Te Kaunihera-ā-Rohe Ruapehu
Ruapehu District Council

Draft Long Term Plan

Consultation Document

2024-2034

In our early discussions for this Long Term Plan we asked people to share their experience of life in Ruapehu and what they saw as our priorities.

By having your say on our proposed Long Term Plan work programme you can now help influence Council to focus on the things important to you.

"Employment, access to health and education, safe, positive and friendly, where everyone has a place"

"Making sure all ages, ethnicities and socio-economic groups, have decent access to essentials"

"Healthcare, education, and having to travel for so many services"

"Activities for our children"

"Career opportunities"

"Better roads"

"The quietness of life, nice scenery and communities in the area"

"Positive engagement from all ages in community activities and events"

"Looking after the taiao, our awa and maunga is paramount to our well-being"

"More services, but would require an increase in population for that to happen"

"The mountains, the rivers, open spaces, friendly supportive communities"

"Cost of living"

"Employment opportunities"

"Jobs, and affordable food"

"Housing and pensioner flats"

"Addressing environmental concerns"

"Everyone having their immediate needs met"

"Access to affordable social housing"

"Better access to healthcare"

"Community wellbeing means a corrected, responsive, inclusive, resilient, and supportive community with environment people at its heart".

"The maunga, the people, community spirit, local events and heritage".

Contents

Welcome

Our vision for Ruapehu is a place we are proud to call home, where we celebrate our diverse communities - who are connected to their environment and each other.

What is a Long Term Plan?

The Long Term Plan plays a crucial role in our planning and community engagement.

It is produced every three years and sets out our intentions for the next ten years, including the services we will provide, the projects we aim to undertake, and how we plan to manage our finances.

The Long Term Plan is not just a budget or a list of projects; it's a strategic document that reflects the community's aspirations and priorities, guiding our work and ensuring transparency and accountability.

It is supported by more detailed planning documents such as Asset Management Plans for each of Council's core activities, a 30-year Infrastructure Strategy and Financial Strategy. These can be found on Council's website: **ruapehudc.govt.nz**

Together they provide detailed information on the activities, services and projects Council plans to deliver including the timing, where, how and cost of delivery and projected rate increases.

Role of the Consultation Document

Community engagement is an integral part of the Long Term Plan process.

Before finalising the plan, we wish to consult with our communities and other stakeholders to gather their input and feedback. This ensures that the final adopted plan is not only aligned with our goals but also resonates with the community needs and wants.

The consultation document outlines in a simple and accessible way the key matters and challenges before Council and any issues or projects we would like your feedback on.

Your feedback is especially welcomed in this plan as we are proposing only essential projects while we wait for government to put forward their alternative plans for funding infrastructure.

Council will only make a decision on these issues, or what changes to make, after hearing from Ruapehu communities and other stakeholders.

What you have told us so far...

- Before developing our new ten-year plan, we asked the community to share their thoughts on the key priorities they wanted us to focus on.
- We received a record 3,584 responses, highlighting the appreciation for Ruapehu's safe, community-focused environment, alongside concerns about healthcare access, housing costs, job availability, and living expenses.
- Suggestions also included improving infrastructure, recreational facilities, and supporting local businesses.
- This input has helped shaped the priorities and projects in our draft Long Term Plan.

We want communities to have a say in local decisions

- Having your say on the issues in this Consultation Document is easy.
- You do not have to limit your feedback to the questions we are seeking feedback on but can comment on any issue that you like.
- There is a feedback form included as part of this Consultation Document or you can answer on-line.
- If you wish you can support your feedback with a presentation to Council during the Hearings process. This can be in-person or on-line. For more details see the 'Having Your Say' and Feedback Form at the end of this Consultation Document.

More info

Consultation on the draft Long Term Plan will be supported by a series of community hui across the district.

For more details see pages 61 of this Consultation Document.

Key dates

Consultation Opens
Thursday 11 April

Consultation Closes
Sunday 12 May

Hearings
Tuesday 21 May
Wednesday 22 May
Council hears from people who want to talk in support of their submission

Deliberations
Wednesday 5 June
Council considers feedback and any changes to the draft Long Term Plan

Adoption
Wednesday 26 June
Council adopts the Long Term Plan which comes into effect on 1 July 2024

Mayor's message

This 2024-2034 Long Term Plan presents the most challenging set of circumstances Council has asked our communities to consider for some time.

Over recent years we have been facing an increasing number of financial and operational headwinds with significant funding and capability challenges.

The environment of general inflation with higher costs combined with other pressures have been stressing our work program and ability to keep rates increases at a level we would find acceptable.

Additionally, the change in government has introduced new uncertainties and costs as we navigate their different approach to sector reform, and the commitments made by the previous government, on which many debt-funded infrastructure decisions were made, are unwound.

The return of three waters

The significant issue in this regard is the repeal of Labour's 'Affordable Water' legislation and its replacement with the 'Local Water Done Well' model for reform of three waters services.

'Local Water Done Well' returns responsibility for three waters infrastructure and services to councils - along with the requirement to include these in this 2024-2034 Long Term Plan on the basis we will continue to own, maintain, and deliver water services into the future.

Because of this, the debt we had anticipated would transfer to a new multi-regional entity from July this year is remaining on Council's books for the foreseeable future, along with the return of all operational and compliance responsibilities.

The retention of our water debt and need to maintain investment in three waters, land transport and other areas, means we have very little room for spending on anything other than the most essential services and infrastructure.

Financial impacts

Council started the 2024/34 Long Term Plan process contemplating an unaffordable average rate increase of over 30%.

To bring rate increases down to an acceptable level we have needed to make some hard decisions on what the bare minimum in funding we require is.

This involved a thorough review of all usual activities and planned projects assuming that there will be no government funding assistance other than what is already confirmed.

The need to defer some of our investment until we have certainty on the future of three waters will result in increased reactive maintenance as we are not able to spend as much as we would like on asset renewal and new projects.

9% rate revenue increase

Council is proposing an average rate rise of 9% per year for the first three years of the Long Term Plan (2024/25, 2025/26 and 2026/27) and lifting our self-imposed rate increase limit from the Local Government Cost Index (LGCI) + 2% to LGCI + 3%.

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. It will ensure our budget is balanced, and allow the gradual repayment of some debt while keeping us within our self-imposed debt limit of 2x rates income in all but the first year.

9% minimum needed

It is important to note that the proposed average rates lift of 9% is the absolute bare minimum required to maintain current levels of service and meet legislated and contracted requirements.

It will not fund community expectations for increased services and will require us to 'sweat' assets as we cannot afford to borrow and invest more in our infrastructure.

Many councils are facing double digit rate increases across multiple years as they work to overcome infrastructure deficits and manage debt with some reaching their debt borrowing limit.

Local Government New Zealand has warned that the country is facing looming infrastructure costs of hundreds of billions of dollars and that councils which are looking at double-digit rates increases are just facing reality.

Until new council funding mechanisms are introduced some commentators are warning that ratepayers will need to get used to double-digit rate increases unless local and central government can come up with a long-term plan to invest in infrastructure assets.

Prudent financial management

Our debt management strategy is cautious, aiming to keep our borrowing within limits that ensure future financial stability.

Under our proposed plan Council's debt position is projected to be around $88.7m at the end of the Long Term Plan period (2033/34) if all current three waters projects are included without any further government assistance.

Council believes raising our 'self-imposed' rate income limit (to LGCI + 3%) to maintain our debt affordability benchmark (of 2x rates income) and allow the repayment of debt is financially prudent given our reliance on rates and the overall economic conditions in Ruapehu.

The alternative of maintaining our current self-imposed rate income limit of LGCI + 2% would see debt reach around $102.4m by 2033/34 with no debt repayment or room for future financial issues that may arise.

Review of rating policies

In addition to our proposed average rate increase and self-imposed rate increase limit change we are proposing a number of rating policy changes we invite feedback on.

These include; removal of the 3% early payment discount, changes to the Land Transport Forestry Rate, Environmental Resilience Rate and Māori Freehold Land Remission Policy, clarification of how additional SUIP are treated under the Rates Remission Policy, and removal of the Warm Your Whare Targeted Rate.

Impact of rating revaluations

Last year's three-yearly property revaluations for rating purposes saw a big increase in residential and rural property value levels with some large variations.

As a result, some properties that have experienced above-average increases in valuation may now face a disproportionately higher increase in their rate bill compared to the average.

Some sheep and beef hill country properties are an example of this where their value has gone up significantly due to market speculation driven by carbon farming rather than improvements to the property or its income-generating potential.

To assist ratepayers who may find themselves struggling to pay their rates bill Council is proposing to extend the provisions in our Rates Remission Policy to assist ratepayers in extreme financial hardship.

Doing what we can within constraints

In this Long Term Plan Council believes we are doing as much as we can within our financial constraints and importantly within what we believe our community can afford.

Like other councils we have been looking to central government to understand their expectations and confirm what, if any, financial support may be available.

So far the government has not offered a funding support lifeline instead proposing that councils borrow more and form Regional Council Controlled Organisations (CCO) with neighbouring councils to access sustainable funding for three waters infrastructure.

Due to the importance of tourism to our economy we are also looking to government to continue supporting Ruapehu Alpine Lifts (RAL) and the Chateau for as long as it takes until new financially stable operators are in place.

These financial issues highlight our growing affordability challenges in a context where we've depended on government support for major infrastructure projects and other vital areas, which is now being reduced as part of broader spending cuts.

A challenging period ahead

In summary, this Long Term Plan is about navigating through a period of financial austerity and policy uncertainty while government introduces new funding mechanisms for our infrastructure.

It's about making tough choices to ensure we can continue to provide essential services while being mindful of our community's ability to bear the financial burden.

Elected members have been working together to really understand the issues and find compromise where it is needed to the benefit of our communities while recognising the impact of our strategy .

We will continue to develop and strengthen our relationships with iwi and hapu working cooperatively on our shared areas of interest.

Our debt management approach and revisions to our financial policies aim to keep us on a stable financial footing. This includes rethinking our rate increase limits and making necessary adjustments to our revenue and financing policy to better reflect our current challenges and the broader economic environment.

While there is uncertainty in how infrastructure including for three waters and roading will be funded over the next couple of years it will be difficult for us to plan what future infrastructure investment might be affordable for our community.

As we navigate these complex times, our focus remains on serving our community, advocating for their needs, and ensuring our region's resilience and sustainability.

We encourage all residents, ratepayers and others with an interest in Ruapehu's future, to engage with this Long Term Plan and contribute your perspectives.

Weston Kirton
MAYOR
RUAPEHU DISTRICT COUNCIL

Building resilient, sustainable communities

With the role and functions of local government evolving, Council has been on a journey to ensure we are well placed to serve and support our communities into the future. The outcomes we want to achieve for Ruapehu communities have wellbeing at their heart.

Pūwhenua ki Ruapehu and the Wellbeing Framework

Ruapehu communities look to Council to support their overall wellbeing, beyond the provision of our 'traditional' core services.

Despite the progress we have made over recent years we are also aware that not everybody is benefiting and that there are some pockets of high deprivation and associated social issues in our community.

Council cannot address these deep-seated and complex wellbeing issues on our own. Government, business, iwi, hapū, non-government organisations and the community themselves all have a role to play.

Achieving collaboration however has often been difficult due to different policy and funding priorities driven by dated data with no real connection with people's actual current experience of life in a particular community.

To address the need for a trusted common truth we developed the Pūwhenua ki Ruapehu portal in partnership with the Ministry of Social Development.

Our portal merges real-life experiences with hard statistical data to offer valuable perspectives on community wellbeing and obstacles, guiding the allocation of scarce resources to best effect.

Following the success of Pūwhenua ki Ruapehu, Council developed a Wellbeing Framework to provide direction and focus for our activities promoting community wellbeing.

The role of the Wellbeing Framework in the Long Term Plan

The Wellbeing Framework informs the 2024/34 Long Term Plan, including our values, purpose, vision, and the environmental outcomes we aim for. It guides our focus, service levels and performance indicators influenced by Pūwhenua ki Ruapehu.

Guiding pillars

The Wellbeing Framework is guided in its implementation by Council commitments to Te Tiriti o Waitangi and providing Strong Leadership, Advocacy and Financial Stewardship.

Te Tiriti o Waitangi

The intention of the Te Tiriti o Waitangi pillar is to acknowledge the importance of Te Tiriti to our district.

Council acknowledges these responsibilities are distinct from the Crown's Treaty obligations and lie within a Ruapehu District Council context.

We recognise our unique responsibilities under Te Tiriti o Waitangi within the Ruapehu District, emphasising partnership, participation of Māori, and protection of their rights.

Strong Leadership, Advocacy and Financial Stewardship

The pillar of Strong Leadership, Advocacy and Financial Stewardship underlines our dedication to advocating for accessible, affordable services and managing our resources transparently and responsibly.

Our Values

Our values serve as foundational principles that guide decision-making, behavior, and culture providing a moral compass and a shared sense of purpose that underpins Council's identity and operations.

Kaitiakitanga Guardianship	**Environmental stewardship**	**Manaakitanga** Care for others	**Whanaungatanga** Upholding relationships	**Rangatiratanga** Enabling others	**Accountability**

Our Purpose

We want communities to have a say in local decisions, take action together and aim to make communities better now and in the future by focusing on wellbeing, the economy, the environment, and culture.

Our Vision

We are proud of the place we call home.
Ruapehu District Council celebrates its diverse communities who are connected to their environment and each other.

Our Outcomes

We seek to create resilient infrastructure, thriving communities, prosperous businesses connected to their surroundings, a healthy environment, and a diverse, engaged workforce valuing people, teamwork, and continuous improvement.

COMMUNITY	COMMUNITY	COMMUNITY	COMMUNITY	ORGANISATION
Our infrastructure assets and services are resilient and fit for purpose.	**Our communities are thriving and enabled to pursue their aspirations.**	**Our businesses are prosperous and connected to their community.**	**Our natural and built environment is healthy strong, and safe.**	**Diverse, positive and engaged workforce that values people, teamwork & continuous improvement whilst serving our communities.**

Our community and organisation outcome goals

• All Council-owned assets consistently meet required compliance standards. • All Council-owned assets are resilient and future-proof.	• Each community in the district is supported to develop and implement a local community plan. • Council encourages initiatives that promote social connection and self-determination. • Council's public spaces are safe and accessible for all. • Council's strategic partnerships contribute to the wellbeing of our district.	• The Ruapehu business community is growing and diversifying. • Stable employment opportunities across the district are increasing. • Council's regulatory activity supports safe, healthy business and community activity.	• Council meets its natural and built environment targets as set by central government. • Council is an influential local voice at a regional and national level on issues that affect our unique environment. • Council strategic objectives contribute to the environmental wellbeing of our district.	• We give effect to our values in all we do. • We deliver meaningful solutions. • We work with other organisations to get best results for our district. • We communicate effectively.

Te Tiriti o Waitangi

Strong Leadership, Advocacy and Financial Stewardship

Our Roles

Council promotes wellbeing in our district by serving in these roles:

Partner	Advocate & Influencer	Service Provider	Connector	Funder	Regulator
		24/7			

Ten key challenges of the next ten years

1. **New uncertainties and costs:** Ruapehu is adjusting to a higher cost environment with greater funding and capability challenges and a change of government with new approaches to sector reform. These issues bring new uncertainties and costs which we will need to navigate within our limited resources.

2. **Services and affordability:** Our infrastructure strategy centers on prioritising key services and essential projects for the next three years due to our retention of water services and related debt. This approach will require more reactive maintenance, acknowledging that delaying renewals will lead to higher future costs. With the community we will need to make hard choices about what services the community can afford.

3. **Resolution of three waters:** Although we are working to establish a new form of Council Controlled Organisation (CCO) as proposed by government to supply three waters services on a regional basis, the timing is unknown and key issues such as how water debt is handled, and price harmonisation (where everybody pays the same) are still to be agreed. Until the future of three waters is resolved it will impact on our ability to fund other infrastructure and activities our communities need and want.

4. **Capital works programme:** One of our challenges is whether we'll be able to complete all the capital work we've planned to do. Our planned Capital Works programme for the ten years is $221m. Delays could potentially result in increased costs or assets failing before they are upgraded or replaced, risking continuity and delivery of services. There is also the risk that we charge rates to fund programmes that we then can't deliver in the proposed time frame.

5. **Funding pressures:** Grant and subsidy funding which we have relied on for major projects is likely to be harder to get with government expecting us to borrow more which will challenge rates affordability. Our largest subsidy is the Funding Assistance Rate (FAR) from NZ Transport Agency Waka Kotahi for our road network. In the Long Term Plan we have budgeted on a 75% FAR with our local share being 25%. This will allow us to maintain levels of service for the next three years. If our FAR should reduce and road investment not increase there is a risk the level of service will drop.

6. **Advocating for Ruapehu and rural issues:** We will continue to work advocate for our communities so that government and others understand the issues confronting Ruapehu district, our region and rural New Zealand to help ensure that government policies support our strategic objectives and wellbeing goals for our communities.

7. **Climate change:** Climate change is a complex, long-term challenge with the impacts being widely seen and felt by our communities. Environment changes will impact our two largest economic activities being agriculture and tourism. Legislation such as the Emissions Trading Scheme is driving changes in land-use activities with flow-on impacts on our population and rating base. These changes have consequences for the things we value most: our safety and security, the places we live and play, our livelihoods and economy and our wellbeing.

8. **Maintaining township revitalisation:** Despite our financial constraints we aim to keep investing what we can in our towns, community projects and facilities to support the growth of resilient, sustainable communities which can thrive into the future. Not having vibrant, attractive townships will impact on our ability to attract new residents and visitors who stimulate economic activity.

9. **Leadership and governance:** We aim to protect our natural environment on which our economy and way-of-life are based, build townships that people are proud of, support social cohesion, provide leadership, and effectively manage community assets and services. We will communicate effectively so that our communities understand what we are doing, why we are doing it, and engage with us.

10. **Easing the ratepayer burden:** We will work hard to identify and take advantage of any available funding opportunities that will help alleviate pressure on ratepayers.

Our plan to pay for things

Our Financial Strategy describes how we plan to manage our finances including paying for our services and planned activities over the next ten years.

It aims to achieve a balance between the delivery of projects and services that the community needs and wants and their ability to pay for them.

As a small rural council, we face affordability challenges which up until now we have managed to offset by keeping costs under control, keeping our debt manageable by carefully planning our big infrastructure projects, and utilising government funding opportunities.

Since the COVID19 lockdown, however, we have been facing an increasing number of financial and operational headwinds with greater funding and capability challenges.

The new government has introduced a new focus and direction while seeking broad spending cuts which is likely to impact on the grant funding we have been making full use of.

As we do not have any major revenue producing assets or investments, we are significantly more reliant on rates, fees and charges, grants and subsidies, and debt to fund our services, projects and other activities.

For this Long Term Plan the main financial challenges are:

- Managing the trade-off between the demand for more services and rates affordability.
- Finding the appropriate balance between the pressure to take on more debt to fund infrastructure and rates affordability.
- Securing grant and subsidy support with a new government who has signaled broad spending cuts.

Our ten-year plan for income

1. An average rate revenue increase of 9% per year for the first three years

We are proposing to increase rates revenue by an average 9% per year for the first three years of the Long Term Plan (2024/25, 2025/26 and 2026/27)

An average 9% rates revenue increase is considered the absolute bare minimum to:

- **Maintain current levels of service and meet our commitments, while,**
- **Remaining within what we believe our community can afford.**

Note on 9% average rate increase: As part of this Long Term Plan we are consulting on lifting the differential rating factor on the Land Transport Forestry Targeted Rate which if adopted would lift the overall income received from rates to 9.6%. It should be noted however that the additional 0.6% would only impact on the targeted exotic forestry properties, which are a small portion of all properties. As this increase won't affect most people, we've shown the average rate increase as 9% to keep it simple for the majority who won't be impacted.

