

# Report to Council



**DATE:** 15 May 2024

**TO:** Mayor and Councillors

**FROM:** Strategy and Communications Advisor & Finance Manager

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## Draft Annual Plan 2024/2025 Hearing, deliberations and decisions

### 1. Summary

- 1.1. The purpose of this report is to hear submissions received and hear feedback from the community on the proposals in the Draft Annual Plan 2024/2025 (Draft Annual Plan), deliberate on the feedback and make decisions for the final Annual Plan 2024/2025.
- 1.2. This issue arises from the requirements of s 82 of the Local Government Act 2002 (LGA). Council resolved to provide the public with an opportunity to provide feedback on the draft Annual Plan and to present their views to the local authority.
- 1.3. Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in June 2021, which are set out in the Long Term Plan 2021 - 31. Refer page 2 of the agenda.
- 1.4. This report concludes by recommending that Council receive and hear the submissions on the Draft Annual Plan, consider the written and verbal submissions, make decisions on any changes to the Draft Annual Plan and direct the CE to make those changes for the final Annual Plan.

### 2. Background

- 2.1. Council agreed to conduct public consultation under s95(2) LGA on the Draft Annual Plan at the Council meeting on 28 March 2024.
- 2.2. The consultation document proposed:
  - 2.2.1. Strengthening and refurbishing the current location of the Council headquarters at 36 Weld Street to meet the current and future operational needs of the Council.
    - 2.2.1.1. This was Council's preferred option of the three reasonable options considered during workshops to identify how to achieve modern and productive Council offices that provide resilience to natural hazards and potential government reforms.
  - 2.2.2. To review the level of service for the Land Transport activity and do the minimum at an estimated capital cost of \$4.93 million in 2024/2025.
    - 2.2.2.1. This would mean a lower level of service for some parts of the network, with continued review of the work programme to determine achievable levels of service.

2.2.3. Repairing the Ross Swimming Pool structure to provide a long-term solution to the community.

2.2.3.1. This would be an estimated increase of the Ross Community Rate of \$34.96 per rateable unit in 2026/2027.

2.2.4. Ceasing to rate for Glacier Country Tourism and the Community Development roles in Franz Josef and Fox Glacier.

2.2.4.1. Withdrawing the funding would reduce the Franz Josef and Fox Glacier community rate cost for ratepayers.

2.2.5. Ceasing to collect the Hokitika Area Promotions rate on behalf of Destination Hokitika.

2.2.5.1. This would hand the responsibility for collecting revenue for Destination Hokitika back to that organisation.

2.3. Public consultation commenced on the 2 April 2024 and closed on 3 May 2024 (32 days).

### 3. Current Situation

3.1. Council received 178 submissions (see appendix 3). Thirty-three (33) of the submitters requested to speak to the Hearing (appendix 1), however four withdrew prior to the report being written.

3.2. A petition containing over 1200 signatures in support of retaining grant funding for the Hokitika Lions Club, the Regent Theatre, Destination Westland and Greypower. This was signed by people from within Westland and many who are not residents. This has been treated as a single submission.

3.3. Standard form submissions created by external parties were received from interested parties in support of the Regent Theatre, and Fox Glacier and Franz Josef Community Development funding.

3.4. A full analysis of the submissions, including staff comments is available in appendix 2. The following submissions were received on the topics with practicable options outlined. Council's preferred option as outlined in the Consultation Document is highlighted in grey:

| Options  | Topic   | Number of submissions | Overview of submitters comments   |
|--|---|-----------------------|---|
|  | <b>Council Headquarters</b>   |                       |   |
| <b>Option 1:</b>                                 | Strengthen and refurbish Pakiwaitara Building for use as Council offices. | 6 (9% of 65)          | Least cost to ratepayers.   |
| <b>Option 2:</b>                                 | Strengthen and refurbish the current location.                            | 36 (55% of 65)        | Continues to be accessible to the community and ratepayers.                                 |
| <b>Option 3:</b>                                 | New build at the airport  | 7 (10% of 65)         | A way to future proof building on higher ground.  |
| <b>Comment with no preferred option selected</b> |   | 16 (24% of 65)        | Comments were about the potential costs or did not agree with any of the options presented. |
|  | <b>Land Transport Levels of Service</b>                                   |                       |   |
| <b>Option 1:</b>                                 | Status Quo  | 14 (28% of 50)        | Council is responsible for servicing assets.  |
| <b>Option 2:</b>                                 | Inflation adjustment  | 1 (2% of 50)          | No comments made.   |
| <b>Option 3:</b>                                 | Do the minimum (level of service review)                                  | 5 (10% of 50)         | No comments made.   |

