

Draft Annual Plan 2023/2024

# Consultation Document

Against Year 3 of the Long Term Plan



## Message from the Mayor and CEO

Welcome to the Consultation Document for Councils Draft Annual Plan for 2023/24. This information is based on year 3 of the 2021-2031 Long Term Plan.

We face ongoing significant economic challenges with price increases impacting Council across all services, navigating high interest rates and contractor costs are just a couple of examples.

Despite this, we propose an average rates rise of 5.63% which is lower than that proposed in the Long Term Plan. We have achieved this by reprioritising projects and being realistic in our program delivery.

This consultation is an opportunity to have your say and to progress the district. Council seeks your advice on the entire Draft Annual Plan and in particular wants to hear your view on solid waste and how we manage the increasing costs facing Council to deliver this service.

More detailed information can be found in the full Draft Annual Plan. Please take the opportunity to read it, to consider Council's view, and to have your say.

We will be holding public drop in sessions to discuss the proposals and look forward to seeing you there.



Tania Gibson Grey District Mayor



Paul Morris Chief Executive

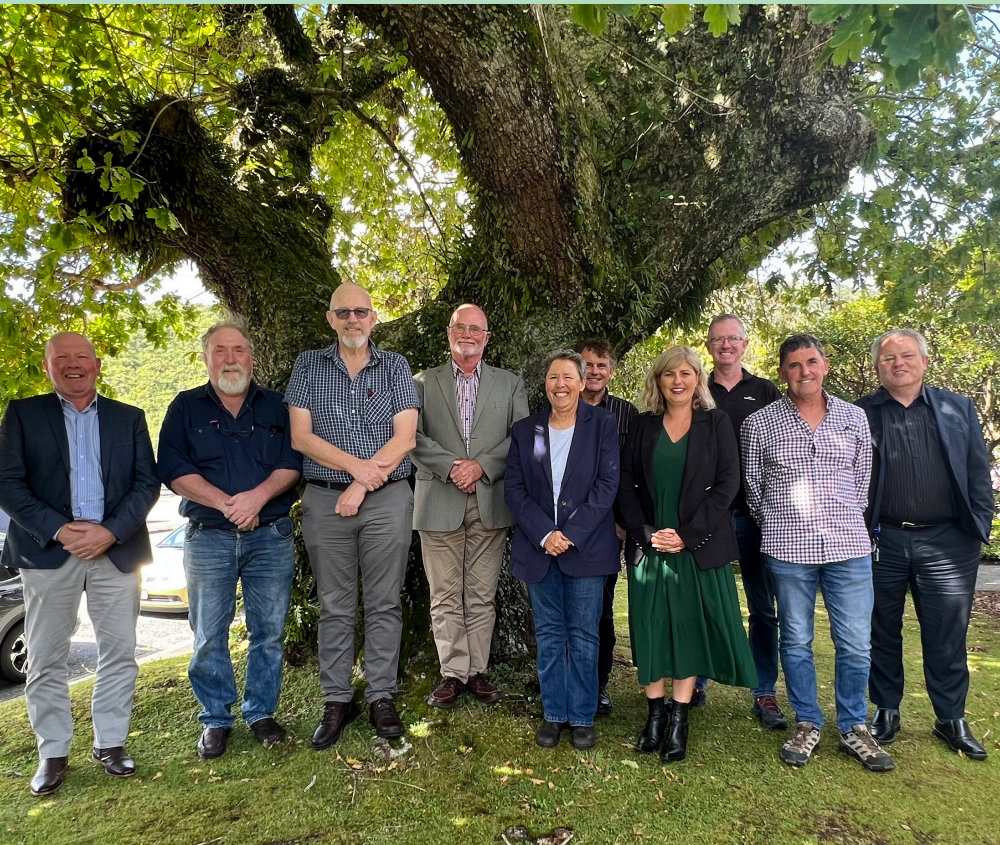
Have  
your  
say

Please read this summary and refer to the complete Draft Annual Plan 2023/2024 for full details

**HAVE YOUR SAY BY 18th MAY 2023**

[www.greycdc.govt.nz/draftannualplan](http://www.greycdc.govt.nz/draftannualplan)

# Your Council



From left to right: Councillor Rex MacDonald, Councillor Allan Gibson, Councillor John Canning, Councillor Robert Mallinson, Councillor Kate Kennedy, Councillor Tim Mora, Mayor Tania Gibson, Councillor Jack O'Connor, Councillor Peter Davy and Chief Executive Paul Morris.