2. Lifting our self-imposed rate income limit to LGCI + 3%

As part of our policy to limit the rate burden, Council has been working to a 'self-imposed' rate 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 the delivery of services and rates increases our community can afford.

For this Long Term Plan we are proposing to lift our self-imposed rate increase limit from the Local Government Cost Index (LGCI) + 2% to LGCI + 3%.

The financial benefits of increasing our rate increase limit to LGCI + 3% include:

- It 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 and allow us to remain* within our self-imposed rate revenue increase limit in these years. *Excluding the impact of the proposed Land Transport (exotic) Forestry Targeted Rate in 2027/28.
- The additional revenue from lifting our income threshold by 1% will allow us to remain within our self-imposed debt affordability benchmark of 2x rates income for all but the first year of the Long Term Plan.
- It will allow us to start the gradual repayment of debt and repay an additional $14.3m in debt by the end of the Long Term Plan period in 2033/34 than if we stay with LGCI + 2%.
- 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.

3. Grant and subsidy funding

We are proposing to utilise every opportunity to obtain grant and subsidy funding from government and other sources to support our work programme and reduce the financial burden on ratepayers.

For the up-coming 2024/25 rating year we are budgeting to receive 30% of our income worth $15m from grants and subsidies, the majority of which is our 75% Funding Assistance Rate (FAR) subsidy we receive for land transport projects from Waka Kotahi New Zealand Transport Agency (NZTA).

- Over previous years we worked successfully with government to obtain funding assistance for major infrastructure projects to keep our debt level down to an acceptable level.
- Projects such as the Ohakune Water Treatment Plant, the Park and Ride in National Park, and our cycle way network amongst other projects were all made possible through support from grant funding.
- The new government however has indicated they expect councils to be more financially self-sufficient making the previous level of grant and subsidy funding we benefited from less certain.

• Projects reliant on external funding

There are several projects included in the Long Term Plan which require external funding to proceed. If that funding does not eventuate, then those projects will be put on hold for further consideration.

Those projects are:

- Tātai Tāngata ki Raetihi - Town Revitalisation Raetihi service hub
- Raetihi Swimming Pool
- Mangateitei rail over-bridge
- Te Hangaruru cycle way - stage 2
- Matahiwi suspension bridge

4. Fees and charges

Fees and charges directly tie the cost of a service to its use, ensuring that those who benefit from a service contribute to its expenses.

For the up-coming 2024/25 rating year we are budgeting to receive 8% of our income worth $4m from fees and charges.

- Fees and charges provide a transparent and accountable way for Council to fund services, aligning the cost burden with usage and benefiting the community by encouraging more responsible and sustainable behaviours.
- In the context of waste management, for instance, charging fees based on the amount of waste produced or offering paid options for additional or specialised waste disposal services can help influence behaviour change. This creates a financial incentive for waste reduction and encourages people to reduce, reuse and recycle, leading to more sustainable community practices.
- This user-pays principle promotes fairness, as individuals or businesses that use more of a service bear more of the cost, rather than spreading it across other ratepayers regardless of their usage levels.

What is the Local Government Cost Index (LGCI)?

In planning for the ten years of the Long Term Plan all councils need to consider the future costs they are going to face to upgrade and maintain infrastructure and services.

To do this councils use a 'cost adjustment' mechanism known as the Local Government Cost Index (LGCI) developed by economic consultancy BERL for Taituarā — Local Government Professionals Aotearoa.

The LGCI is the local government inflation index similar to the Consumer Price Index (CPI) used for measuring the increase in household costs.

As councils do not purchase the goods and services used in the CPI we use the LGCI as an alternative to provide a measure of inflation on the goods and services purchased by local government.

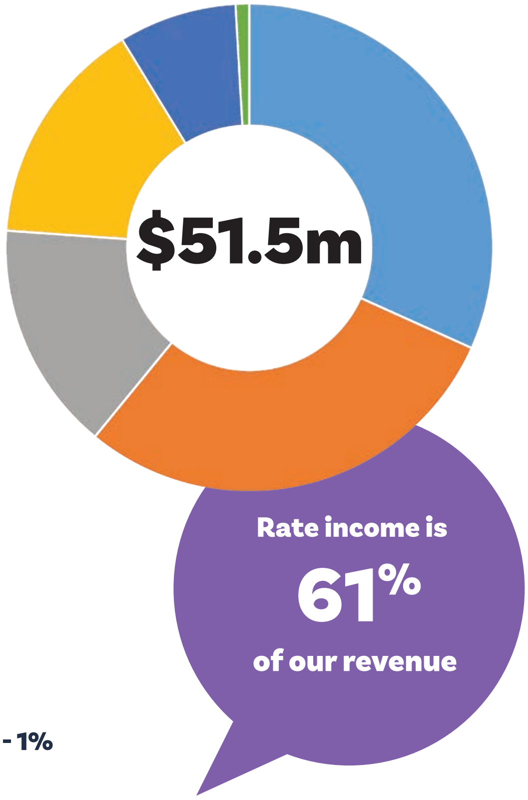
The LGCI is a key input into the data that drives our planning models and allows us to forecast such things as future debt levels and potential rate increases.

The LGCI is also a key input into our guidelines such as our self-imposed rate increase limit which we use for managing rates affordability.

Total sources of funding

Council is budgeting total income of $51.5m for the 2024/25 rating year.

While rates income comprises the significant source of our revenue we also rely on grants and subsidies, fees and charges, and other minor sources such as development contributions, interest and dividends to pay for activities.

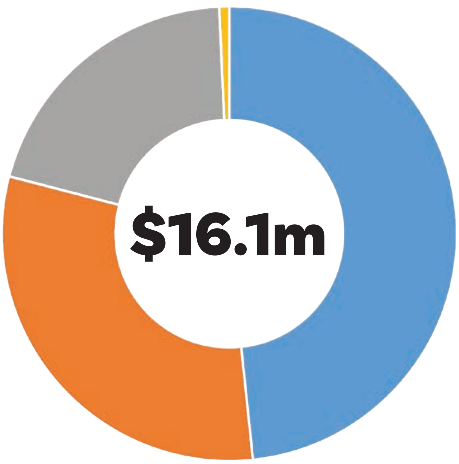


- General Rates & Uniform Annual General Charge: **$15.8m - 31%**
- Targeted Rates: **$15.5m - 30%**
- Capital Subsidies and Grants: **$7.8m - 15%**
- Operational Subsidies & Grants: **$7.9m - 16%**
- Fees and Charges: **$3.8m - 7%**
- Other: **$639k - 1%**

- **Rates** (general and targeted) comprise the vast majority (61%) of Council's revenue. They pay for 72% of our day-to-day operational expenses and 29% of our capital projects via funded depreciation (goes toward paying for renewal of assets and maintaining current levels of service). As Council has a policy of spending rates locally any significant drop in rate income would have a flow-on effect on our local economy and levels of service.
- **Government operational and capital grants/subsidies** make up 31% of our revenue and pays for 48% of our capital projects and 18% of our operating expenses.
- **Fees & charges** make up 7% of our revenue and pay for 9% of our operational expenses. Council has a lower reliance on fees & charges versus rate income compared to some other councils.
- **Minor income** from such things as petrol tax, development contributions and property rentals making up the remaining 1% of our revenue.

Capital funding sources

How we plan to pay to build things



Grants & Subsidies: 48% - $7.8m
This is mostly funding from Government. In most instances ratepayers need to contribute a 'local share' toward the project e.g. in roading our subsidy Funding Assistance Rate (FAR) is 75% and ratepayers pay the remaining 25%.

Funded Depreciation: 29% - $4.6m
Depreciation is funded through rates.

Borrowing: 23% $3.6m
40% of our capital spending will be paid for with debt.

Development Contributions: <1% - $112k
This is the contribution paid by anyone undertaking development toward the supporting infrastructure e.g. water services, roads, etc. Council has kept this low to encourage investment and new development.

Operational funding sources

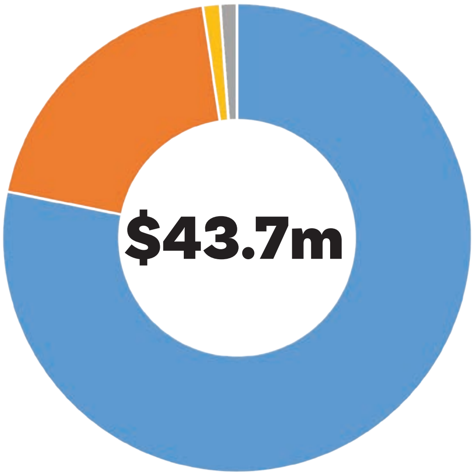
How we plan to pay for day-to-day activities

Rates: 72% - $31.3m
Rates pay for 72% of our day-to-day expenses and highlights Council's dependence on rate income to maintain our levels of service.

Operational Grants: 18% - $7.9m
These are Grants for Council to undertake specific activities. When these end Council needs to decide whether to rate fund or deliver a lower level of service in that area.

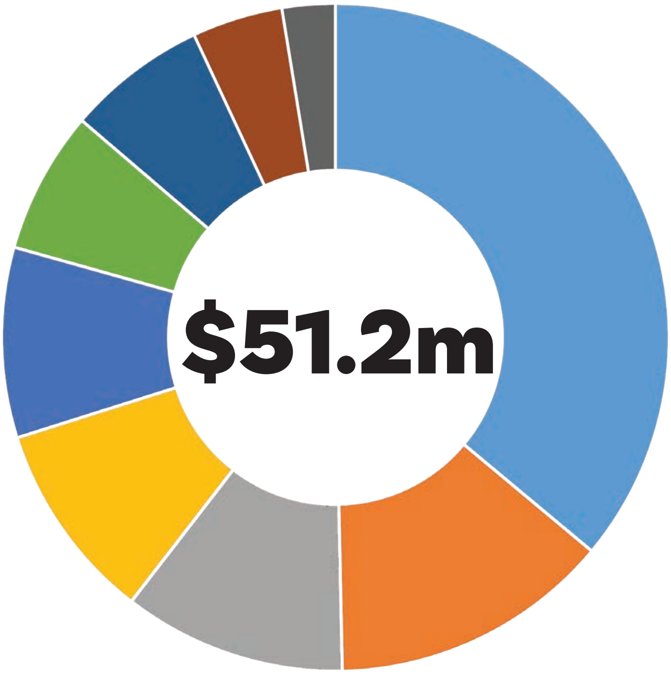
Fees & Charges: 9% - $3.8m
Council gets a relatively small amount of its income from fees & charges. This makes Council's levels of service less reliant on public spending which fluctuates with the wider economy.

Other: 1% - $639k
Includes such things as Road User Charges, development contributions, bank interest, and other minor income.



Spending by activity

We are budgeting to spend $51.2m on our core activity areas in the 2024/25 rating year as follows:



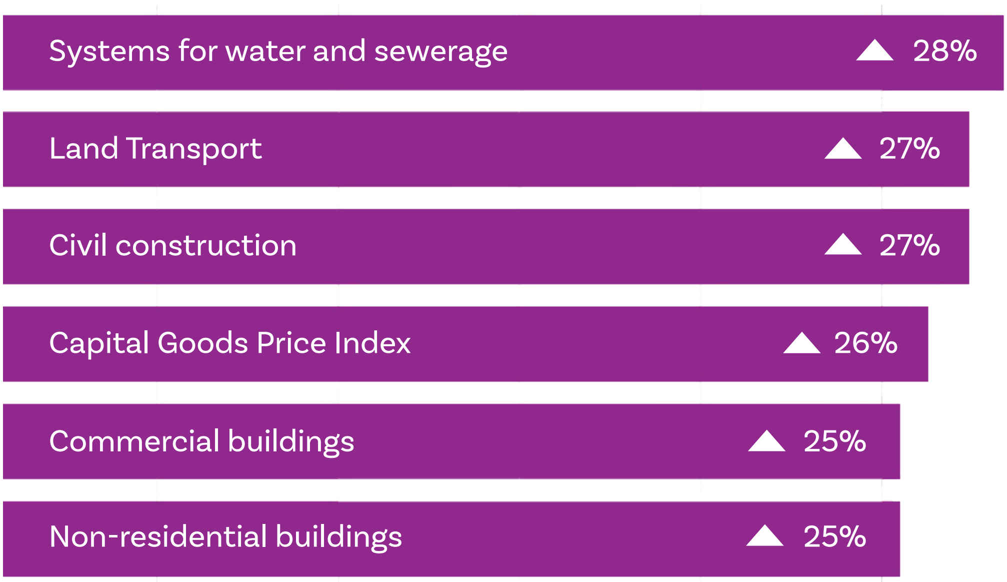
- Land Transport: **$18.5m - 36%**
- Water Supply: **$6.9m - 13%**
- Community Support: **$6m - 12%**
- Regulation: **$4.6m - 9%**
- Community Facilities: **$4.8m - 9%**
- Wastewater: **$3.5m - 7%**
- Solid Waste: **$3.4m - 7%**
- Leadership: **$2.2m - 4%**
- Stormwater: **$1.3m - 3%**

- **Rate funding:** is used to meet the operational needs of the present financial year and pay for the interest cost of loans used to finance long-life capital projects.
- **Debt:** is used to pay for long-life assets by Council to create intergenerational equity. This principle holds that today's ratepayers should not pay completely for the cost of an asset that will also benefit future ratepayers.

Infrastructure inflation skyrocketed over the past three years

Over the past three years since our last Long Term Plan the cost to build essential infrastructure has skyrocketed. This has meant capital projects we committed to in our 2021/32 Long Term Plan are costing significantly more than planned.

Cumulative inflation in key infrastructure has risen 25-28% between December 2020 and December 2023



Source: Infometrics

Roads are

27%

more expensive to build than three years ago

Sewerage systems are

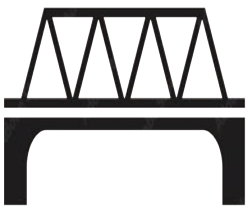
30%

more expensive to build than three years ago

Bridges are

38%

more expensive to build than three years ago



New challenges bring new costs

- Climate change
- Infrastructure demands
- Tourism growth
- Emerging bio-security threats
- Transforming to a low carbon economy

Our required rate funding

$31.3m

in total rates revenue required to maintain levels of service for 2024/25

9%

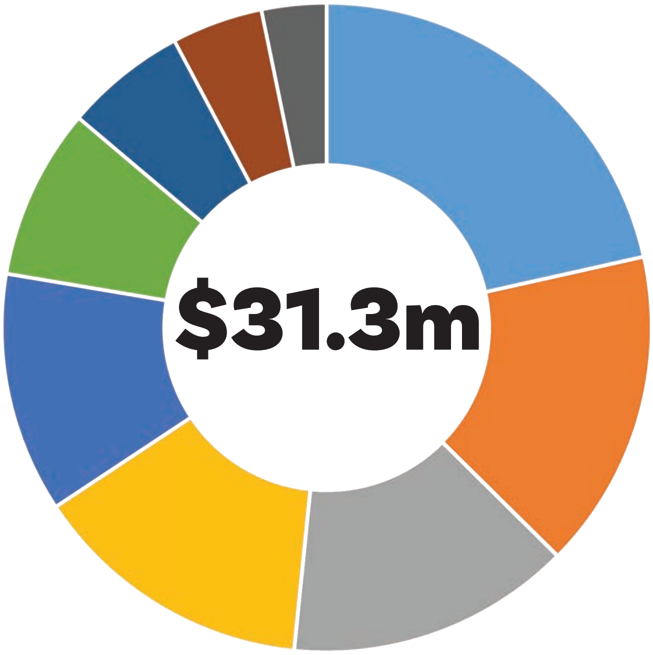
proposed average rate increase* for first three years of Long Term Plan

*except exotic forestry properties

LGCI + 2% to LGCI + 3%

proposed increase in (self-imposed) rate revenue increase limit

To maintain our levels of service and keep on top of required infrastructure investment we need to collect $31.3m in rates revenue for the up-coming 2024/25 rating year.



Land Transport: $6.7m - 21%
Land Transport involves the maintenance and development of local roads, kerbs and channels, bridges, street lighting, footpaths and street furniture.

Water Supply: $4.9m - 16%
Council operates six schemes in Taumarunui, Ohakune, Raetihi, Owhango, National Park and Ohura for the sourcing, treatment and distribution of drinking water.

Community Facilities: $4.5m - 15%
Provides administration of Council property including administration and library buildings, halls, community housing, parks & reserves, public toilets, swimming pools, cemeteries, etc.

Community Support: $4.6m - 15%
Provides for libraries, economic, business and community development, Visit Ruapehu - Regional Tourism Organisation (RTO), i-SITE information centres, Civil Defence, Raetihi office agency services.

Regulation: $3.4m - 11%
The Regulation activity concerns the administration and enforcement of government legislation and District bylaws and is made up of four functions.

- Resource Management
- Building Services
- Animal Control
- Environmental Health (food safety & noise control)
- Alcohol Licensing

Wastewater: $2.7m - 8%
Council operates six schemes for the collection, treatment and disposal of wastewater in Taumarunui, Ohakune, Raetihi, National Park, Rangataua and Pipiriki.

Solid Waste: $2.0m - 6%
Manages the collection and disposal of refuse and recycling in the District including operation of the Transfer Stations, Resource Recovery Centres (Reuse Shops) and community education.

Leadership: $1.5m - 5%
Council governance, elections and strategic development.

Stormwater: $1.0m - 3%
Involves maintaining and extending Council's stormwater system, and advocating to Horizons Regional Council who are responsible for the management of rivers and streams within the District.

Property revaluations and rates

Every three years Council engages independent property valuer Quotable Value NZ (QV) to undertake a valuation of all Ruapehu properties to help assess rates for the following three-year period.

Council uses capital value as the basis for setting rates as it is seen as fairer than a land value-based system because it considers the total value of a property, including both the land and any buildings or improvements on it.

The latest 2023 revaluations found the total rateable (capital/market) value for the district is now $8.0 billion, with the land value of those properties now valued at $4.6 billion.

