

**Meeting:** Regional Council Workshop

**Meeting Date:** 23 February 2023

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## **Tabled Documents**

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### **Agenda Item 1      2023/24 Annual Plan Workshop - Overview**

**Presentation: Annual Plan Workshop Presentation - 23 February 2023** **2**

### **Agenda Item 2      2023/24 Annual Plan - Financial Overview**

**Tabled Document 1 - Tabled Document: Rotorua Indicative Rates Examples** **19**

### **Agenda Item 3      2023/24 Annual Plan – Service Improvement Proposals**

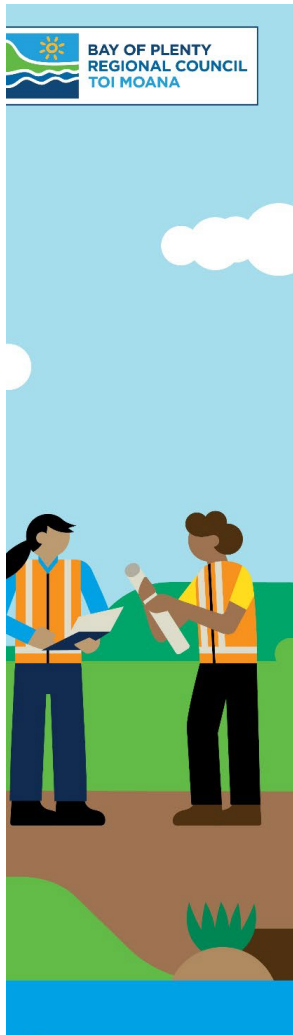
**Presentation: Spatial Planning - Service Improvement Proposal** **20**



# 2023/24 Annual Plan Workshop 2

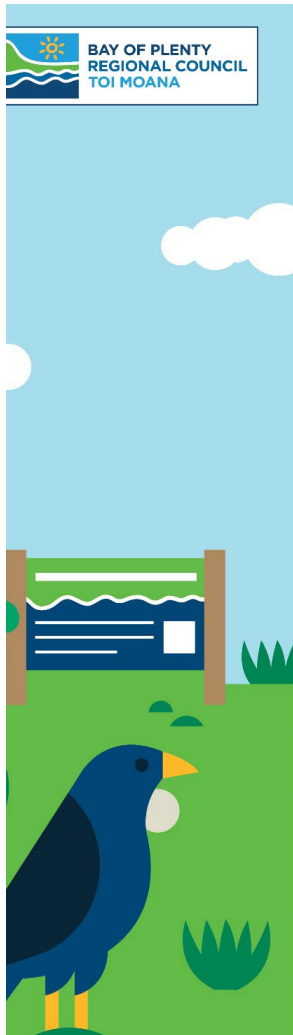
23 February 2023





# Workshop agenda

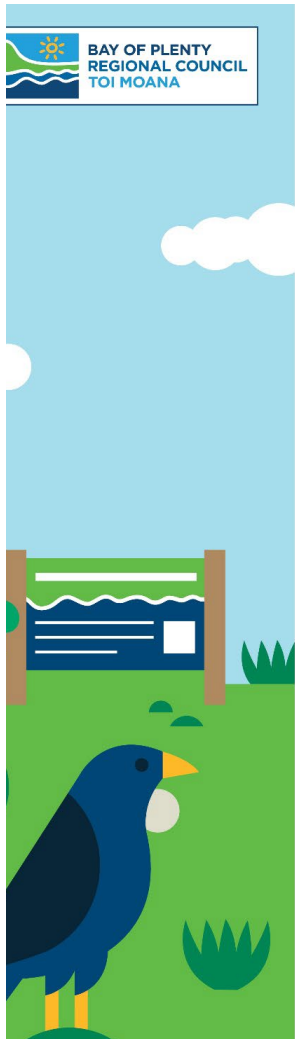
- Financial Overview
- Service Improvement Proposals
- Fees and Charges
- Long Term Plan – Strategic Framework