## What is the Draft Annual Plan?

The Draft Annual Plan is Council's updated plan for the coming financial year, setting out the work we are planning to undertake in your community over the next 12 months (1 July 2023 – 30 June 2024).

Through this process, we consider what was outlined in the Long Term Plan and assess what changes are needed to reflect current circumstances and community needs.

The Long Term Plan was adopted 2 years ago (2021), during this period we have faced many challenges which have impacted our ability to achieve all the expected outcomes laid down in year three of the Long Term Plan. We now need to go back to the community and consult about what changes are being considered. The biggest change being considered is the introduction of a Green Waste Charge, which will potentially impact people utilising local resource centres to discard green waste. Do we make this a user pays service or increase the general rate for ratepayers?

If you would like further detailed information please see the Draft Annual Plan 2023/24 Document, which is available to view on our website here:

[www.greycdc.govt.nz/draftannualplan](http://www.greycdc.govt.nz/draftannualplan)

It provides the key information and is the basis of this consultation.

Scan to go to the Draft Annual Plan 2023/24 Document



## What Council Does



### Land Transport

includes roading and footpaths.



### Stormwater



### Wastewater (sewerage)



### Water Supply



### Solid Waste

includes refuse and recycling collection, refuse disposal and recycling.



### Emergency Management



### Environmental Services

includes district planning, building control, animal control, health regulation, liquor licensing, regulatory enforcement.



### Other Transport

includes Aerodrome, parking, and Port.



### Community Facilities and Events

includes Libraries, swimming pools, History House Museum, culture, heritage and arts, indoor sports centres, cemeteries, parks and reserves in house task force and public toilets.



### Democracy and Administration

includes Council, consultation, administration and economic development.

# What's in the Draft Plan?

## ▶ Key Issue

### Green Waste Charge

Council has previously been briefed on the price of NZ ETS units, Carbon Credits, and its effect on Council's operations particularly in the solid waste area.

Since 1 July 2022 the Council has been disposing of green waste into the cells at McLeans Pit which incurs carbon credit and waste levy charges. Historically there has been no charge to dispose of green waste at Grey's solid waste facilities. This has meant the cost of processing waste has been incurred by rate payers and other users. In order for only users of the service to pay, Council propose implementing a processing charge of \$100 per tonne of green waste with a further \$60 per tonne to cover carbon credit and waste levies.

This will bring in a \$160,000 of fees income. To reduce the overall rates requirement for the activity to a 12% increase. Officers are considering diversion options to further reduce the ongoing cost to the Council.

#### Green waste definition

Organic waste includes garden matter, leaves, branches, weeds and unsprayed lawn clippings.

### Green Waste Charge Options

#### OPTION A User Pays Model

Councils preference

Solid waste fees (at McLeans Landfill and Resource Centres) will increase to offset processing costs, carbon credits and waste levy charges. In order for only users of the service to pay, a processing fee of \$100 per tonne GST excl with an additional green waste charge of \$60 GST excl per tonne will be implemented.

#### So what will you pay?

#### Proposed Green Waste Fees

		2022/2023 Current Fees GST Inclusive	2023/2024 Draft Annual Plan GST Inclusive
Domestic and commercial	per tonne	Free	\$184.00
<b>Examples:</b>			
A 100kg load will cost	per tonne		\$18.40
A 250kg load will cost	per tonne		\$46.00

OPTION B An increase in the general rate of \$160,000 to offset processing costs, carbon credits and waste levy charge. This will mean ratepayers rather the users of the service will pay for the costs of processing green waste.

## ▶ Rates

The total overall rates increase of 5.63% is proposed.

### Variances to the Long Term Plan

#### Price Level Adjustment

Price level adjustments have been allowed for in the 2023/2024 estimates.