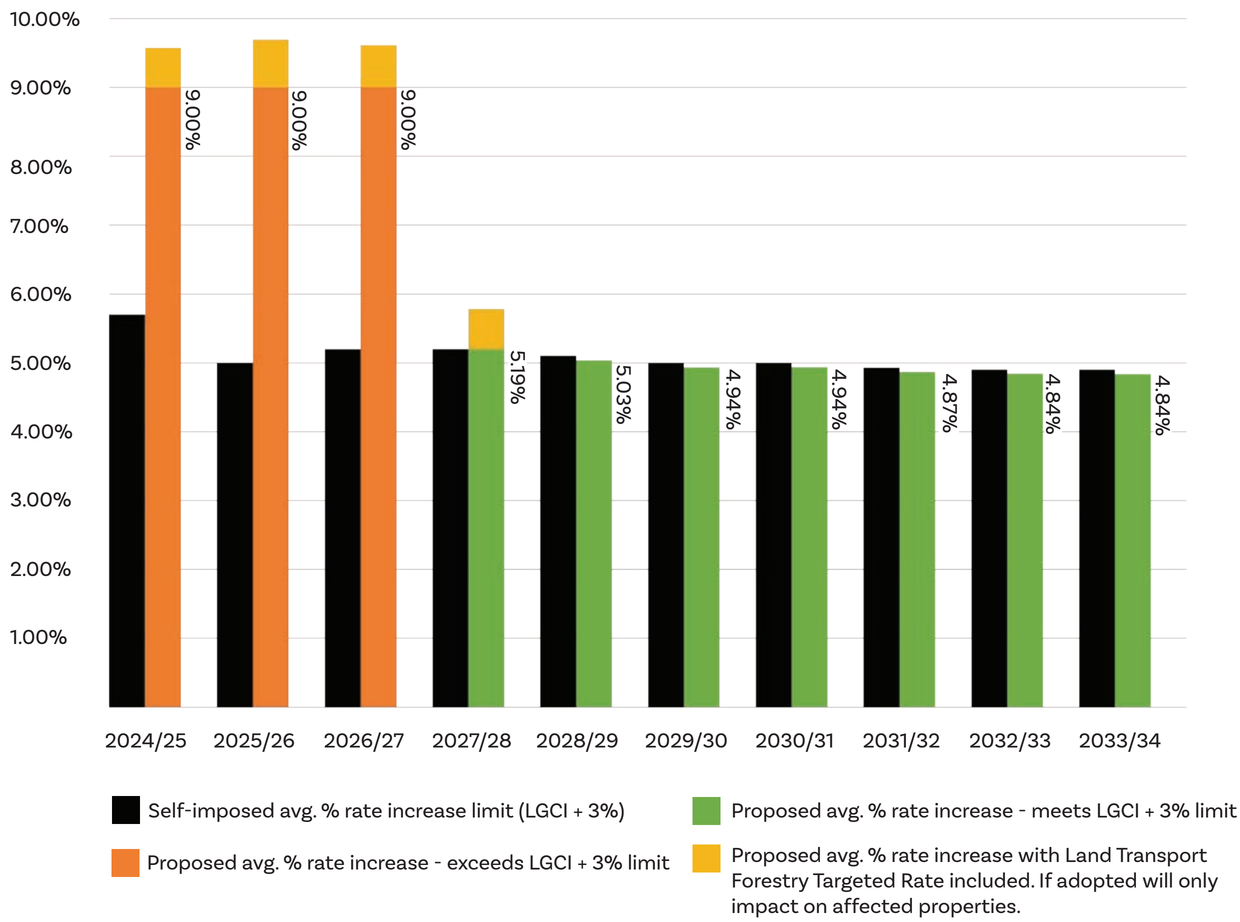
Rising property values in the district do not affect the total amount of rates we collect.

These are set based on the amount of income we need to maintain levels of service and undertake our planned work programme.

While Council aims to try and match rates to the services ratepayers receive, rates are basically a tax and we have legislative constraints in how we apply them.

Projected rates increases

Rates revenue increase as a percentage: 9% years 1-3 and LGCI + 3%



This graph shows the yearly **projected rates increases as a percentage** over the ten years of the Long Term Plan against our proposed (self-imposed) rate increase limit of LGCI + 3% ***This is our recommended option.***

As part of this Long Term Plan we are consulting on lifting the differential rating factor on the Land Transport Forestry Targeted Rate which if adopted would lift the overall income received from rates by around 0.6% in each of the first four rating years.

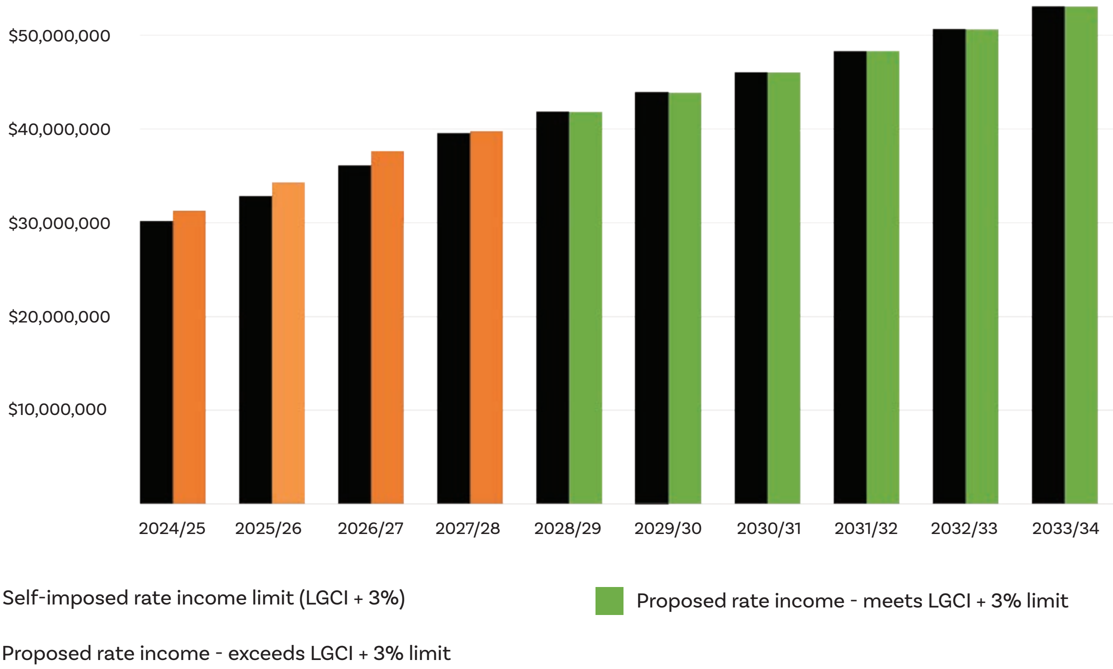
In the first year of the Long Term Plan (2024/25) it would mean an average rate increase of 9.6% highlighted by the yellow portion of the bar graph.

It should be noted however that the additional 0.6% would only impact on the targeted exotic forestry properties, which are a small portion of all properties. As this increase won't affect most people, we've shown the average rate increase as 9% to keep it simple for the majority who won't be impacted.

Year	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Proposed average ▲	9.00%	9.00%	9.00%	5.19%	5.03%	4.94%	4.94%	4.87%	4.84%	4.84%
Rate income limit +3%	5.70%	5.00%	5.20%	5.20%	5.10%	5.00%	5.00%	4.93%	4.90%	4.90%
Avg. ▲ with Forestry LTR	+0.58	+0.70	+0.60	+0.60	0.00	0.00	0.00	0.00	0.00	0.00

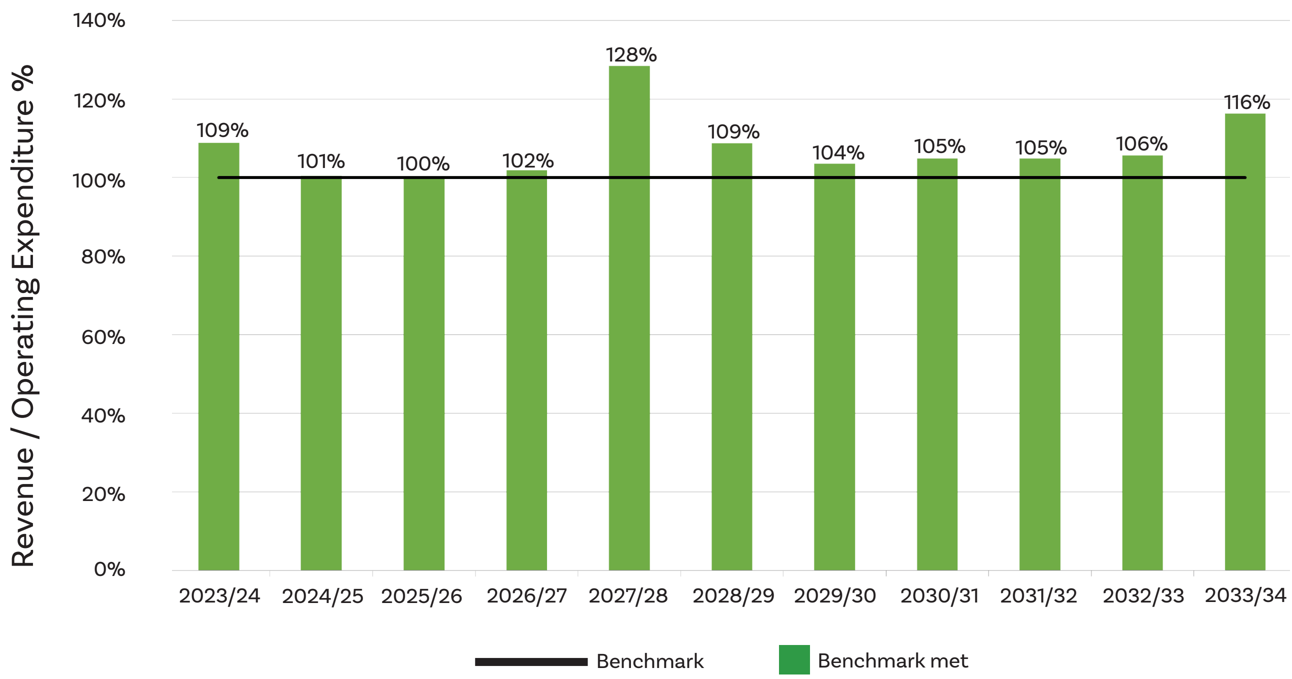
Rates revenue increase in dollars: 9% years 1-3 and LGCI + 3%

This graph shows the yearly **projected rates increases in dollars** over the ten years of the Long Term Plan against our proposed new rate increase limit at LGCI + 3%



	Rate revenue at 9% per year				Rate revenue at LGCI + 3%					
Year	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**2032/33**	**2033/34**
Total rates	31,325,552	34,363,326	37,664,518	39,846,068	41,853,700	43,920,000	46,090,578	48,337,256	50,681,192	53,139,729
Rates limit	30,217,449	32,891,830	36,150,219	39,623,073	41,878,217	43,946,385	46,116,000	48,362,843	50,705,782	53,164,570

Balanced budget benchmark



This graph shows how by adopting an average rates increase of 9% for the first three years of the Long Term Plan followed by LGCI + 3% in the remaining years will 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.

Average rates increase by property type

Residential urban

Average increase **8.07%**

Average capital value increase **28%**

Capital Value of $300,000 (2023/24)
Capital Value of $384,000 (2024/25)

Annual rates 2023/24 $3,270
Annual rates 2024/25 $3,515

Extra per week: **$4.71**

Rural

Average increase **10.94%**

Average capital value increase **28%**

Capital Value of $2,020,000 (2023/24)
Capital Value of $2,585,600 (2024/25)

Annual rates 2023/24 $6,537
Annual rates 2024/25 $7,175

Extra per week: **$12.25**

Commercial

Average increase **3.56%**

Average capital value increase **13%***

Capital Value of $800,000 (2023/24)
Capital Value of $904,800 (2024/25)

Annual rates 2023/24 $6,151
Annual rates 2024/25 $6,247

Extra per week: **$1.85**

The three-yearly revaluation of properties for rating purposes undertaken last year showed a strong increase in residential and rural property values.

In the previous revaluation in 2020:

- Rural had the lowest average revaluation of 1.77%.
- Residential urban was similar on 7.84%
- Commercial was 2.55%.

Note on individual rate revenue % increases

- A 9% average increase in rates revenue does not mean that everyone will receive a 9% increase on their rates bill.
- There are a number of drivers that determine individual rate demands and as such all ratepayers will be impacted differently.

▶ To confirm your individual 2024/25 rating bill see our rates calculator on our website: **ruapehudc.govt.nz** or use your phone and the **QR code.**

Commercial average capital value increase

* Due to the significant drop in value of Ruapehu Alpine Lifts we excluded it from our commercial rating example. This increased our avg. capital value but provides a more realistic rating view of all other commercial properties.

$2m

in rates funding is required to maintain levels of service in our solid waste activity for 2024/25

Resource recovery where products and materials are reused, repaired, refurbished, and recycled is a key part of our waste minimisation strategy. Please have your say on our revised Waste Management and Minimisation Plan 2024/34 when we seek feedback on it later in the year.

Pic: Waste minimisation champions Emily & Denise at Taumarunui Resource Recovery Centre.

Our ten-year plan for debt

By utilising debt wisely, Council can invest in the future, ensuring that both current and future generations enjoy the benefits of well-planned, sustainable infrastructure and services.

Council uses debt to pay for long-life assets such as water treatment plants, roads, or township revitalisation projects.

Using debt for these projects means today's ratepayers do not pay the full cost of an asset that will also benefit future generations of ratepayers creating inter-generational equity.

- The money being borrowed to pay for long-life infrastructure will be paid back through rates, so, both current and future ratepayers contribute a share of the increases in infrastructure expenditure.
- This is much fairer as future residents and businesses will benefit from the new or improved infrastructure that we build today.
- Council has a 'self-imposed' debt limit of no more than 2x rate income designed to keep the cost of servicing debt at a level our ratepayers can afford.
- Some debt is targeted at the users of the associated service such as with water debt.

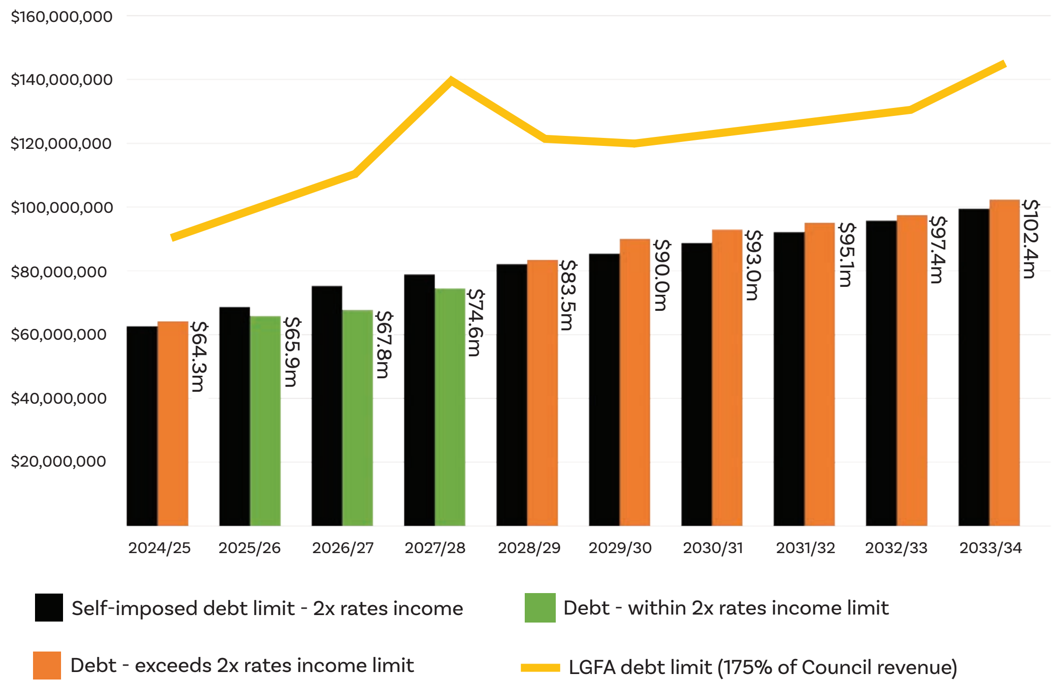
Managing debt to keep rates affordable

Managing debt is a critically important priority for our financial strategy. Adjusting our self-imposed rates increase limit to LGCI + 3% allows Council to maintain our 2x rate income debt limit for all but the first year (2024/25) of the Long Term Plan.

It is important to note that we are able to remain prudently within our absolute maximum Local Government Funding Agency (LGFA) debt limit of 175% of all revenue for all ten years of the Long Term Plan.

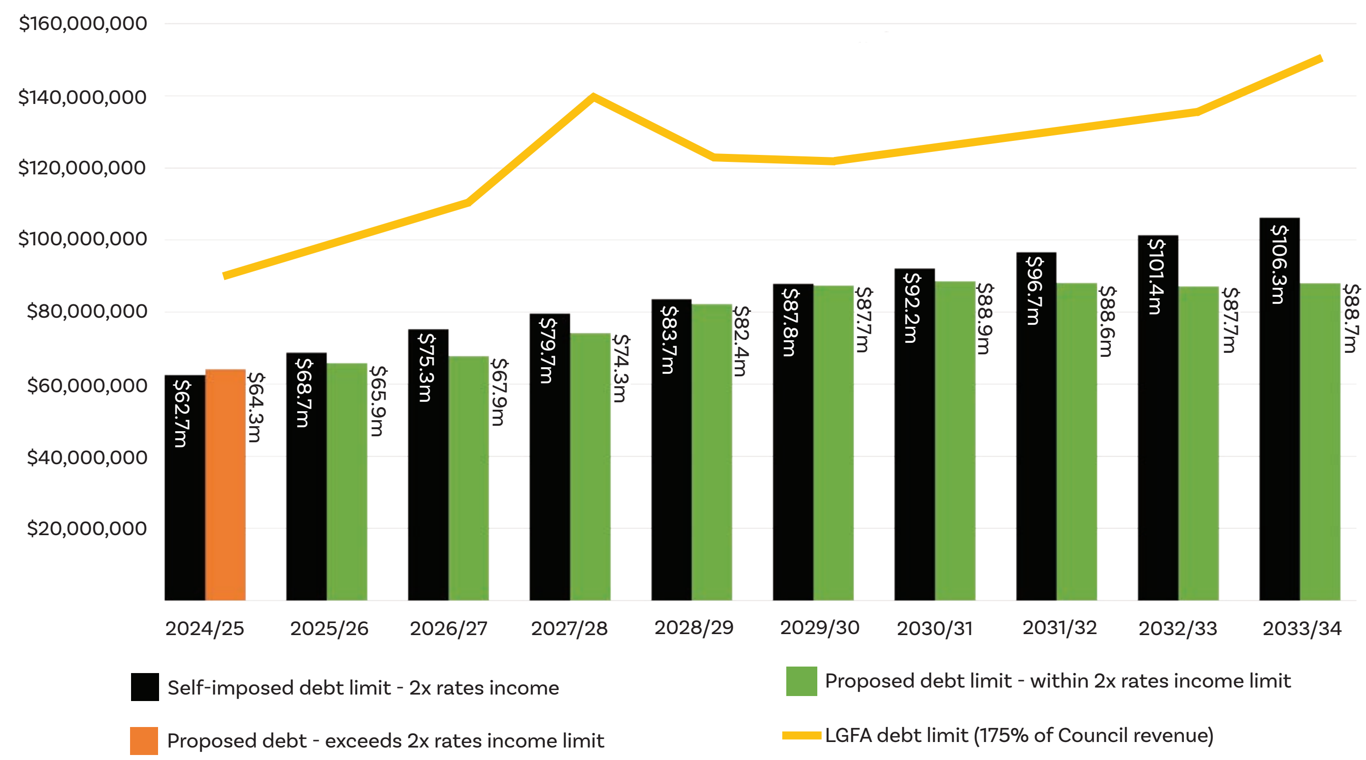
Debt profile with rates income at LGCI + 2% over ten years of the Long Term Plan

This graph shows our **debt profile for our 2x rate income debt limit if we maintain our current LGCI + 2% rate revenue increase limit** over the ten years of the Long Term Plan.



- It shows that we exceed our debt affordability limit of 2x rates income in all but three years of the Long Term Plan period.
- As we would not be able to start the gradual repayment of debt our projected debt would be $102.4m by 2033/34, an additional $13.7m over what it would be if we adopted LGCI + 3%.