# Financial Overview

## Financial Context

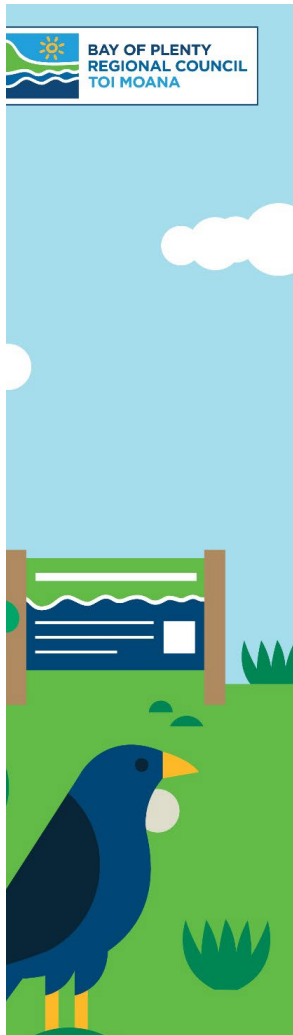
- Financial Strategy is to keep rates low by using reserves:
  - Economic Recovery from COVID
  - Cost of Living
  - Extreme Weather
- Major contract negotiations in progress
- Inflation and interest rates higher than assumed
- Difficulty recruiting and reduced availability of some supplies.



# Current Estimates

	Paper \$m	Revised \$m
Operating Revenue	177.6	176.2
Operating Expenditure	182.1	182.1
Deficit	(4.5)	(6.0)
Capital Expenditure	28.9	28.9

Update to loan principal repayments which reduces targeted rates  
Targeted rates increase revised from 16.3% real to 12.3% real  
Total rates increase revised from 10.6% real to 8.6%



# General Rates and Reserves

General Rates 5% real increase.

Average \$38 per ratepayer including GST, impact varies based on property value.

\$5m of Regional Fund used to fund deficit and general rates.

Regional Fund estimated closing balance at the end of 2023/24 is \$2m.

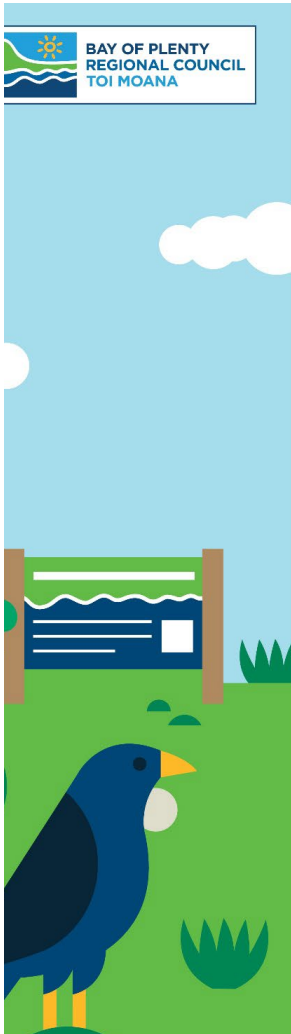
This estimated balance of \$2m could be used to:

- Reduce rates further
  - Applying the Regional Fund to targeted rates requires equity considerations
- Fund SIPs
- Hold for contingency.



# General Rates Indicative Examples

Property	Land Value	2022/23 GR \$incl gst	2023/24 Estimate \$ incl gst	Increase
N	445,000	293.96	329.67	35.71
C	665000	304.43	340.42	35.88
A	1,050,000	377.47	417.85	40.39
J	2,250,000	733.39	795.73	62.33
K	10,350,000	2,731.80	2,917.34	185.54



# Targeted Rates and Reserves

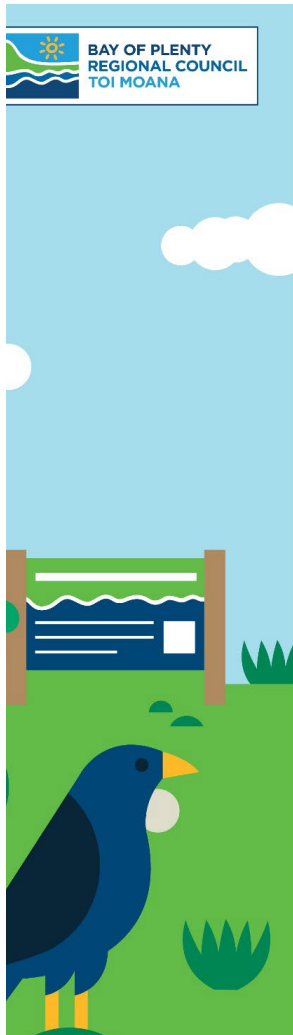
Targeted rates 12.3% real increase

- Some targeted rate reserves are available
- Some targeted rate reserves are in deficit
- Individual impact highly variable depending on which targeted rates apply.

Should targeted rate reserves be used to reduce the targeted rates where possible?

Should the regional fund be considered to reduce selected targeted rates?





