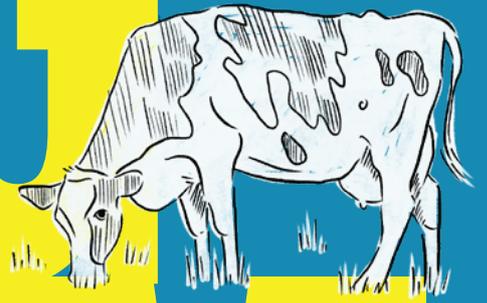


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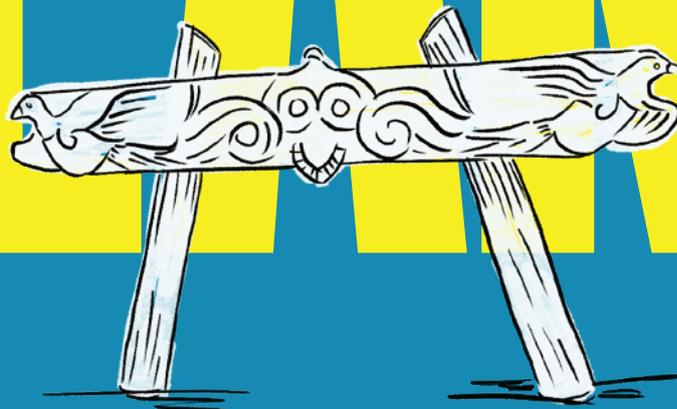


OUR VISION

*liveable, thriving
& connected
communities.*



PLAN



**2021-2031
CONSULTATION
DOCUMENT**

TE WHAKAMAHERE WHAAROA

2021 — 31 PUKAPUKA UIUINGA



MESSAGE FROM MAYOR ALLAN-

BALANCING WHAT'S RIGHT WITH WHAT'S AFFORDABLE

A Long Term Plan (LTP) sets out our vision, direction, work plan and budgets for the next 10 years.

THE JOURNEY SO FAR

Our role as a council has evolved over time. While we used to focus mostly on delivering core services like water and roads, we have a responsibility to support our district's environmental, social, cultural and economic wellbeing after these four well-beings were re-introduced to the Local Government Act.

changes. We outline what we will likely be dealing with in the years to come from central government, in particular legislative reform in the three waters area (drinking water, wastewater and stormwater) and National Policy Statements that relate to urban development (the growth in and around towns) and freshwater management.

THE DECISIONS WE HAVE TO MAKE IN THIS DOCUMENT AFFECT YOUR FUTURE RATES. HAVE YOUR SAY BY 5PM FRIDAY 7 MAY.

With this in mind, we need to balance what we can deliver with what is affordable in terms of rates and debt. As a fast growth area council, this balancing act will prove to be a huge challenge for us and our community in the coming years. We outline many of these challenges in this consultation document.

In developing this consultation document reflected our current challenges and proposed ways we can respond. We are faced with an uncertain economic outlook due to the ongoing impact of the COVID-19 pandemic and related alert-level

We are facing an enormous task. Our district is growing quickly and we need to keep up with this growth, while making sure our community is a desirable place to live, work and play.

We know we are looking down the barrel of rising costs in the three waters area. This is in part driven by stricter controls for water quality and also by the growth in our district. Our independent Waters Governance Board painted a picture to us as elected members of necessary but unaffordable yearly increases to our waters rates.

We need to balance the services we provide with what our community can afford. When we came to you as part of the last Long Term Plan 2018-28, we asked your thoughts on how we should manage our three waters for maximum benefit for the district.

The outcome was a partnership with Watercare, overseen by an independent Waters Governance Board. This partnership was intended to offer reduced future cost increases and a reduction in risk because we could use Watercare's expertise and economies of scale. This is still our goal and, in fact, if we hadn't entered this partnership, we would be in a worse position going forward.

The reality is that the three waters financial challenge is going to have an impact on our ability to carry out the rest of our business activities. On this challenge, the Waters Governance Board is in contact with the Minister for Local Government, to make this case clear and seek additional central government funding support.

While our response to COVID-19 has been strong as a country, and our district's consistent presence in the productive sector has placed us well

to recover from any global recession, we also know that there are certain sectors and parts of our community that are struggling. We aim to respond to this by balancing the need for growth and investment with rates affordability.

In the coming years we need to consider climate change in everything we do. This will include the progression of our Climate Response and Resilience Action Plan.

Many in our communities will need our support if they are to recover from the current economic hardship and keep socially strong. Our vision of liveable, thriving and connected communities demands that we deliver this balance. As such, we will be providing real options for our community to consider in this consultation document.

We are proposing a general rate increase of 9% for the first year plus a number of targeted rate increases on top of this. See the proposed rates increases table on page 25 for more on this. There are a number of reasons we are proposing to increase rates by this much, including our need to provide infrastructure to support growth and replacing and renewing

assets earlier than planned due to increasing standards that we need to comply with. These are explained on pages 18-25. The Councillors and I have made some tough decisions. We've had to weigh up what is best and right for the district, with what we feel is affordable. Trust me when I say there have been many sleepless nights mulling this dilemma over.

To balance this, we've been investigating options for further cost recovery where we can. We encourage you to look at our Fees and Charges document, as we are proposing charging different rates for some things to make sure these activities are more fully paid for by only those who use them.

We will respond to the needs of the district, balancing affordability with adding value and enhancing community wellbeing – so we can all work towards a better, and more resilient, future together.



Mayor Allan Sanson

WHAT'S STILL TO COME

We need your help – delivering on bold plans needs to be a genuine collaboration between us as the council and you as the community, along with our partners and stakeholders.

We need to get the best outcomes and strike the right balance. The decisions we make affect you, your whaanau and your neighbours, even your dog!

Make sure you get involved and have your say before 5pm Friday 7 May 2021.

For more information on how, see page 7.



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HAVE YOUR SAY

This consultation is for our Long Term Plan which sets out a plan for work and services, budgets and rates for the next 10 years, but with a particular focus on the next three years. It sets out what we will spend and where we will spend it in an effort to make your community better.

We update our Long Term Plan every three years to make sure it is still relevant, accurate and keeps us moving towards our goals and community outcomes.

For more information and copies of the supporting material referenced throughout this document, visit waikatodistrict.govt.nz/ltp or phone us on **0800 492 452**.

As you read through this document we invite you to think about:

- Have we got the balance right?
- Do you support our key proposals?
- Are there better ways?

WE WANT YOUR FEEDBACK ON:

- General rates increases
- Inorganic kerbside collection service
- Pensioner housing

See pages 26-31 for more information on these.

Tell us what you think:

ONLINE

Go to www.waikatodistrict.govt.nz/ltp

POST

Phone us on **0800 492 452** to request a submission form. We'll post one out to you.