Debt profile with rates income at LGCI + 3% over ten years of the Long Term Plan



- This graph shows our **debt profile for our 2x rate income debt limit if we increase our allowable rates revenue to LGCI + 3%** over the ten years of the Long Term Plan. ***This is our recommended option.***
- It shows that we will only exceed our 2x rates income debt limit in the first year of the Long Term Plan.
- We would be able to start the gradual repayment of debt. This would reduce our projected debt by 2033/34 at the end of the Long Term Plan period by $13.7m from $102.4m (LGCI +2%) to $88.7m (LGCI +3%). This would allow financial headroom for additional projects or any financial unknowns that may arise.

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
LGFA Limit 175%	$90.1m	$100.6m	$110.6m	$140.0m	$122.9m	$122.1m	$126.0m	$130.6m	$135.7m	$150.8m
2x income debt limit	$62.7m	$68.7m	$75.3m	$79.7m	$83.7m	$87.8m	$92.2m	$96.7m	$101.4m	$106.3m
Proposed debt	$64.3m	$65.9m	$67.9m	$74.3m	$82.4m	$87.7m	$88.9m	$88.6m	$87.7m	$88.7m

How much can we technically borrow?

Local Government Funding Agency (LGFA) debt limit

Council's absolute maximum 'technical' debt limit is set by our lender the Local Government Funding Agency (LGFA) at 175% of all Council revenue.

The LGFA provides Council with more efficient funding costs and diversified funding sources than available from commercial banks minimising our borrowing costs.

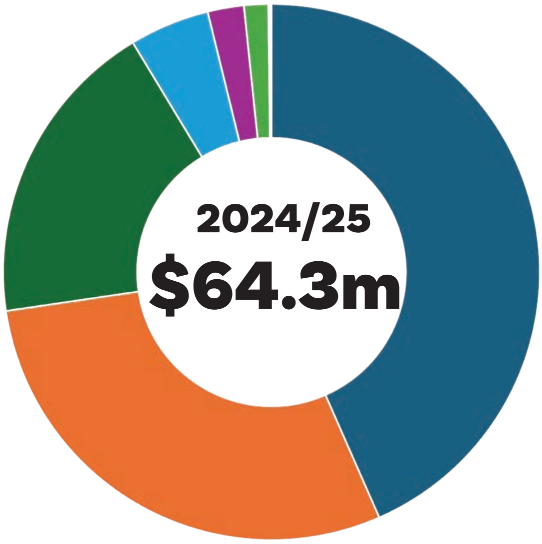
The LGFA sets our maximum debt level based on several key financial metrics that aim to ensure fiscal responsibility and our ability to service the debt notably our 'net debt to total revenue' which considers all sources of Council income including Waka Kotahi New Zealand Transport Agency (NZTA) funding and grants.

Given our significant reliance on rate income, and that most other funding is either targeted (such as in roading) or uncertain (such as grants), combined with overall economic conditions in Ruapehu including that much of our district has a Deprivation Index of 10 (highest possible), we feel exceeding our self-imposed 2x rate income debt limit would not be financially prudent for Ruapehu ratepayers.

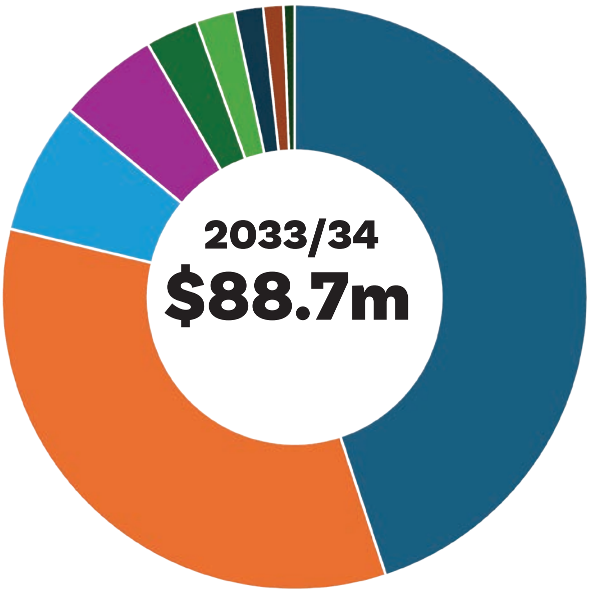
What are we borrowing for?

In the first year of the Long Term Plan (2024/25) our debt is projected to be $64.3m invested in the following areas:

2024/25 debt by activity	$ - dollars	
Water Supply	$27.9m	43.4%
Land Transport (Roading)	$18.8m	29.3%
Wastewater (Sewerage)	$12.0m	18.7%
Community Support	$3.1m	4.8%
Solid Waste	$1.4m	2.2%
Stormwater	$949k	1.5%
Regulation	$51k	0.08%
Leadership	$42k	0.06%
Community Facilities	$16k	0.03%
	$64.3m	



In the final year of the Long Term Plan (2033/34) our debt is projected to have increased by $24.4m from $64.3m to $88.7m.



2033/34 debt by activity	$ - dollars	
Water Supply	$31.7m	35.7%
Wastewater (Sewerage)	$23.8m	26.8%
Land Transport (Roading)	$20.6m	23.2%
Solid Waste	$5.1m	5.8%
Community Support	$4.0m	4.5%
Stormwater	$1.5m	1.7%
Community Facilities	$1.1m	1.2%
Leadership	$566k	<1%
Regulation	$434k	<1%
	$88.7m	

Changes in debt over the Long Term Plan

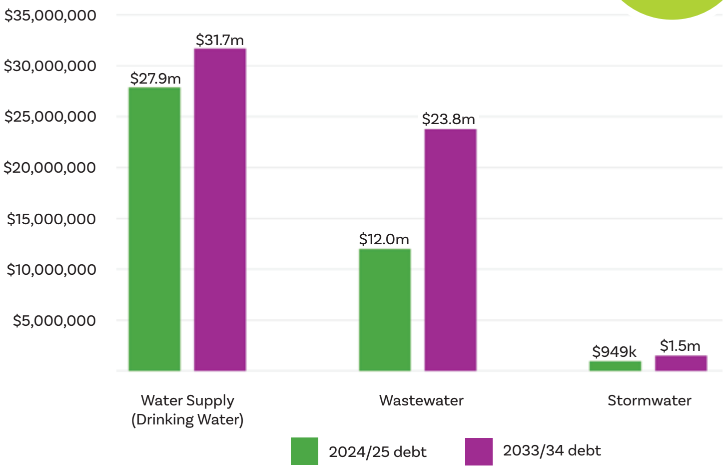
- Under our proposed move to LGCI + 3% from year 4 (2027/28) we will be able to start repaying some debt creating headroom for projects or any unexpected financial shocks.
- Debt will increase across the ten years of the Long Term Plan but will have been restricted to $24.4m increasing from $64.3m to $88.7m.
- The alternative scenario of remaining with our current LGCI + 2% rate increase limit would not allow for any debt repayment and see debt reach $102.4m by 2033/34.

Water debt

Under the 'Local Water Done Well' reform model, we retain ownership of our water assets, services and debt.

As such, this Long Term Plan includes the costs for meeting ongoing operational and compliance responsibilities.

Legislation to enable a new type of financially independent Council Controlled Organisation to operate water services and take water debt off our books is expected by mid this year.



Executive Manager Infrastructure, Vini Dutra, (L) discussing progress on the new Ohakune Water Treatment Plant which is scheduled for completion in the current (2023/24) financial year with the Veolia project engineer.

Bridges are

38%

more expensive to build than three years ago.

Source: Infometrics

With the cost to build bridges having skyrocketed by 38% over the last three years projects such as the Ruapehu Road rail over-bridge shown faced significant cost escalations during construction. This has forced Council to re-look at budgets and timing on other planned projects such as the nearby Mangateitei Road rail over-bridge.

Our ten-year project plans and budgets

Our proposal for infrastructure investment over the next three years reflects changes in water service reforms with the new government. These changes mean we will keep control of water services and all related debt. Because of this, we'll only have enough money for vital services and essential new projects for the first three years of the Long Term Plan which will result in more reactive maintenance. While we will maintain current levels of service we are delaying all non-essential projects to the fourth year or later in our Long-Term Plan.

This strategy means we will be required to make the most of our current assets in these earlier years. We're doing this because it's what we think our community can afford while we wait for the government's decision on the future of water services and debt. Once we have certainty on the future of three waters we will be able to start spending more on asset renewals and new infrastructure.

Risk management

We are fully aware of the implications and risks associated with our proposed strategy, including the increased reliance on our existing assets, more reactive maintenance, and the postponement of projects. We have the resources and funding to undertake our proposed work programme over the first three years which also reflects what our contractors can deliver.

We want to assure our community that we have plans in place to manage these challenges effectively. Our teams and specialist contractors are experienced in asset management and have a record of maintaining service quality even under constrained budgets.

While our approach will be more reactive in nature, focusing on addressing issues as they arise, we are confident in our ability to respond to and resolve any asset management needs in those first few years. We are committed to closely monitoring our assets and responding swiftly to any problems, ensuring the continued provision of crucial services. Our adaptability and commitment to serving our community's needs remain our top priorities as we navigate through these times.

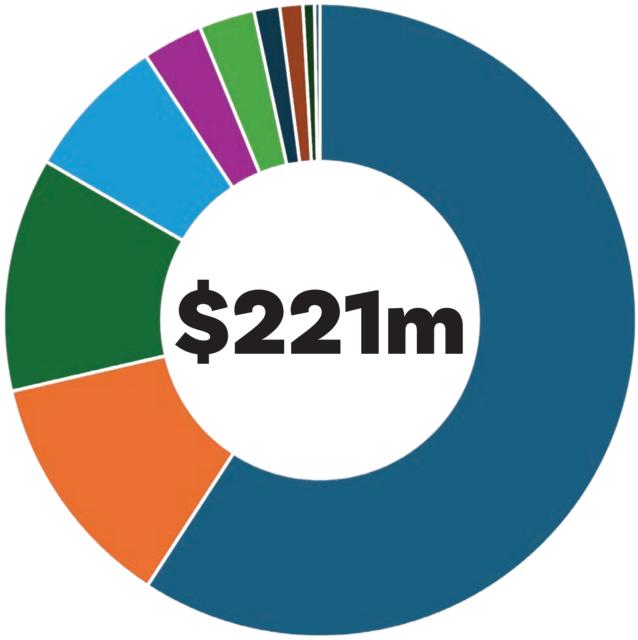
We aim to spend $221m on capital projects over the next 10 years

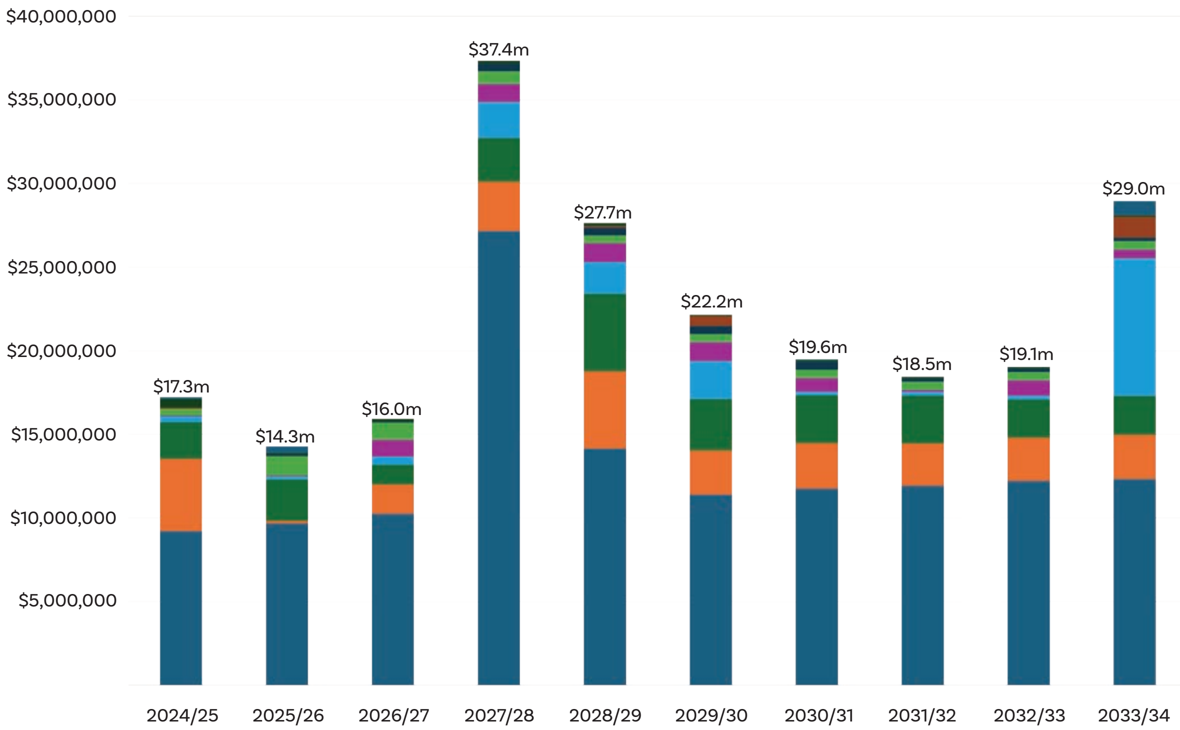
Capital expenditure is money Council spends to acquire or upgrade infrastructure such as buildings, plant, roads and bridges, and other long-life assets.

As capital spending is for long-life assets it is mostly debt funded which spreads the cost over multiple generations of ratepayers who will benefit.

Capital projects 2024/25 to 2033/34

Land Transport	$130.8m	59%
Water Supply	$27.0m	12%
Wastewater	$26.4m	12%
Community Facilities	$16.3m	7%
Solid Waste	$6.8m	3%
Organisational Support	$6.3m	3%
Community Support	$2.9m	1%
Stormwater	$2.6m	1%
Leadership	$1.3m	>1%
Regulation	$623k	>1%
	$221m	





This graph shows planned project spending across the ten years of the Long Term Plan. The jump in projects in year four (2027/28) and later highlights Council scheduling work to keep rates affordable and within our proposed 9% average rate increase for the first three years.

20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34
Actual	Actual	Actual	Budget	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP	LTP
$16.4m	$26.0m	$24.3m	$28.2m	$17.3m	$14.3m	$16.0m	$37.4m	$27.7m	$22.2m	$19.6m	$18.5m	$19.1m	$29.0m

This table shows capital spending over the previous Long Term Plan and planned expenditure over the next ten-years.

By 2027/28 when our Long Term Plan is next reviewed we anticipate that issues such as how three waters services and associated debt will be managed will be resolved. This may provide greater financial headroom to deliver the projects we have needed to push out into later years because of our current financial constraints.

Our plans for three waters

Council has six drinking water, and six wastewater schemes, servicing around 5,500 connections for household and commercial water use, as well as responsibility for managing storm water run-off across the district.

Local water done well

The National government's Local Water Done Well reform model has halted the transfer of water assets, services, and debt from Council and maintained local control over three water services.

This has had significant implications for this Long Term Plan as we have needed to include the future delivery of three waters services, at the required compliance standards, while retaining our accumulated water debt which is restricting our capacity for other initiatives.

Requirement for on-going investment

Under Local Water Done Well we will be required to develop a clear plan for ongoing investment in water infrastructure with those plans needing to be approved by the Minister of Local Government and supported by ringfenced money that cannot be spent on other things.

To ensure councils do so, a Water Infrastructure Regulator will be established within the Commerce Commission to set and enforce standards for long-term water infrastructure investment.

The water quality regulator Taumata Arowai will continue to set strict standards for water quality that councils must meet.

These requirements mean some water projects cannot be deferred as a debt/rate management tool as Taumata Arowai sets deadlines for councils to achieve compliance.

A lot more money needed

The Department of Internal Affairs (DIA) had estimated that New Zealand needed to spend between $120 billion to $185 billion on three waters infrastructure over the next 30-40 years. In Ruapehu our share of this cost was estimated at $600m.

As part of the previous 2021/31 Long Term Plan it was identified that drinking water upgrades alone would add $65m in water related debt by 2031 without government financial assistance.

Our water debt in the first year of this Long Term Plan (2024/25) stands at $40.8m water supply (drinking) $27.9m, wastewater $12.0m, stormwater $949k.

Strategic challenges ahead

We faces strategic challenges in delivering water services due to legislative changes and government policies, limited funding due to a small rating base, and the high costs of aligning with legislated standards.

Climate change is exacerbating these challenges through increased frequency and intensity of extreme weather events, leading to water quality issues, infrastructure strain, and heightened demand for resilient and adaptable water management systems.

Although we have challenges from internal resource constraints we are able to address many of these through our water services contractor Veolia who as a large multinational company brings specialist expertise, economies of scale, and the latest technologies.

Affordability remains an issue

By the middle of the year government aims to have legislation in place to enable the establishment of a new type of financially independent Council Controlled Organisation (CCO) to operate water services.

We are in discussions with neighbouring and regional councils on this. Unfortunately, the various infrastructure funds we were able to make use of under the previous government are unlikely to be available requiring Council to self-fund required works in the interim.

Council continues to be concerned about future affordability issues for ratepayers as it remains to be seen whether the new look three waters CCOs will deliver affordable and sustainable water charges for Ruapehu communities.

Water supply

Council's water supply network includes six water treatment plants at National Park, Ohakune, Ōhura, Ōwhango, Raetihi and Taumarunui, 11 treated water storage reservoirs, four pump stations, 210 km of water reticulation mains and associated hydrants (831), valves (1,148) and meters (459) with assets valued at $40.0m.

46% of the water supply assets have been assessed as excellent, 16% as good, 34% as average and 1% as poor with 3% not assessed.

Future direction

The future direction for water supply includes ensuring compliance with Drinking Water Assurance Rules by improving quality assurance processes, enhancing asset performance through better demand management and leakage reduction, increasing network resilience by exploring solutions for turbid waters and alternative water sources, and maintaining financial sustainability by balancing investment in water supply assets with the need to keep water rates affordable.

Planned expenditure

Capital expenditure (renewals and new works) across the ten year expenditure period is forecast at $27m.

Renewals makes up three quarters of this forecast, followed by levels of service with the remaining quarter.

The major water supply capital projects are mainly for watermain renewals across the district, and for treatment plant upgrades to meet drinking water requirements and include:

- District-wide watermain renewals at $18.3m.
- Ōwhango Water Treatment Plant upgrades at $2.6m.
- National Park Water Treatment Plant upgrades at $2.0m.
- Ōhura Water Treatment Plant upgrades at $1.6m.
- Water universal metering at Taumarunui at $1.2m.

Wastewater

Council's wastewater network includes six wastewater treatment plants at Taumarunui, National Park Village, Ohakune, Pipiriki, Raetihi and Rangataua, 19 pump stations, 110 km of pipes and 1,461 manholes with assets valued at $30.3m.

39% of the wastewater assets have been assessed as excellent, 12% as good, and 48% as average with 1% not assessed.

Future direction

The future direction for wastewater management includes ensuring compliance through updating treatment plants as needed, enhancing asset performance by addressing leaky areas and collaborating with iwi on long-term plans, improving network resilience with backup power for key pump stations, and maintaining financial sustainability by balancing investment needs with community affordability.

Planned expenditure

Capital expenditure (renewals and new works) across the ten year expenditure period is forecast at $26.4m.

Renewals makes up three quarters of this forecast, followed by levels of service and growth with the remaining quarter.

Operational expenditure is forecast at $40.5m over ten years.