# Treasury

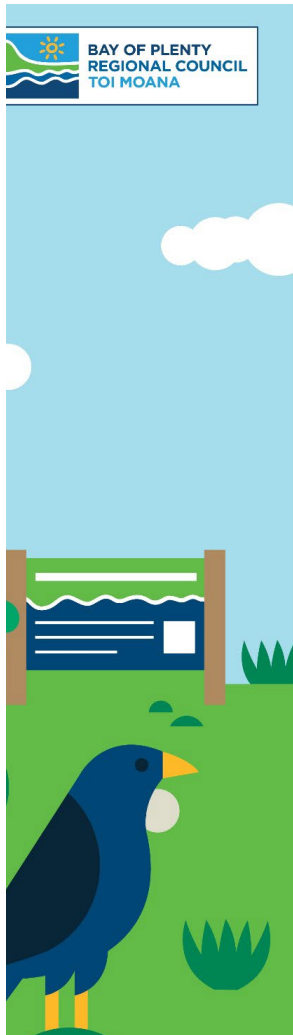
Delayed Rangiuru on-lend.

\$137.4m core council borrowing, \$8.5m lower than budgeted in LTP:

- Current 2.1% average rate
- Refinance \$45m in Apr 2023
- Projected 3% average rate.

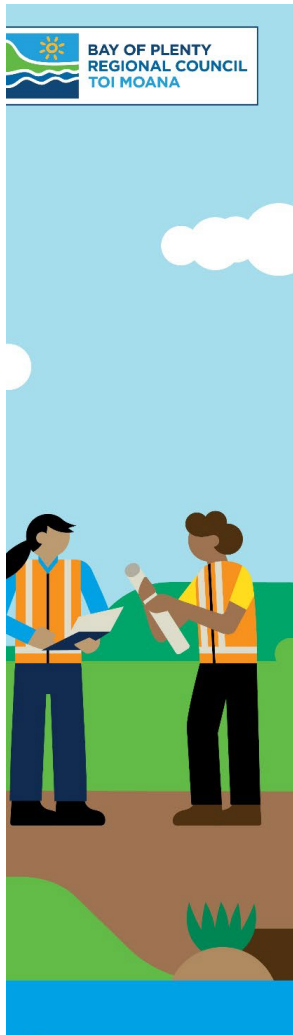
\$70 million Toi Moana Fund.

Dividends being confirmed through Statement of Intent process.



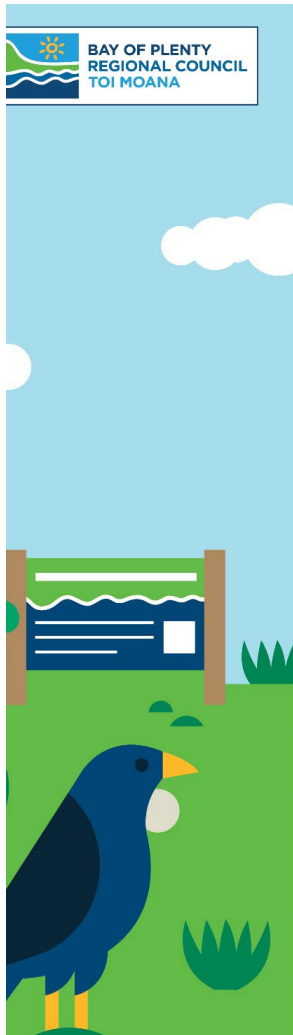
## Council Direction

- Level of general rates increase
- Level of targeted rates increases
- Annual Plan 2023/24 consultation.



# Service Improvement Proposals

1. Spatial Planning – He tirohanga hononga, He ara mua.
2. Catchments - Coast Care Baseline and Priority Biodiversity funding.
3. Rivers and Drainage - Making Room for the River.
4. Transport - Rotorua Refresh.
5. Rivers and Drainage - Safeguarding our Stopbanks.
6. Rotorua Airshed - support for homeowners to improve air quality
7. Transport - Tauranga Bus Shelters.
8. Transport - Consultancy Support.



# Fees and Charges

Full review of charges and categories for LTP 2024-2034.