| Options  | Topic   | Number of submissions | Overview of submitters comments   |
|--|---|-----------------------|---|
| <b>Option 4:</b>                                 | Preserving our assets (balanced)  | 19 (38% of 50)        | Ensure adequate maintenance.  |
| <b>Option 5</b>                                  | Improving level of service (enhanced asset preservation)                                    | 11 (22% of 50)        | Better not to defer or reduce maintenance in the long run.  |
|  | <b>Ross Swimming Pool upgrade</b>   |                       |   |
| <b>Option 1:</b>                                 | Repair the pool structure.  | 41 (82% of 50)        | Well-used and highly valued community asset.  |
| <b>Option 2:</b>                                 | Do not budget to repair the pool structure.   | 7 (14% of 50)         | Sentiment around reducing costs.  |
| <b>Comment with no preferred option selected</b> |   | 2 (4% of 50)          | Does not agree with the targeted rate.  |
|  | <b>Franz Josef/Waiiau &amp; Fox Glacier - Glacier Country Community Development Funding</b> |                       |   |
| <b>Option 1</b>                                  | Council ceases to rate for Glacier Country Tourism and Community Development roles.         | 14 (22% of 64)        | <ul style="list-style-type: none"> <li>Find other ways to market the Glaciers.</li> <li>Only rate for the upkeep of the toilets.</li> </ul>   |
| <b>Option 2</b>                                  | Council continues to rate for Glacier Country Tourism and Community Development roles.      | 39 (61% of 64)        | <ul style="list-style-type: none"> <li>Increase funding to \$35k p/a for each of Fox Glacier &amp; Franz Josef CDO roles for 3 year period.</li> <li>Support for the current amount of \$65,000</li> </ul>                                  |
| <b>Comment with no preferred option selected</b> |   | 11 (17% of 64)        | Council to continues to rate Fox Glacier community for a Fox Glacier Community Development Officer only. Proposed rate of \$35 500 excluding GST is the proposed rate being applied for.  |
|  | <b>Hokitika - Hokitika Area Promotions Rate</b>   |                       |   |
| <b>Option 1</b>                                  | Council ceases the Hokitika Area Promotions targeted rate.                                  | 16 (38% of 42)        | <ul style="list-style-type: none"> <li>Focussed solely on Hokitika not surrounds.</li> <li>Take the targeted rate and subscriptions from businesses – double dipping.</li> </ul>  |
| <b>Option 2</b>                                  | Council continues to collect the Hokitika Area Promotions targeted rate.                    | 26 (62% of 42)        | <ul style="list-style-type: none"> <li>Support by businesses surveyed when rate introduced.</li> <li>Benefit to whole Hokitika area through employment.</li> </ul>  |
|  | <b>Regent Theatre funding</b>   | 76 (100% of 76)       | <ul style="list-style-type: none"> <li>Funding of \$62,000 + CPI for the theatre should be in the Annual Plan.</li> <li>This is an important community facility which enriches our lives from a social and cultural perspective.</li> </ul> |

| Options        | Topic   | Number of submissions | Overview of submitters comments   |
|----------------|---|-----------------------|---|
|                | <b>General grant funding</b>  |                       |   |
| <b>For</b>     | Submissions in support of grant funding for the Regent Theatre, Hokitika Lions Club, and Greypower, and Christmas lights funding.     | 21 (91% of 23)        | Continue funding at the same level for community volunteer groups that support or provide or maintain assets for community use. |
| <b>Against</b> | Submissions against continued grant funding for the Regent Theatre, Hokitika Lions Club, and Greypower, and Christmas lights funding. | 2 (9% of 23)          | Only fund if and when funds become available.   |

3.5. Submissions were received on 45 other topics, including:

- General comments on increasing rates, spending, staff levels and costs, and use of consultants and contractors.
- General comments on maintenance, Ross Footpaths, three waters, solid waste, and transport accessibility.
- General support for keeping public toilets open.
- Racecourse development
- West Coast Wilderness Trail.
- Pakiwaitara Building.
- Hokitika Museum.
- Funding from the Tourism Promotions Rate to be targeted to Glacier Country Tourism Group.
- i-site.