EMAIL

Send your feedback to consult@waidc.govt.nz

SUBMISSIONS CLOSE AT 5PM 7 MAY, 2021.

Want to know more?
Come and see us!

Want to find out more about what the options are or have questions? Come and see us at your nearest drop-in session to speak to a member of the team! Details of the drop-in sessions, including times and locations, can be found at www.waikatodistrict.govt.nz/ltp



OUR VISION: LIVEABLE, THRIVING AND CONNECTED COMMUNITIES

He noohanga aahuru, he iwi whai ora,
he hapori tuuhono tahi.

Our vision and community outcomes set the goals we want to achieve in everything we do. Our vision embraces the growth and changes we are facing as a community.

Our vision is that we work together to build liveable, thriving and connected communities as our district grows.

Liveable communities are well-planned and people-friendly, providing for a range of quality residential options, social infrastructure, walkways and open spaces. They reflect what's important to people and support a shared sense of belonging, both to your local community and the wider district.

Thriving communities participate in council decision-making and community-led projects, provide input into the management of their local assets and sustain their local businesses so they can provide local employment.

Connected communities have reliable infrastructure to create liveable, thriving communities. Connectivity through roads, cycleways, walkways and digital capability enable rapid information sharing and engaging in activities together. Through these connections people can access services and amenities that meet their social, health, education and employment needs.

OUR COMMUNITY OUTCOMES AND GOALS:

Supporting our communities

Kia tautoko ki a taatou Haapori

We consider the well-being of our people in all our planning and activities. We support and plan for the development of complete and connected communities.

Building our economy

Ka hanga a taatou Oohanga

We attract diverse enterprise/business; creating jobs and opportunities for our community. We continue to support our existing industry. We support others who leverage our location to ensure tourism brings benefits to a range of people in our communities.

Sustaining our environment

Kia toituu to taatou Taiao

We are a community that believes in environmental sustainability; we pursue and promote related ideas and manage regulatory processes to safeguard and improve our district.

Working together with you

Kia mahi tahi taatou

We work with our communities so we are collectively focused on the right things at the right time.

Providing value for money

Ka whai painga mo te puutea

Residents and ratepayers get value for money because we find innovative ways to deliver strategic, timely and fit for purpose infrastructure and services at the most effective cost.

How do these outcomes and goals link with the four well-beings?

The Local Government (Community Well-being) Amendment Act, introduced in 2019, has reinstated the four well-beings into the Local Government Act. This ensures that we, as a local authority, play a broad role in promoting the social, economic, environmental and cultural well-being of our communities. We also consider the aspect of well-being in our decision making. **Our community outcomes and goals are based on these four well-beings.**

THE FOUR WELL-BEINGS ARE:



SOCIAL



ECONOMIC



ENVIRONMENTAL



CULTURAL

Social involves individuals, their families, whanau, hapu, iwi and a range of communities being able to set goals and achieve them, such as education, health, the strength of community networks, financial and personal security, equity of opportunity and rights and freedoms.

Economic looks at whether the economy can generate the employment and wealth necessary to provide many of the requirements that make for social wellbeing such as health, financial security and equity of opportunity.

Environmental considers whether the natural environment can sustainably support the activities that constitute healthy community life such as air quality, fresh water, uncontaminated land and control of pollution.

Cultural looks at the shared beliefs, values, customs, behaviours and identities reflected through language, stories, visual and performing arts, ceremonies and heritage that make up our communities.

WHAT WE DO FOR YOU:

The work programme of council is largely funded by rates from you, your neighbours and local businesses. To allocate and manage our resources in the most effective manner, we develop plans, policies and bylaws to streamline services and facilities. These include:

- Maintaining and upgrading the district's roads
- Managing water, wastewater and stormwater
- Managing rubbish and recycling
- Providing parks and reserves, libraries, halls and community centres
- Land and property development, including building and resource consents
- Noise and animal control
- Inspection and licensing of premises
- Environment and health
- Civil Defence and Emergency Management

Together we ensure our environment is protected. We attract new business and support our existing businesses.

Your rates are split into two parts - a general rate and targeted rates. General rates are paid for by the community as a whole.

Some of this amount is based on your property value. This means the amount each ratepayer pays is different according to their own property value. And the other part is a uniform charge where everyone is charged the same amount. Each council decides if the rates will be assessed on the land value, the capital value or the annual value of the property. We use capital value which covers both the land and any buildings. An example of an activity that general rates pay for is roading and transportation, because everyone has access to these services.

Targeted rates are paid for by those who receive that particular activity or service. Examples include wastewater and rubbish collection, as not all properties in our district receive these services. Other work we do is covered by user fees and charges, which is paid for by those who use these services.

But how does this actually translate into the real world? Let us explain...



Ko Eden tenei, e mahi ana ia ki te whare pukapuka o Ngaruawahia. This is Edén, she works in our Ngaruawahia Library.

Libraries are changing – they aren't what they used to be. We are building community hubs where we want everyone to feel welcome. Our libraries are a safe haven for both young and old to come and read, learn, interact, or simply take a load off and enjoy the atmosphere.

We reach out into our communities also. We provide library services to local schools, early-childhood centres, community libraries and retirement homes. We have great partnerships with neighbouring councils too, so that some of our residents can join their libraries for free.

This is Kim, she works in our community connections team.



This team looks after our pools, halls and other council facilities, parks, playgrounds and cemeteries. This work is funded by a mixture of general and targeted rates and user fees. Over the next ten years, Kim and the team will be focusing on a number of things including connecting communities through an increase in walkways and cycleways.

This is Terrence, who works in the building team.



We're one of the fastest growing districts in the country, so this team is kept really busy. Terrence and the building team issue building consents, carry out inspections, manage compliance and make sure all the houses in the district are up to code. There is no general or targeted rate linked with this area of the business, the costs are covered by user fees and charges.

This is Trevor, who's team deliver the major council projects each year.



This includes building new libraries and playgrounds or renewing existing facilities like boat ramps and public toilets. These projects are funded by a mixture of general and targeted rates. The team work with the community connections budgets to deliver projects across the district each year.

AND HAVE YOU EVER WONDERED WHAT YOU GET FOR YOUR MONEY? Let us explain that too.

