

CONSULTATION DOCUMENT

TE KAHUI O POUTINI WESTLAND DISTRICT COUNCIL DRAFT ANNUAL PLAN 2024/2025



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Why a 2024/2025 Annual Plan?

In November 2023 the incoming government announced their 100 day plan, including repealing the previous Labour government's Three Water Reform legislation. National's policy, known as 'Local Water Done Well' is to ensure that three waters assets remain with Councils, who will have to meet strict water quality standards and invest in ongoing maintenance and replacement of vital water infrastructure.

The Water Services Acts Repeal Act 2024 was introduced in February 2024 and repeals legislation relating to water services entities and their economic regulation, reinstates previous legislation, but retains technical amendments relating to the regulation of water services by Taumata Arowai – the Water Services Regulator.

Within the Act are transitional arrangements for Councils: allowing Councils that had not begun 2024 – 2034 Long Term Plan (LTP) consultation to delay or defer their LTP for three or 12 months. Westland District Council opted to defer adopting the LTP until June 2025, and has instead issued an enhanced draft Annual Plan 2024/2025. Deferring the LTP gives Council time to ensure that we can share robust and accurate three waters information with our community for the remaining nine years of the LTP.

Later in 2024 further legislation will be introduced that will impose requirements for financial sustainability, economic regulation, and structural and financing tools, along with streamlined methods to form Council Controlled Organisations for the delivery of water services with other local Councils. This will provide Council with greater certainty and allow us to produce a better plan within the LTP.

What is the Annual Plan and Consultation Document?

The Annual Plan (AP) is the Council's yearly review of the 10-year Long Term Plan (LTP). It outlines the changes to the Council's workplan and costs that the Council budgeted for the fourth year of the LTP. In the fourth year, Council usually produces a new LTP. However, this year, due to uncertainties surrounding the Government's plan for Local Water Done Well, Council has opted to do an extended AP instead. Council's next LTP will be produced in 2025.

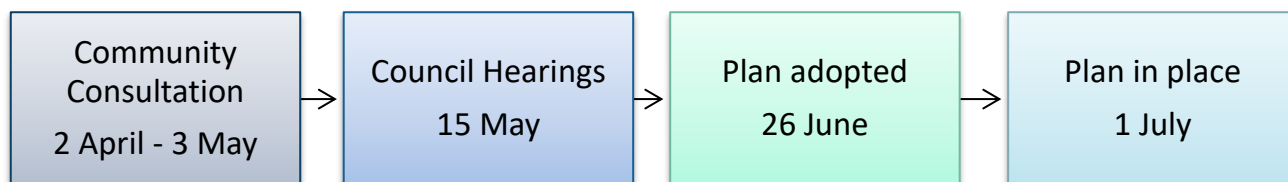
This Consultation Document tells you the outcomes of the review and what Council plans for the next year. We would like your feedback on some of the proposed decisions so that Council can make the best choices for the community.

Council has drafted the AP with a view to reducing rates burden on the community as far as possible. We have set out our proposed rates changes for your consideration on p 5 - 7.

What this document is all about is getting your views. So, take the opportunity – we'd love to hear from you!

At the end of the consultation period, we will be holding hearings so that you can speak about your submission.

How it works



How to share your feedback

This Consultation Document and the draft Annual Plan 2024 -2025 set out Council's proposed spending and projects for the next year.

It's easy to have your say:



Visit our website
www.westlanddc.govt.nz/AP24-25-submit/ and fill out the submission form.



Complete the feedback form at the end of the booklet and send it back to us.



Email your views to
consult@westlanddc.govt.nz



Have a chat with a local Councillor

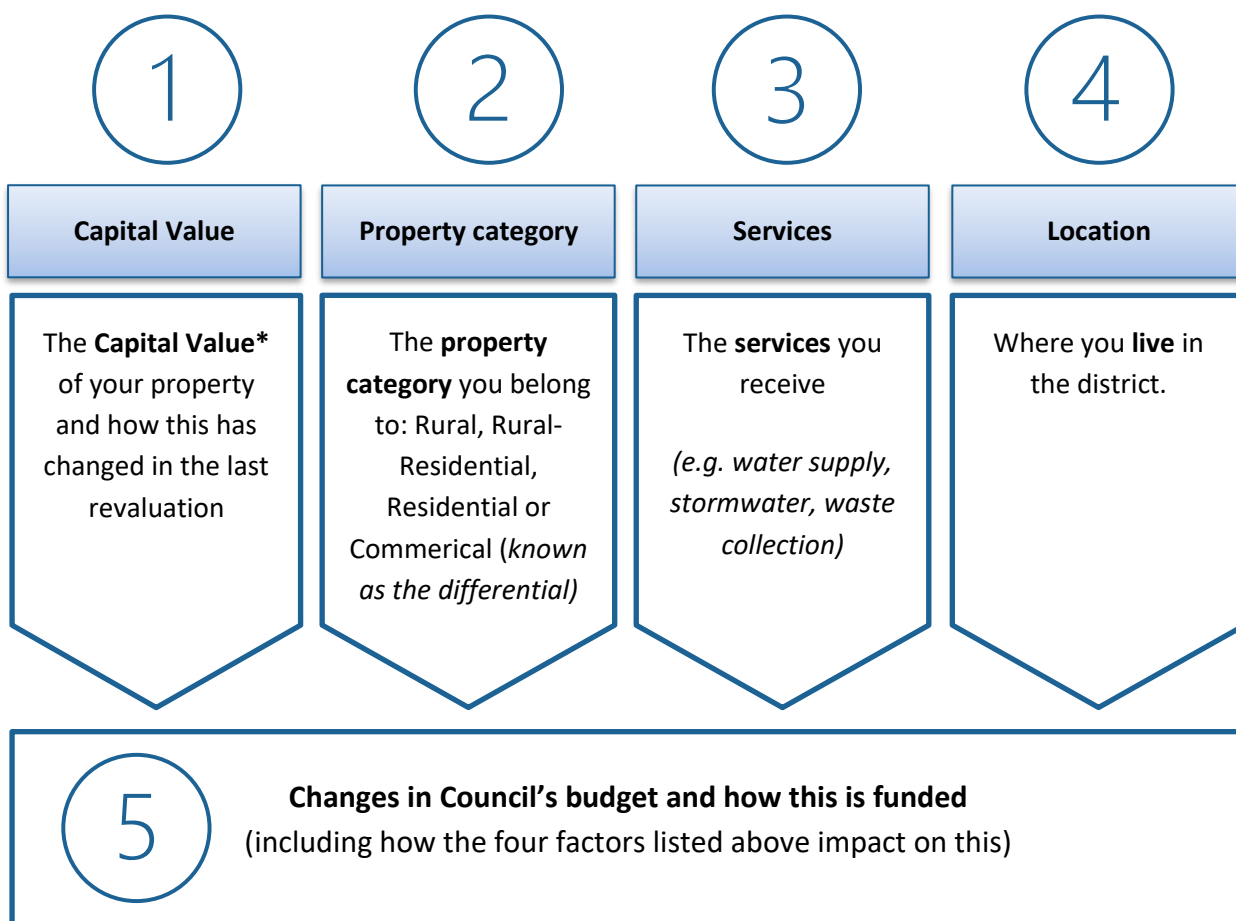
The key points you need to know are contained in this booklet. For full details of our proposed Annual Plan, including the finances, projects, and the services we provide visit our website www.westlanddc.govt.nz/AP24-25/, or review a copy at the library or Council's customer service desk.

What's behind the changes in your rates?