Stormwater

Council's Stormwater and Flood Protection assets network across 11 townships includes 50km of stormwater reticulation mains public drains (12.3km), watercourses (32.9km), open drains (19.1km) and associated culverts (1,149m), manholes (629) and sumps (878) with assets valued at $17m.

26% of stormwater assets have been assessed as excellent and 72% as good with 2% not assessed.

Future direction

The future focus for stormwater management includes enhancing compliance through better stormwater quality management aligned with Horizon Regional Council's freshwater initiative, requiring a shift to more proactive practices.

Additionally, there's a need to develop a stormwater hydraulic model to better understand and plan for future capacity and performance issues.

Financial sustainability is also key, with emphasis on balancing investment in stormwater infrastructure renewal and legislative compliance against the need to keep rate increases affordable for the community.

Planned expenditure

Capital expenditure (renewals only) across the ten year expenditure period is forecast at $2.6m.

Operational expenditure is forecast at $13.4m over ten years, or around $1.2m-1.4 million per year.

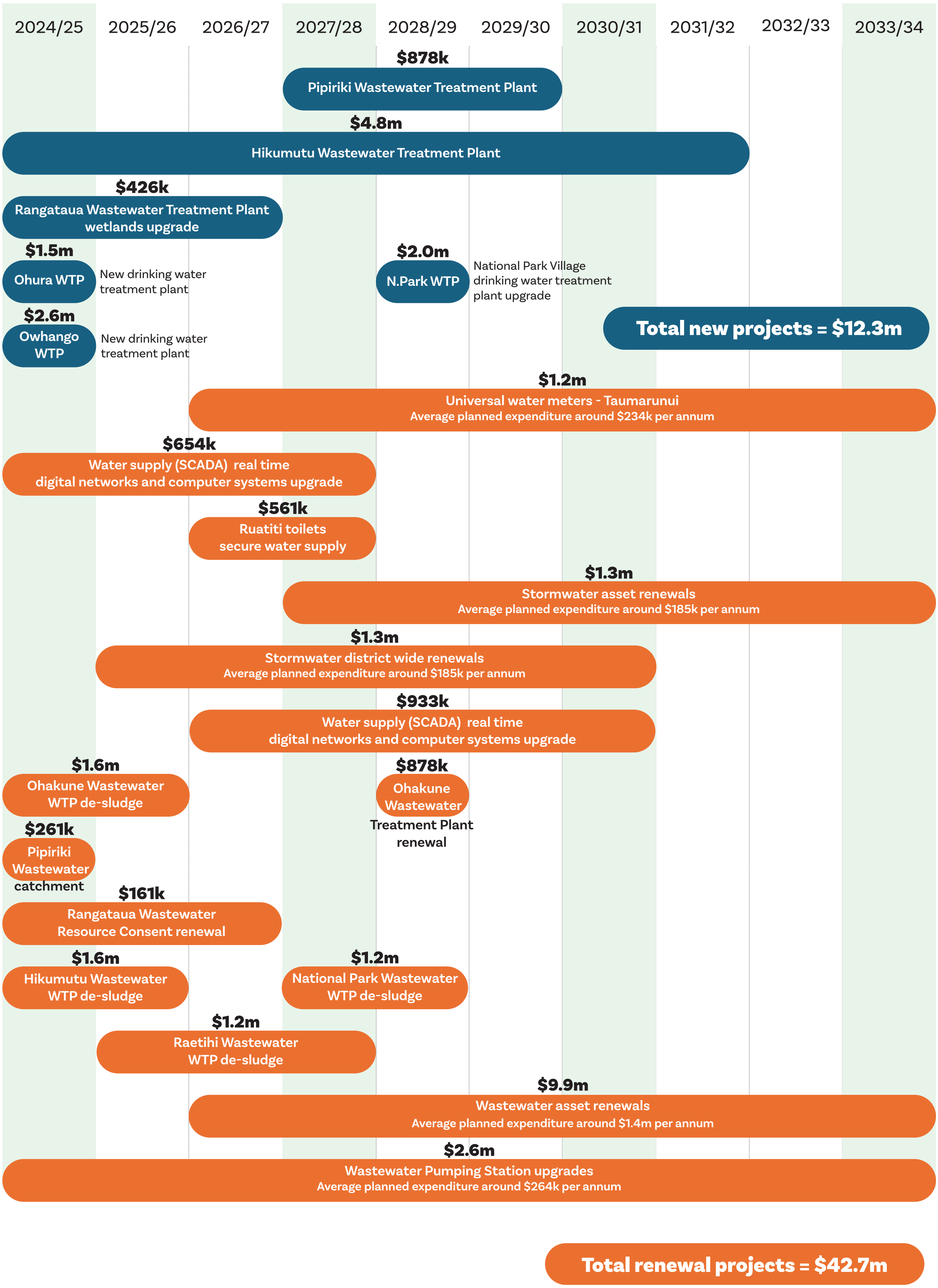
Operating costs make up 84%, and capital expenditure on renewals accounts for the remaining 16%.

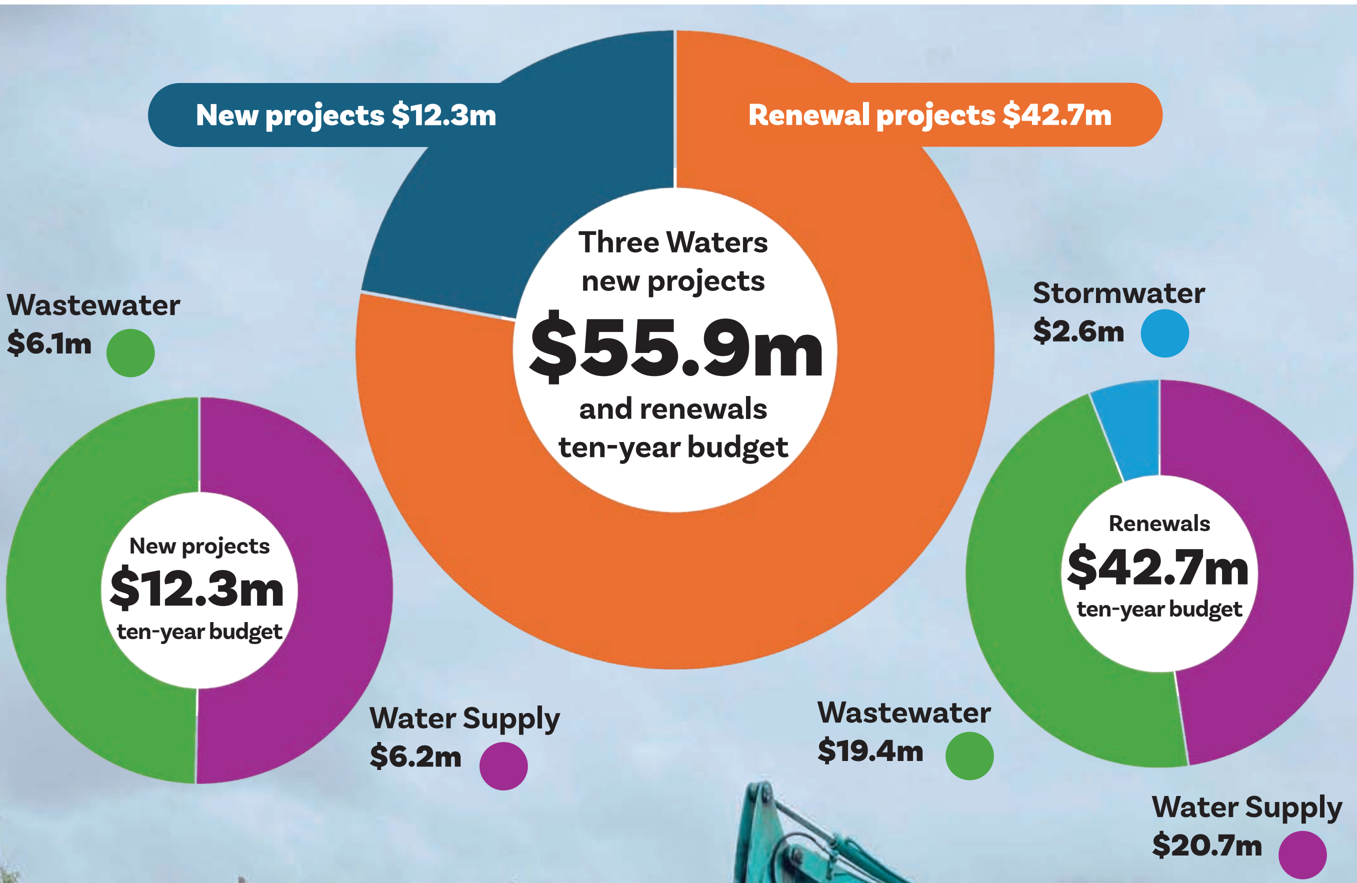
There is no capital expenditure forecast identified for levels of service or growth in the ten year period due to project prioritisation.

Note on the condition of three waters assets

The condition of three waters assets are based on an assessment undertaken in August 2020 which is currently being updated.

Three waters new projects and renewals





In the three years since our 2021/31 Long Term Plan we have completed $14.9m in three waters infrastructure projects.

While we have been making good progress in bringing our water supply (drinking water) assets up to standard we have significant investment requirements in wastewater and stormwater.

Pic: Installation of the 450mm water main connecting Bell Road with Hakiaha Street under the main trunk rail line in Taumarunui.

It forms part of a new 4km ring main designed to improve water supply resilience to the central business district.

Our plans for Land Transport

- Council's land transport infrastructure activity is facing significant financial challenges from inflation, supplier cost increases, and other funding pressures.
- Although land transport is Council's largest budgeted expenditure it is under what we would like to spend but within what our communities can afford.
- While the proposed budgets will enable us to maintain service levels over the next three years, there is a risk the network will deteriorate over time if expenditure is not increased after this which will decrease levels of service.

Challenging project environment

The underlying picture to Council's land transport work programme is one of significantly increased costs, changing government funding priorities and our debt position.

The marked increases in the costs of materials, labour, and contractual services has eroded the purchasing power of Council's land transport budget with prices having have risen sharply over the past few years.

These financial challenges are not only affecting the immediate costs of building and maintaining road and bridge infrastructure but are also impacting on long-term planning and budgeting processes.

Increasing costs has seen projects and maintenance being reassessed, with some being delayed or scaled back due to economic constraints.

The Ruapehu Road rail over-bridge is an example of how significant cost escalations have affected other projects, leading to a review of when and how to proceed with the replacement of the Mangateitei Rd rail over-bridge.

All the maintenance and renewal works we would ideally like to do in the first year of the Long Term Plan (2024/25) would cost an additional $4.8m more than currently budgeted with ratepayers share being $1.2m of this.

These financial strains are influencing policy and funding decisions at both national and local government levels.

This has seen Ohakune Mountain Road which used to benefit from a 100% Waka Kotahi NZTA Funding Assistance rate (FAR) subsidy now receiving a 75% FAR in-line with the rest of our road network.

Impact on planned works

Maintenance and renewal works

Subsidised maintenance and renewal works will focus on preserving existing infrastructure, with particular attention to drainage and pavement maintenance to address defects.

There is a planned increase in bridge maintenance, notably in structural painting, which is expected to have long-term benefits.

The pavement rehabilitation budget has been reduced and increased for resealing. This shift reflects a 15-year period of addressing necessary rehabilitation work which we have now caught up on allowing an increased focus on resurfacing to protect our existing sealed network.

For non-subsidised maintenance, budgets have been tightened as much as possible, with increases only in areas of new need, such as cycle trail maintenance and kerb and channel sweeping, reflecting new contract costs.

New projects

Funding for subsidised low-cost, low-risk road improvements has returned to previous levels after being significantly reduced in the last three years.

This change will enable the council to address issues identified in community consultations more effectively.

Non-subsidised projects continue to focus on community and environmental enhancements but are heavily dependent on external funding.

Projects in this category include: the proposed Taumarunui stock truck effluent facility, motorist service signs, parking, streetflags, development of a cycle way hub at Horopito, continuing Raetihi to Ohakune cycle trail and completion of the Te Hangāruru cycle trail between Pōkākā and National Park.

Land Transport new projects and renewals

2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 | 2030/31 | 2031/32 | 2032/33 | 2033/34

$189k
Ohakune-Raetihi cycle trail

$5.8m
Matahiwi bridge
Vehicle suspension bridge
External funding required

$1.9m
Horopito cycle trail
Hub/staging point
100% subsidised

$800k
Effluent Station
Taumarunui stock truck effluent station
100% subsidised

$1.6m - External funding required
Great Rides cycle trails story telling and artwork

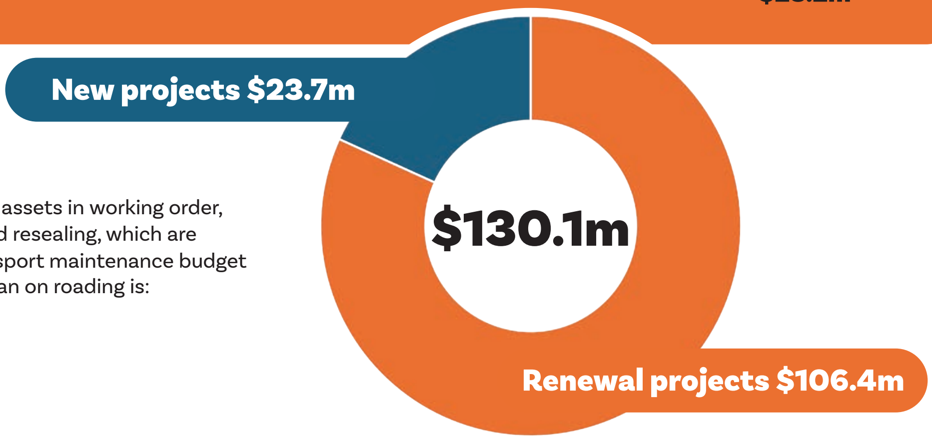
$6.0m Requires 100% funding from external sources to proceed.
Te Hangaruru Cycle Trail stage 2

$7.4m - 75% FAR funded
General district wide road works (low cost/low risk), meeting legislated requirements, KiwiRail - road/rail interface work, etc.
Average planned expenditure around $740k per annum

Over the ten years of the Long Term Plan we have budgeted $106.1m for renewals. The planned work programme is as follows:

$13.5m- 75% FAR funded
Bridge renewals
Average planned expenditure $1.5m per annum. Mangateitei Rd rail over-bridge is budgeted at $5.1m in year four (2027/28)

Renewal projects over all ten-years of the Long Term Plan (unless otherwise noted all 75% FAR funded)	**Ten-year budget**
Tourism signage (motorist sevice and information - non subsidised)	**$174k**
Roading drainage renewals	**$4.3m**
Bridge upgrades Structures Components	**$7.6m**
Facility road renewals - access to Council facilities such as Transfer Stations, etc.	**$338k**
Unsealed road metaling	**$17.5m**
Pavement rehabilitation	**$26.5m**
General district wide road maintenance (low cost/low risk Improvements e.g. River Valley hui directed works)	**$9.0m**
Footpath renewals	**$2.6m**
Bus shelter renewal and installation (Non Subsidised)	**$145k**
Traffic services renewals - signage, street signs	**$1.4m**
Sealed road surfacing	**$23.2m**



Maintenance spending

Maintenance spending focuses on keeping assets in working order, like fixing potholes, unlike renewals like road resealing, which are considered capital spending. The land transport maintenance budget for the first three years of the Long Term Plan on roading is:

2024/25 - $9.2m
2025/26 - $12.9m
2026/27 - $16.1m

Our plans for Community Facilities

Community and Recreational Facilities includes community assets such as halls, parks and reserves, sports fields, pools and public toilets. It also includes the solid waste activity providing waste management and minimisation services.

The strategic vision for the community and recreation facilities within the region emphasises fostering thriving local communities and enhancing the liveability of the built environment. This vision is being pursued through initiatives such as town center revitalisations, which aim to invigorate community spaces and promote local engagement.

A key to realising this vision are robust relationships and strategic partnerships. The Council is committed to deepening collaborations with iwi, hapū, central and regional government, housing agencies, and community organisations.

These partnerships are deemed essential for enhancing community wellbeing and are a priority for the next three to five years. Notably, the establishment of Māori wards in 2022 marks a significant step towards inclusive community engagement, ensuring Māori representation and participation in council decision-making.

Addressing community affordability remains critical, especially given the low projected population growth and small ratepayer base in the Ruapehu District. The Council is focused on demonstrating value for money, mindful of the prevailing cost-of-living pressures.

For community wellbeing, the extension of accessible walkways along the Whanganui, Makatuku, and Mangawhero Rivers is planned, which will enhance recreational opportunities and promote health and wellness.

The future direction of solid waste management, is anchored in environmental sustainability and compliance. Efforts are concentrated on waste minimisation and fostering a circular economy, alongside stringent adherence to legislative requirements for the management of consented closed landfills.

These initiatives underscore the Council's commitment to our Wellbeing Framework, environmental stewardship and sustainable community development.

New projects and renewals

2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34

$4.7m Council budget $3m - remainder external funding.
Tātai Tāngata ki Raetihi (Raetihi Community Hub)
The concept design phase is underway.

$120k
National Park wayfinder

$449k
Ohakune Christie Park development

$6m in external funding is required for the project to proceed.

$7.4m
Raetihi Pool

We will seek 70% external funding for toilet projects.

$123k
Christie Park toilets

$161k
Kakahi toilets

Would attract 75% Funding Assistance Rate (FAR) from Waka Kotahi NZTA.

$613k
N.Park footpaths

$145k
Morero Stream revitalisation

$428k
Ohakune Pool changing rooms

$458k
Taumarunui Pool renewal

$52k
Rugby field renewal (district wide)

$1.1m
Accessible walkways (district wide)
Average planned expenditure around $148k per annum

$164k
Reserve fencing (district wide)
Average planned expenditure around $23k per annum

$340k
Playground renewal inc. new equipment and rubberfall areas (district wide)
Average planned expenditure around $34k per annum

The Taumarunui pool has $485,000 budgeted for renewal work in year six (2029/30) of the Long Term Plan.

Our plan for Community Support, Leadership, Regulation, and Organisational Support

The Community Support, Leadership, Regulation, and Organisational Support functions play a pivotal role in fulfilling the Council's responsibilities and enhancing the welfare of our communities.

They aim to foster a supportive, vibrant, and regulated environment that ensures the wellbeing and growth of our communities through the provision of essential services and resources.

Community Support

Includes: library services, visitor services, and Civil Defence Emergency Management services.

Leadership

The Leadership Activity is divided into two key areas:

- **Governance** - Council and Community Boards and
- **Strategic Development** - Economic and Community Development, Policy, Youth Development, and iwi and hapū relationships.

