



Onemana Residents and Community Association 2020/2021 Annual Plan Submission

13 April 2020

This submission is made on behalf of the Onemana Residents and Community Association which has a membership representing 140 of the 388 properties at Onemana. The Association has a management committee of the 12 people elected annually.

Situation:

Thames Coromandel District Council is seeking feedback to a published proposal to increase Rates by an average of 9.98 percent. This increase coincides with the introduction of the 2020/2021 Financial Year commencing 1 July 2020 encompassing the 2020/2021 Annual Plan. Key contributors have been highlighted in Council's Consultation Document being:

- Increase in the cost of solid waste activity
- Increase in the operating cost of other core infrastructure activities
- Delivering a large capital works programme
- Contending with a very buoyant construction industry
- Central Government directives
- Previous rate increases not keeping up with inflation

Council is further recommending increases to various fees and charges, a continuation of its planned Capital Expenditure projects for 2020/2021, continued borrowing within the Long Term Plan limits, reviewing the split between the General Rates and the Uniform Annual General Charge.

Council has provided Capital Expenditure Projects planned for 2020/2021 which indicate a cost reduction from \$39,323m in the Long Term Plan to \$34,941m in the Annual Plan.

In addition to this, which is noted on the Council website, is the potential pending impact of Covid19. At the time of preparing this submission no further information on Covid19 was available.

ORCA Submits:

ORCA makes the following recommendations for Council to consider when approving its Annual Plan and Annual Budget for 2020/2021. In making its submission ORCA is of the opinion that the Covid19 position - the impacts and potential outcomes, should underpin all funding decisions by Council for the coming period.

Subsequently ORCA submits that:

1. A rate increase is noted – however the timing is reviewed with a recommendation of a 12-month delay until more is known of the Covid19 impacts. Instead the Council apply a CPI rate adjustment for the coming 12 months
2. Council applies a formula for future rate reviews to ensure a CPI or similar appropriate measurement for Local Government be applied annually
3. Further review of the proposed Capital Expenditure Projects to ascertain if any of these could be supported by any Government infrastructure stimulus packages which become available due to the Covid19 impacts
4. Council postpones all Capital Expenditure Projects which are not deemed to be vital
5. Council considers the likes of a major tourism initiative to be developed on the back of the Covid19 recovery providing employment and a long-term benefit for the region
6. Council ensures district funding allocations for Capital Expenditure Projects are aligned to each individual district's rates revenue
7. Identification of projects of regional significance to be funded as per Ward funded projects

Rate Position:

An increase in rates to the level recommended, will never appeal to ratepayers. Rate increases in the past have not kept pace with inflation or the growth across the region. TCDC is one of a number of Councils faced with significant rate increases to meet rising infrastructure and operational expenditure.

Changes with the waste operation and waste compliance are accepted. However, Council must review its Capital Expenditure Programme and General Operations and only undertake work and offer services that it can afford. Council has reduced expenditure by withdrawing or delaying items from the Long Term Plan – i.e: Rhodes Park, Lees Road Seal Extension - further considerations must be undertaken.

Aspects such as wharf, harbour and boat ramp projects around the region total \$1.472m, Totara Valley Road \$1.203m, Mercury Bay Skate Park \$469k – are examples of potential projects that do not require immediate action and could be delayed.

ORCA supports an immediate CPI adjusted rate increase but only after all Council expenditure is further reviewed with only essential works being undertaken, this matter be reconsidered in 12-month having given consideration to Covid19 impacts.

ORCA really has no option but to support additional fee charges to assist in ensuring all services costs can be achieved.

Future Rates

Council is urged to formulate a policy which ensures rate increases are aligned to an appropriate inflation adjusted model. Increases as detailed for the current period being almost 10 percent, when the CPI is at 1.9 percent, are unacceptable therefore such a situation should not be allowed to be repeated.

ORCA also requests that changes be made to future Capital Expenditure Programmes whereby the annual works budget is based on the annual rate revenue from that particular Ward. For example the Whangamata, Onemana, Pauanui and Tairua annual projects should be aligned to the 40 percent rate revenue which comes from that Ward.

It is further recommended that projects with district wide benefits be identified and these be funded on the same basis as the current District funding under the LTP and Annual Plan.

Covid19 Impact

ORCA makes the following observations and recommendations regarding Covid19. It is appreciated that while being well aware of potential impacts, Council is yet to formulate any long-term recovery plan. ORCA submits that such a Covid19 recovery plan is required and should underpin or at least sit alongside all Council activities and works for the coming 12-months and longer.

Community cohesion and sustainability along with business re-establishment and viability will be two major challenges for the region which will require time and investment. ORCA urges Council to take a lead role in rebuilding our community and commercial viability under what will be a totally different model to our recent past.

Our Onemana community, our neighbours at Whangamata along with over the hill at Thames or up the coast to Mercury Bay, are facing new and changing times. We believe for starters more people will be at home, our tourism is going to have to rely on domestic travelers and then hopefully the Australian tourist market. Residents are going to be looking for new jobs; some businesses will close and there will be others looking for opportunities.

We are of the opinion TCDC has a lead role to play in not just shaping the future direction, but also making it happen. This will take financial resource and therefore rates funding needs to be channeled into the Covid19 future strategy.

With this ORCA recommends consideration be given to gaining Government resources to support local projects which will provide employment and business opportunities. In addition to this Council is urged to consider the likes of a major tourism infrastructure project i.e: revisiting the former Great Walk Proposal or something similar to provide employment opportunities in the first instance, then long-term tourism outcomes into the future.

Onemana Requirements

Our Community is no different from others – we could provide a long list of items that we believe could or should sit under TCDC project funding. This is not the time for that particularly due to Covid19. Instead ORCA will review the district's requirements for the 2021 Annual Plan - which will involve resident consultation – and an appropriate submission will then be made.

Summary

Council asks in its consultation document what services we value most and which ones are no longer relevant. While appreciating this was written prior to Covid19 Level 4, we believe the most important aspect currently is our community stability and cohesiveness. Councilors are the ones who have to make the decision on what is needed to achieve key Annual Plan requirements while then setting a path to full Covid19 recovery.

Subsequently, ORCA has submitted seven aspects for consideration, which have been expanded on in this document. ORCA understands the rationale to increase rates but has real concern as to Council's ability to deliver on its financial obligation and its annual plan objectives even if the increase was approved.

Therefore to recap, ORCA is requesting a full review of the capital expenditure programme with only vital projects being undertaken during the coming year; Council focusses on a smooth and acceptable transition out of Covid19 for residents and business; Council puts in place appropriate processes for future rate increases; Council aligns Ward revenue and spending for Capital Expenditure projects.

We realise these are challenging times and we thank Councilors for considering this submission.

Onemana Residents and Community Association