Council is proposing an overall increase of **19.7%** in the amount of revenue Council collects in rates. This does not mean that every property will get that increase.

Some will pay less, others more.

Changes to your rates bill are based on five factors:



Find out more about how we calculate your rates on p 8.

**Every three years, district properties are revalued by Quotable Value NZ. Revaluations have been prepared for 2023 and reflect the likely price a property would have sold for on 1 September 2023.*

The change in the value of your property affects how much you pay towards the general rate. Each property will be different.

What changes are proposed for rates?

Where Council is proposing the greatest increases is through the targeted rates for three waters (Drinking Water, Stormwater and Wastewater), and metered water.

Only households that are connected to Council’s three waters systems pay these rates. This will have the biggest impact on residential and commercial ratepayers. Altogether these rates make up 34.5% of the funding that Council will collect through rates.

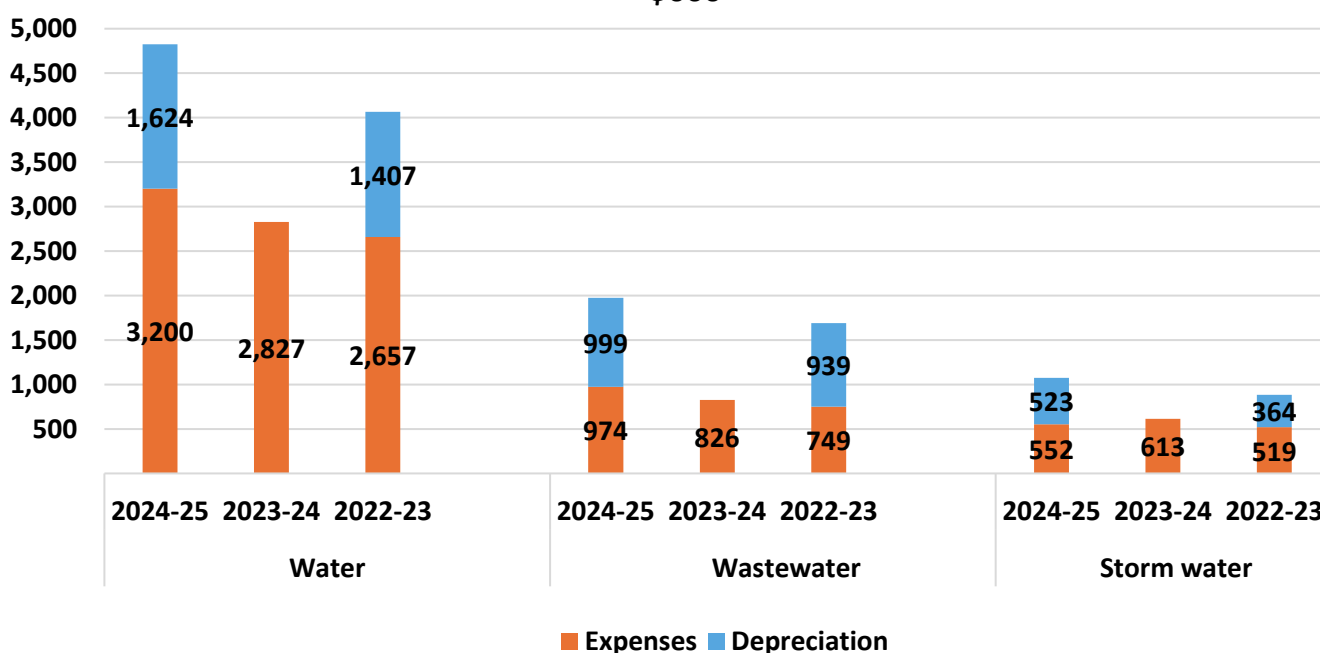
Three things are driving the cost increases for three waters:

- Requirements imposed by the Water Services Act 2021 and other secondary legislation.** Council is required to comply with statutory requirements and supply safe drinking water through treatment, monitoring and reporting to Taumata Arowai – the Water Services Regulator as set out in the Drinking Water Quality Assurance Rules. Alongside this, we are also required to monitor and report to Taumata Arowai on the environmental performance of our stormwater and wastewater networks.

This means that Council is required to increase the amount of testing for each of the three waters systems and pay the additional costs incurred. In some cases, the amount of testing required has tripled and our costs reflect that.

- Funding depreciation.** Council funds depreciation where it expects to replace those assets in the future. In the 2023/2024 Annual Plan, Council stopped funding the depreciation on three waters assets because there was no expectation of any future spend once those assets were transferred to the new entity under the Three Waters Reform legislation. Under the new Local Water Done Well policy, these assets will remain with Council and, as a result, Council has re-instated funding of the depreciation.

**Annual Plans 3-Water Rates Comparisons
(Impact of depreciation re-instatement)
\$000**



- As a result of the asset revaluation in 2023,** our three waters assets value increased by 11.36%. This has a flow on effect on our depreciation charge.

Other rates

- **General rates:** Everyone contributes to the general rate, which funds services for the community and the running of Council. The good news is that in the proposed budgets, Council only intends to collect about \$76.6k more through general rates than in 2023/2024, which means the increase in this rate is very low at 0.68% and this cost is spread across every property.
- **Uniform Annual General Charge:** This is a flat charge that all ratepayers pay, which covers services benefitting the community. This is proposed to increase to \$750.01 (GST inclusive) per rating unit.
- **Community rates changes:** Community rates are charged to each community for the services that each community receives. The stormwater portion of this rate will increase under this plan for the reasons described above. There is a slight increase in the community services portion, but a reduction in the facilities portion.

Find out more about what this will look like on pp 8 and 30-31.

Understanding your rates

Rate Assessments

Rates assessments are made up of two types of rates: *General Rates* and *Targeted Rates*. Everybody pays a general rate which is set and assessed on the capital value of all rateable land in the district. General rates are also affected by the location and use category (differentials) defined for each property. Some categories pay at higher or lower rates.

Targeted rates are payable by properties in a certain location, or those that receive, or are able to receive, a particular benefit. Targeted rates can be calculated on a value basis or a uniform basis. Most of Council's present targeted rates are calculated on a uniform or flat basis, which means all ratepayers pay the same amount, irrespective of the value of their property.

Uniform Annual General Charge (UAGC)

The Uniform Annual General Charge is the only targeted rate that applies to all properties.