Regulation

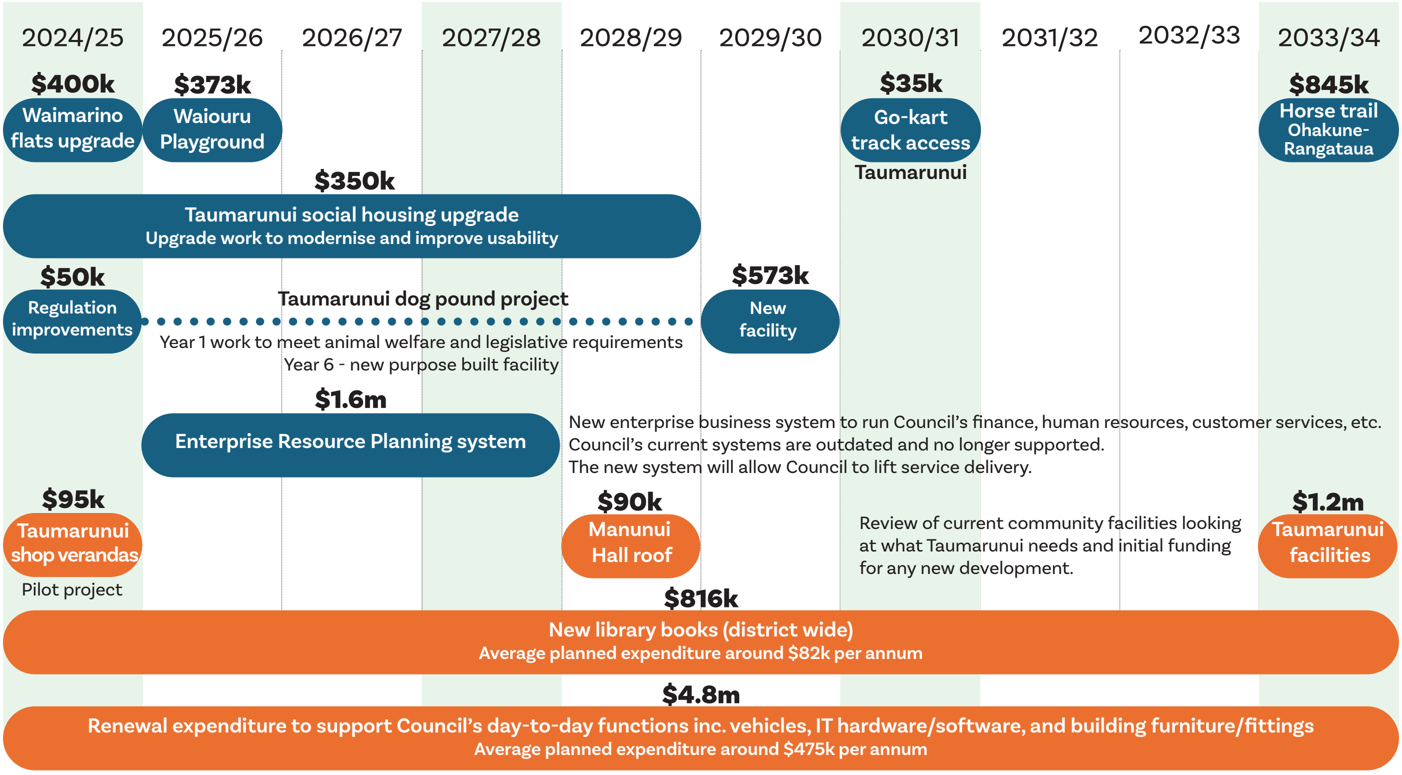
Council has a statutory obligation to provide regulatory services. The Regulation activity provides Animal Control, Building Services, Resource Management, and Environmental Health and Alcohol Licencing and ensures compliance with Council's Bylaws.

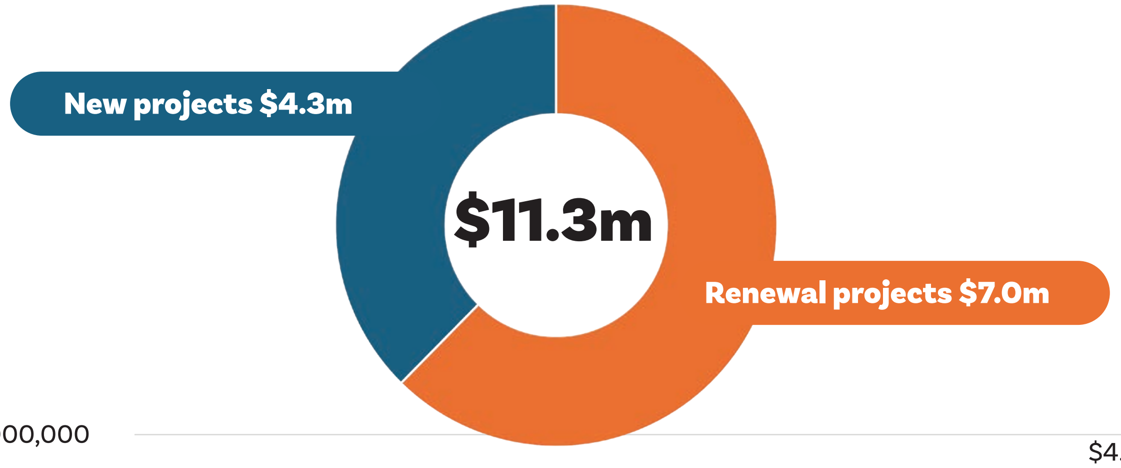
Organisational Support

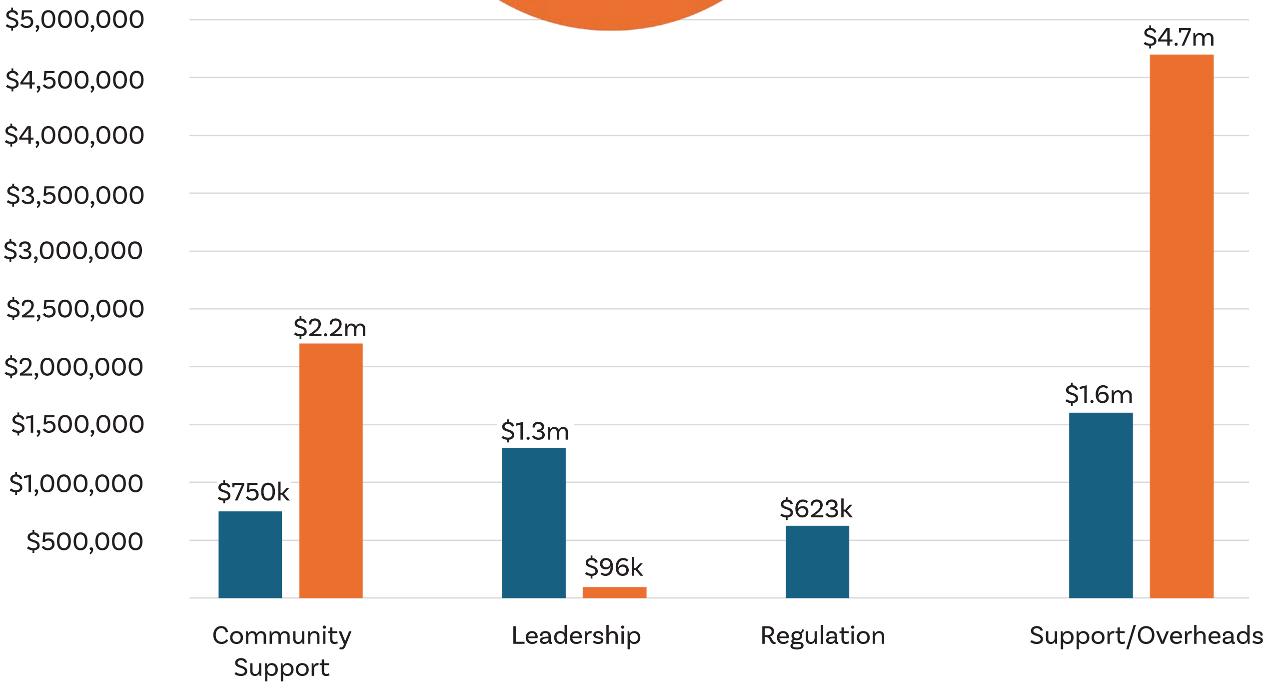
The Organisational Support activity ensures Council has the tools and facilities to undertake its role.

Overall, the Community Support, Leadership, Regulation, and Organisational Support functions are essential in creating a cohesive, well regulated, and supportive environment that enable the delivery of Council's goals and Wellbeing Framework objectives.

New projects and renewals







Infrastructure Strategy summary

Council owns and manages $661 million* of network infrastructure assets covering the three waters (water supply, waste and stormwater schemes) and land transport (roads, bridges, culverts, street lights, retaining walls, footpaths and cycleways) *replacement value as at 30 June 2022

Council's Infrastructure Strategy is a critical supporting component of the Long Term Plan that identifies the significant challenges over the next 30 years for our core network infrastructure assets and how we are planning to manage them.

Our core infrastructure assets include:

- Drinking water supply schemes
- Wastewater (the treatment and disposal of sewage) schemes
- Stormwater schemes
- Land transport network (local roads, bridges, and footpaths)
- Flood protection assets (stopbanks)

The Strategy outlines the most likely scenario for the management of a Council's infrastructure assets during its 30 year period, the estimated costs of managing those assets, the nature and timing of expected significant capital expenditure decisions and the assumptions on which the scenarios are based.

In preparing the Infrastructure Strategy, we have identified five strategic district infrastructure issues that need to be at the forefront of infrastructure planning and decision-making being:

- A higher cost environment with greater funding and capability challenges.
- Costs of meeting compliance with the new regulator Taumata Arowai able to use legislative powers to enforce compliance.
- Resilience of infrastructure assets.
- High deprivation district means limited ability to increase rates to pay for critical infrastructure.
- Climate change and natural hazards.

The key strategic challenge facing Council is one of affordability. Council has been managing key infrastructure assets within financial constraints for a number of years. There has been a significant increase in costs since the last Long Term Plan and this has further constrained the amount of work that is able to be done with existing levels of funding.

The relatively small scale of each of the networks operated by Council means that Council is aware of the critical assets within our network systems. Critical asset identification is currently used in decision making with renewals, condition assessments and operational activities.

An assessment has been made of the categories of assets that are critical to the operation of the networks, and a greater level of management is applied to them. Refining the categorisation of critical water assets at component level to support better decision making is something Council will be working on over the next few years.

Council needs to face the reality of our infrastructure assets and the costs tied to them. At present, the costs necessary to upkeep and renew our infrastructure to acceptable standards are beyond our financial means and the financial means of our community.

Opting to delay maintenance to keep our rate increases at what we consider a manageable level for our community will lead to heightened reactive maintenance and the overuse of assets. Trying to catch up on essential maintenance and renewals later will only become more unaffordable in the future. Over the next 2-3 years, we intend to thoroughly assess our infrastructure assets and, in collaboration with our community, make some tough decisions about their future.

With reduced activities being able to be completed over this Long Term Plan compared to previous Long Term Plans, there is an increasing risk of assets deteriorating at a faster rate, resulting in decreasing network resilience and reduced customer outcomes. Inflation over recent years has meant that less activities can be completed at the current funding levels. We have a understanding of the current state of our core infrastructure assets in terms of condition and performance as follows:

- **Three waters**
  The overall condition of the three water assets has been assessed ranging from good, moderate to poor for most asset classes. This is based on a condition assessment that was performed in August 2020. Current asset assessments are underway.
- **Land transport**
  The average quality of roads is measured in terms of Smooth Travel Exposure. The performance of our primary collector roads in terms of Smooth Travel Exposure is good when compared nationally, regionally and with other rural district councils. However, the other road categories do not perform or compare that well.

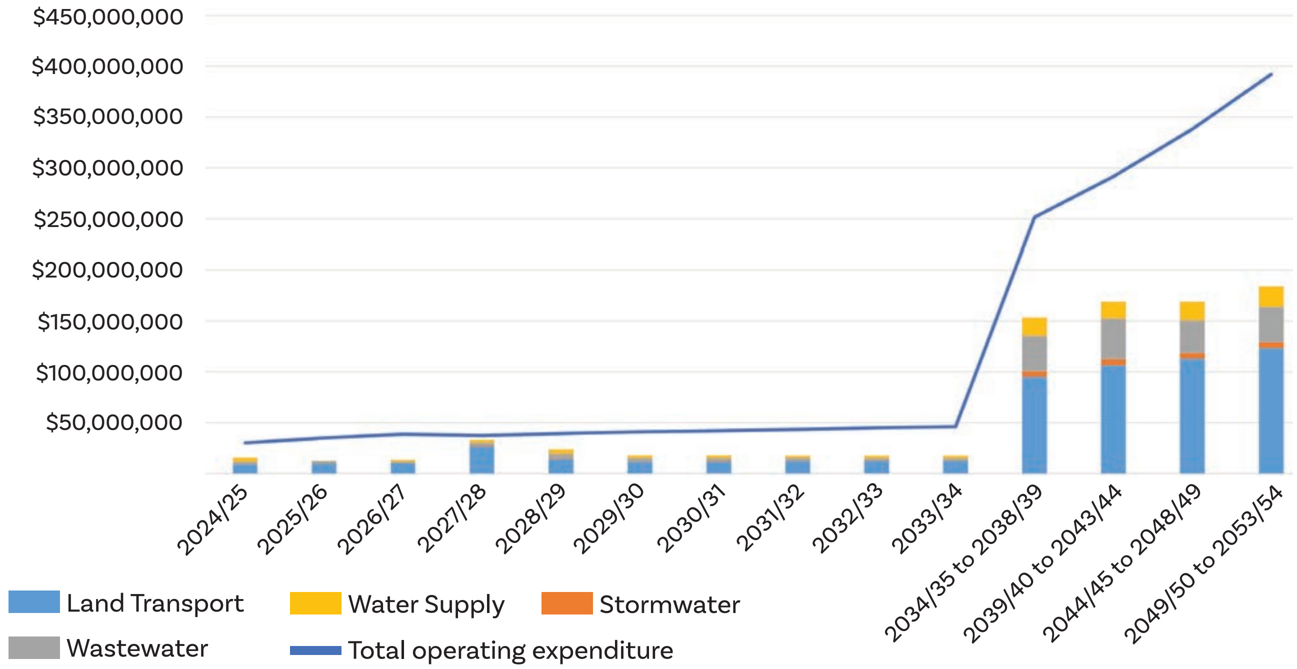
Overall financial summary for infrastructure

The table below shows the total capital expenditure* (broken down into renewals, growth and levels of service) and operational expenditure* of the 30-year period (2024-2054) (*inflated).

30-year expenditure totals:	Capital expenditure			Operational expenditure
	Renewals	**Growth**	**Levels of Service**	
Water Supply	$92,104,850	$0	$8,091,500	$344,201,987
Wastewater	$84,917,750	$2,080,700	$81,344,200	$197,619,749
Stormwater	$18,990,350	$0	$6,062,005	$61,974,320
Land Transport	$500,611,501	$2,549,705	65,826,888	$1,068,543,515
Sub Total:	**$696,624,451**	**$4,630,405**	**$161,324,593**	**$1,672,339,571**

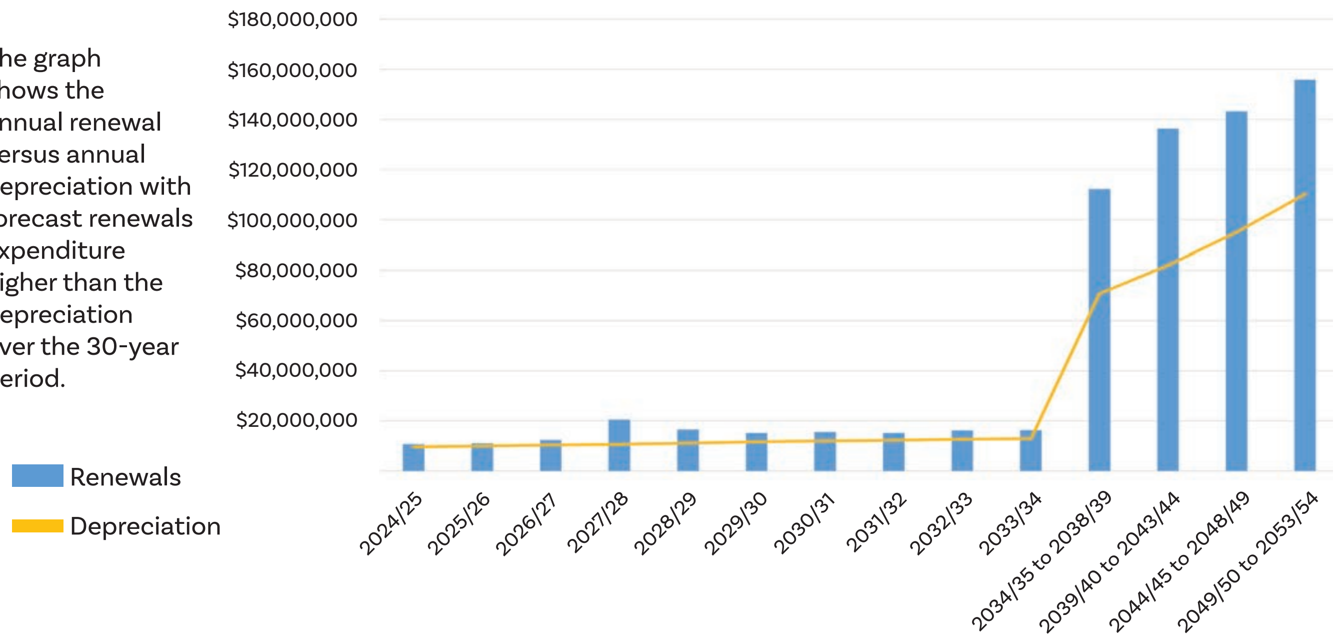
Total 30-year capital and operational expenditure for all activities: $2,534,919,019

Combined infrastructure operation and capital forecasts 2024/25



Combined renewal and depreciation 2024/25

The graph shows the annual renewal versus annual depreciation with forecast renewals expenditure higher than the depreciation over the 30-year period.



Proposed financial changes

Council aims to ensure the cost of our services are shared fairly and evenhandedly across all users on the basis of the services they use or have access to.

Land Transport Forestry Targeted Rate

Proposal to increase the existing targeted rate differential for exotic forestry

Council is proposing to incrementally increase the differential rating factor from 300% of the Land Transport Targeted Rate by 100% for the first four years of the Long Term Plan to a maximum of 700% for exotic forestry properties.

The options

1. Maintain the status-quo of a 300% differential rating factor of the Land Transport Targeted Rate

Does not cover the cost of road damage caused by forestry traffic every year.

Does not shift the burden of the total cost of road damage caused by forestry traffic every year to forestry property owners.

The burden of the remaining cost of road damage caused by forestry traffic every year is paid for by all ratepayers.

2. Incrementally increase the differential rating factor from 300% of the Land Transport Targeted Rate by 100% for the first 4 years of the Long Term Plan to a maximum of 700%

Helps to pay the cost of road damage caused by forestry traffic.

Helps to shift a greater proportion of the burden of the cost of road damage caused by forestry traffic to forestry property owners.

Shifts a proportion of the burden of the cost of road damage caused by forestry traffic to forestry property owners in a staggered fashion, so the increase is more manageable.

Doesn't cover all the costs of road damage caused by forestry traffic.

3. Increase the differential rating factor from 300% of the Land Transport Targeted Rate to 700% in the first year of the Long Term Plan

Helps to pay the cost of road damage caused by forestry traffic.

Helps to shift a greater proportion of the burden of the cost of road damage caused by forestry traffic to forestry property owners.

Is a significant increase and may be difficult for the forestry property owners to financially manage.

Doesn't cover all the costs of road damage caused by forestry traffic.

Option 2 is Council's preferred option.

Council is proposing to incrementally increase the differential rating factor from 300% of the Land Transport Targeted Rate by 100% for the first four years of the Long Term Plan to a maximum of 700%.

The proposed increase in the Land Transport Targeted Rate differential rating factor for exotic forestry is a necessary measure to address the disproportionate wear and tear on local roads caused by forestry trucks.

Although sheep and beef farming covers approximately 20 times the land area compared to forestry, it generates less freight on average per year.

