

# Our Long Term Plan Proposals and budgets

## Frequently Asked Questions



### Why do we need a Long Term Plan, or LTP?

The LTP is our council's 10-year and beyond roadmap for projects and services and the budgets to pay for them. It sets out what we plan to deliver, how much it will cost and how it will be funded. It includes the rates for the upcoming financial year and forecasts for the following nine years. It includes detailed budgets for key projects including capital works (these are physical projects involving building or upgrading something) and operational spending for the first three years, then indicative budgets for the following seven years.

Our 30-year Infrastructure Strategy is also part of our LTP, requiring us to identify the big infrastructure issues coming our way and the types of options we'll have to make decisions on in future. Our infrastructure has quite a long life and to manage it well, we need to take a longer term view of when our assets need to be replaced or upgraded.

The LTP is redone every three years and can be updated each year in between through an annual plan, which allows us to accommodate any changes to our financial forecasting.

### How do I find out about the proposals?

The first place to start is by reading our 'Tackling the Future Head on: What's your take?' document. Also known by its legal name of 'consultation document', it sets out the key things you need to know. If you still have questions, there is a lot more detail available in a series of supporting documents. Our Mayor and Councillors are available to answer any questions you might have.

### Will our LTP consultation document have an auditor's opinion?

We're usually required to have an auditor's opinion in our LTP consultation document, showing that our financial forecasting and figures are sound and that we've identified any significant issues. In recognition of the impact on Council of the repeal of the previous government's water reform legislation, the Water Services Acts Repeal Act 2024 that came into force on 17 February 2024 includes provisions that waive the requirement. Our auditors have advised that they will not be able to complete the audit of the consultation document in time to meet our consultation timeframes. But delaying our consultation would have knock-on effects for the rest of our process, and might affect us being able to adopt the LTP at the end of June. As a result, we've decided that our LTP consultation document will not contain an auditor's opinion. Our LTP will still be audited before we finally adopt it, after we consider and make decisions based on our community's feedback on our proposals.

### What are the challenges ahead?

This time around, we're facing some difficult challenges – the projects and services we are legally required to provide are big ticket, costly projects like upgrading our drinking water treatment plants, and we still have a large roading repair and improvement programme ahead as part of Gabrielle's legacy. We're facing other issues that make our district vulnerable – sea level rise that will affect some of our settlements and infrastructure, an uncertain economy and the challenges of maintaining ageing infrastructure. We can't afford to fund all this work ourselves.

### What does it mean for you and your rates?

We're proposing a 'just the essentials' budget. We've cut back on a lot of projects – due to escalating inflation and supply costs, the need to catch up on deferred spending and to continue to repair our roading network following the 2023 storms – but we'll still need to raise rates to match the actual cost of what we need to do. We know there's a cost-of-living crisis that is already stretching many people to the limit, but we believe that adjusting rates to match the actual costs we're facing is the most responsible path forward. We understand there are other things you'd like us to deliver, but some of them are not achievable without more significant rate increases.

We're proposing to spread the rates increase in the first year of the LTP over several years to lessen the impact on our ratepayers. We've been working through the numbers and have done our best to keep it as low as possible. We're proposing a district-wide average 12.9% rates increase for all rate types in the first year. You'll have a chance to give your feedback on our proposals from 8 March to 8 April.

Find out more at [tcdc.govt.nz/LTP-2024-2034](https://tcdc.govt.nz/LTP-2024-2034)

### What are our main priorities for this plan?

We're prioritising the resilience of our district in our budgets and planning. We're focusing on building strong foundations for the infrastructure and facilities our Council provides, to continue the recovery from the extreme weather events of last year, while also supporting our communities as they recover. Our proposed budgets provide for roading repairs and improvements, coastal protection works, and supporting community and economic recovery.