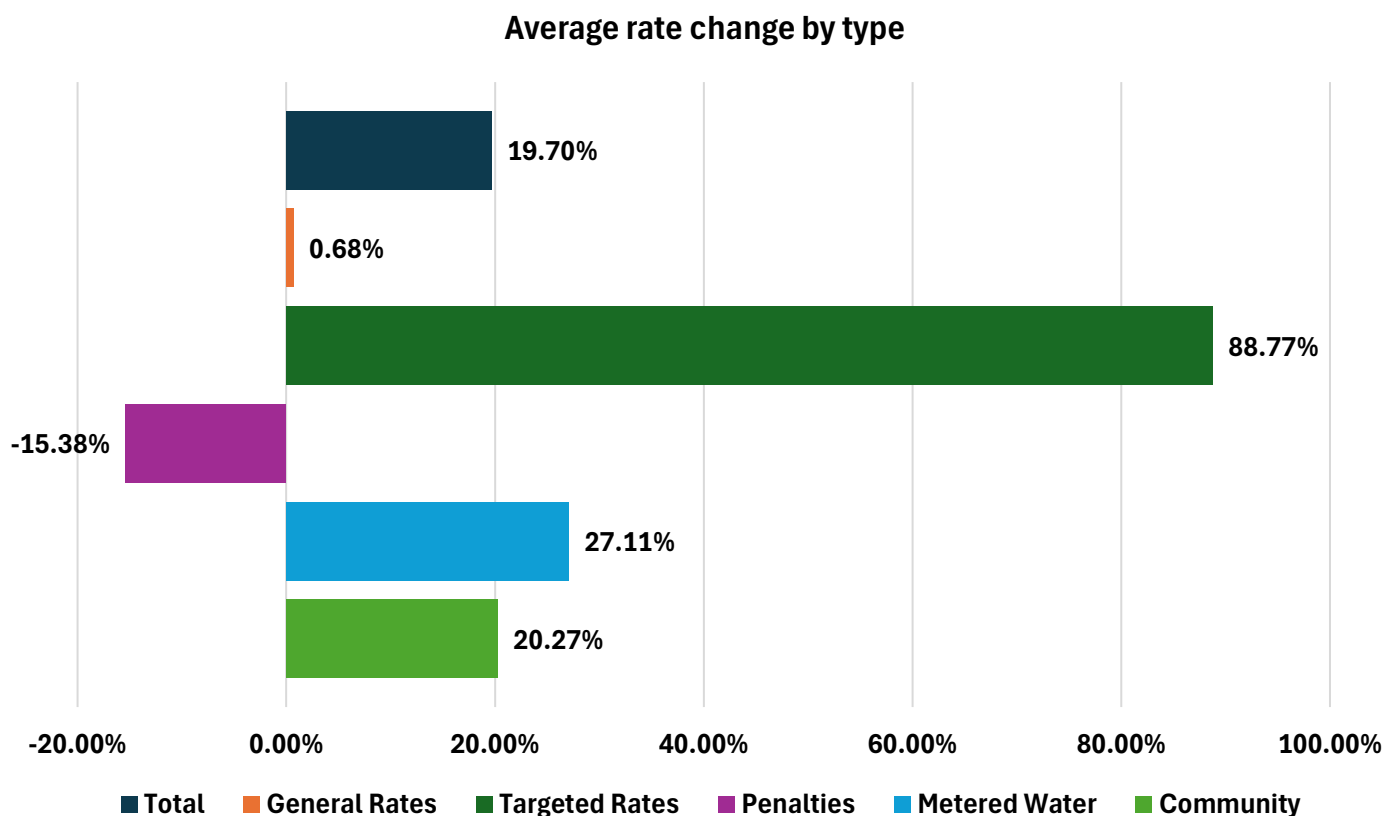
Other factors affecting your rates

Each year Council calculates how much it needs to collect in rates from ratepayers to fund community infrastructure and services. This figure is then used to calculate the general and targeted rates assessment on individual properties.

Two factors affect what an individual ratepayer might pay in rates from year to year. The first is the Quotable Value NZ property valuation which occurs every three years. The other factor is a change in use of the land. If either of these two factors change then the rates calculation on the property changes.

What your rates are used for

If Council adopts all the proposals in this document, rates for each activity will increase/decrease by the following percentage of rates:



Council's Strategic Direction

Elected members and our Iwi partners have been considering what is important for the District, what we are facing in the future and what we should focus on.

Local government continues to face significant change and challenge. Council's work is not just about the present. We need to consider how those future challenges might impact our district and our services, both now and in the future.

This includes considering the impact on you, and future generations; all our current and future residents, as not only are they users of these services, but they will also contribute towards paying for them.

As a Council, we are legislatively charged with improving Community Wellbeing, which is essentially about making our place a better place.

Council is taking on a new strategic direction, including a vision, values, community wellbeing outcomes and some key focus areas for this next 10-year cycle. This Annual Plan is about how we start to deliver on this strategic direction. You'll find out more about how we intend to deliver when we produce our next Long Term Plan in 2025.

Council Vision

By investing in our people, caring for the environment, respecting the Mana Whenua cultural heritage, and enabling investment, growth, and development we will enrich our district and the people that reside here.

Our aspirations, values and role

Active leadership

Council works with integrity and honesty building the respect and confidence of the community.

Togetherness

Building strong relationships and partnerships with stakeholders, encouraging citizens to play an active role within their communities for success.

Future proofing

Safeguarding our unique natural environment and cultural heritage to support communities' resilience in the face of social, economic, and environmental challenges.

Community Wellbeing Outcomes:

To promote our District's social, economic, environmental, and cultural wellbeing, Council is focused on:

- Sustainable environment
- Diverse economy
- Embracing our culture
- Live and play
- Resilient infrastructure

Find out more about these outcomes on pp7 - 9 of the draft Annual Plan 2024/2025.

Key issues

Council Headquarters



Westland District Council building

Since 1992 Council has been headquartered in the old Post Office building at 36 Weld Street in Hokitika. Most of Council's staff work from this building with public areas for the Customer Service Centre and visitor information services. Due to the age of the building, there are some structural and health and safety issues that need to be addressed.

Over the past few years elected members have been discussing the future location of the Council's headquarters and how to get the best deal for ratepayers. Through a series of workshops, elected members have considered options that will meet the needs of Council's current and future operations. These workshops considered both financial and non-financial issues:

- Structural issues.
- Potential location for activities undertaken in Council's buildings and full utilisation of the buildings.
- Need for a fit for purpose Emergency Operations Centre (EOC)
- Construction fit-out costs.
- Valuations for buildings if identified work undertaken.
- The difference in operating costs over a 25-year period.
- Income and savings for the alternative uses for the completed building.
- Value from selling unused buildings.

The desired outcome of these workshops was to identify how to achieve:

- Modern and productive Council offices that provide resilience to natural hazards and potential government reforms.
- A fit-for-purpose library.
- Ensure that there are no detrimental effects on the Hokitika town centre.
- Gain value from Council-owned assets.

Three reasonable options have been identified. Both refurbish options are cheaper than a new building. Of the two refurbish options, Pakiwaitara has the lowest net cost, even after accounting for the cost of not accommodating the library. Refurbishing the current headquarters is the mid-range cost and provides a solution for the library. Both the current Council headquarters and the Pakiwaitara building are in a prominent location at the entrance to the Hokitika town centre. Remaining in either of these buildings would maintain a Council presence and large workforce within the town.

What do you think we should do? Where is the best location for the Council headquarters?

Make a submission to let us know what you want.

What are the options?

Option 1

Strengthen and refurbish the Pakiwaitara building for use as Council offices

For Council to move into the Pakiwaitara building permanently, the space needs to be rearranged to fit Council over both floors. Council would undertake the required work to meet earthquake strengthening standards. Remaining space in the building could be leased out for the café, community services or retail. This would provide an income stream for the Council. Upgrading this building will meet current and future operational needs of the Council, however it is an ageing building that would still require some regular maintenance. Council will also still have to find a long-term solution for the EOC and consider future climate change impacts.

A long-term solution would still need to be decided for the library, which would stay at its present location.

Capital costs: \$5.5m to strengthen, make compliant and fit-out.

Funded by Debt.

Option 2

Preferred option

Strengthen and refurbish the current location

Upgrading and strengthening the building at 36 Weld Street will meet current and future operational needs of the Council, however it is an ageing building that would still require some regular maintenance. This option gives Council the space to relocate the library to the ground floor of the building, with office space on the first and second floors. To do this requires reconfiguring the current office layout but has the advantage of saving the costs of the library lease and library building maintenance. Staff would be relocated to the Pakiwaitara building in the short-term while work was done on the current location. Council will also still have to find a long-term solution for the EOC and consider future climate change impacts.

Capital costs: \$8.4m to strengthen, make compliant and fit-out, between now and 2027.