Price level adjustments have been derived from those recommended by Business and Economic Research Limited (BERL) and modified by known data. With inflation expected to increase through the 2023/2024 financial year Council has added an additional inflation component to its forecast. The following are the annual adjustments including the additional allowance:

	2023/2024 LTP Year 3	2023/24 Annual Plan
Operating costs	2.5	7.7
Capital costs	2.5	7.7
Revenue (excluding rates)	2.5	7.7

### The following proposed projects/funding are included in our budgets

Projects Included		
	Approx Cost	Funded From
Upgrade to Shakespeare Street and Petrie Avenue	\$1,458,000	Loan
Programmed renewals to the Stormwater Network	\$939,000	Rates funded
Programmed renewals to the Water Supply network	\$974,000	Rates funded
Shantytown Cycle Trail	\$989,000	Grant
Replace UV at wastewater treatment plant Greymouth. <i>This programme is likely to span more than one year.</i>	\$102,000	Rates funded
Projects Not Included		
Reduction in renewals for stormwater	\$241,000	Rates funded
Replacement of UV - to complete project identified in the LTP to now be completed in the 2024-2025 year	\$1,298,000	Loan funded

# Financial Summary

The financial summaries outline the forecast financial information for 2023/2024 compared against the current budget and what was forecast in year 3 of the Long Term Plan.

## Financial Statements – Summary

The information presented here is only intended as a summary to give a brief overview of Council's intentions for the 2023/2024 year.

For more in-depth information refer to the Draft Annual Plan 2023/2024.

### Breakdown

See page 5 for a breakdown of how our money will be spent next year.

## Our Financial Strategy

The financial strategy is aimed at responding to the needs of the community in a responsible way, while ensuring long term stability of rates. Council will do this by forward planning for major capital expenditure, including renewal and replacement of existing assets.

As part of the Long Term Plan, we developed a Financial Strategy to set the overall direction for Councils finances over the next ten years.

The financial goals have been set to reflect where the Council wants to be in 2031 and they focus on the following:



#### Rates revenue set to meet Council and community needs.

Setting rates at a level that enables Council to practice prudent financial management by addressing significant issues, e.g. deferred renewals, funding future projects and reducing annual rates deficits.



#### Decrease debt over the life of the Plan.

Borrow for significant projects to take advantage of low interest rates with the overall goal of decreasing debt over the life of the plan. Savings on finance costs would then be used towards operational costs or increasing reserves over the life of the Draft Annual Plan 2023/2024.



#### Retain capacity to borrow for unforeseen events.

For example, natural disasters. Debt levels to be kept within our policy limits.

### Summary Statement of Comprehensive and Expenditure

	2023 Annual Plan \$000	2024 LTP Year 3 \$000	2024 Annual Plan \$000
Total rates revenue	20,858	22,110	22,033
Total other revenue	10,643	11,210	11,255
Less total operating expenditure	33,407	33,769	36,582
<b>Surplus/(deficit) after tax</b>	<b>( 1,906)</b>	<b>( 449)</b>	<b>( 3,294)</b>
Movement in asset revaluation reserve	11,916	1,057	-
<b>Total comprehensive Revenue and Expense</b>	<b>10,010</b>	<b>608</b>	<b>( 3,294)</b>

### Summary Balance Sheet

	2023 Annual Plan \$000	2024 LTP Year 3 \$000	2024 Annual Plan \$000
<b>Total assets</b>	<b>475,052</b>	<b>486,374</b>	<b>558,645</b>
Total borrowings	38,087	38,794	37,291
Total other liabilities	11,238	7,287	8,645
Total equity	425,727	440,293	512,709
<b>Total liabilities and equity</b>	<b>475,052</b>	<b>486,374</b>	<b>558,645</b>

### Summary Statement of Cash Flows

	2023 Annual Plan \$000	2024 LTP Year 3 \$000	2024 Annual Plan \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from rates revenue	20,730	22,120	22,032
Receipts from other revenue	11,668	11,425	11,256
Payments to suppliers and employees	( 23,107)	( 23,390)	( 23,938)
Interest paid	( 1,361)	( 1,305)	( 1,421)
Goods and services tax (net)	-	( 81)	( 13)
<b>Net cash from operating activities</b>	<b>7,930</b>	<b>8,769</b>	<b>7,916</b>
Total cash inflows from investing activities	1,971	8,808	-
Total cash outflows from investing activities	( 15,803)	( 19,187)	( 14,622)
<b>Net cash from investing activities</b>	<b>( 13,832)</b>	<b>( 10,379)</b>	<b>( 14,622)</b>
Proceeds from borrowings	10,762	2,633	7,174
Repayment of borrowings	( 6,005)	( 1,350)	( 1,050)
<b>Net cash from financing activities</b>	<b>4,757</b>	<b>1,283</b>	<b>6,124</b>
<b>Net (decrease)/increase in cash, cash equivalents and bank overdrafts</b>	<b>( 1,145)</b>	<b>( 327)</b>	<b>( 582)</b>
Cash, cash equivalents and bank overdrafts at the beginning of the year	9,249	4,398	5,028
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	<b>8,103</b>	<b>4,071</b>	<b>4,446</b>