WE OPERATE:

- 6 libraries that service 16,441 library members
- 25 water reservoirs with a total capacity of 22,813m3
- 2 dog pounds
- 7 water treatment plants with a total capacity of 19,180m3 per day
- 21 cemeteries
- 25 dog exercise areas

WE PROVIDE:

- 9,973,000 litres of drinking water a day
- 53 public toilets used by 4,000 people every day
- Kerbside collections of around 11,000 tonnes of rubbish each year
- 55 playgrounds
- 13 skateparks
- 3 swimming pools
- 2 campgrounds (Papahua and Hakanoa)

WAIKATO IS HOME TO:

- Over 80,000 people (30.2% identify as Maaori)
- 91 new NZ citizens in 2020/21
- 15,269 dogs

WE MAINTAIN:

- 1,877kms of sealed roads
- 600kms of unsealed roads
- 251kms of footpaths
- Around 350 parks and reserves
- 38 community halls

WHAT DOES WATER REFORM MEAN?

Getting safe drinking water to our communities is one of the most important services we provide. Drinking water contamination in the Hawkes Bay in 2016 led to widespread illness and the Government inquiry that followed made several recommendations to make sure this doesn't happen again.

Currently 67 different councils own and operate most drinking water, wastewater and stormwater services across New Zealand. These services have been underfunded in many cases, and in the Waikato district we are facing urgent wastewater challenges related to growth and compliance with increasing standards.

Mid 2020, the Government launched the Three Waters Reform Programme - a three-year programme which will eventually change

the way these services are provided across the country. Taumata Arowai, a new regulator established in 2019, will enforce the new drinking water, wastewater and stormwater standards. The next step of the programme looks to create a small number of publicly owned entities to specifically manage and deliver three water services.

The exact size, shape and design of these proposed entities is still being worked through.

WHAT HAS HAPPENED SO FAR? AND WHAT HAPPENS NEXT?

We have signed a memorandum of understanding (MoU) that means our Council will work with the Government as they explore future service delivery options for three waters.

We expect that in late 2021, there will be a decision point for councils and their communities to participate in, or opt out of, the water reform programme. We may need to engage with you to inform this decision. If we were to participate in the water reform programme any resulting change will not happen before 2023/24.

The three waters services are vital for our community and are needed whether we as a Council deliver them or not. Since the options relating to the water reform programme are not yet available, [this LTP assumes that Council continues to own, manage and deliver the three waters services.](#)

This is reflected in the supporting information for this LTP - the financial strategy, infrastructure strategy and significant forecasting assumptions.

You can find further information on the water reform programme on the Te Tari Taiwhenua / Department of Internal Affairs website: www.dia.govt.nz/Three-Waters-Reform-Programme

THE IMPACT OF OUR DISTRICT VALUATION:

Rating valuations are carried out for every property in the district every three years. The values reflect the likely selling price of a property at the re-valuation date, not including chattels (e.g. curtains and appliances) and are not designed to be used for raising finance or for insurance purposes. Council uses the valuation data to calculate rates, so independence is critical. We can't use the new values until the Valuer General has approved them.

Our district valuation was scheduled to take place with a 1 July 2020 date, but due to COVID-19 this was postponed. With the extent of growth in our district, some property values are being challenged. This means we will not have the valuation data before this consultation document is released.

Your general rate increase may be more or less than the options proposed, based on how your property value moves in relation to the rest of the valuation. For example, if the average total valuation increase was 10%, any property where the Capital Value has moved by more than 10% would pay more than indicated and any property where the capital value has moved by less than 10% would pay less than indicated.

THE GENERAL RATE INCREASES DISCUSSED IN THIS DOCUMENT ARE BASED ON THE CURRENT VALUATION OF YOUR PROPERTY.



SUPPORTING BLUEPRINTS AND COMMUNITY PROJECTS:

The Waikato District Blueprint will help us realise our vision of creating liveable, thriving and connected communities. It is a community planning document that looks to the future for our towns and rural communities and sets out their priorities.

We have visited each of the towns that are currently in the Blueprint several times since 2018. During the early sessions we heard what was important to you and what you wanted to see in your community in the future.

Then in 2019, we asked for your feedback on what priority these initiatives should be given. In June 2019 the Waikato District Blueprint was approved by Council.

These community sessions contributed significantly to the early engagement for this

consultation document. We've heard clearly what you want for your communities which might explain why there isn't a large number of issues we're consulting on in this document.

WE'VE TAKEN WHAT YOU'VE SAID AND CONSIDERED IT WHEN PLANNING OUR WORK PROGRAMMES.

Want to find out more about the Waikato District Blueprint? Visit www.waikatodistrict.govt.nz/blueprints

Is there something your community is passionate about but you haven't seen it talked about in this document? It might be in the unfunded projects list which means we're aware of it, but we're not sure where the funding will come from just yet. The unfunded projects list can be found under supporting information on our website at www.waikatodistrict.govt.nz/ltp

There are also certain growth areas we are aware of in the district that may come on board at a later date, but we need to wait on the outcome of the Proposed District Plan before we include these in our planning.

TARGETING BLUEPRINTS AND OTHER COMMUNITY INITIATIVES

With the growth and compliance challenges ahead, we want to make sure every dollar works its hardest for our communities. As always, we need to focus on core services, but we believe we have a role in supporting community-identified initiatives that are important at the local level to truly build liveable, thriving and connected communities.

We are reviewing the way we currently support local initiatives and we propose to move away from just giving out grants and instead, target Blueprint and other initiatives that our communities tell us are their priority projects.

To make every dollar work harder, we are proposing to re-purpose some of the funding

that Community Boards, community groups, ratepayers and individuals receive to act as seed-funding. This will kick start match-funding to grow and leverage the amount available to local communities for the long-term.

Community groups who apply for council grants (e.g. events, heritage, conservation funds

and Community Boards) will move to a more streamlined process until their current funds are used up (known as a "sinking-lid"). We'll help encourage these groups to work with the wider community as Blueprints and community initiatives are reviewed and/or established, to gain support for future projects.

In summary we are looking at the following:

- The funding budget will be re-aligned to focus on the community and Blueprint initiatives to drive our vision of liveable, thriving and connected communities
- Council's funding budget remains the same as previous years - no more money is being requested
- The change from grants into community and Blueprint initiatives budget will reduce administration costs, enabling more money allocated to the community and Blueprint budget
- The new community and Blueprint initiatives budget will enable the Council to seek match funding to increase the budget allocated to each community
- The larger we can grow the community and Blueprint budget the more money can be spent in our communities
- Existing budgets will remain with Community Boards or groups, and a sinking-lid approach will be taken until the budget has been spent
- The staff involved in supporting the community and Blueprint initiatives will work directly with Community Boards, Committees and community groups to deliver their community and Blueprint aspirations

Although this is not a formal item for consultation, we still want your feedback. Do you support us in this approach? Yes or no? Tell us what you think as part of your submission on this consultation document at www.waikatodistrict.govt.nz/ltip

ASSUMPTIONS

When we are preparing our budgets and forecasting for the next 10 years, there are always factors we have to make a judgement call on. When we do this, we also think about the impact if the actual situation is different from our prediction. Here are some of our significant forecasting assumptions.