Funded by Debt.

Option 3

New Build at the airport

A new build at the airport could future proof Council's operations by providing a building that is secure from the effects of climate change and flexible enough to accommodate changing demand in staff and services. As a new building it would be very low cost to maintain over the next 25 years. It could be built to sustainable standards, reducing Council's carbon footprint; however, this would come at an increased cost and has not been evaluated. This option would include the ability to incorporate an EOC into the building design, which would provide cost-savings. As yet, no design or build standards have been confirmed and the capital cost to build is a high-level estimate. Council has already explored the possibility of working with other agencies on an EOC and could carry on these conversations regarding a new build headquarters that could be shared.

Building a Council headquarters out of Hokitika Town Centre would move a large workforce outside of town and make Council less accessible for many of our customers. There is no guarantee that another business would take over the current headquarters or Pakiwaitara building, leaving two empty buildings at the entrance to the town. This is the least affordable option and there would be no cost-saving for the library activity as Council would still need to find a long-term solution for the library. It would also be impractical for our customers to move the library out of the town centre and this is not part of this option.

Capital costs: \$10.7m construction cost and enhanced utilities.
\$250,000 for IL4 to ensure building can operate as an EOC.

Funded by Debt.

Land Transport levels of service

Every three years, when developing the Long Term Plan, every Council and their community in New Zealand must decide what level of service they want for maintaining the roading network. This allows Councils to bid for the right level of funding from Waka Kotahi to support the maintenance of the local road network. Our bid will now be made through this Annual Plan 2024/2025 for the 2024 – 2027 funding years.

Council's local road network is 693.6km of sealed and unsealed roads and 269 bridges. With a lack of public transport and dispersed communities a high volume of traffic uses the network.



Cron Street extension, Franz Josef

For the 2024 – 2027 years, Waka Kotahi will subsidise Westland District Council \$0.64c in every dollar of spending on our roads and will fund 100% of the maintenance of the Haast-Jackson Bay special purpose road. This leaves 36% of the cost for maintaining the roads paid by ratepayers. Council needs to balance the quality of the local road network with how much is spent to maintain them. Ideally asset renewal expenditure should match annual asset depreciation figures to maintain present levels of service. There is a fine balance between setting appropriate and achievable renewals that also keep maintenance levels affordable.

Westland District, Grey District and Buller District have a combined Transportation Asset Management Plan (AMP). The AMP outlines the following benefits for investing in the transportation network:

1. Improve network resilience (40%)
2. Safer travel (35%)
3. Improved transport efficiency (25%)

It recognises that the three Councils need to work collaboratively to improve the delivery of core maintenance, operation, and renewal activities for each Council's local road network, and take a strategic approach to proactively planning for and investing in current and future assets that are fit-for-purpose now and into the future.

Drivers of increasing costs in the land transport activity are:

- Significant increases to material, fuel, and labour costs since 2020/21 with a highly volatile marketplace post-Covid 19 driving up costs across all of Council's service delivery. These cost increases are impacting each Council's ability to deliver the planned quantity and/or quality of works within approved budgets.
- New / improved data and evidence highlighting asset condition and performance issues, a growing backlog of works, and the need to increase the annual quantity of work to ensure assets achieve expected lives and avoid more costly early renewal and replacements.
- These increases have been especially felt for:
 - Sealed roads due to high bitumen and fuel cost increases leading to a more than doubling of per m2 rates to reseal roads.
 - Bridges and structures as the cost of labour and materials (e.g., steel) have increased
 - Climate change response, the district is experiencing more frequent high-intensity storm events that increase the maintenance and repair demand on the network.

Lowering the level of service for the maintenance of the local road network gives ratepayers the greatest gain in terms of reduced rates. The risk to this is that lower investment in the network will lead to deterioration of assets and puts pressure on the 10-year replacement plan; reduces road safety with lower investment in pavements, road markings and signage, just when tourism is increasing; and insufficient investment in improved data, asset management and procurement reduces Council’s ability to plan strategically and proactively to ensure long-term value of the network.

The options below have been further refined following our final bid to Waka Kotahi for funding, resulting in a 5th option being put forward, which is option 3, Council’s preferred option, in this document. If Council goes forward with the preferred option outlined, the cost per ratepayer of Land Transport in the 2024/2025 Annual Plan is \$455.73 per ratepayer based on the current 6,685 ratepayers.

What level of service for the land transport activity do you want us to provide?

Make a submission to let us know what you want.

What are the options?

Option 1	Status Quo
	<p>For this option Council would maintain the current (2021 – 2024) budgets and workplans, with no increase to funding requirements. This is the cheapest option for ratepayers, but the lower investment in the roading network will lower the level of service leading to faster asset deterioration. With cost increases outlined above Council will not be able to afford to continue an enhanced work programme. To reduce costs, Council could:</p> <ul style="list-style-type: none"> • Reduce the amount of grading of gravel roads. • Reduce the amount of yearly re-seal works. • Consider lowering the maintenance of ‘roads to nowhere’ that have few if any users. <p>Rates will still increase to meet the funding requirements, but the level of service will be lower.</p>
	<p>Estimated capital expenditure: \$2.08 million in 2024/2025</p>
	<p>*Additional cost per ratepayer per annum (from 2025/2026): \$1.31</p>
Option 2	Inflation adjustment
	<p>This option would see Council’s work programme remain the same as in 2021 – 2024, but increase the funding to account for current inflation. Levels of service are likely to remain lower for the same reasons as in Option 1. However, Council will be able to deliver a greater quantity of work than in Option 1. It is still likely that a detailed review of the service levels will be necessary to achieve required outcomes.</p>
	<p>Estimated capital expenditure: \$2.75 million in 2024/2025</p>
	<p>*Additional cost per ratepayer per annum (from 2025/2026): \$1.73</p>

Option 3**Do the minimum (service level review)**

Preferred option

Under this option the work programme is continuing to be reviewed to determine achievable levels of service relative to the funding available. This likely means that there will be a lower level of service for some parts of the roading network across the district. This means that some bridges at the end of useful life might be decommissioned and not replaced. Some minor roads may not be maintained for the full length of the road. Maintenance will be focussed on parts of the network that are more widely used.

Estimated capital expenditure: \$4.93 million in 2024/2025

***Additional cost per ratepayer per annum (from 2025/2026):** \$3.11

Option 4**Preserving our assets (balanced)**

With this option Council's maintenance, operations and renewals programme would maintain current levels of service, but at greater cost. Council would use an evidence-based programme with prioritised investment in asset condition, road safety outcomes, and resilience on the network. This sets an appropriate programme to ensure that the assets are maintained to the end of their expected useful life. This is particularly important for the bridges and structures, and pavement within the district.

Estimated capital expenditure: \$5.04 million in 2024/2025

***Additional cost per ratepayer per annum (from 2025/2026):** \$3.18

Option 5**Improving Level of Service (enhanced asset preservation)**

This option the same as option 4 but with further investment of \$400,000 into the capital improvement programme. This would allow Council to undertake investigation to identify and prioritise the response to climate change related issues and risks.

Estimated capital expenditure: \$6.09 million in 2024/2025

***Additional cost per ratepayer per annum (from 2025/2026):** \$3.84

**Impact on ratepayers is the future depreciation and this is based on the following:*

- *Assumption that the value of the assets will increase by at least the value of the capital expenditure.*
- *Using current average depreciation rate of 1.17%.*
- *Using current ratepayer base (impact will be reduced as the ratepayer base increases).*
- *Only depreciation on Council's cost is ratepayer funded (36% of the total asset cost).*

Note: Additional cost per annum is based only on capital costs and does not include operational costs associated with each option.