Among all land use types, exotic forestry is by far the biggest generator of freight and proportionally causes much more road damage to the rural network.

The forestry activity can also cause significant damage to the network through slash mobilised in heavy rains such as occurred on Pipiriki-Raetihi Road in 2015, and as has been seen in other parts of the country.

Many local roads were not designed with the modern demands of forestry in mind and are ill-equipped to handle the heavy and consistent traffic brought by forestry operations.

This mismatch between road capacity and usage has led to accelerated deterioration, necessitating significant maintenance and rehabilitation efforts, which are currently borne disproportionately by the wider community.

The council's proposal to increase Land Transport Targeted Rate differential rating factor for exotic forestry aims to rectify this imbalance, ensuring that those who contribute most to road wear and tear also bear a fair share of the maintenance costs.

This approach is not only equitable but also necessary to sustain our road network for future use. By adjusting the rates to more accurately reflect the impact of different industries on our roads, we can ensure a fairer distribution of costs and promote the long-term viability of our local infrastructure.

Impact on rates	100% increase per year, for the first four years of the Long Term Plan, on the Land Transport rating line for Exotic Forestry properties.
Impact on debt	None.
Impact on Levels of Service	Increased funding available for local road network.

Environmental Resilience Targeted Rate

Proposal to apply the Environmental Resilience Targeted Rate from 2025/26

Council is proposing to begin levying the Environmental Resilience Targeted Rate from the second year (2025/26) of the Long Term Plan to meet environmental legislative requirements. The rate will be charged as a fixed amount per rating unit on all rating units.

The increasing effects of climate change has brought an increased focus from government with new legislative requirements impacting on councils.

Council is proposing to start levying the Environmental Resilience Targeted Rate that was consulted on in the previous 2021/31 Long Term Plan to fund our work to meet these legislative requirements.

For small councils like ours it can be extremely difficult to keep up with the evolving legislation and shifting responsibilities. Enacting the Environmental Resilience Targeted Rate will enable us to properly resource the work we need to do in this area.

As the required work is legislated we would need to fund our compliance from our existing operating budgets if our preferred option is not adopted. This may require the dropping of levels of service in other areas.

While this rate will fund Council to meet our legislative requirements it should be seen as an investment in the environmental sustainability and prosperity of the district.

With our economy and way of life deeply intertwined with the environment it is a proactive step towards safeguarding the future of our rural communities.

The funded work will produce data invaluable for climate change adaption and civil defence planning contributing to our aim of building resilient, sustainable communities.

The work will benefit all ratepayers and will be charged in a transparent way via a separate line on the rates invoice.

Impact on rates	$21.22 inc. gst per rating unit per financial (rating) year.
Impact on debt	None.
Impact on Levels of Service	Increase for all ratepayers.

Warm Your Whare 'opt in' Targeted Rate
Removal from our Revenue and Financing Policy

Council is removing the Warm Your Whare 'opt in' Targeted Rate from our Revenue and Financing Policy.

Council consulted on the inclusion of a Warm Your Whare 'opt in' targeted rate during the 2021-2031 Long Term Plan.

At the time, Council was considering the possibility of using this rate to fund advances for ratepayer's insulation if they wished to join the Warm Your Whare Scheme.

This rate was never levied, and the Warm Your Whare Scheme is no longer available. Council will not levy this rate, so we are removing it from our Revenue and Financing Policy.

If a Warm Your Whare or a similar scheme is made available in the future Council can revisit re-instating a targeted rate to assist ratepayers who may benefit and qualify.

Impact on rates	None
Impact on debt	None
Impact on Levels of Service	None as was never utilised.

Stormwater Rate
Removal from the General Rate to a new Targeted Rate

Council intends to change the 50% of the stormwater charge that was previously charged on the General Rate to a new Targeted Rate which is based on Capital Value.

Previously stormwater was rated 50% as a fixed charge and 50% on the General Rate. This meant that ratepayers were unable to see the total cost of stormwater on their rates statement.

Council intends to change the 50% from the General Rate to a new Targeted Rate which is based on Capital Value.

We are changing the way we disclose stormwater charges to make the cost of stormwater services more transparent. We are not increasing the amount of stormwater charges a ratepayer will pay.

Impact on rates	None
Impact on debt	None
Impact on Levels of Service	None

Note on changes to Warm Your Whare 'opt-in' Rate and Stormwater Rate
As there is no rating, debt, or level of service impact from these changes we have not included a specific feedback question on them in this Consultation Document. We have included information on the proposed changes for openess and transparency. We would however welcome any comment you would like to make which will be included in Council's Deliberation Report.

Rates Remission Policy

Proposal to introduce a remission for a second SUIP to reduce UAC rating charges

Council is proposing changes to our Rates Remission Policy to allow the remission for a second SUIP (separately used or inhabitable part) on a property to reduce the level of fixed rating charges (Uniform Annual Charge - UAC) that properties may need to pay if they meet the criteria.

The options

1. Maintain the status quo and do not provide a remission for a second SUIP to reduce the level of fixed (UAC) rating charges that qualifying properties may need to pay.

Maintaining the status quo will keep the fixed UAC rates requirement spread as it currently is across ratepayers.

Ratepayers who may have a second SUIP for whanau for which they do not receive income or other financial benefit would need to pay a second UAC on this SUIP.

2. Introduce a remission for a second SUIP to reduce the level of fixed (UAC) rating charges that qualifying properties may need to pay.

Key qualifying criteria is that the ratepayer must reside in the rating unit, and the unit is not to be used for any commercial benefit – this qualification will exclude a number of rating units that are eligible for relief under this policy.

The proposed changes to the Rates Remission Policy will provide opportunities to reduce the immediate burden of rates for some members of our community who are struggling.

The remission provided would however shift this portion of the rate requirement to all ratepayers.

Council's Rates Remission Policy aims to provide ratepayers with some financial assistance, where they might otherwise have difficulty meeting their obligations to pay rates. It also addresses circumstances where the way we have decided to rate (the rating system) results in anomalies.

As this policy is a significant part of our funding and financial policies, and that all remissions shift the rate requirement to other ratepayers, it's important that we ask for community feedback regarding any proposed changes.

Option 2 is Council's preferred option.

We are proposing to introduce a remission for a second SUIP (separately used or inhabitable part) on a property to reduce the level of fixed (UAC) rating charges that properties may need to pay if they meet the following criteria:

1. The rating unit is owned by the ratepayer and is the ratepayer's principal place of residence; and,
   - The relevant SUIP within that rating unit is recognised in the District Valuation Roll as a studio, sleepout, flat or dwelling; and
   - The relevant SUIP within that rating unit is not advertised for short-term accommodation, not rented or sublet, nor tenanted as part of an employment or remuneration package; and
   - The relevant SUIP within the rating unit is either not occupied or is occupied as an extension of the main household, and
   - The property has no outstanding rate arrears.
2. If a rating unit contains more than two habitable units that would qualify for a remission under this policy, only one unit is entitled to remission.
3. The ratepayer has applied for a rate remission on the prescribed form by 31 May each year.
4. Remissions must be applied for annually and cannot be backdated to previous rating years.

Impact on rates	The financial impact is estimated to be up to $150,000 per annum that is equivalent to 0.5% in rates.
Impact on debt	None.
Impact on Levels of Service	None.

Rates Remission Policy

Proposal to extend our ability to provide rates remissions in certain circumstances

Council is proposing to modify our Rates Remission Policy to make it more flexible and allow us to offer rate relief more easily to those ratepayers facing severe financial difficulties and who meet the policy's requirements.

Extending the Rates Remission Policy as proposed will provide more flexibility for Council to support ratepayers in extreme financial hardship should they meet the criteria.

This proposed change to the Rates Remission Policy recognises that not all situations in which it may be appropriate for the Council to remit rates will necessarily be known in advance and/or provided for in specific rating policies.

In circumstances where the rating policy is deemed by the Council to unfairly disadvantage an individual ratepayer, the Council may grant a one-off remission of part or all of the assessed rate on condition that the remission does not set a precedent that unfairly disadvantages other ratepayers.

The proposed change will provide clarity in situations were ratepayers may be eligible for relief under current policy (Remission for Extreme Financial Hardship Policy Statement 2.2.4(f)).

Extending the Rates Remission Policy will not adversely affect other ratepayers.

Any application for remission will be considered by the Rating Sub Committee in line with Council's Delegations Policy.

Impact on rates	None.
Impact on debt	None.
Impact on Levels of Service	None.

Note on administration changes to the Rates Remission Policy

There is one change to the administration of this policy to highlight. This relates to the alignment of our policy with current administrative practice in relation to rates remissions available to arts and heritage groups, sports clubs and societies that may not be defined under Schedule 1 (Part 2(1, 2 and 3)), 50% non-rateable however still fit the Policy Statement.

Note on alignment of our rating and financial policies to required legislation

The Local Government (Rating of Whenua Maori) Amendment Act 2021 came into force in 2021. Among other things, it expanded the purpose of the Local Government (Rating) Act 2002 to include facilitating the administration of rates in a manner that supports the principles set out in the Preamble to Te Ture Whenua Maori Act 1993. Accordingly, the review of our rating and financial policies has included ensuring they support the principles set out in the Preamble to Te Ture Whenua Maori Act 1993.

- For full copies of the proposed amended polices please see: **ruapehudc.govt.nz**

Removal of 3% early rate payment discount

Proposal for the dissolution of the policy on discounts for early payment of rates

Council is proposing to remove the 3% early rate payment discount via the dissolution of the policy on discounts for early payment of rates as it is resulting in lost net revenue of around $90,000 per annum.

The options

1. Maintain the 3% early rate payment discount

No financial benefit to Council in maintaining the 3% early rate payment discount.

Ratepayers who can afford to pay their rates in a lump sum at the beginning of the rating year would continue to receive the financial benefit from doing so.

Council would continue to receive a potentially larger lump payment of rates at the beginning of the rating year, albeit with the 3% discount applied and resulting net loss in revenue of around $90,000 per annum.

2. Remove the 3% early rate payment discount

Removing the discount would provide Council with a net revenue increase of around $90,000 per annum.

Adjusting for inflation this additional rates revenue could be used to reduce Council debt by $1.0m over the ten years of the Long Term Plan.

Ratepayers who were taking advantage of the discount may no longer pay their rates in a lump sum at the beginning of the rating year.

Ratepayers with multiple properties who were taking advantage of the early payment discount will be impacted more.

Removal of the discount is fairer for ratepayers who are not in a financial position to pre-pay their rates at the beginning of the rating year.

Option 2 is Council's preferred option.

Council has been offering a 3% early rate payment discount to ratepayers who pay their annual rate bill in one lump sum at the beginning of the rating year through its policy on discounts for early payment of rates.

The early rate payment discount was provided on the premise that Council would receive a larger payment of rate revenue at the beginning of the rating year that we would then be able to invest for a higher return and net benefit to Council.

Recent financial analysis of this premise however has identified that there is no financial benefit to Council, and the discount is in fact costing Council around $90,000 per annum in net lost revenue.

This additional rates revenue could be used to reduce Council debt by $1.0m (inflation adjusted) over the ten years of the Long Term Plan.

Removal of the discount is seen as fairer to all ratepayers as ratepayers who did not, or could not, afford to pay their rates in a lump sum at the beginning of the rating year have been effectively subsidising those who can.

As such, Council is proposing to remove the 3% early rate payment discount via the dissolution of the associated policy.

Impact on rates	None.
Impact on debt	Potential reduction in Council debt by $1.0m over the ten years of the Long Term Plan.
Impact on Levels of Service	None.

Changes to our Māori Freehold Land Remission Policy

Proposal to offer increased rates remission support to the owners of Māori land

Council is proposing to make changes to our Māori Freehold Land Rates Remission Policy which will become known as the Remission of Rates on Māori Freehold Land Policy.

The proposed changes to the policy will ensure it is up to date and compliant with the legislation for rating of Māori Freehold Land and the principles of Te Ture Whenua Māori Act 1993 and offer wider support to owners of Māori land to look after their whenua for current and future generations.

Māori freehold land is land where Māori customary interests have been converted to freehold title by the Māori Land Court or its predecessors by a freehold order. This land has therefore never been out of Māori ownership. Council is proposing to consider applications for remissions on certain types of Māori land that is not in Māori freehold title.

We are reviewing our policy following changes to the Local Government Act 2002 and Local Government (Rating) Act 2002 that took effect in July 2021, which included significant changes to the rating of Māori Freehold Land.

While this policy particularly affects Māori landowners in Ruapehu, everyone in our community may have an interest and is invited to provide a submission on the proposed changes to the policy.

As part of the review of this policy, we have considered the option of retaining the existing policy and have decided instead to consult on the proposed changes as these better align with Council's strategic priorities of improving outcomes for Māori.

What is the Remission of Rates on Māori Freehold Land Policy?

All councils are required to have a policy on rates remissions on Māori freehold land. This policy sets out the criteria under which we will consider applications for remissions on Māori freehold land in the region.

- A rates remission is when Council agrees to waive the obligation to pay certain rates on a property for a specified period.

The options

1. Retain our current Māori Freehold Land Remission Policy. Only make required legislative changes.

Does not increase the rates remission support available to the owners of Māori land.

No increased shift in rate requirement to other ratepayers from increasing the value of the remission.

2. Make changes to our Māori Freehold Land Remission Policy.

The proposed changes to the policy will:

- Ensure it is up to date and compliant with the legislation for rating of Māori Freehold Land and the principles of Te Ture Whenua Māori Act 1993.
- Consider applications for remissions on certain types of Māori land that is not in Māori freehold title.
- Offer wider rate remission support to owners of Māori land to look after their whenua for current and future generations.
- All remissions shift the rate requirement to other ratepayers which would increase.
- Better aligns with Council's strategic priorities of improving outcomes for Māori and the objectives of our Wellbeing Framework.

Option 2 is Council's preferred option.

Following the changes to the Local Government (Rating) Act in July 2021, many of the Māori freehold land properties which previously would have been eligible for a rates remission are now treated as non-rateable as the land is unused.

This means that rates are not charged against the property in the first instance, so no remission needs to be applied for. Ruapehu is proposing to consider applications for remissions on Māori land that is not in Māori freehold title, in the following areas:

1. Land converted from Māori freehold title to general title by a status order change under the Māori Affairs Amendment Act 1967.
2. Land returned through Treaty settlements, where:
   - The land is not being used for residential purposes and/or generating a commercial return; and
   - The Crown or Council had not been paying rates on the land prior to its transfer to Māori ownership.
3. Land in general title owned collectively by Māori that meets the criteria of the policy.

This consultation document includes an overview of the proposed changes, why the changes are being proposed and some examples of what this might mean in practice. As well as this document we encourage you to read the full policy available on our website **ruapehudc.govt.nz** before making a submission.

Māori Freehold Land

The existing Ruapehu policy already provides for rates remissions on Māori freehold land in the region, and this is not suggested to change. What has changed in that a large number of Māori freehold properties that were eligible for a remission are now classified as non-rateable as they are considered unused land under the Local Government (Rating) Act.

If your land is rateable, take a look at the criteria for a rates remission under our policy and consider making an application if you think you may be eligible.

Remission Criteria

We will give a remission of up to 100 percent of all rates due for eligible land for the years for which it is granted based on the extent to which the remission of rates will:

1. Support the use of the land by owners for traditional purposes.
2. Support the relationship of Māori and their culture and traditions with their ancestral lands.
3. Avoid further alienation of Māori freehold land.
4. Facilitate any wish of the owners to develop the land for economic use intention.
5. Recognise and take account of the presence of wāhi tapu that may affect the use of the land for other purposes.

Land converted from Māori freehold to general title

As a result of the Māori Affairs Amendment Act 1967, a large number of Māori freehold land blocks were compulsorily converted to general title. Many Māori landowners did not know this had happened to their land at the time, and some are not aware even today about the change in the status of their land.

These changes can have big impacts on how land is treated by councils for rating purposes though, as well as making it easier for land to be sold to non-Māori. Land in general title is not currently eligible for a rates remission under our existing policy.

What we are proposing to change

Ruapehu is proposing that land which was converted from Māori freehold to general title in this way be treated the same as Māori freehold land under our policy.

Why are we proposing to do this?

This will mean that Māori landowners of general land, if they can show that their land status was changed as a result of the Māori Affairs Amendment Act 1967, will be eligible for a rates remission under the same criteria and conditions as Māori freehold land in our policy. The only requirement is that current owners must be a descendant of the landowners at the time of the status order change under the 1967 Act.

Land returned through Treaty settlements

Almost all land returned through Treaty settlements is in general title and as a result, this land is not eligible for rates remissions under our current policy.

What we are proposing to change

We are proposing to include land returned through Treaty settlements where:

1. The land is not being used for residential purposes and/or generating a commercial return; and
2. Rates were not previously payable on the land; and
3. The land meets the criteria set out in the policy.

Why are we proposing to do this

Treaty settlements can include the return of land with conditions that make the land rateable where this may not have been the case while in Crown or Council ownership, land that is used for the benefit of iwi, hapū, whānau or the wider community, or return of land with commercial potential that is not immediately realised.

Council looks to support the aspirations of Māori post-settlement, and rates remissions on these properties is one way we can do so.

Māori land under development

Changes to the Local Government (Rating) Act included the ability for owners of Māori freehold land to apply for a remission to cover the period in which the land is being developed, if it meets certain criteria. Our existing policy provided this remission option, and it is not proposed to change this.

Administration changes

There is one change to the administration of this policy to highlight. This relates to:

1. The suppression of rating penalties for land that is covered by the policy and is in the ownership of trustees, which has insufficient income derived from the land to pay rates.

Why are we proposing to do this

This proposal aligns with the practices of other councils. Applying a penalty suppression in these situations will remove the snowball effect that cumulative penalties can create, increasing the balance of rates due to an unrealistic amount. In many cases these penalties are written off anyway, therefore suppressing them makes both administrative and financial sense.

Impact on rates	The value of the rate shift will depend on the number and value of the remissions.
Impact on debt	None.
Impact on Levels of Service	None.

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.

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 $102.4m - This is $13.7m 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 $88.7m - $13.7m 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.

Option 2 is Council's preferred option.

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 $13.7m 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.

Changes to fees and charges

Proposal to increase fees and charges to recover increased cost of services

For the up-coming 2024/25 rating year we are budgeting to receive 7% of our required income worth $3.8m from fees and charges.

Wherever possible Council favours using fees and charges to cover the cost of our services as they provide a transparent and accountable way to fund services, aligning the cost burden with usage and encouraging more responsible and sustainable behaviors.

For this Long Term Plan we are proposing to introduce some new fees and charges along with increases to existing fees and charges.

The new fees and charges includes brand new charges for new services as well as the combination of previous fees and charges to simplify pricing.

Any increases to fees and charges reflect the increased cost of providing these services.

Council believes that the user-pays principle promotes fairness, as individuals or businesses that use more of a service bear more of the cost, rather than spreading it across other ratepayers regardless of their usage levels.

In setting new charges or increases we have been mindful of the cost of living pressures on our communities. While we work to keep fees and charges as low as possible we need to recover the cost of the service.

If we were not to pass on the higher costs we would need to recover them from the general ratepayer rather than the specific user.

Many increases in fees and charges are tied to contractor costs which are linked to an inflation index relevant to that industry.

As Council's contracts for these services adjust automatically in response to these industry specific inflation pressures we have no option but to recover them through higher charges to the service user.

Impact on rates	None.
Impact on debt	None.
Impact on Levels of Service	Will enable Council to maintain Levels of Service.