You can find more detail on these and our other assumptions in our supporting information at www.waikatodistrict.govt.nz/ltf

WHAT WE HAVE ASSUMED

WHAT COULD HAPPEN

ECONOMIC CONDITIONS

Council has assumed that New Zealand is in recession for the first two years of the plan.

Delivery of historic works and new works that support delivery of those projects have been prioritised to keep new investment at a minimum during that period.

For more information on economic conditions and potential impact of COVID-19 please see our draft Financial Strategy in our supporting information.

If there is a recession that impacts our district and it runs longer than anticipated we will address work programmes through subsequent annual plan processes. Council has both rates remission and postponement policies to assist ratepayers who are experiencing financial hardship.

THREE WATERS REFORM

As per the guidance from central government, there will be no fully developed proposal that will inform the development of the Long Term Plan 2021-31.

The Long Term Plan will therefore assume that Waikato District Council will deliver these services over the life of the Long Term Plan.

You can find more information around water reform on page 12.

There would be an impact on finances relating to these services such as, but not limited to, operating revenues, direct costs of running the activities, and value of debt incurred to fund the activities.

There would likely be second order impacts which Council would assess as part of the analysis of the proposal (once received).

WHAT WE HAVE ASSUMED

WHAT COULD HAPPEN

CHANGING WEATHER PATTERNS

As per Ministry for the Environment climate projections, it is assumed the Waikato could experience the following weather pattern changes over the next two decades and beyond:

- Higher temperatures
- Fewer frosts
- Variable rainfall by season rather than a significant change in the frequency of extreme rain
- Some increase in storm intensity, wind extremes and thunderstorms but little change to the frequency of events
- A rise in sea levels
- More frequent droughts, increased flooding around river catchments and low-lying coastal areas, coastal erosion and higher risk of landslides have been factored into planning considerations
- Climate change is a national concern, and should a significant event take place in our district it is assumed that a multi-agency approach would be used to address the impacts.

If provisions in our planning are insufficient and significant events happen, we would look to obtain financial support where possible (for example, an application to NZTA for a subsidy for a landslide event) and adjust our operational work programmes to enable emergency works to be completed. This would be dependent on the severity of the event and whether connectivity is compromised. If the event is not urgent, a subsequent Annual Plan process will be utilised to address the financial implications.

GROWTH

Our population forecast is based on the National Institute for Demographic and Economic Analysis projections for the Waikato region.

Most of the district's growth will occur in and around the existing settlements of Tuakau, Pokeno, Te Kauwhata, Huntly, Ngaruawahia (including Taupiri and Horotiu) and Raglan as opposed to the rural areas. Factored into this thinking are the effects of the growth of Auckland and Hamilton.

Should growth estimates be higher than projected and planned for in certain locations, there may be pressure for the council to provide and maintain additional infrastructure that is currently provided for in this plan. The estimated financial impacts are difficult to quantify however council would adjust its work programmes and/or enter into development agreements to ensure that growth continues to fund growth as much is as practicable.

BUILDING AND MAINTAINING INFRASTRUCTURE

Key challenges

The Waikato district is experiencing high levels of growth in parts of the district that border Hamilton and Auckland. There is also considerable planned growth in Raglan and Te Kauwhata.

We face challenges in balancing the level of investment to meet demand and growth while still maintaining the assets and services we provide to the right standards. Other factors included in our planning include changing weather patterns, meeting higher standards for our assets, and accommodating growth. Below we set out a summary of key issues in our draft 30-year Infrastructure Strategy. For further information, including a copy of the strategy, see www.waikatodistrict.govt.nz/ltp

Growth

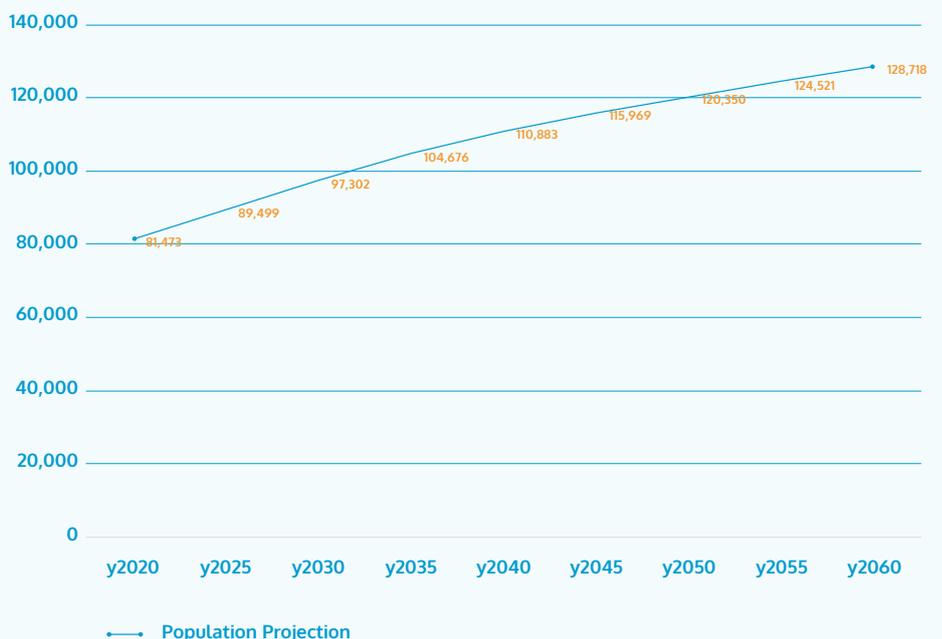
One of the things driving increased spending and investment in infrastructure is more people moving into our district. More people means we need to provide more services and make sure there

is infrastructure in place to allow for homes to be built. We also need to make sure we are mitigating the negative effects of development on our natural environment.

The following chart shows the growth we are expecting over the next 40 years. The population of our district in 2020 was 81,473. We are expecting that the population will increase by approximately 14,000 people over the next ten years and could reach 128,500 to 149,500 by 2060.

Providing too much infrastructure, or providing it too soon, creates a financial burden on Council, ratepayers and developers. On the other hand, not providing enough infrastructure can restrict growth and means we need to build infrastructure at short notice. Over the next ten years, we are forecasting that 80% of our growth will be in our towns and villages with the main portion being in larger towns such as Tuakau, Pokeno, Te Kauwhata, Huntly, Taupiri, Ngaruawahia and Raglan. Our support in these areas will help us keep up with growth demands and make up for previous underinvestment.

POPULATION PROJECTION FOR THE WAIKATO DISTRICT



OUR WAIKATO 2070 GROWTH STRATEGY PROVIDES A PLAN FOR HOW, WHERE AND WHEN GROWTH SHOULD OCCUR IN OUR DISTRICT OVER THE NEXT 50 YEARS.