Ross Swimming Pool Upgrade



Ross Swimming Pool

Following an inspection of the Ross Swimming Pool steel structure by a structural engineer in October 2023, it was found to be in an extremely poor condition and in urgent need of replacement or repairs. The Council agreed to reallocate \$40,000 of the Three Waters Reform Better Off funding to undertake immediate repairs, allowing the Swimming Pool to remain open in the interim.

In its current state, the structure suffers from significant corrosion as a result of poor detailing and lack of maintenance. Minor repairs were done at the end of 2023 as a short-term solution until the Council and community decide on the long-term future for the pool structure.

In years 1 and 2 of the current draft Long Term Plan, Council has budgeted \$312,000 to complete the repairs to the steel structure. This will increase the value of pool and therefore subsequent depreciation rates which will be paid for by the Ross Community through their community rates.

What is the best option for the Ross community? See the options and impacts overleaf.

Make a submission to let us know what you want.

What are the options?

Option 1 Repair the pool structure

Preferred option

This option provides a long-term solution and certainty that the swimming pool would remain open for the community. Work would begin in 2024/2025 (year 1) and carry over into 2025/2026 (year 2) and consist of:

- Replacing eaves beams, girts and door head beams that have corroded to an extent that they have lost significant strength.
- Treat upper girt, eaves beams, portal columns, purlins, door posts, gable columns, external flashings, door hinges and other external steel that have surface corrosion by cleaning to remove corrosion and replacing the galvanised coating. This will reduce future maintenance issues.
- Realign the upper girts with the flanges facing downwards to mitigate potential future corrosion.
- Clearing vegetation to reduce moisture and prevent seepage between the cladding and concrete surface.

If Council goes ahead with this project, we will prioritise putting it forward for external funding assistance, such as a Lottery Community Facilities Grant.

Capital cost: \$312,000 (\$306,600 in 2025/2026)

Funded through Reserves.

Estimated additional rates in 2026/2027 for depreciation on valuation increase is **\$34.96** per rateable unit

Option 2 Do not budget to repair the pool structure

The repairs undertaken in 2023 have extended the lifespan of the current swimming pool structure for two years. Leaving the project out of the Annual Plan means that the community will have to decide what to do when the swimming pool structure gets to the end of its useful life.

Capital Cost: \$0

Effect on rates: nil future impact

Franz Josef / Waiau and Fox Glacier – Glacier Country Community Development Funding

Franz Josef and Fox Glacier are the only two townships in the Westland District that have dedicated funding for a development officer within their community. The purpose of the role is to support the local community's wellbeing and provide administration assistance to their respective Community Associations. Community Development Officers are overseen by their respective Community Associations and are responsible for managing the running of the community halls, running community events, assisting the community with funding applications and creating a sense of community in two of Westland's biggest towns.

These two roles are funded by the community through their Franz Josef and Fox Glacier community rates. In total \$65,000 is allocated each year, with a portion of this also being paid to the Glacier Country Tourism Group to fund advertising promotion of the Glacier Country. The remaining funding from the community rate is used to fund all or part of the transportation, stormwater, parks and reserves and township development fund activities.

Council is proposing to withdraw the \$65,000 of funding to Glacier Country Tourism and Community Development to reduce the rate burden on ratepayers in the Franz Josef and Fox Glacier rating districts. Funding for community rates should be used for the benefit of the whole community, not just a small number of ratepayers (the tourism rate only benefits a small number of ratepayers).

In the 2023/2024 year Council budgeted to receive community rate revenue of \$162,793 (incl. GST) from 329 Franz Josef ratepayers and \$125,370 (incl. GST) from 177 Fox Glacier ratepayers.

If you live in Franz Josef or Fox Glacier, do you want to continue funding Glacier Promotions Tourism Group and Community Development Officer roles through your community rates? See the options and impacts overleaf.

Make a submission to let us know what you want.



Community classes in Franz Josef

What are the options?

Option 1 Preferred option

Council ceases to rate for Glacier Country Tourism and Community Development roles

With this option, Council would withdraw the \$65,000 funding for Glacier Country Tourism Promotions, which would lower the community rate for all Franz Josef and Fox Glacier ratepayers. The community can then decide if they want to continue to receive the assistance of a Community Development Officer and how to fund the roles. Funding for tourism promotion would no longer be paid for by the community.

The impact on your rates is shown below.

Franz Josef		Rural	Rural-Residential	Residential	Commercial
	<i>Rateable units</i>	75	52	134	68
	<i>Community rate, each</i>	\$238	\$238	\$318	\$635
	<i>Revenue</i>	\$17,861	\$12,441	\$42,692	\$43,381
Total revenue (incl. GST)			\$116,374		

Fox Glacier		Rural	Rural-Residential	Residential	Commercial
	<i>Rateable units</i>	51	11	73	42
	<i>Community rate, each</i>	\$391	\$391	\$522	\$1,043
	<i>Revenue</i>	\$19,954	\$4,108	\$37,832	\$43,800
Total revenue (incl. GST)			\$105,694		

Option 2

Council continues to rate for Glacier Country Tourism and Community Development roles

With this option the community would continue to provide funding for Glacier Country Promotions through the community rates. This means that the community rates will include the \$65,000 (excl. GST) in funding.

The impact on your rates is shown below.

Franz Josef		Rural	Rural-Residential	Residential	Commercial
	<i>Rateable units</i>	75	52	134	68
	<i>Community rate, each</i>	\$340	\$340	\$453	\$907
	<i>\$ increase for Glacier Country Promotions per rateable unit</i>	\$102	\$102	\$136	\$272
	<i>Revenue</i>	\$25,502	\$17,763	\$60,955	\$61,938
Total revenue (incl. GST)			\$166,157		

Fox Glacier		Rural	Rural-Residential	Residential	Commercial
	<i>Rateable units</i>	51	11	73	42
	<i>Community rate, each</i>	\$484	\$484	\$645	\$1,290
	<i>\$ increase for Glacier Country Promotions per rateable unit</i>	\$92	\$92	\$123	\$246
	<i>Revenue</i>	\$24,668	\$5,079	\$46,768	\$54,146
Total revenue (incl. GST)			\$130,661		

Hokitika – Hokitika Area Promotions Rate

Commercial use properties in the Hokitika Community Rating Zone contribute towards the Destination Hokitika Grant through the Hokitika Area Promotions Rate. This rate is charged to every property registered as commercially rateable regardless of the commercial activity that they undertake. Council deducts 5% of the funds collected for administration of the grant.

Destination Hokitika is an Incorporated Society responsible for the destination marketing of Hokitika, New Zealand. Local businesses can join Destination Hokitika for a yearly fee. The website www.hokitika.org is run by Destination Hokitika, and provides visitor information for Hokitika township and surrounds, such as upcoming events, visitor accommodation, restaurants and cafes, and local itineraries.

The greatest direct beneficiaries of Destination Hokitika are businesses that cater to tourists in the wider Hokitika area.

In 2023 Council discussed ceasing the grant funding with Destination Hokitika, who agreed to plan an alternative method to collect revenue from commercial businesses. Collecting revenue on behalf of a community organisation and the associated administration is not an efficient use of Council's resources.

Council budgeted to rate 243 rateable units \$192 each for the Hokitika Area Promotions Rate in 2023/2024.



Hokitika beachfront sunset

If you pay commercial rates in Hokitika, do you want to continue funding the Hokitika Area Promotions Rate? See the options and impacts overleaf.