## How are we addressing roading issues?

We've planned a programme to rebuild and improve our roading and infrastructure so it's better placed to withstand future weather events. As part of this process, we'll continue to advocate for and seek external funding from central Government to help with the rebuild costs. We're also working with Waikato Regional Council, New Zealand transport Agency | Waka Kotahi and our neighbouring council, Hauraki District Council on a Roothing Resilience Strategic Response (RSR) Programme to ensure that we have a strategic plan in place for the future.

## How are we getting ready for climate change?

We want to shape resilient and connected communities that can remain strong in the face of climate change. We've prioritised crucial coastal projects identified through our Shoreline Management Pathways project, with the most pressing work set to begin in three years. This will help us to manage our response to coastal hazards. We've also planned for a series of long-term adaptation and protection measures. However, the financial burden is significant, and our small settlements and the entire district won't be able to shoulder the costs alone. For now we've assumed that 60% of the funds needed will come from the Government, with the remaining 40% funded by ratepayers. We will need to do more work and engage with our communities before deciding who will pay for it.

Stay up to date at [tcdc.govt.nz/smp](https://tcdc.govt.nz/smp)

## How has three waters reform affected our Council's plan?

Back in mid-2023 when our Council began to develop its 2024-2034 Long Term Plan, it did so on the understanding that responsibility for delivering and paying for our water services (that includes wastewater and stormwater infrastructure as well as water supply) would be transferred to a new non-Council entity. For that reason, we did not include budgets for these services in our early budget plans.

Later in the year, our Council anticipated a change in government direction for water services, and decided to include them in our plans and budgets for the LTP.

The new Government has a new plan for water services which it is calling 'Local Water Done Well', and has recently repealed the previous government's water reform legislation. This means that we are still responsible for our water services, but the

Government hasn't yet clarified how 'Local Water Done Well' will impact our service and infrastructure delivery. While we are waiting to hear from Government about the next steps, our Council is continuing on a business-as-usual basis, with budgets and rating impacts in our proposed LTP calculated to include providing water services.

## How are we supporting our communities?

It's not just about infrastructure, but about supporting more connected and inclusive communities. A significant decline in visitor and resident numbers resulting from storm-related road closures in 2023 has left many families and businesses struggling, and we're only just beginning to see visitor numbers bounce back with the re-opening of SH25A Kōpū-Hikuai Rd and Tapu-Coroglen Rd. We've had the opportunity to access government recovery funding to help our communities. This has had tangible benefits for communities, helping people to access social, medical, educational and other services, programmes and opportunities, that Council would like it to continue, funded from its own budget.

## I want to know whether a particular project has been budgeted for. How do I find this out?

Our website includes a list of all physical projects (we call them capital projects) that are on the to-do list in the next 10 years. They are organised by ward. If you don't see the project on this list, it hasn't been budgeted for.

## A project hasn't been included in the plan but I think it should be. Why not?

The preparation of this 10-year budget has been really challenging. It's simply not affordable or doable to include all the projects we, and you, want to do right now. We've had to focus on the essentials and the absolute top priorities, and we needed to re-include the 3 waters (drinking water, stormwater and wastewater) in our budgets. If you would like to see a project added it would be really helpful if you could tell us whether you'd be willing to pay more in your rates for that project, or suggest what could be cut from the budget instead.



## What key issues are we asking for your thoughts on?

There are some tough decisions we need to make, and we'll need your help to make them. We'll be asking for your thoughts on:

### 1. Managing rates spikes

To avoid a very large jump in rates in the next financial year, we're proposing to spread the proposed increase over the first two or three years of the LTP. This means a smaller hike than planned in the first year followed by a higher increase in the following year or two. This can be achieved in different ways. One way is to pause setting aside a share of the money we need to replace ageing assets (this is called depreciation). We're proposing to do this for a short two-year period, and we'd return to funding the full annual replacement cost in year three of the LTP.

