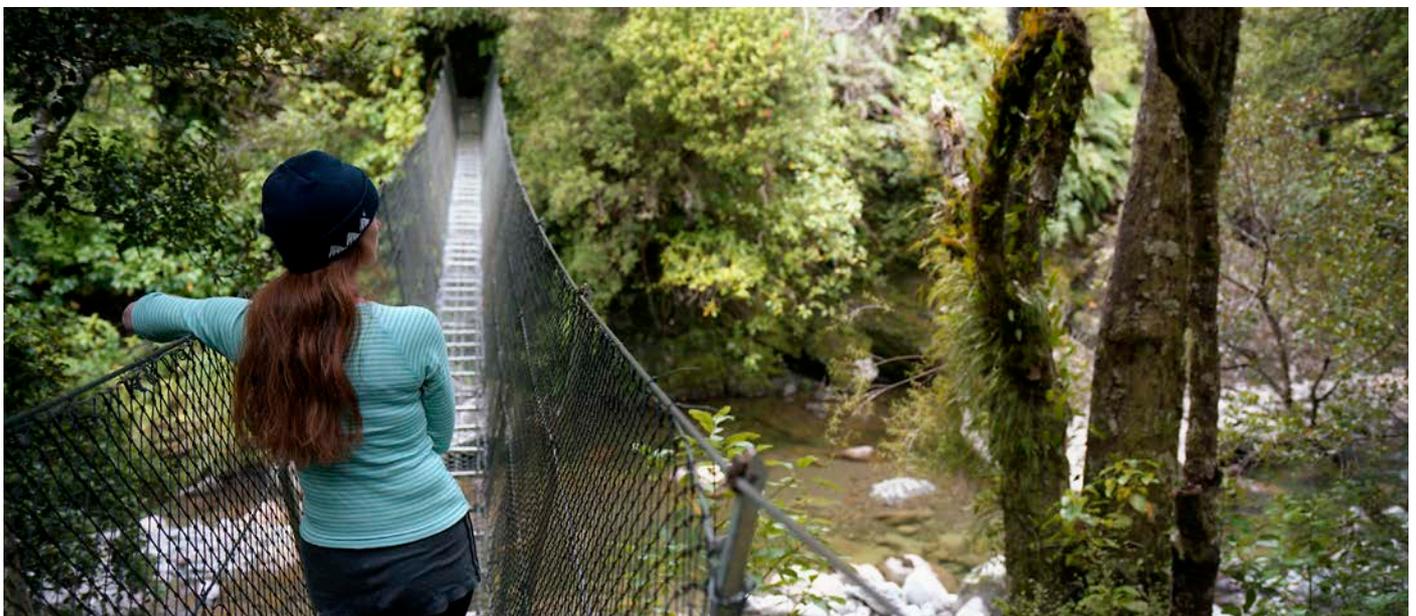
Projects applied for had to support one or more of these criteria. Funding proposals had to also be for:

- new initiatives/projects; and/or
- to accelerate, scale-up and/or enhance the quality of planned investment.

A template provided by DIA required each of the possible projects to be assessed against the four wellbeings, as well as a requirement to consult with iwi on project selection. Projects had to be completed by June 2027.

After considering many possible projects Council included a range of projects to satisfy the above criteria. Council received approval for these projects from DIA in December 2022. Since then the community and Council have experienced Cyclone Gabrielle, major cost of living increases and the start of an economic downturn. In light of current events Council intends to review the projects selected, in consultation with our Iwi partners, and the budgets assigned to them. There is some flexibility in the DIA funding to do this.

Note - The 2nd part of this government funding into the future for local government, with a focus on community wellbeing, is scheduled for 1 July 2024 and for Tararua has a maximum amount of \$11.39 million. The process for accessing this funding, including the criteria, has yet to be released. Council will likely consider these details and the selection of possible projects during the 2023/24 year.



Where do your rates go?

Every \$100 collected is allocated to these services.

This graphic shows the range of services that the 2023/24 rates will go towards. Some of them may not be obvious to you. In total, rates make up about 60% of the Council's annual income.



*Health and Safety activity

Major capital projects

Please see the supporting information at www.tararua.govt.nz for full details of the capital projects for 2023/2024.

	Description	Revised Year 3 \$'000's	Funding
	Transport Choices Transport Choices - Woodville footpaths	2,000	
	Infrastructure Acceleration Fund Pahiatua Hillcrest School Wastewater Development	700	 
	Infrastructure Acceleration Fund Pahiatua Hillcrest School Stormwater Development	635	
	Infrastructure Acceleration Fund Pahiatua Hillcrest School Water Development	45	
	Dannevirke Wastewater Dannevirke Wastewater Treatment Plant Upgrade	1,118	
	Eketahuna Wastewater Eketahuna Wastewater Treatment Plant Upgrade*	6,149	
	Pahiatua Wastewater Pahiatua Wastewater Treatment Plant Upgrade*	2,236	
	Reticulation Network Wastewater Network Renewals	1,118	
	Reticulation Network Infiltration and Inflow Strategy Implementation	783	
	Reticulation Network Development and extension of Wastewater Network	280	
	Woodville Wastewater Woodville Wastewater Treatment Plant Upgrade	995	
	Woodville Wastewater Woodville Wetland Development	995	
	Dannevirke Water Dannevirke Intake pipeline between impounded supply & No2 Res	1,721	
	Dannevirke Water Dannevirke Alternate Water Source Infrastructure	447	
	Dannevirke Water Dannevirke Impounded Supply*	224	
	Norsewood Water Norsewood New Water treatment plant	1,230	
	Reticulation Network Reticulation Water Mains Renewals	1,118	
	Reticulation Network Development and extension of water Reticulation Network	224	
	Community & Administration Buildings Pahiatua Town Hall Library Earthquake strengthening	389	
	Community & Administration Buildings Pahiatua Town Hall roof renewal	162	
	Community & Administration Buildings Pahiatua Stadium (Bush) Insulation	206	

*projects yet to be consulted on. Amounts in the Annual Plan are placeholders

 External Funding

 Council Funding



Submission and Feedback Form

Instructions

1. Fill in form
2. Fold it up and tape the edge
3. Post it to us at no cost, or alternatively hand in at one of our Customer Service locations
4. Alternatively, register and do this online at <https://engage.tararua.govt.nz>

Name _____

Phone _____

Email _____

1. Do you think we should choose the 16.72% rates increase (Option 1)?

Yes No Not Sure

If you answered 'Yes', what made you decide that Option 1 was better?

(continue over page if needed)

2. Do you think we should choose the 13.18% rates increase (Option 2)?

Yes No Not Sure

If you answered 'Yes', what made you decide that Option 2 was better?

(continue over page if needed)

3. What comments, if any, would you like to make on our proposed rates increase for 2023/24?

(continue over page if needed)

4. Would you like to leave feedback on any other topics? State in the box the topic it relates to

Topic

(continue over page if needed)