Make a submission to let us know what you want.

What are the options?

Option 1

Preferred option

Council ceases the Hokitika Area Promotions targeted rate

With this option, Council would stop collecting the funding for the Destination Hokitika Grant through the Hokitika Area Promotion rate. This would lower the targeted rates for all Hokitika area commercial ratepayers. As an incorporated society, Destination Hokitika would decide how best to administer collection of revenue from its members and other interested commercial businesses.

The impact on commercial properties in the Hokitika Community Rating Zone is a **reduction in rates of \$192pa for each rating unit.**

Option 2

Council continues to collect the Hokitika Area Promotions targeted rate

With this option, Council would continue collecting the funding for the Destination Hokitika Grant through the Hokitika Area Promotion rate. Council would also continue to deduct 5% for administration.

The impact on commercial properties in the Hokitika Community Rating Zone is to **re-instate the additional rate of \$192pa for each rating unit.**

Major Projects 2024/2025

This table is a summary of some of the major capital projects planned for the 2024/2025 year, and what we have budgeted to spend.

Major projects	2024/2025
Drinking Water Franz Josef watermains / points replacement	\$240k
Drinking Water Kumara reservoir replacement	\$340k
Drinking Water Hokitika - Town Belt North to West Drive - upgrade line	\$800k
Drinking Water Ross - Watermain and fittings upgrade	\$170k
Stormwater Hokitika pump station component upgrade	\$260k
Stormwater Livingstone St pump upgrade	\$1m
Wastewater Hokitika Wastewater Treatment Plant Treatment and Disposal	\$3m
Sealed road resurfacing	\$1.5m
Structures component replacement	\$1.75m
Haast-Jackson Bay Road bridge and structures renewals	\$1.5m
Local road improvements - Low cost/low risk	\$700k
Haast-Jackson Bay Road - Local road improvements - Low cost/low risk	\$2m
Council HQ Earthquake strengthening & refurbishment	\$280k
Carnegie Building fitout	\$600k
Racecourse Dev- Event Zone & Medium density Housing	\$512k
Hokitika Pool Heating, roofing & flooring	\$600k
West Coast Wilderness Trail Totara Bridge Stage 2 & 3	\$750k

Note: The table shows selected projects. External risks associated with the work programme such as consenting, stakeholder engagement or design issues and construction sector capacity may impact those key projects and therefore, the timing for delivery may expand beyond the planned timeframe.

What else is going on?

Review of Council Controlled Organisations

In December 2022, Elected Members commissioned PwC to undertake a review of Westland District Council's (Council) Council Controlled Organisations (CCOs).

The purpose of the review was to understand the performance of Westland Holdings Ltd (WHL) and its two subsidiary CCOs – Westroads Ltd (WRL) and Destination Westland Ltd (DWL), and to consider whether the operating structure delivers optimal financial and community outcomes, or whether alternative structures would provide better delivery.

Based on the review, Council directed that their preference is to amalgamate WHL with DWL by 30 June 2024. If the amalgamation goes ahead the CCOs will be overseen by a Council Subcommittee made up of the full Council and chaired by an independent member of the committee. Council will need to work with the Local Government Funding Agency to make appropriate arrangements for the debt currently held by WHL.

Council also directed that DWL should focus on commercial activities and that management of non-commercial activities should return to Council operations.

The outcome of the review is that the preferred CCO structure and activity management will be:

Westroads Ltd	Destination Westland Ltd	Westland District Council
<ul style="list-style-type: none"> Continues its business structure. Management of the maintenance on the West Coast Wilderness Trail. 	<ul style="list-style-type: none"> Elderly Housing. Property management. Aviation – Hokitika airport and Franz Josef heliport. Hokitika Wildfoods and events. 	<ul style="list-style-type: none"> Management of Hokitika site and AA services. Management of Hokitika Swimming Pool. Management of Jackson Bay Wharf.

Hokitika Racecourse – Recreational Development

The Council is currently considering a potential housing development on the former Hokitika Racecourse. There has been considerable engagement and due consideration at Council on the future use of the site in its entirety.



In 2022 the Council was successful in its application to the [Infrastructure Acceleration Fund](#). The current Elected Members reviewed the application and the intent of the development and [agreed](#) to enter into a process to ascertain private sector development interest in the residential zoned aspect of the proposed development, alongside community engagement held in 2023.

Within the agreement with the Government to fund enabling infrastructure there is a stipulation that all proceeds from the sale of land would be utilised to create a Recreational Development on the Rural zoned portion of the land.

The Council established a Working Group to advise the Council on potential development of the residential components and the early concept planning for the recreational development, further information can be found [here](#).

In the draft Annual Plan, Council has budgeted \$512,000 to continue Master Planning the Recreational Development alongside community engagement and aligning with potential private sector partners on the proposed residential development.

Currently there is a draft concept master plan for the Recreation Development, this is an opportunity for the community to tell us what is important to them if a development were to go ahead. Current potential uses of the recreation portion of the development include:

- **Recreation area:** an amphitheatre-like multi-use arena suitable for sports, recreation and equestrian.
- **Village Green, Westland Boys Brigade Hall and A&P show area.** It is important that a great connection is established with the Village Green at the edge of the housing development and the Boys Brigade Hall, and to ensure there is space available for holding the Westland A & P show.
- **Ensuring access for the RDA:** From current facility to the recreation development and potentially to a broader network of trails.
- **Dog Park Opportunities:** Expand on the current usage of the site by local dog owners, and provide purpose built facilities (e.g. agility training)
- **Walking, Cycling and Bridle trails:** Creating and enhancing connections to existing trail networks and Hokitika Central
- **Harper Reserve:** Ensuring an asset is created for the school community and the development area.
- **Protecting and enhancing adjacent reserves and water bodies:** Providing a greenbelt which links with current natural environment

It is important to remember that the creation of a Recreational Development area will be funded by the potential proceeds from the sale of any of the lots for housing development from the residential zoned portion of the site.

The West Coast Wilderness Trail

As part of Council’s wider group of non-core activities, it owns and manages the West Coast Wilderness Trail (WCWT). The WCWT is very popular with bicycle riders and other users. It provides a valuable economic return for many of the food and accommodation, and rider transportation businesses along the route, as well as the wider community. Approximately 15,000 visiting riders used the trail in 2023, with an overall economic benefit from the trail of over \$50 million.*

Over the next year, Council intends to invest \$830,660 in capital works along the trail.

WCWT projects	2024/2025
Minor infrastructure & safety enhancements	\$71k
Totara Bridge Stage 2 & 3	\$750k
Taramakau section resurfacing	\$10k

\$260,800 has been budgeted for operational expenditure in the 2024/2025 year. This expenditure covers Council’s grant of \$60,000 to the West Coast Wilderness Trail Trust to promote and manage the trail, interest expenses for capital projects, repairs and maintenance, and funded depreciation^.

Council funds the WCWT activity and projects through the Tourism Rate. This is paid by every ratepayer in the district based on the property’s differential, with Commercial ratepayers paying based on the capital value of the property.

Ngā Haerenga, the New Zealand Cycle Trails Fund (NZCT) contributes \$45,000 per year for maintenance, development and promotion, and may provide funding towards reopening and repairing sections of trail that have been damaged by extreme events such as storm damage, fire, flooding or single event vandalism. Council can also apply for co-share contestable funding of up to \$300,000 for minor capital enhancements and maintenance each year. Council has received \$5.3m funding (including original construction funding) since 2010.