*We'll be asking if you want to pay for increases straightaway, or spread them over 2 or 3 years.*

### 2. Investing more in future planning

Over the next 10 years, we're developing a district-wide spatial planning project for areas outside of Thames (which has already has a plan completed). This project will set out where and how our towns should grow and develop over the next 30 years in a way that builds our resilience. We think it's important that we take more of a lead in setting the future planning directions for our communities and have included funds in our budget to complete this mahi. We're making a series of changes to our district plan to include policies and rules that implement the direction of the Thames and Surrounds Spatial Plan for an enlivened town centre and additional growth in the Kauaeranga and Tōtara Valleys, at Kōpū and Matatoki North/Kirikiri, and in the longer term, around Matatoki and Pūiri.

*We'll be asking if we should invest more money so we can proactively and strategically invest in planning programmes to manage our growth effectively.*

### 3. Investing in connected communities:

Our focus has been on building successful working relationships that can connect our people better to housing, education and employment opportunities, and to the medical and other services they need. The Government cyclone recovery funding runs out at June 2025 but, recognising how much this has improved the way we work with others, we've consolidated our community development services and are proposing to boost our own investment, so it can be embedded firmly into our business.

*We'll be asking if we should cease our extra role in community development once the Government cyclone recovery funding runs out in June 2025, carry on the work we started through the cyclone recovery programme, or invest even more in community development.*

### 4. Increasing fees and charges to keep rates manageable:

About 14.5% of our revenue comes from user fees and charges. We're exploring the possibility of increasing these fees to keep up with our other rising costs, including inflation. This way, we can distribute the financial responsibility more evenly. It means the costs will be covered by those who are using or needing the services directly – and prevents an extra burden on ratepayers as a whole.

*We'll be asking if we should increase our income from user fees (which is our preference) or stick with the status quo and not increase them.*

### 5. The future of our central office, the Thames Council building:

Our Council office in Mackay Street, Thames has two buildings. As well as our staff and elected members, the public visit our customer service area and AA services, while visitors including contractors and invited guests often frequent other parts of these buildings. Unfortunately, both buildings fall short of current health, safety and seismic standards and this has to be remedied. We've done a lot of work to understand the issues with the buildings but haven't yet proceeded with any remedial work.

*We'll be asking if we should:*

- *renovate the existing Council building?*
- *construct a new building on the current site?*
- *construct a new building on a new site in central Thames?*
- *construct a new building on a new site with additional community facilities?*

Our preference is to refurbish and upgrade the existing main building, although we recognise that there may be other options, including partnership and co-funding opportunities that could help achieve wider community and urban benefits.



## Where can you find out more and get a copy of the consultation document?

The LTP consultation document and all the supporting information will be made available online at [tcdc.govt.nz/LTP-2024-2034](https://tcdc.govt.nz/LTP-2024-2034).

Hard copies will also be available from one of our Council Service Centres at:

- 515 Mackay Street, Thames
- 355 Kapanga Road, Coromandel
- 10 Monk Street, Whitianga
- 620 Port Road, Whangamatā.

## How can you give formal feedback to Council?

- **Do it online:** Click on the ‘Tell us your feedback’ button on our website at [tcdc.govt.nz/LTP-2024-2034](https://tcdc.govt.nz/LTP-2024-2034) – it’s a quick and easy way to tell us what you think. This is our preferred option as it’s easier to process the submissions, and that saves money.
- **Tell us face to face:** You can share your views in person at a Council hearing in late April/early May. Please fill in a feedback form or send us an email to book a time.
- **Pick up a form** from one of our services centres or download it below, then:
  - **Email:** [consultation@tcdc.govt.nz](mailto:consultation@tcdc.govt.nz) with ‘LTP feedback’ in the subject line.
  - **Post:** LTP feedback, Thames-Coromandel District Council, Private Bag 1001, Thames 3540
  - **Deliver in person** to one of our Council service centres at Thames, Coromandel Town, Whitiangi and Whangamatā

## How do we use the LTP consultation feedback?

While we are required by law to indicate a preferred option for the big issues that we’re asking for feedback on, we do have flexibility to consider changes based on your feedback. All the feedback provided during the consultation period will be noted by our teams and will help inform our final LTP. As part of an open and transparent consultation process, all feedback is treated as public once received.

## What are the next steps for our LTP?