No changes to categories proposed for 2023/24:

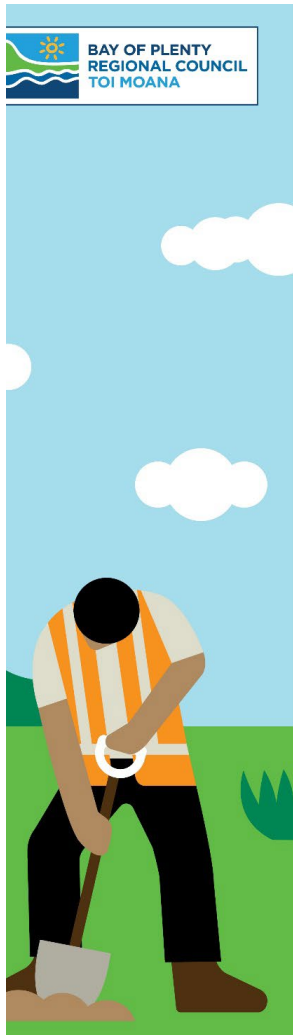
- Deposits
- Fixed fees where there is little variation in effort required
- Variable charges based on hourly rates for work.

Efficiency is passed on through variable charges and periodic review of fixed fee effort.

Fees and charge rates recovery percentages set in Revenue and Financing Policy. If we don't increase fees and charges, then we start to become inconsistent with Policy and need to increase General Funding.

Inflation driving increased costs:

- Recommend public consultation on increasing fixed fees and hourly charges.



# Annual Plan – Next steps

## 16 March 2023 - Council meeting

*Decision on Annual Plan consultation*

*Adopt Statement of Proposal for Draft Fees and Charges Policy*

## March/April 2023 - Consultation on Fees and Charges

## 9 May 2023 – Fees and Charges hearings

*Submissions received for Fees & Charges*

## 25 May 2023 - Council deliberations

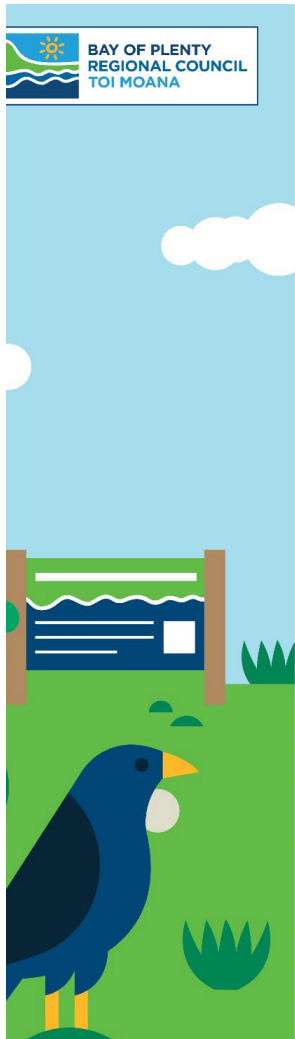
*Fees and charges – consultation feedback*