The limited funding available through NZCT leaves Westland ratepayers carrying the burden of the ongoing capital project and operational costs of the activity. Council cannot impose any charges on users and relies on donations from users and voluntary contributions from cycle tour businesses bringing customers to the trail.

*West Coast Wilderness Trail Economic assessment and performance preliminary report for 2023: <https://bit.ly/42zLK65>; visiting riders figure includes a deduction of 20% for local riders.

^Only 13% of the depreciation is funded because the rest of the trail is land that does not require ongoing maintenance.

Hokitika Public Toilets



New Cass Square Toilet block

Council has been investing in more public toilets throughout the district over the past few years. Hokitika now has new and modern facilities available at Cass Square and Sunset Point. This leaves some of the facilities outdated and costly to maintain. In this Annual Plan, the Council has decided that the public toilets in Cass Square Pavilion, the Greypower building and at Drummond Hall will be closed. This will reduce the operational costs of cleaning, maintenance and utilities, and major capital maintenance costs.

For special events at Cass Square, such as Children’s Day and the Wildfoods Festival, the Pavilion toilets will be open to the public.

Grant funding changes

Council undertook a thorough review of its grant funding to ensure that it is supporting the community appropriately.

Please submit on any of the following proposals for changes to grant funding.

Funding that will continue in 2024/2025:

Driftwood and Sand	\$5,000
Waitangi Day	\$5,000
Anzac Day (Hokitika RSA)	\$2,500
Matariki – if local iwi choose to apply for the funding	\$5,000
Supporting local events	\$2,500

Council has withdrawn the following funding in 2024/2025:

Regent Theatre This funding was provisional on receipt of a full business case. Theatre committee can reapply for funding upon provision of the business case.	\$62,000
Glacier Promotions Promotion Grant Additional funding from the district-wide Tourism Rate used for administration purposes following the Covid-19 pandemic.	\$13,000
Hokitika Lions Club Funding to open Lazar Park Toilets to the public (these toilets are not owned by Council).	\$9,863
Christmas Lights funding Contestable funding for Christmas lights throughout the district.	\$10,000

Future for Local Government Reform

On 23 April 2021 the Minister for Local Government announced a Ministerial Inquiry into the Future for Local Government had been established.

The overall purpose of the review was to “*identify how our system of local democracy needs to evolve over the next 30 years, to improve the well-being of New Zealand communities and the environment, and actively embody the treaty partnership*”.

The Government is not pre-committed to the implementation of the Review’s findings. Substantial consideration of the Review’s final report will be undertaken as part of the work of the next Administration.

The West Coast Councils consider it unlikely that any recommendations from the final report could take effect before 1 July 2024 – particularly for changes to roles or functions. Any changes that are made will be incorporated in the 2027 - 2037 Long-term Plan.

Aligned services

Over the course of this Annual Plan, we will focus on looking forward - the aspirations of the four Councils is to deliver aligned services, including how to effectively conclude Te Tai o Poutini Plan (the combined district plan for the West Coast) process.

There are opportunities for greater alignment of services across the region, and these will be incorporated as we continue to develop our next Long Term Plans to be consulted in 2025.

Existing aligned services

Te Tai o Poutini Plan (combined district plan for the West Coast)

The Regional Council is now responsible for preparing, approving and reviewing the combined district plan for the West Coast. This process is guided by Te Tai o Poutini Plan Committee – a Joint Committee made up of representatives from the four Councils, Poutini Ngāi Tahu and an independent chair. The combined District Plan will provide for a consistent approach to planning matters across the region.

Regional Transport Planning

In partnership with the District Councils, Waka Kotahi NZ Transport Agency and Department of Conservation, the Regional Council leads the development of the Regional Land Transport Plan which applies a strategic lens to the region’s current and future transport needs and provides for integrated decision making between various organisations needed to deliver effective transport networks.

The District Councils are now in their second cycle of Asset Management Planning for their roading services. Combined advocacy continues in regards to the future management of Special Purpose Roads in the Buller and Westland Districts.

Civil Defence Emergency Management

Civil Defence Emergency Management (CDEM) has been operating as a shared service since 2017 delivering emergency management outcomes for risk reduction, readiness, response and recovery. The Regional Council acts as the administering authority and rates for the delivery of this activity. Emergency Management Officers work within each of the District Councils to ensure strong connectivity between emergency management functions and district council business.

Franz Josef Area Strategy

In August 2023, the West Coast Regional Council (WCRC) engaged independent experts in hydrology, engineering and river modelling to develop a ten-year Management Strategy (the Strategy) for the Waiho River. A community meeting was held in Franz Josef on 11 October for the Technical Advisory Group to present their findings and future considerations for managing the Waiho River and to seek feedback from local residents.

The proposed river management strategy sees the stopbanks on the South side of the river removed in the long-term. If the river is not released to the south, the risk of a north stopbank failure impacting the town and State Highway will increase with time.

Community feedback conducted by the WCRC indicated 70% support of the proposed River Management Strategy provided that there were appropriate arrangements made for the buyout of property.

The proposed Strategy will impact three of Westland District Council's significant assets: the closed landfill southwest of Canavan's Knob, the Waiho Flat Road and the Franz Josef Wastewater Treatment Plant (WWTP). Council believes that due to the complexity of the programme and the need for consensus across all parties the Strategy will take longer than 10 years to achieve.

In this Annual Plan year the Council will begin to consider the impact and long-term costs of the Strategy on our significant assets and review any budget requirements for the Long Term Plan in 2025. Minor works have recently been completed to the West of the WWTP to prevent inundation from the Tartare Stream after the Franz Josef River changed course following heavy rain in January 2024.

Significance and Engagement Policy

Council's Significance and Engagement Policy helps us decide what issues and decisions are significant enough to undertake engagement, and the appropriate level of engagement to undertake. This is an important part of the decision-making framework for the Council and the community.

In December 2023, Council reviewed and amended the Policy and included climate change as a consideration of the significance of a decision. You can read the full policy on our website [here](#).

Fees and Charges

While a large portion of our funding comes from rates, some funding comes from fees and charges for specific services. Every year these are reviewed to ensure they still meet the cost of providing the services they help to fund.

There are a range of fee increases proposed across our activities to ensure these services are not being subsidised unfairly by ratepayers who do not use these services.

Where there have been increases, these are around 6%, which is the amount of inflation at the time of review. Activities where some of the increases are greater than 6% include building control and sports fields. In some cases, the fees and charges have not changed as they are already set at the correct level. For more detail see the fees and charges on our website: www.westlanddc.govt.nz/AP24-25.

How this plan impacts on your rates

The tables below shows what the indicative rates are likely to be if Council adopts all of the proposals and the preferred options outlined in this document.

Ratepayers in areas that are charged rates for water, wastewater and stormwater (Hokitika Community Rate) should refer to pp 6 and 8 for information on the increase in your indicative rates.