We are also currently completing our review of the Waikato District Plan which may lead to re-zoning of certain areas in our district. Some of these changes may affect the later years of this draft LTP and if so, we will address that in our next LTP.

Having consulted on Waikato 2070 and Blueprints, we are able to pull these two important documents together to shape our approach for managing infrastructure for the next 30 years. This makes sure that our capital programme can help support growth areas, deliver projects from Blueprints and continue to meet our communities' expected levels of service which we are assuming to be the same for new areas of growth.

See how we have considered our infrastructure investment, which projects we are proposing to fund and which projects are currently unfunded at www.waikatodistrict.govt.nz/ltp

Maintaining our assets

Looking after our assets is important to reducing the risk of infrastructure failure and continue to provide the levels of service you expect. A challenge in this area is the increasing standards that our assets need to comply with which demands further spending on them. An example

of this is in three waters. As well as planning for the three waters reform programme (for more on this, see page 12), the standards for compliance are increasing and our work programme needs to reflect this – and that comes at a higher cost.

Infrastructure asset condition information

We have a high level of information regarding our infrastructure asset condition and we reduce risk of inaccuracy by constantly improving asset data and condition monitoring of our infrastructure assets. This provides valuable information and the ability to respond to current and future capital work programmes and preventative maintenance to ensure our most critical assets continue to provide service and to better manage the risk of failure.

Additional forecasted investment in our waters for the next ten years gives Council confidence that we maintain critical infrastructure to the community and can respond to risks which minimises any disruption. We are also improving information systems so we can get better information to inform future budget and planning decisions

while we are working on what we know about our assets, their condition, age, and how well they are performing.

Our draft Infrastructure Strategy provides more information about our asset management approach, asset condition and performance.

Being able to deliver our capital programme

Council needs to make a step change in investment in core infrastructure, particularly for roading and wastewater. We have budgeted \$51.9 million (102%) more capital expenditure for 2021/22 compared to 2020/21, and it will be maintained at that level.. We have confidence in our ability to deliver our capital works programme because of the following:

- The programme has been developed from an understanding of the condition of our assets, changing standards, district Blueprint desires and the speed of anticipated growth
- From a physical delivery perspective, we are fortunate that we have agreements in place with Watercare and our Waikato District Alliance that we can use without adding significant delay to the delivery of our programme
- We have improved our processes to ensure all site requirements are included in all contracts and our projects delivery and asset teams capabilities have increased to help us complete projects on time.

The ability to develop and build in line with our plan is always a challenge. There are many factors that can influence this that are beyond our control such as the state of the national economy, the impact of COVID-19 and the capacity within the market to deliver what we need. If a project is affected by this, it could see our levels of service not improving as fast as we had originally planned along with some risk of asset failures.

Changing weather patterns

In 2020, we adopted a Climate Response and Resilience Policy and Action Plan. Both the policy and the action plan deal with adaptation and mitigation both for the Council and within the community. These documents consider our climate risks and actions that are relevant to our district, align us with legislation such as the Zero Carbon Act, sets out our commitments, and describes the intended implementation methods.

The draft Long Term Plan will include a range of activities and projects that respond to this challenge. For example, factoring in changing rainfall patterns into our stormwater projects, working with coastal communities on adaptive management planning, and moving the vehicle fleet to hybrid or electric vehicles.

From a planning point of view, the Proposed District Plan includes new hazard areas for coastal erosion and inundation, and river-based flooding, based on the latest climate change modelling.

Transport

Our road network is our highest value asset with 1,812kms of sealed road to maintain. In 2015 we formed an alliance with Downer that has since provided for the maintenance and majority of capital work for Council and the community. Waka Kotahi (NZ Transport Agency) is a key stakeholder to the community providing co-funding across our road network. Asset management planning for our road network has special requirements from Waka Kotahi and is submitted annually to secure continued funding. We have made assumptions with some work groups requesting 100% funding. There is some risk associated with this approach which may result in the funding not being accepted by Waka Kotahi. If 100% funding for this programme is not achievable, Council has its own safety programme for roading and ensures these assets are compliant in terms of health and safety. You can find out more about our significant forecasting assumptions in our supporting information at www.waikatodistrict.govt.nz/ltp

Rail

We are committed to working with our partners - Waikato Regional Council, Waka Kotahi NZ Transport Agency, Hamilton City Council, Auckland Transport, Auckland Council, KiwiRail and central government on improving the Te Huia passenger train service over the coming years. We have committed \$220,000 per year to support the operation of the service for the first three years. We have also committed \$750,000 for the further upgrade of the Raahui-Pookeka Huntly Railway Station as well as budgeted \$100,000 for a business case for investigating Te Kauwhata as a potential future

station. We will also continue advocating with government to extend the rail electrification of the Auckland network from Pukekohe to Tuakau and Pokeno.

Water

In October 2019 we partnered with Watercare to manage our three waters infrastructure. This was completed with public consultation as part of Council's 2018 – 2021 Long Term Plan. This was expected to offer reduced future cost increases and a reduction in risk by using Watercare's expertise and economies of scale and at the time the extent of the increase to standards for three waters was not signalled or anticipated. Our goal is still to reduce further cost increases and in fact, if we hadn't entered this partnership, we would be in a worse position going forward.

Investment in water infrastructure is managed through the Water Governance Board and Council. The three waters infrastructure are assets that last a long time and are affected by population growth and legislative changes to water quality standards. The draft LTP is reflective of this and includes additional investment to ensure we can continue to provide drinkable water, and wastewater and stormwater infrastructure that meets today's standards. The water reform programme will have an impact on this area of infrastructure although we will not know the level of impact in time to adopt a LTP before July.



HOW WE FUND THE FUTURE

The Council has five main sources of income: general rates (including the Uniform Annual General Charge), targeted rates (including water-by-meter charges), development contributions, user fees and charges and subsidies, grants and investments.

HOW COUNCIL WILL FUND ITS OPERATIONAL ACTIVITY 2021 TO 2031 - \$ MILLION

Ten year operating expenditure and funding sources:



In the graph above you will see that actual operational expenditure (the blue line) is less than the total amount we collect in revenue. This is because we put money in reserve for future replacement of assets and capital work programmes (infrastructure).

HOW COUNCIL WILL FUND ITS CAPITAL EXPENDITURE 2021 TO 2031 - \$ MILLION

Ten year capital expenditure and funding sources:



KEY ELEMENTS IN OUR FINANCIAL STRATEGY

Sustainable growth

We will balance affordability, increasing expectations and growth by:

- Moving costs of services to those who use them
- Maintaining existing assets
- Modernising and improving infrastructure
- Supporting growth

Capital investment for growth

This will initially be funded by borrowing, including the interest-free Housing Infrastructure Fund (\$38 million). We will use subsidies, external funds and development contributions where possible to reduce debt. The remainder will be paid over 25 years by ratepayers.