*Confirm financial information and budget impacts*

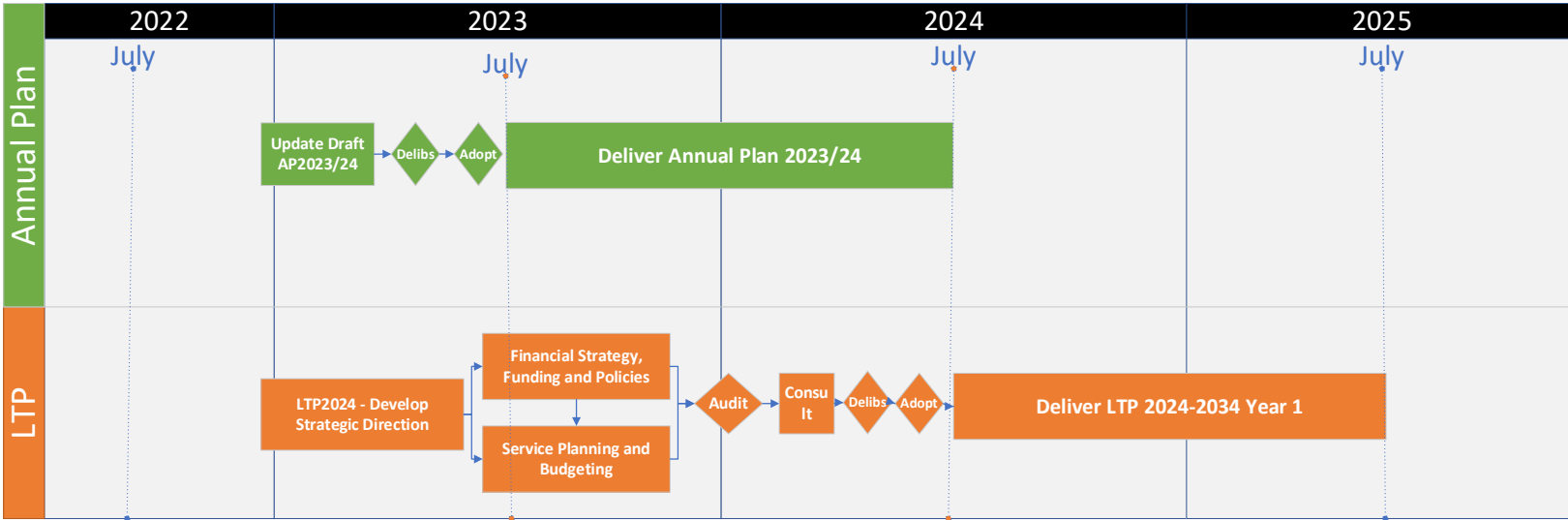
## 29 June 2023 - Council meeting

*Adopt Annual Plan and Fees and Charges*

*Set Rates*



# Annual Plan 2023/24 and Long-Term Plan 2024-2034 Development

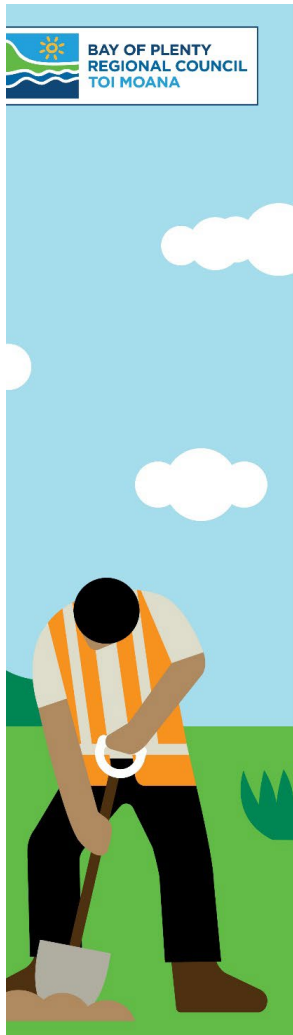




# 2024-2034 Long Term Plan

23 February 2023



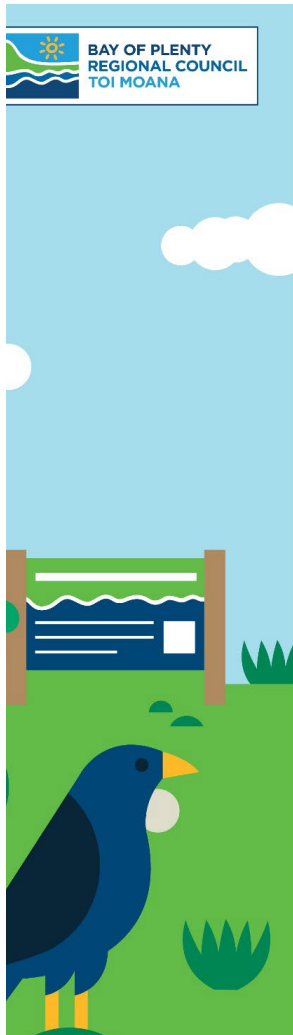


# LTP Development

## Long Term Plan 2024-2034: development







# Part 1 – Review Strategic Framework



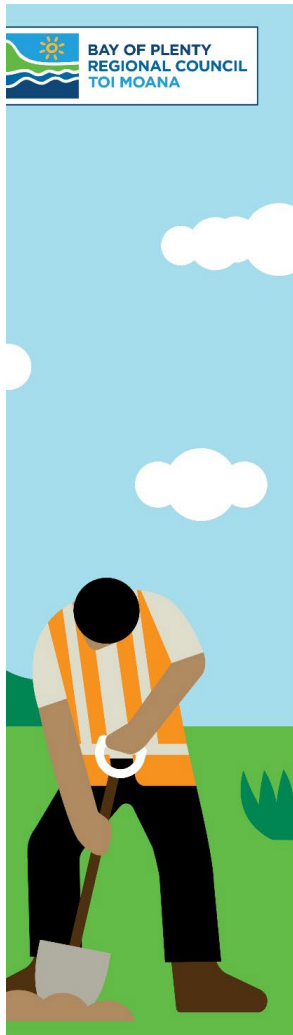
Council's vision sits at the centre of our Strategic Direction – it is about supporting our environment and our people to thrive.