3.6. Staff have analysed the indicative impact on rates if the following items are added into the plan:

| Consultation item                                       | Option  | \$ Value (GST incl.) | Rate                              | Indicative %age increase |
|---|---|----------------------|-----------------------------------|--------------------------|
| Destination Hokitika*                                   | Reinstate   | \$44,850             | Hokitika Commercial*              | 9.16%                    |
| Regent Theatre  | Continue funding  | \$71,702.50          | Hokitika Community                | 2.09%                    |
| Hokitika Lions Club                                     | Continue funding  | \$11,341.88          | Hokitika Community                | 0.33%                    |
| Lights funding  | Continue funding lighting                                 | \$11,500.00          | Hokitika Community                | 0.34%                    |
| Greypower   | Continue funding maintenance of toilets                   | \$6,733.24           | General/UAGC Rate                 | 0.05%                    |
| Franz Josef & Fox Glacier Country Community Dev Funding | Status Quo  | \$74,750.00          | Franz Josef/Fox Glacier Community | 33.66%                   |
|   | Increase funding for 3 years                              | \$80,500.00          | Franz Josef/Fox Glacier Community | 36.25%                   |
|   | Community Development Officer only                        | \$40,825.00          | Fox Glacier Community             | 38.63%                   |
|   | Status Quo - funded through Tourism Promotions Rate (TPR) | \$14,950.00          | Tourism Promotions Rate           | 1.99%                    |

\*While this rate is shown separately on the rates invoice, this is the impact on overall commercial rates in Hokitika.

## 4. Options

4.1. Option 1: Do not hear and consider feedback on the Draft Annual Plan 2024/2025.

#### 4.2. Option 2: Hearing:

4.2.1. Hear the verbal submissions and receive and review the written submissions to the Draft Annual Plan 2024/2025.

4.2.2. Consider and deliberate on the written and verbal submissions in the open part of the meeting.

4.2.3. Make decisions on any changes to the draft Annual Plan and direct the CE to make those changes for the final Annual Plan.

### 5. Risk Analysis

5.1. Risk has been considered and the following risks have been identified;

- Reputational – If Council does not hold the hearing there is a risk of damage to its reputation as the public will perceive that Council does not take their views into account in making decisions.
- Financial – Council's budgeting process has identified areas where funding can be reduced, further reductions are likely to cause higher rate increase in the future.
- Fatigue – This has been reduced by scheduling regular breaks.
- Threats to staff / councillors / members of the public – Anyone considered to exhibit threatening behaviour will be asked to leave.

### 6. Health and Safety

6.1. Health and Safety has been considered and the following items have been identified;

- These are the same as the fatigue and threat risks identified above.
- Evacuation in an emergency – Emergency exits have been noted at the beginning of the meeting by the Chair.

### 7. Significance and Engagement

7.1. The level of significance has been assessed as being medium under Council's Significance and Engagement Policy. Community interest in the outcome of an Annual Plan hearing is high as changes can be made based on the submissions received.

7.2. Public engagement was undertaken under s 82 LGA from 2 April – 3 May 2024. This was advertised on Council's website, Facebook page, in Westland Matters, in the Hokitika Guardian and West Coast Messenger, on the radio, on the Council notice board and at the Customer Service desk, at the Westland District Library and in the community.

### 8. Assessment of Options (including Financial Considerations)

8.1. Option 1: Council has an obligation to hear and consider submissions. To do nothing would breach Council's obligations under the LGA. Any Annual Plan that was adopted without hearing and considering the submissions could be subject to a judicial review.

8.2. There are no financial implications to not carrying out a hearing.

8.3. Option 2: Hearings are an important part of community consultation and engagement. Council needs to understand the community's view on the proposals in the Draft Annual Plan. Elected members should listen to the community's views and deliberate on the submissions received. Any decisions to make changes to the Draft Annual Plan should be communicated to the CE to make the changes for the final Annual Plan.

8.4. There are no financial implications to carrying out a hearing.

## **9. Preferred Option(s) and Reasons**

9.1. The preferred option is Option 2.

9.1.1. Holding an open hearing process allows each elected member to consider the public submissions. Elected members can ask questions of the verbal submitters and consider the impact of any changes proposed by the submissions.

9.1.2. Elected members provide direction to the Chief Executive for any changes to the Draft Annual Plan, which allows staff to make the changes prior to the adoption of the Annual Plan, on or before 30 June.

## **10. Recommendation(s)**

10.1. That Council receive the report.

10.2. That Council hear and receive the written and verbal submissions.

10.3. That Council deliberates on the submissions to the Draft Annual Plan 2024/2025 in the open part of the meeting.

10.4. That the CE be instructed to make the necessary amendments to the Draft Annual Plan 2024/2025.

**Emma Rae**  
**Strategy and Communications Advisor**

**Lynley Truman**  
**Finance Manager**

**Appendix 1:** Table of Submitters

**Appendix 2:** Submission analysis

**Appendix 3:** Submissions