Council's net debt

This will not exceed 1.75 times our revenue. Council's overall debt is more constrained than before so spending above planned levels to support further growth would need to look to new 'off-balance sheet' funding tools available to local government, noting that this debt would still have to be repaid by ratepayers and developers.

Rates limits

The work programmes in the draft LTP will result in an average rate increase for ratepayers that will not exceed 10% in year 1, and 8% in every other year of the plan. This limit is in relation to the current July 2017 property values.

Council's total rates revenue will increase by 8.4%, 4.8% and 4.3% in years 1, 2 and 3 respectively. This does not include rates income related to growth.

What about the 2020 values?

Depending on how your property value moves in relation to others in the district, from 1 July 2021 your rates may increase by more, or may not go up as much, as signalled in the general rate options provided on pages 24-25. This movement does not directly relate to what we have planned, but would change based on the new capital value of your home as we use capital value to calculate a portion of your rates.

Meeting our funding challenges: growth, asset replacements and increasing standards

We are a growing district. Council's forecast growth means the addition of 6,600 properties and 14,000 more people in the next 10 years. Growth brings new residents, businesses, income and employment to the district but it also increases costs, particularly in the early stages when infrastructure is needed to support that growth. Most growth infrastructure is paid for by development contributions (see page 33 for details on our development contributions policy and our current consultation on this) and what is left over to pay comes from loans and reserves. While supporting growth in growth areas, we must also continue to maintain services in areas that are not growing.

Asset revaluations show us that it will cost us even more to maintain and renew our assets over the next 10 years than it has in the past. Higher depreciation and the need to replace some assets earlier than previously planned to support growth and meet changing consent conditions means we must increase our rates. Although we are growing, the geographic spread of our district, relative isolation of some of our towns, and the number and size of the assets we need to service our communities means we do not benefit from the "economies of scale" that some of our neighbouring cities do.

We have to meet the higher legislated standards for local government, especially in water supply, stormwater and wastewater treatment and disposal. As meeting these standards is a requirement, the capital investment we need through annual targeted rates increases of 17.2%, 11.1% and 8.9% for water, stormwater and wastewater respectively will not be consulted on.

The average proposed general rate increase will be 9% in the first year with lower increases in the years after that. See pages 26-27 for further information on this proposal.

Debt

Councils borrow money to fund major projects that are not affordable in one lump sum. This borrowing is repaid through rates and development contributions as appropriate. By spreading repayment of debt over the life of the assets, this spreads the cost of the projects across the ratepayers who will benefit from the facilities, both now and in the future. Council can borrow up to 1.75 times its revenue.

Over the next few years, Council's debt is expected to increase to just over \$393 million (in 2028). This is a significant increase in debt resulting from planned capital expenditure including \$363m million for roading, \$285 million for wastewater, \$145 million for water and a further \$145 million for sustainable communities.

This expenditure is to meet the needs of the growing district, replace assets at the end of their lives and improve levels of service. The list of planned projects can be found at www.waikatodistrict.govt.nz/ltf

At this level, borrowing is still within Council's limit, but Council will have limited capacity to borrow more if needed (e.g. due to further growth or natural disaster). If additional growth arrives, Council can look at other "off-balance sheet" options with developers (which will have a repayment cost for property owners). Should the unexpected happen, Council will re-purpose work programmes and use reserve funds specifically set aside in this plan for disaster recovery.

DEBT TO REVENUE



RATES

There are two types of rates: general rates (which includes a fixed and a variable charge) and targeted rates. This section outlines changes to each of these.

General rate:

The general rate is for services and activities that all residents may benefit from. It is a variable rate based on the value of your property. The proposed general rates increase for 2021/22 is 9%.

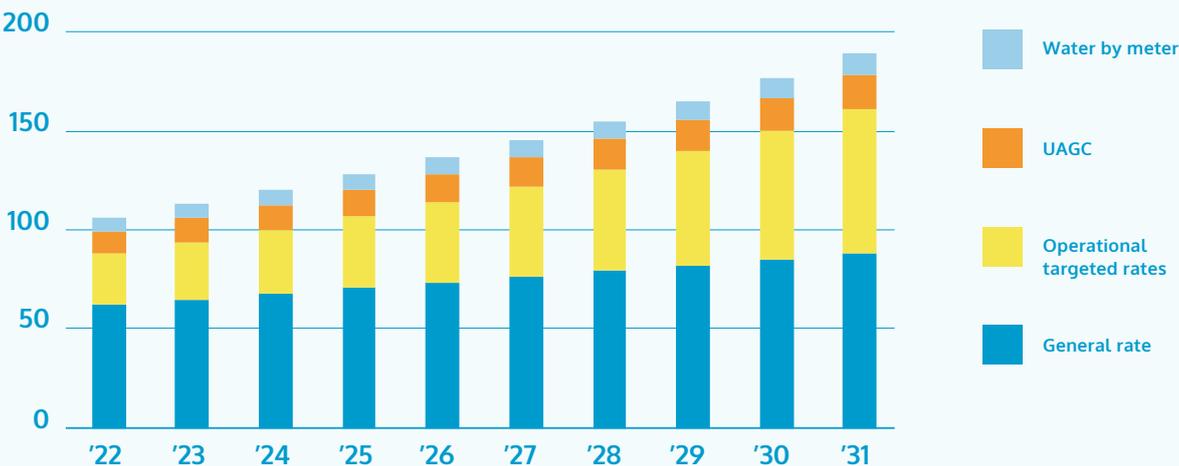
Uniform Annual General Charge (UAGC):

This is part of the general rate, but is a fixed charge regardless of the value of your property. It means all ratepayers pay the same minimum amount for council services that everyone benefits from.

Targeted rates:

Targeted rates are for services that benefit properties in specific locations, for example, rubbish collections, water supplies and maintenance for your local community hall. A proposed change to the targeted rate for solid waste is covered later in this document under our inorganic waste collection option on pages 30-31.

OVERALL RATING INCOME FROM 2022 TO 2031 - \$ MILLIONS



PROPOSED RATES INCREASES

Rate	Year 1 2021/22	Year 2 2022/23	Year 3 2023/24	Years 4 -10 2024-31
General rate per \$100k property Capital Value	\$20.13	\$8.53	\$8.83	\$7.47
Uniform Annual General Charge (UAGC)	\$34.48	\$14.62	\$15.13	\$12.79
Water targeted rate	\$43.12	\$50.54	\$59.22	\$117.46
Wastewater targeted rate	\$94.57	\$102.98	\$112.15	\$161.01
Stormwater targeted rate	\$19.36	\$21.47	\$23.85	\$37.15
Solid waste targeted rate* (decrease)	(\$13.25)	\$6.16	\$5.99	\$7.75
*Except Raglan and Te Mata (decrease)	(\$1.15)	\$4.46	\$4.69	\$5.80

What does this mean for your rates overall?