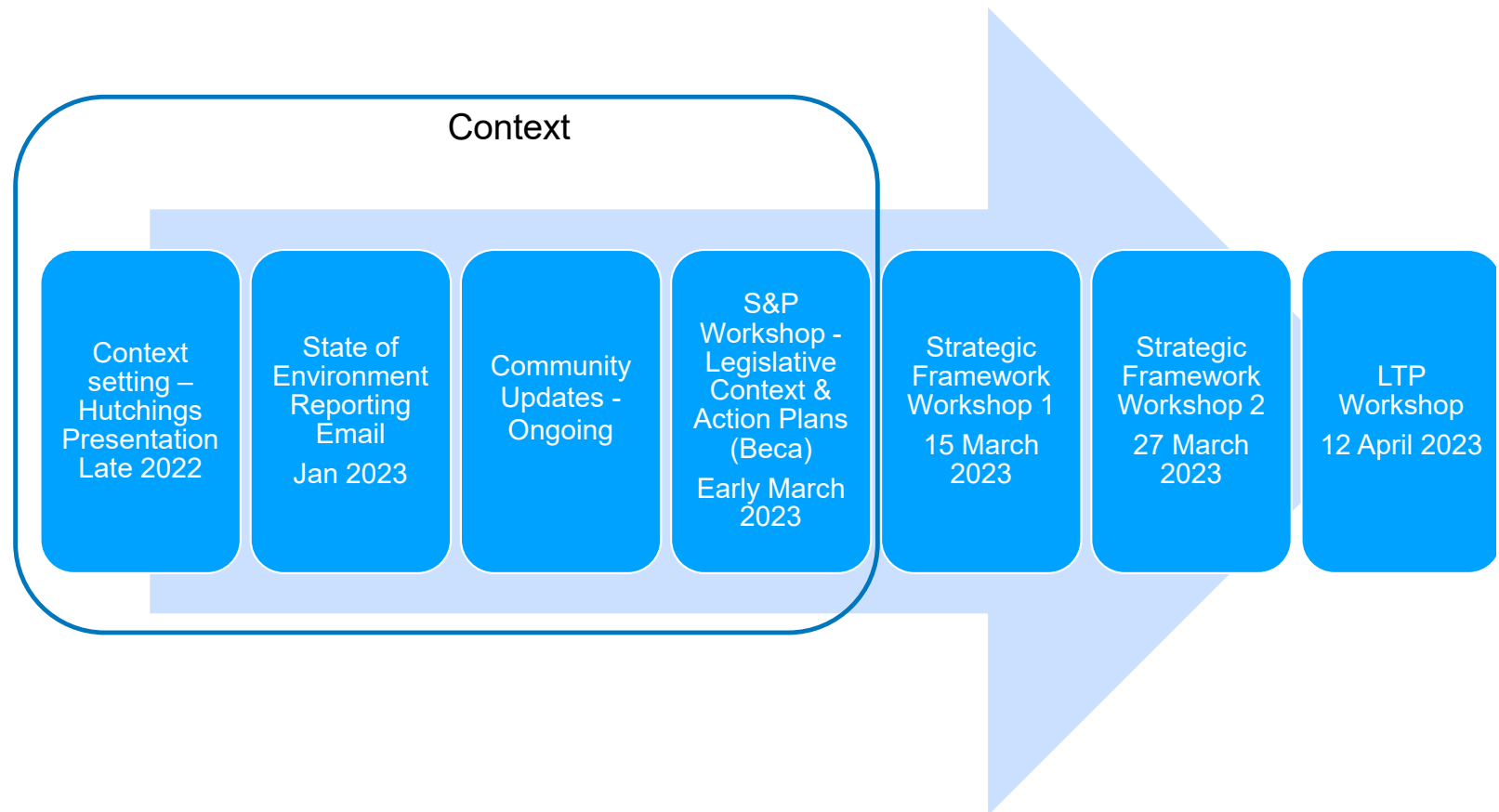
Our four community outcomes support our vision and provide more detail on what this vision would look to support the wellbeing of our community



Our priorities include three Impact areas that we will focus on to achieve greater impact