# Activity Expenses

## How Much Money do we put into Each Activity?

Chart 1 shows the percentage of rates which go into each activity/groups of activities.

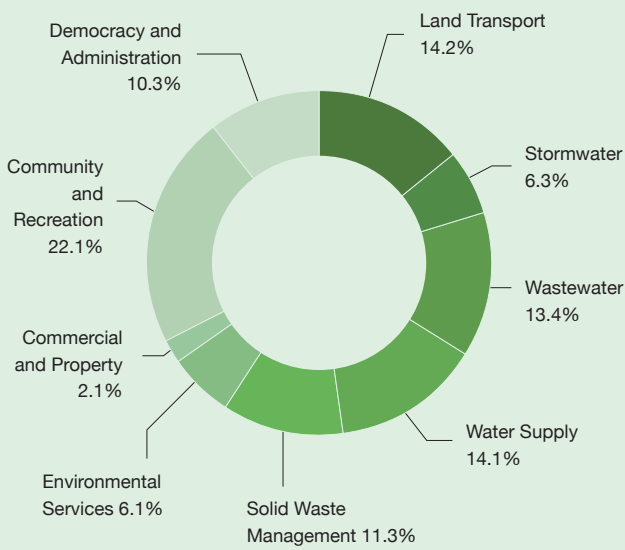
## Where the Money Goes

Chart 2 shows where Council proposes to spend its money in 2023/2024.

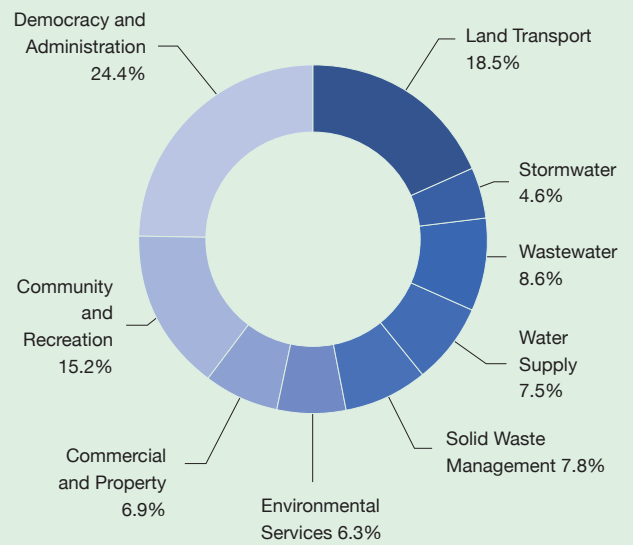
Expenses include all the operating, maintenance, interest payments and depreciation charges against each activity.

Administration costs are allocated against each activity based on the level of resources that each activity requires.

**Chart 1**  
Rate Input into Each Activity



**Chart 2**  
Expenses by Activity



# Rating Information

Council sets its rates to recover the amount of money required to provide the services and undertake the projects/activities outlined in the Draft Annual Plan.

## How are your Rates Set?

Your rateable land value is used to determine how much of the General Rate you pay in comparison to other properties in the District. General Rates are currently used to fund activities such as roading, refuse disposal sites, stormwater, parks, community services, district planning, flood protection and much more.

Targeted rates apply for services and activities such as sewerage, water supply, kerbside refuse and recycling collection, economic

development and metered water (commercial properties).

Which area of the District you live in and what the property is used for also determines how much you contribute towards these services (ie residential, rural, commercial use).

## Proposed Rates Increase

The proposed overall rate rise for 2023/2024 is 5.63% (as proposed to a rate rise of 6% forecast in year three of the Long Term Plan).

This rates increase is made up of inflation and allows Council to address key issues and projects around the District. There have been increases to targeted rates to allow for ongoing operating costs.