If we choose the Council's preferred options for the general rate and solid waste targeted rate increases, the impact on total property rates for 2021-31 for a selection of district properties is shown below.

	Residential - Awaroa Ki Tuakau		Residential - Huntly		Residential - Ngaruawahia		Residential - Raglan	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
Rating Valuation	600,000	600,000	320,000	320,000	395,000	395,000	610,000	610,000
Capital Value Rates	1,341.84	1,462.62	715.65	780.06	883.38	962.89	1,364.20	1,487.00
UAGC	383.15	417.63	383.15	417.63	383.15	417.63	383.15	417.63
Fixed Targeted Rates	2,209.73	2,364.03	2,205.60	2,359.90	2,188.60	2,342.90	2,102.08	2,276.85
Total Rates	3,934.72	4,244.28	3,304.40	3,557.59	3,455.13	3,723.42	3,849.43	4,181.48
Total % increase (over 2020/21)		7.87%		7.66%		7.77%		8.63%
Total \$ increase (over 2020/21)		\$309.56		\$253.20		\$268.29		\$332.04
	Residential - Tamahere		Lifestyle		Commercial		Industrial	
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22
Rating Valuation	610,000	610,000	880,000	880,000	1,520,000	1,520,000	7,600,000	7,600,000
Capital Value Rates	1,364.20	1,487.00	1,968.03	2,145.18	3,399.33	3,705.30	16,996.64	18,526.52
UAGC	383.15	417.63	383.15	417.63	383.15	417.63	383.15	417.63
Fixed Targeted Rates	581.42	587.66	971.90	1,012.27	1,965.89	2,133.44	1,607.84	1,554.84
Total Rates	2,328.77	2,459.55	3,323.08	3,575.08	5,748.37	6,256.37	18,987.63	20,498.99
Total % increase (over 2020/21)		5.62%		7.58%		8.84%		7.96%
Total \$ increase (over 2020/21)		\$130.77		\$251.99		\$508.01		\$1,511.36
	Rural Low		Rural Mid		Rural High			
	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22		
Rating Valuation	680,000	680,000	1,480,000	1,480,000	2,580,000	2,580,000		
Capital Value Rates	1,520.75	1,657.64	3,309.87	3,607.80	5,769.91	6,289.27		
UAGC	383.15	417.63	383.15	417.63	383.15	417.63		
Fixed Targeted Rates	903.90	944.27	245.83	232.58	245.83	248.95		
Total Rates	2,807.80	3,019.54	3,938.85	4,258.01	6,398.89	6,955.85		
Total % increase (over 2020/21)		7.54%		8.10%		8.70%		
Total \$ increase (over 2020/21)		\$211.73		\$319.15		\$556.95		

Note 1:

Individual rate increases will vary depending on the property type, value and location, and services available. You can see what the impact is for your own property if you go to our Rating Information Database at www.waikatodistrict.govt.nz/rid

Note 2:

Average Capital Value for 2021/2022 is per the 2017 rating valuation.

Note 3:

Fixed Targeted Rates reflect the range of services available for each property example. These do not include water-by-meter charges.

THE DECISIONS WE NEED TO MAKE:

We need your views on the options for general rates increases, if we should sell our pensioner housing portfolio and if you think we should continue to provide the kerbside inorganic collection service.

In the following pages you will find information about these topics, including the decision we have to make, the options available to us, the financial and non-financial implications of each of these options and whether or not Council has a preferred option.

Want to find out more? Come along and ask questions at one of our drop-in sessions. To find out when and where we'll be, visit www.waikatodistrict.govt.nz/ltp

SHOULD WE GO HARD AND EARLY OR TAKE A CAUTIOUS APPROACH?

We want your views about the speed of rate increases between 2021 and 2024. Should we 'go hard and go early' or be more cautious and spread rate increases more evenly over the first three years? The following information explains why this is important.

Over the next ten years, we propose to respond to our district's growth and to the challenges posed by changing community and regulatory expectations. Managing these, against a background of uncertain economic and social conditions and our COVID-19 recovery, is not going to be easy. We have taken onboard community feedback from our Blueprints, customer surveys and service requests and tried to align these with what's required to maintain our current services and plan for our district's future needs. This all has an impact on the level of debt and rates we charge.

Ratepayers, users of our services and developers each pay a portion of the costs to run the services received.

This year we would like your thoughts on which general rate option we should go with. Council's preferred option is to have a one-off larger increase in year 1 as this provides a slightly lower level of debt over 10 years and would cost ratepayers less across the first three years.

The other option is to have a slightly lower increase in year 1, followed by two more years of moderate increases. This option results in a slightly higher level of debt across the 10 year period and slightly higher costs across the first three years, but has a smaller increase in year 1.

How your rates are calculated

Your rates are made up of two types: general rates and targeted rates. This is explained in more detail on page 24. General rates primarily pay for

Council services that are available to all properties in the district, while targeted rates pay for localised services, depending on the location of your property and the services that are available. General rates are made up of two parts: one is variable and based on the value of your property, and one is a fixed charge that is the same amount for every property (this is called the Uniform Annual General Charge or UAGC). Both the variable portion and the UAGC are proposed to move up by the percentage indicated in the options.

Targeted rates

Targeted rates for the three water services in particular, water supply, wastewater and stormwater, will continue to go up in this plan. Council is not providing any options on these charges because the programmes of work must be done if our networks are to meet increasing standards set by central government. Similarly, our refuse and recycling costs, except for the inorganic kerbside waste collection, are committed and the targeted rates spread the costs across the 10 years of the draft LTP.

There is no change proposed for the Community Board targeted rate.

Some of our hall committees are looking to change their targeted rate and this will be addressed through a separate process run alongside the consultation.

For more on this, see page 33 or visit www.waikatodistrict.govt.nz/ltp

TWO GENERAL RATE OPTIONS

There are two options:

- Option one, **Council's preferred option**, is to set the general rate increase at 9% in year 1, 3.5% in year 2 and 3.5% in year 3.
- Option two sets the general rate increase at 7% in year 1, 6% in year 2 and 4% in year 3.