# Review of Strategic Framework



**Rotorua Examples****Property O - Residential**

Rate	Factor	2022/23	2023/24 Estimate
Uniform Annual General Charge	1	\$178.28	\$206.39
General Rates	345,000	\$77.87	\$82.67
Rotorua PT	1	\$112.13	\$145.08
Civil Defence	1	\$32.83	\$35.86
Regional Safety and Rescue Services	1	\$3.16	\$3.49
Air Action Plan	1	\$3.88	\$4.38
Lakes	1	\$132.87	\$166.11
Kaituna Catchment Control Scheme - R03	0.0509	\$2.12	\$2.96
Kaituna Catchment Control Scheme - R03	1	\$34.77	\$48.44
<b>TOTAL</b>		<b>\$577.91</b>	<b>\$695.38</b>

Increase General Rates and UAGC	\$32.91
Increase Targeted Rates	\$84.57
<b>Total Rates Increase</b>	<b>\$117.47</b>

**Property p - Hamurana Rural**

Rate	Factor	2022/23	2023/24 Estimate
Uniform Annual General Charge	1	\$178.28	\$206.39
General Rates	700,000	\$157.99	\$167.73
Civil Defence	1	\$32.83	\$35.86
Regional Safety and Rescue Services	1	\$3.16	\$3.49
Lakes	1	\$1,002.86	\$1,259.04
Kaituna Catchment Control Scheme - c2	19.12	\$93.07	\$129.66
Kaituna Catchment Control Scheme - c2	1	\$41.72	\$58.13
<b>TOTAL</b>		<b>\$1,509.92</b>	<b>\$1,860.31</b>

Increase General Rates and UAGC	\$37.85
Increase Targeted Rates	\$312.54
<b>Total Rates Increase</b>	<b>\$350.39</b>