### Summary of Rates to be Levied

	Annual Plan 2022/2023 GST Inclusive	Annual Plan 2023/2024 GST Inclusive
<b>UNIFORM ANNUAL GENERAL CHARGE (UAGC)</b>		
Rate	618.00	634.00
<b>TARGETED RATES - PAYABLE BY THOSE PROPERTIES WHO HAVE ACCESS TO SERVICES</b>		
<b>WASTEWATER (SEWERAGE)</b>		
<i>Rating units classified as service available and connected</i>		
Blackball	671.62	694.30
Dobson/Taylorville/Kaiata - capital rate	790.80	790.80
Dobson/Taylorville/Kaiata - operating and maintenance rate	278.15	287.60
Greymouth	725.47	750.00
Karoro	389.66	402.80
Moana	304.13	314.40
Runanga	303.07	313.30
South Beach/Paroa	346.37	358.10
Te-Kinga	839.52	867.90
South Beach Loan	432.20	432.20
<b>WASTEWATER (SEWERAGE)</b>		
<i>Rating units classified as service available and <b>not</b> connected</i>		
Blackball	335.80	347.15
Dobson/Taylorville/Kaiata - capital rate	790.80	790.80
Dobson/Taylorville/Kaiata - operating and maintenance rate	278.15	287.60
Greymouth	362.73	375.00
Karoro	194.83	201.40
Moana	152.06	157.20
Runanga	151.53	156.65
South Beach/Paroa	346.37	358.10
Te-Kinga	419.76	433.95
South Beach Loan	432.20	432.20
<b>WASTEWATER (SEWERAGE)</b>		
<i>Charge for each water closet (pan) or urinal connected to a public sewerage drain</i>		
Dobson/Taylorville/Kaiata - operating and maintenance rate used for commercial or educational purposes	69.53	71.90
Moana used for commercial or educational purposes	76.07	78.60
Te-Kinga used for commercial or educational purposes	209.88	216.97

### Summary of Rates to be Levied

	Annual Plan 2022/2023 GST Inclusive	Annual Plan 2023/2024 GST Inclusive
<b>TARGETED RATES - PAYABLE BY THOSE PROPERTIES WHO HAVE ACCESS TO SERVICES</b>		
<b>WATER</b>		
<i>Rating units classified as service available and connected</i>		
Blackball	600.21	614.92
Dobson/Taylorville	600.21	614.92
Greymouth	600.21	614.92
Runanga	530.71	563.71
Kaiata	489.70	521.70
Stillwater	600.21	614.92
South Beach Water Loan	151.30	151.30
<b>WATER</b>		
<i>Rating units classified as service available and <b>not</b> connected</i>		
Blackball	300.10	307.45
Dobson/Taylorville	300.10	307.45
Greymouth	300.10	307.45
Runanga	265.35	281.85
Kaiata	244.85	260.84
Stillwater	300.10	307.45
South Beach Water Loan	151.30	151.30
<b>METERED WATER</b>		
Rate	1.58	1.66
<b>REFUSE/RECYCLING COLLECTION</b>		
Residential, township, commercial, industrial, rural, rural residential, recreational, and/or farming properties that receive a weekly refuse only collection	321.85	360.25
Residential, township, commercial, industrial, rural, rural residential, recreational, and/or farming properties, outside the Greymouth CBD that receive a weekly refuse/recycling collection	321.85	360.24
Commercial and industrial properties within the Greymouth CBD that receive a twice weekly refuse/recycling collection	608.30	680.87
<b>ECONOMIC DEVELOPMENT</b>		
Rate	0.0003828	0.0003960
Bed and Breakfast/Homestay/Farmstay Rate	206.00	206.00

# Fees and Charges

## Rates Examples

Following are examples of proposed rates under the Draft Plan for various types of properties in the District.

It is important to note that rates are affected by where in the District the property is located, what it is used for, what services it has, and for this year, how the property's valuation has moved in relation to other properties.

