



Feedback Form

Te Kaunihera-ā-Rohe o Ruapehu
Ruapehu District Council
Draft Long Term Plan 2024/2034



Changes to our Financial Strategy

Proposal to change rate increase limit to LGCI + 3%

Council is proposing to increase our self-imposed rates revenue increase limit from the Local Government Cost Index (LGCI) + 2% to LGCI + 3%.

- This will enable us to maintain our levels of service.
- Result in projected annual rate increases of around 5% per annum from year four (2027/28) of the Long Term Plan for the remaining seven years.
- Ensure our budget is balanced.
- Keep us within our self-imposed debt limit of 2x rates income in all but the first year of the Long Term Plan, and,
- Allow the gradual repayment of some debt leaving Council in a better debt position at the end of the Long Term Plan period in 2033/34.

As part of our desire to limit the rate burden Council has been working to a 'self-imposed' rate revenue increase limit of the Local Government Cost Index (LGCI) + 2%. The objective of having a 'self-imposed' rate increase limit is to achieve a sustainable balance between rates affordability and the delivery of services that meets community expectations.

For this Long Term Plan however we are proposing to lift our self-imposed rate increase limit from the Local Government Cost Index (LGCI) + 2% to LGCI + 3%. Following the first three-year lifts of 9% per annum, this would result in projected annual rate increases of around 5% per annum from 2027/28 for the remaining seven years of the Long Term Plan.

The additional revenue from lifting our income threshold by 1% will allow us to maintain levels of service, remain within our self-imposed debt affordability benchmark of 2x rates income for all but the first year of the Long Term Plan (2024/25), as well as starting the gradual repayment of debt later in the Long Term Plan.

It will also ensure that we have a balanced budget for all ten-years of the Long Term Plan and are not raising debt to cover our operating costs.

Impact on rates

Will increase rates revenue.

Impact on debt

Will have repaid an additional \$14.3m in debt by the end of the Long Term Plan period in 2033/34.

Impact on Levels of Service

Will enable Council to maintain Levels of Service.

Wellbeing Framework alignment

The 2024/34 Long Term Plan is informed by Council's Wellbeing Framework which includes the values, purpose, vision, and environmental outcomes we are aiming for on behalf of our communities.

The proposal to raise our self-imposed rate increase limit from the LGCI + 2% to LGCI + 3% supports the following Wellbeing Framework objectives:



Our values:

- Accountability
- Kaitiakitanga (Guardianship)



Our outcomes:

- Thriving communities
- Resilient infrastructure



Our role as:

- Funder
- Regulator
- Service Provider

The options:

1. Maintain our current self-imposed rates revenue increase limit of LGCI + 2%

Will exceed our self-imposed debt affordability benchmark of 2x rates income in seven years of the Long Term Plan.

Our projected debt at the end of the Long Term Plan period would be \$94.1m - This is \$14.3m higher than if we adopt LGCI + 3% as we will not have repaid as much debt.

Will be more difficult to maintain our current levels of service and we will have less financial headroom for any financial unknowns that may arise.

2. Increase our self-imposed rates revenue increase limit to LGCI + 3%

We would only exceed our self-imposed debt affordability benchmark of 2x rates income in the first year (2024/25) of the Long Term Plan.

We will be able to start the gradual repayment of some debt.

Our projected debt at the end of the Long Term Plan period would be \$79.8m - \$14.3m less than the status-quo.

We would return to be within our self-imposed rate revenue increase limit from year four (2027/28)* for the remaining seven years of the Long Term Plan. (*excluding the impact of the proposed Land Transport (exotic) Forestry Targeted Rate in year four 2027/28)

It will be easier to maintain our current levels of service and we will have more financial headroom for any financial unknowns that may arise.

What option do you prefer?

Option 1

Option 2 is our preferred option

Option 2

Tell us why or any other option you prefer:

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Name:

Organisation (if applicable):

Postal address:

Best daytime contact number:

Email:

Keep me advised of future consultations

Would you like to support your feedback by speaking to Council during the Hearings?

Yes

No

If you ticked 'yes' we will contact you to arrange a speaking date and time.

The Hearings are scheduled for Tue 14th May (Ohakune and Raetihi) and Wed 15th May (Taumarunui). You can choose to speak at either or online.

A maximum of two speakers and ten (10) minutes of total speaking time per submission is permitted.

You can bring your feedback form into any Council office or submit via:



Mail:

Freepost 492
Ruapehu District Council
Private Bag 1001
Taumarunui 3946



Email:

consultation@ruapehudc.govt.nz



Please note - you can also provide feedback on-line:

Use our on-line submission form on our consultation website:
submissions.ruapehudc.govt.nz or use your phone and **the QR code**