Rural

Excludes GST			UAGC @ 17.5%			
Area	Capital Valuation 30 June 2023 \$	Capital Value September 2024 \$	2023/24 Rates \$	Draft 2024/2025 Rates \$	Var \$	%age Var
Bruce Bay	785,500	947,000	2,547.49	2,519.00	(28.49)	-1.12%
Fox Glacier	800,000	830,000	2,637.19	2,826.00	188.81	7.16%
Franz Josef	420,000	590,000	1,754.38	1,698.00	(56.38)	-3.21%
Haast	80,000	90,000	972.52	986.00	13.48	1.39%
Hari Hari	2,070,000	2,360,000	5,991.09	5,573.00	(418.09)	-6.98%
Hokitika	460,000	770,000	1,222.16	1,639.00	416.84	34.11%
Kumara	12,000	43,000	928.87	967.00	38.13	4.10%
Ross	277,000	351,000	1,831.06	1,873.00	41.94	2.29%
Whataroa	1,050,000	955,000	3,248.11	2,569.00	(679.11)	-20.91%

Rural residential

Excludes GST			UAGC @ 17.5%			
Area	Capital Valuation 30 June 2023 \$	Capital Value September 2024 \$	2023/24 Rates \$	Draft 2024/2025 Rates \$	Var \$	%age Var
Bruce Bay	830,000	1,060,000	2,141.38	2,236.00	94.62	4.42%
Fox Glacier	86,000	86,000	1,196.65	1,133.00	(63.65)	-5.32%
Franz Josef	300,000	450,000	1,446.02	1,504.00	57.98	4.01%
Haast	290,000	420,000	1,276.08	1,394.00	117.92	9.24%
Hari Hari	196,000	285,000	1,130.51	1,191.00	60.49	5.35%
Hokitika	510,000	690,000	2,298.06	2,551.00	252.94	11.01%
Kumara	182,000	317,000	1,462.20	1,573.00	110.80	7.58%
Ross	750,000	900,000	2,941.94	2,935.00	(6.94)	-0.24%
Whataroa	320,000	405,000	1,361.14	1,429.00	67.86	4.99%

Residential

Excludes GST			UAGC @ 17.5%			
Area	Capital Valuation 30 June 2023 \$	Capital Value September 2024 \$	2023/24 Rates \$	Draft 2024/2025 Rates \$	Var \$	%age Var
Fox Glacier	640,000	640,000	3,155.54	3,421.00	265.46	8.41%
Franz Josef	420,000	630,000	2,462.34	3,226.00	763.66	31.01%
Haast	225,000	385,000	1,735.76	2,635.00	899.24	51.81%
Hari Hari	130,000	175,000	1,276.65	1,617.00	340.35	26.66%
Hokitika	390,000	520,000	2,959.15	3,891.00	931.85	31.49%
Kumara	155,000	240,000	1,748.60	2,239.00	490.40	28.05%
Ross	210,000	320,000	2,133.73	2,691.00	557.27	26.12%
Whataroa	90,000	90,000	1,253.36	1,701.00	447.64	35.71%

Commercial

Excludes GST			UAGC @ 17.5%			
Area	Capital Valuation 30 June 2023 \$	Capital Value September 2024 \$	2023/24 Rates \$	Draft 2024/2025 Rates \$	Var \$	%age Var
Bruce Bay	385,000	520,000	3,327.62	3,428.00	100.38	3.02%
Fox Glacier	670,000	1,000,000	6,102.18	7,658.00	1,555.82	25.50%
Franz Josef	960,000	1,050,000	7,781.07	8,838.00	1,056.93	13.58%
Haast	1,290,000	1,450,000	8,555.21	7,655.00	(900.21)	-10.52%
Hari Hari	250,000	610,000	3,123.96	4,951.00	1,827.04	58.48%
Hokitika	470,000	650,000	6,633.99	8,825.00	2,191.01	33.03%
Kumara	170,000	245,000	3,093.34	3,947.00	853.66	27.60%
Ross	910,000	1,430,000	6,582.47	8,205.00	1,622.53	24.65%
Whataroa	235,000	345,000	2,688.34	2,884.00	195.66	7.28%


Information on your property's proposed rates for 2024/2025 will be available in the Council's Rating Information Database (RID) online at: <https://www.westlanddc.govt.nz/do-it-online/search-databases/look-up-property-records/> during the month of May.

Have your say


Time to have your say. This is your chance to tell us what you think about the proposed Annual Plan.

Ways to have your say


We want feedback from as many people as possible in our community. Please give us your views through whatever channel is easiest for you, here are the options...




Visit our website
www.westlanddc.govt.nz/AP24-25-submit/ and fill out the submission form.



Complete the feedback form at the end of the booklet and send it back to us.



Email your views to
consult@westlanddc.govt.nz



Have a chat with a local Councillor

Timeline

At the end of the consultation period, we will be holding hearings so that you can speak about your submission.



Talk to the decision makers – your elected representatives

How to contact one of your elected representatives.

Helen Lash Mayor	027 242 7484 mayor.lash@westlanddc.govt.nz	Donna Baird Hokitika Ward	027 567 7139 cr.baird@westlanddc.govt.nz
Jane Neale Northern Ward	021 027 18810, 03 755 8069 cr.neale@westlanddc.govt.nz	Steven Gillett Hokitika Ward	021 755 246 cr.Gillett@westlanddc.govt.nz
Reilly Burden Northern Ward	027 824 1048 cr.burden@westlanddc.govt.nz	Paul Davidson Hokitika Ward	021 081 55642; 03 755 6513 cr.davidson@westlanddc.govt.nz
Patrick Phelps Northern Ward	21 238 6846 cr.phelps@westlanddc.govt.nz	Ashley Cassin Deputy Mayor & Southern Ward	027 339 1214 cr.cassin@westlanddc.govt.nz
		Brian Manera Southern Ward	03 753 3325 cr.manera@westlanddc.govt.nz

Share your Feedback – Annual Plan 2024/2025

Submissions close 12pm Friday 3 May 2024 (no late submissions will be accepted)

Submissions hearing Wednesday 15 May 2024

We would like to know your thoughts on the proposals in the Draft Annual Plan 2024/2025.

Please **scan and email** this form to the Council. **Email:** consult@westlanddc.govt.nz

You can also **call** us with your submission and use the form to help you.

Phone: 03 756 901

Freephone: 0800 474 834

Name* _____ Organisation (if applicable) _____

Email* _____ Address _____

Telephone _____ Township* _____

I would like to speak to Council about my submission At the meeting in the Council Chambers

Through a remote option (Zoom link or telephone)

I do not wish to speak to my submission

**Required*

Council Headquarters

Option 1: Strengthen and refurbish the Pakiwaitara building for use as Council offices.

Option 2: Strengthen and refurbish the current location.

Option 3: New build at the airport.

Please provide any comments:

More pages can be attached if necessary.

Please note, submissions will be publicly available on the council's website, through inclusion in council agendas, and/or retrievable by request under the Local Government Official Information and Meetings Act 1987. Personal contact details will redacted under the Privacy Act 2020 or by request.

Land Transport levels of service

- Option 1:** Status quo.
- Option 2:** Inflation adjustment
- Option 3:** Do the minimum (service level review)
- Option 4:** Preserving our assets (balanced)
- Option 5:** Improving Level of Service (enhanced asset preservation)

Please provide any comments:

More pages can be attached if necessary.

Ross Swimming Pool upgrade

- Option 1:** Repair the pool structure.
- Option 2:** Do not budget to repair the pool structure.

Please provide any comments:

More pages can be attached if necessary.

Franz Josef/Waiau and Fox Glacier – Glacier Country Community Development Funding

- Option 1:** Council ceases to rate for Glacier Country Tourism and Community Development roles.
- Option 2:** Council continues to rate for Glacier Country Tourism and Community Development roles.

Please provide any comments:

More pages can be attached if necessary.

Hokitika – Hokitika Area Promotions Rate

- Option 1:** Council ceases the Hokitika Area Promotions targeted rate.
- Option 2:** Council continues to collect the Hokitika Area Promotions targeted rate.

Please provide any comments:

More pages can be attached if necessary.

Do you have any feedback on any of the proposed Community grant funding?

More pages can be attached if necessary.

Do you have any feedback on other matters in the Draft Annual Plan 2024/2025?

More pages can be attached if necessary.