Proposed Schedule of Fees and Charges 2024/25

The full proposed Schedule of Fees and Charges 2024/25 can be found in the Document Links panel on the Long Term Plan 2024/34 consultation page at: **ruapehudc.govt.nz** (look for link on homepage) or via the **QR code**:

If you would like more information on why specific fees and charges have increased please email **consultation@ruapehudc.govt.nz** or call Council on **07 895 8188.**

Rating examples

- There are a number of drivers that determine individual rate demands and as such all ratepayers will be impacted differently.
- To confirm your individual 2024/25 rating bill see our rates calculator on our website: **ruapehudc.govt.nz** or use your phone and the **QR code.**

Property revaluations and rates

Every three years Council engages independent property valuer Quotable Value NZ (QV) to undertake a valuation of all Ruapehu properties to help assess rates for the following three-year period.

Council uses capital value as the basis for setting rates as it is seen as fairer than a land value-based system because it considers the total value of a property, including both the land and any buildings or improvements on it.

The latest 2023 revaluations found the total rateable (capital/market) value for the district is now $8.0 billion, with the land value of those properties now valued at $4.6 billion.

Rising property values in the district do not affect the total amount of rates we collect.

These are set based on the amount of income we need to maintain levels of service and undertake our planned work programme.

While Council aims to try and match rates to the services ratepayers receive, rates are basically a tax and we have legislative constraints in how we apply them.

Residential urban rating examples

Based on average 2023 revaluation lifts for residential property

Township	Average value change	Capital Value 2023/24	Capital Value 2024/25	Rate charge 2024/25	Rate change in dollars	Rate change percentage
Kakahi	Low	200,000	256,000	1,626	99	7%
Kakahi	Medium	225,000	288,000	1,704	107	7%
Kakahi	High	320,000	409,600	1,998	135	7%
National Park	Low	200,000	256,000	3,117	218	8%
National Park	Medium	400,000	512,000	3,737	277	8%
National Park	High	600,000	768,000	4,356	335	8%
Ohakune	Low	175,000	224,000	3,109	189	6%
Ohakune	Medium	390,000	499,200	3,751	229	7%
Ohakune	High	685,000	876,800	4,633	284	7%
Ohura	Low	50,000	64,000	2,022	142	8%
Ohura	Medium	94,000	120,320	2,158	155	8%
Ohura	High	220,000	281,600	2,548	192	8%
Owhango	Low	160,000	204,800	2,463	152	7%
Owhango	Medium	280,000	358,400	2,834	187	7%
Owhango	High	400,000	512,000	3,206	223	7%
Pipiriki	Low	99,000	126,720	1,756	126	8%
Pipiriki	Medium	168,000	215,040	1,969	146	8%
Pipiriki	High	213,000	272,640	2,109	159	8%
Raetihi	Low	100,000	128,000	2,896	186	7%
Raetihi	Medium	215,000	275,200	3,252	220	7%
Raetihi	High	255,000	326,400	3,376	232	7%
Rangataua	Low	190,000	243,200	2,226	128	6%
Rangataua	Medium	325,000	416,000	2,644	168	7%
Rangataua	High	415,000	531,200	2,923	194	7%
Taumarunui	Low	100,000	128,000	2,896	186	7%
Taumarunui	Medium	300,000	384,000	3,515	245	7%
Taumarunui	High	495,000	633,600	4,119	302	8%
Waiouru	Low	205,000	262,400	3,221	217	7%
Waiouru	Medium	240,000	307,200	3,329	227	7%
Waiouru	High	310,000	396,800	3,546	248	8%

There are a number of drivers that determine individual rate demands and as such all ratepayers will be impacted differently.

- To confirm your individual 2024/25 rating bill see our rates calculator on our website: **ruapehudc.govt.nz** or use your phone and the **QR code.**

Rural rating examples

Based on average 2023 revaluation lifts for rural property

Rural Area	Average value change	Capital Value 2023/24	Capital Value 2024/25	Rate charge 2024/25	Rate change in dollars	Rate change percentage
Kakahi	Low	440,000	563,200	2,281	172	8%
Kakahi	Medium	2,450,000	3,136,000	8,507	764	10%
Kakahi	High	4,060,000	5,196,800	13,493	1,238	10%
National Park	Low	310,000	396,800	1,879	134	8%
National Park	Medium	2,095,000	2,681,600	7,407	660	10%
National Park	Med/High	6,450,000	8,256,000	20,895	1,942	10%
Ohakune	Low	500,000	640,000	2,467	190	8%
Ohakune	Medium	1,120,000	1,433,600	4,387	372	9%
Ohakune	High	3,190,000	4,083,200	10,798	982	10%
Ohura	Low	273,000	349,440	1,764	123	7%
Ohura	Medium	1,990,000	2,547,200	7,082	629	10%
Ohura	High	4,020,000	5,145,600	13,369	1,227	10%
Owhango	Low	310,000	396,800	1,879	134	8%
Owhango	Medium	1,795,000	2,297,600	6,478	571	10%
Owhango	High	4,845,000	6,201,600	15,924	1,470	10%
Pipiriki	Low	375,000	480,000	2,080	153	8%
Pipiriki	Medium	1,060,000	1,356,800	4,202	355	9%
Pipiriki	High	3,550,000	4,544,000	11,913	1,088	10%
Raetihi	Low	234,000	299,520	1,643	111	7%
Raetihi	Medium	1,980,000	2,534,400	7,051	626	10%
Raetihi	High	6,155,000	7,878,400	19,981	1,855	10%
Taumarunui	Low	935,000	1,196,800	3,814	318	9%
Taumarunui	Medium	2,020,000	2,585,600	7,175	638	10%
Taumarunui	High	5,850,000	7,488,000	19,037	1,766	10%
Waiouru	Low	342,000	437,760	1,978	143	8%
Waiouru	Medium	990,000	1,267,200	3,985	334	9%
Waiouru	High	2,030,000	2,598,400	7,206	640	10%

There are a number of drivers that determine individual rate demands and as such all ratepayers will be impacted differently.

- To confirm your individual 2024/25 rating bill see our rates calculator on our website: **ruapehudc.govt.nz** or use your phone and the **QR code.**

Commercial rating examples

Based on average 2023 revaluation lifts for commercial property

Commercial Area	Average value change	Capital Value 2023/24	Capital Value 2024/25	Rate charge 2024/25	Rate change in dollars	Rate change percentage
Kakahi	Medium	92,000	104,052	1,284	29	2%
National Park	Low	700,000	791,700	5,806	111	2%
National Park	Medium	1,600,000	1,809,600	9,377	-19	0%
National Park	High	5,060,000	5,722,860	23,105	-519	-2%
Ohakune	Low	450,000	508,950	4,902	191	4%
Ohakune	Medium	1,430,000	1,617,330	8,790	49	1%
Ohakune	High	2,320,000	2,623,920	12,322	-80	-1%
Ohura	Low	50,000	56,550	2,065	120	6%
Ohura	Medium	85,000	96,135	2,204	115	5%
Ohura	High	280,000	316,680	2,978	86	3%
Owhango	Low	135,000	152,685	2,503	85	4%
Owhango	Medium	225,000	254,475	2,860	72	3%
Owhango	High	405,000	458,055	3,574	46	1%
Raetihi	Low	109,000	123,279	3,505	196	6%
Raetihi	Medium	160,000	180,960	3,707	188	5%
Raetihi	High	530,000	599,430	5,175	135	3%
Taumarunui	Low	510,000	576,810	5,096	138	3%
Taumarunui	Medium	800,000	904,800	6,247	96	2%
Taumarunui	High	1,300,000	1,470,300	8,230	24	0%
Waiouru	Low	240,000	271,440	4,025	177	5%
Waiouru	Medium	345,000	390,195	4,441	162	4%
Waiouru	High	580,000	655,980	5,374	128	2%

There are a number of drivers that determine individual rate demands and as such all ratepayers will be impacted differently.

- To confirm your individual 2024/25 rating bill see our rates calculator on our website: **ruapehudc.govt.nz** or use your phone and the **QR code.**

Help with rate payments

- Council has a number of ways in which we can assist people who are struggling to pay their rates.
- The important thing is to not leave things too late and to contact Council as soon as there is an issue so we can discuss available options.

Direct Debit

Making smaller, regular payments in weekly, fortnightly or monthly arrangements by Direct Debit avoids getting a large quarterly rates bill and makes a staying on top of your rates a lot easier.

Rates Postponement Policy

This is for residential properties occupied by the ratepayer as their normal place of residence. The Policy is designed to provide temporary rates relief in cases of extreme financial hardship.

Rates Remission Policy

This Policy allows for the remission of rates for a range of specific situations for homeowners under circumstances of extreme financial hardship.

Remission of Rates on Māori Freehold Land Policy

This Policy allows for the remission of rates on Māori freehold land.

Rates Rebate Scheme

The Rates Rebate Scheme provides a subsidy to low-income homeowners on the cost of their rates.
You must apply for the rebate every rating year even if you have successfully received a rebate in previous years.

More info

For more information on these options please:

- Call Council on **07 895 8188** or
- See our website: **ruapehudc.govt.nz**

Finding out more and having your say

We want communities to have a say in local decisions, take action together, and aim to make communities better now and in the future by focusing on wellbeing, the economy, the environment, and culture.

Have a question or want to discuss an issue?

Weston Kirton
Mayor
027 250 8465

Vivienne Hoeta
Deputy Mayor
027 658 8320

Brenda Ralph
General Ward Councillor
027 663 4128

Janelle Hinch
General Ward Councillor
022 385 8683

Lyn Neeson
General Ward Councillor
027 353 7907 (texts only)
07 896 7659

Robyn Gram
General Ward Councillor
027 389 1912

David (Rabbit) Nottage
General Ward Councillor
021 111 6514

Fiona Hadley-Chase
Māori Ward Councillor
027 357 7255

Korty Wilson
Māori Ward Councillor
027 255 7230

Channey Iwikau
Māori Ward Councillor
027 214 7162

Join elected members and Council staff

Over the consultation period we have organised a number of hui and events where you can talk to elected members or Council staff about the Long Term Plan and our proposed work programme.

Saturday 13 April	Taumarunui TRACT Market Day Taumarunui Central Arcade, 101 Hakiaha Street	8am - 12 noon	
Monday 15 April	Raetihi Marae 48 Raetihi-Ohakune Road	4pm - 6pm	
Tuesday 16 April	Morero Marae 143 Hakiaha Street, Taumarunui	4pm - 6pm	
Thursday 18 April	Ohura Hall, Ngarimu Street, Ohura Taumarunui-Ohura Community Board hui follows at 6pm	4pm - 5.30pm	Watch on Facebook
Tuesday 23 April	Owhango community hui Owhango Hall, 2157 State Highway 4	6pm - 8pm	Watch on Facebook
Wednesday 24 April	Kakahi Marae 40 Ako Street, Kakahi	4pm - 6pm	Watch on Facebook
Sunday 28 April	Taumarunui Whānau Fun Day Taumarunui Domain playground	10am - 2pm	
Thursday 2 May	The Centre, 14 Seddon Street, Raetihi Waimarino-Waiouru Community Board hui follows at 6pm	4pm - 5.30pm	Watch on Facebook
Sunday 5 May	Ohakune Whānau Fun Day Ohakune Carrot Park	10am - 2pm	
Saturday 11 May	Taumarunui TRACT Market Day Taumarunui Central Arcade, 101 Hakiaha Street	8am - 12 noon	

Feedback Form

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

Consultation Opens
Thursday 11 April

Consultation Closes
Sunday 12 May

Hearings
Tuesday 21 May
Wednesday 22 May
Council hears from people who want to talk in support of their submission

Deliberations
Wednesday 5 June
Council considers feedback and any changes to the draft Long Term Plan

Adoption
Wednesday 26 June
Council adopts the Long Term Plan which comes into effect on 1 July 2024

- **Thank you for taking the time to consider the issues raised in our Consultation Document and providing your feedback on our proposed work plan and budgets for the 2033/34 Long Term Plan.**
- **While we are seeking feedback on specific questions around financial issues you can provide feedback on any aspect of our proposed plan that you like. For example you may want to promote that we spend more on land transport, or parks and reserves, or bringing an unfunded project forward in time, or any other project or service. Likewise, you may suggest reducing or cutting services and budgets in certain areas.**
- **Please note that any new works or services added to the plan over and above what has been proposed will impact on rates unless it is offset somewhere else.**

If you prefer provide feedback on-line at:**submissions.ruapehudc.govt.nz** or use the QR code on page 64.

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 21 May (Ohakune and Raetihi) and Wed 22 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.

1. Land Transport Forestry Targeted Rate (page 44)

Proposal to increase the existing targeted rate differential for exotic forestry

Council is proposing to incrementally increase the differential rating factor from 300% of the Land Transport Targeted Rate by 100% for the first four years of the Long Term Plan to a maximum of 700% for exotic forestry properties.

Option 1
Maintain the status-quo of a 300% differential rating factor of the Land Transport Targeted Rate ○

Option 2 ***(Our preferred option)***
Incrementally increase the differential rating factor from 300% of the Land Transport Targeted Rate by 100% for the first 4 years of the Long Term Plan to a maximum of 700% ○

Option 3
Increase the differential rating factor from 300% of the Land Transport Targeted Rate to 700% in the first year of the Long Term Plan ○

Tell us why or any other option you prefer:

2. Environmental Resilience Targeted Rate (page 45)

Proposal to apply the Environmental Resilience Targeted Rate from 2025/26.

Council is proposing to begin levying the Environmental Resilience Targeted Rate from the second year (2025/26) of the Long Term Plan to meet environmental legislative requirements. The rate will be charged as a fixed amount per rating unit on all rating units.

YES - apply ◯ **NO** ◯

(Our preferred option)

Tell us why or any other option you prefer:

3. Rates Remission Policy (page 47)

Proposal to introduce a remission for a second SUIP to reduce UAC rating charges.

Council is proposing changes to our Rates Remission Policy to allow the remission for a second SUIP (separately used or inhabitable part) on a property to reduce the level of fixed rating charges (Uniform Annual Charge - UAC) that properties may need to pay if they meet the criteria.

Option 1

Maintain the status quo and do not provide a remission for a second SUIP to reduce the level of fixed (UAC) rating charges that qualifying properties may need to pay. ◯

Option 2 *(Our preferred option)*

Introduce a remission for a second SUIP to reduce the level of fixed (UAC) rating charges that qualifying properties may need to pay. ◯

Tell us why or any other option you prefer:

4. Rates Remission Policy (page 48)

Proposal to extend our ability to provide rates remissions in certain circumstances.

Council is proposing to modify our Rates Remission Policy to make it more flexible and allow us to offer rate relief more easily to those ratepayers facing severe financial difficulties and who meet the policy's requirements.

YES - modify the Policy ◯ **NO** ◯

(Our preferred option)

Tell us why or any other option you prefer:

5. Removal of 3% early rate payment discount (page 49)

Proposal for the dissolution of the policy on discounts for early payment of rates

We are proposing to remove the 3% early rate payment discount via the dissolution of the policy on discounts for early payment of rates as it is resulting in lost net revenue of around $90,000 per annum to Council.

Option 1

Maintain the 3% early rate payment discount ◯

Option 2 *(Our preferred option)*

Remove the 3% early rate payment discount ◯

Tell us why or any other option you prefer:

6. Changes to our Māori Freehold Land Remission Policy

Proposal to offer increased rates remission support to the owners of Māori land (pages 50-52)

The proposed changes to the policy will ensure it is up to date and compliant with the legislation for rating of Māori Freehold Land and the principles of Te Ture Whenua Māori Act 1993 and offer wider support to owners of Māori land to look after their whenua for current and future generations.

Option 1

Do not offer increased rates remission support to owners of Māori land. Only make the required legislative changes to the current policy. ◯

Option 2 *(Our preferred option)*

Change the Māori Freehold Land Remission Policy to enable increased rates remission support for owners of Māori land. If you support this option please tell us the level of increased rates remission support you would like Council to provide.

You can support as many of the proposed extensions as you like:

1. Do you support the proposed inclusion of "Māori freehold land converted to general title under the Māori Affairs Amendment Act 1967" as eligible land under the policy? ◯
2. Do you support the proposed inclusion of "Treaty settlement land" as eligible land under the policy? ◯
3. Do you support the proposed inclusion of "Land in general title collectively owner by Māori" as eligible land under the policy? ◯

Tell us why or any other option you prefer:

7. Changes to our Financial Strategy (page 53)

Proposal to change rate increase limit to LGCI + 3%

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

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.

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

Option 2 ***(Our preferred option)***
Increase our self-imposed rates revenue increase limit to LGCI + 3%. ○

Tell us why or any other option you prefer:

8. Changes to fees and charges (page 54)

Proposal to increase fees and charges to recover increased cost of services.

For this Long Term Plan we are proposing to introduce some new fees and charges along with increases to existing fees and charges.

Do you have any feedback on the proposed changes to fees and charges?

***Additional comment** - if you need more space please attach a separate piece of paper.

- **Having your say in this consultation is one of the best ways to influence Council's planned work programme.**
- **You can provide feedback on any aspect of our proposed plan that you like. This can include making suggestions for additional projects and services or the reduction or cutting of services and budgets.**
- **Please note that any new works or services added to the plan over and above what has been proposed will impact on rates unless it is offset somewhere else.**

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

Mail:
Freepost 492
Ruapehu District Council
Private Bag 1001
Taumarunui 3946

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

Email:
consultation@ruapehudc.govt.nz

In person:
Don't forget you can support your feedback by talking to Council during the Hearings. This can be in-person or on-line.

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the reader

Independent auditor's report on Ruapehu District Council's consultation document for its proposed 2024-34 long-term plan

I am the Auditor-General's appointed auditor for Ruapehu District Council (the Council). The Local Government Act 2002 (the Act) requires the Council to prepare a consultation document when developing its long-term plan. Section 93C of the Act sets out the content requirements of the consultation document and requires an audit report on the consultation document. I have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 10 April 2024.

Opinion

In our opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2024-34 long-term plan, because it:
    - fairly represents the matters proposed for inclusion in the long-term plan; and
    - identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

Emphasis of Matter – Risks associated with the infrastructure strategy

Without modifying our opinion, we draw attention to page 41, which outlines the risks of the infrastructure strategy limiting the amount of work on upkeep and renewal of critical assets to what the Council considers to be affordable.

The Council notes that this could increase reactive maintenance, and reduce network resilience and customer outcomes. The Council also notes its plans to assess its infrastructure assets over the next 2 to 3 years and make decisions about these assets in collaboration with the community.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.*

In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400 *The Examination of Prospective Financial Information* that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long-term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

We are responsible for auditing the consultation document and reporting on the matters described in sub-sections 93C(4)(a) and 93C(4)(b) of the Act, as agreed in our Audit Engagement Letter. We do not express an opinion on the merits of any policy content of the consultation document.

Independence and quality management

We have compiled with the Auditor-General's:

- independence and other ethical requirements, which incorporate the requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour; and
- quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (PES 3) issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Other than our work in carrying out all legally required external audits and reporting on the Council's debenture trust deed assurance engagement, we have no relationship with or interests in the Council.

Clarence Susan
Audit New Zealand
On behalf of the Auditor-General, Tauranga, New Zealand

Have your say on our 2024/34 Long Term Plan proposals from Thursday 11 April to Sunday 12 May.

- For more info see our website: **ruapehudc.govt.nz** and/or come along to one of the community events we are holding over the consultation period - see page 61 for event details.

RUAPEHU DISTRICT COUNCIL

RESILIENT - SUSTAINABLE

LONG TERM PLAN 2024-2034