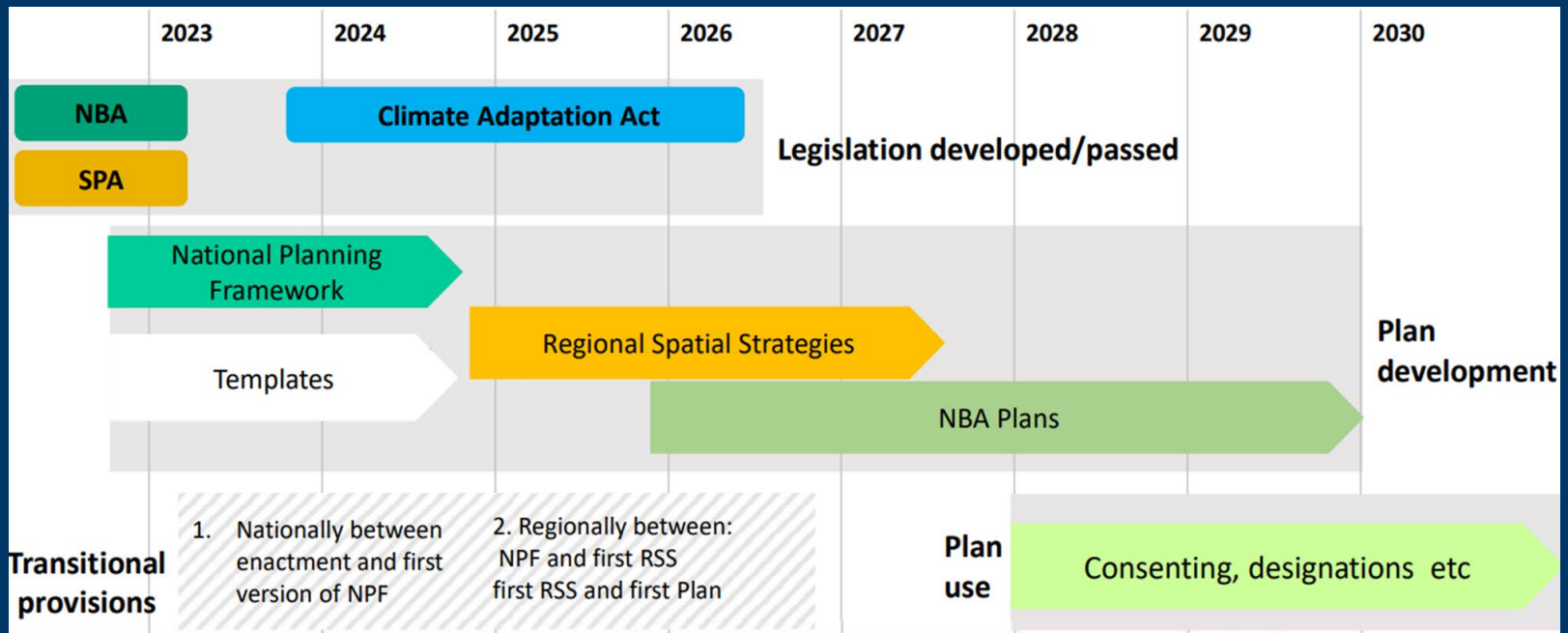


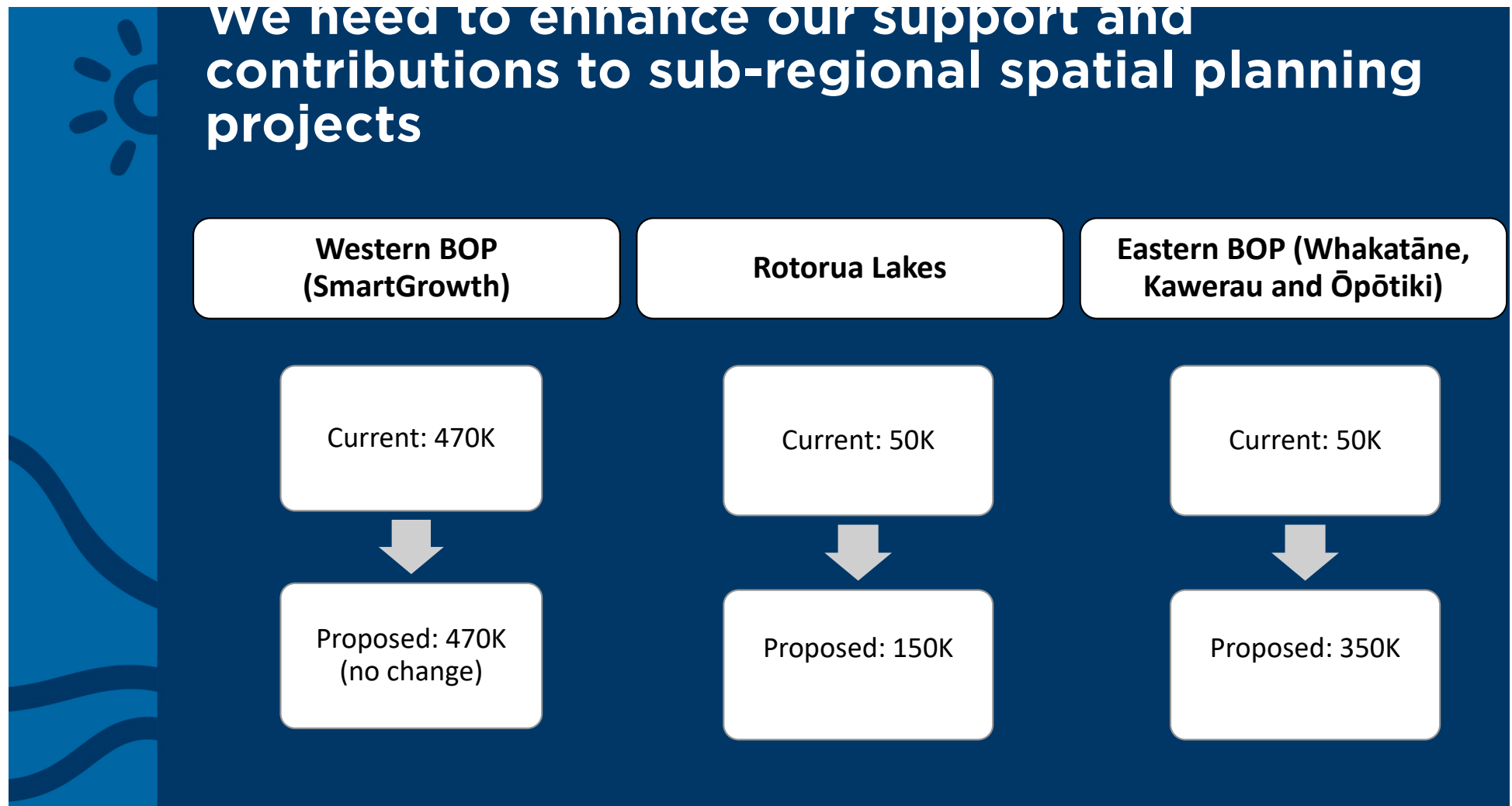
# He tirohanga hononga He ara mua

Expansion to the regional spatial planning work  
programme, February 2023



# We need to successfully navigate legislative change





## We need to build our evidential base for spatial planning (regional and sub-regional level).