Rates Examples	Current Rates	Proposed Rates
	2022/23 GST Inclusive	2023/24 GST Inclusive
Blaketown Residential Zone 1 LV \$72,000	\$2,975	\$3,101
Cobden Residential Zone 1 LV \$70,000	\$2,954	\$3,081
Greymouth Residential Zone 1 LV \$127,000	\$3,516	\$3,668
Karoro Residential Zone 1 LV \$171,000	\$3,614	\$3,774
Kaiata Residential Zone 1 LV \$90,000	\$3,385	\$3,522
Paroa Residential Zone 1 LV \$113,000	\$2,999	\$3,132
Runanga, Residential Zone 1 LV \$62,000	\$2,384	\$2,510
Blackball Residential Zone 1 LV \$71,000	\$2,726	\$2,857
Camerons Residential Zone 2 LV \$66,000	\$1,418	\$1,509
Dobson Residential Zone 2 LV \$65,000	\$3,080	\$3,195
Gladstone Residential Zone 2 LV \$144,000	\$1,983	\$2,117
Rapahoe Residential Zone 2 LV \$132,000	\$2,427	\$2,588
Taylorville Residential Zone 2 LV \$58,000	\$3,029	\$3,140
Ahaura Residential Residential Zone 3 LV \$55,000	\$1,215	\$1,273
Moana Residential Zone 3 LV \$350,000	\$2,997	\$3,081
Ngahere Residential Zone 3 LV \$90,000	\$1,391	\$1,450
Rural Residential (Coast Road) LV \$205,000	\$1,348	\$1,432
Rural Use (Rutherglen) LV \$235,000	\$1,926	\$2,051
Farming Forestry (Taylorville) LV \$4,960,000	\$10,153	\$11,937
Farming Forestry (Mitchells) LV \$4,430,000	\$8,560	\$10,086
Greymouth Commercial, LV \$282,000 CV \$696,000	\$9,909	\$10,599
Greymouth Commercial, LV \$55,000 CV \$161,000	\$3,618	\$3,835
Blackball Commercial Zone 2 LV \$76,000 CV \$180,000	\$3,666	\$3,883
Moana Commercial LV \$280,000	\$6,432	\$7,084

LV = Land Value and CV = Capital Value.

Council reviews fees and charges each year to set what it believes to be fair fees and charges based on the benefit received by those receiving the service. Significant changes for 2023/2024 include:

- Most fees and charges for 2023/2024 are proposed to increase by 7% (in line with inflation).
- Solid waste fees (at McLeans Landfill and Resource Centres) are proposed to increase to offset processing costs, carbon credits and waste levy charges. In order for only users of the service to pay, a processing fee of \$100 per tonne with an additional Green Waste Charge of \$60 per tonne is proposed.

## Fees and Charges

	2022/2023 Current Fees	2023/2024 Draft Annual Plan
	GST Inclusive	GST Inclusive
<b>GREEN WASTE</b>		
<i>Garden matter, leaves, branches, weeds and unsprayed lawn clippings (no cabbage tree leaves)</i>		
Domestic and commercial per tonne	Free	\$184.00

## Resource Management Act 1991 Fee and Charges 2023/24

You can also provide feedback on the draft Schedule of Fees and Charges 2023/24. Please read the Statement of Proposal on Fees and Charges for more information on the proposed changes to Resource Management Act 1991 Fees and Charges. You can view this at [www.greymouth.govt.nz/annualplan](http://www.greymouth.govt.nz/annualplan) or visit one of our locations for a paper copy.



Draft Annual Plan 2023/2024

Have  
your  
say

# Consultation Document

We want to hear what you have to say – we'd like to know if you agree with our Draft Annual Plan for 2023/2024 or if you have another point of view.

Council will consider all submissions received before the final Plan and budgets are set for the new financial year starting 1 July 2023. Submissions must be made in writing. Please clearly identify who is making the submission.

Submitters also have the option of addressing Council at a public meeting when submissions are considered – if you wish to do this please clearly indicate so on your submission. The public meeting will be held on Tuesday 30 May, 2023.

## Submissions can be made:



**Online** at our website  
[www.greydc.govt.nz/draftannualplan](http://www.greydc.govt.nz/draftannualplan)



**Mailed** to Grey District Council-Draft Annual Plan,  
PO Box 382, Greymouth 7840 or



**Emailed** to [annualplan@greydc.govt.nz](mailto:annualplan@greydc.govt.nz).

**All submissions will be copied and made available to the public.**

**Submissions close at 5pm on Thursday 18th May 2023.**



[www.greydc.govt.nz/draftannualplan](http://www.greydc.govt.nz/draftannualplan)

Heart  
of the West Coast

**Grey District Council**

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