Effects on rates, debt, and levels of service

Under both options, the levels of service we provide will be the same. Debt is slightly lower if option 1 is selected. The following illustrates how the different options would impact a property, at different capital values. A reminder – the impact of the district's rating revaluation is unknown, so you will need to check your own property details for the impact when it becomes available from 1 May 2021 at www.waikatodistrict.govt.nz/RID

PROPOSED INCREASES FOR RESIDENTIAL RATEPAYERS OVER 3 YEARS 2021-2024

								
	Option 1	CV \$500k	CV \$800k	CV \$1m	Option 2	CV \$500k	CV \$800k	CV \$1m
		Year 1	Year 1	Year 1		Year 1	Year 1	Year 1
General rate increase		\$135	\$196	\$236	General rate increase	\$105	\$152	\$183
Total rate increase		\$289	\$350	\$390	Total rate increase	\$259	\$306	\$338
		Year 2	Year 2	Year 2		Year 2	Year 2	Year 2
General rate increase		\$57	\$83	\$100	General rate increase	\$96	\$139	\$168
Total rate increase		\$209	\$235	\$252	Total rate increase	\$248	\$291	\$320
		Year 3	Year 3	Year 3		Year 3	Year 3	Year 3
General rate increase		\$59	\$86	\$103	General rate increase	\$68	\$98	\$119
Total rate increase		\$326	\$349	\$370	Total rate increase	\$334	\$365	\$385

PROPOSED INCREASES FOR OTHER RATEPAYERS OVER 3 YEARS 2021-2024

								
	Option 1	LIFESTYLE CV \$900k	COMMERCIAL CV \$2.5m	RURAL CV \$1.5m	Option 2	LIFESTYLE CV \$900k	COMMERCIAL CV \$2.5m	RURAL CV \$1.5m
		Year 1	Year 1	Year 1		Year 1	Year 1	Year 1
General rate increase		\$216	\$538	\$336	General rate increase	\$168	\$418	\$262
Total rate increase		\$256	\$705	\$323	Total rate increase	\$208	\$586	\$248
		Year 2	Year 2	Year 2		Year 2	Year 2	Year 2
General rate increase		\$91	\$228	\$143	General rate increase	\$154	\$384	\$240
Total rate increase		\$165	\$420	\$149	Total rate increase	\$227	\$575	\$246
		Year 3	Year 3	Year 3		Year 3	Year 3	Year 3
General rate increase		\$95	\$236	\$148	General rate increase	\$109	\$271	\$169
Total rate increase		\$248	\$450	\$154	Total rate increase	\$262	\$485	\$173

SHOULD PENSIONER HOUSING BE A COUNCIL SERVICE?

We are proposing to change the way we deliver pensioner housing. We want to invite social housing providers to buy our pensioner housing off us so that it can continue to be used as social housing. We think this is a better option than Council continuing to be the landlord. Do you agree?

Waikato District Council owns and manages housing for the elderly portfolio of 3 self-contained one-bedroom units in 4 communal-style complexes in Ngaruawahia, Huntly and Tuakau. Currently 33 people live in these units. We only act as a landlord and we don't provide other services like home help, meals or other direct social support.

Tenants in our pensioner units currently pay 67% of the market rent. In the 2019/20 financial year, we received \$338,800 in income from rent from these units. In 2019/20 it cost us \$388,170 to provide the service.

We have the best interests of our tenants at heart. Community housing providers are professionals. Meeting the needs of our older people is a core part of what they do. These providers and others have told us our current approach is likely not helping those who most need subsidised housing in our district.

We don't have capacity or the funds to provide additional 'wrap-around' services for tenants such as home help, meals and social services. This disadvantages some tenants

who may need such services. Other social housing providers often provide these services. Charitable trusts, church organisations, iwi and not-for-profit organisations have provided social housing for many years and have worked with a wide range of people. They are specialists in this area and are better equipped to provide wrap-around services than we are.

We face significant financial challenges if we are to retain our pensioner housing portfolio.

Over the next 10 years

- \$1.82 million is required to maintain the properties (such as replacement of roofs and gutters, fencing, car park resealing, plumbing)
- \$0.85 million is required to make necessary upgrades to the properties to meet acceptable standards suitable for older people (such as installing low entry showers and extract fans)
- To operate the older persons housing service cost neutral, rents will need to be significantly increased to cover the cost of running the service

You might be wondering what will happen to the existing tenants if the properties are sold? We are proposing that all properties bought by social housing providers would be retained as social housing. This means existing tenants would be able stay on in their homes. This would be a condition of any sale because the wellbeing of our tenants is important to us.

We looked at a variety of options before choosing our preferred option, which is to sell the portfolio to a social housing provider.

Option 1, would see us continue to provide pensioner housing with no improved levels of service for the tenants. There would be no impact on rates or council debt.

Option 2, our preferred option, would provide a better level of service for tenants with no impact on rates or level of service for ratepayers. We will be able to reduce borrowing by \$3 million from the sale of the buildings to a social housing provider.

Effects on rates, debt, and levels of service

Under both options offered, the levels of service we provide to ratepayers will be the same. Debt is slightly lower if option 2 is selected because the sale proceeds will be used to re-pay loans. There is no impact on rates.

	OPTION 1: Retain pensioner housing	OPTION 2: Sell pensioner housing to a responsible service provider Council's preferred option
Impact on rates	NO IMPACT	NO IMPACT
Impact of Council debt	NO IMPACT	COUNCIL DEBT IS REDUCED BY \$3M
Impact on levels of service		BETTER OUTCOMES FOR TENANTS FROM AN EXTERNAL SERVICE PROVIDER
Tenants	NO IMPACT	
Ratepayers	NO IMPACT	NO IMPACT

SHOULD WE CONTINUE TO OFFER AN INORGANIC KERBSIDE RUBBISH COLLECTION SERVICE?

Although we know the service, which has generally been done each year, is popular with many in our community, there are a number of issues associated with the delivery of the inorganic kerbside service. These include health and safety, illegal dumping, compliance with rules, the fact that the cost of delivering the service is increasing and that the service contradicts our waste minimisation legislation, which is covered in our Waste Management Minimisation Plan (WMMP).

Due to increased landfill costs in the waste minimisation levy and traffic management areas, the cost to deliver the inorganic kerbside rubbish collection service is likely to increase substantially over the next three years.

For 2019/20 we had a budget of \$330,000 but the actual cost to deliver the service was \$395,000. Over the next three years, landfill costs could increase from \$90,000 to \$150,000 and cost to deliver this service to \$340,000, taking the total cost of delivering inorganic kerbside rubbish service to approximately \$490,000 per year by 2024. In the 2018-28 Long Term Plan, the inorganic collection was budgeted for all ten years (2018-28) and allowed \$331,000 in 2021/22, increasing over the period to \$384,000 in 2027/28.

In recent years, Council has looked at alternative ways to deliver the service such as using a booking system or residents receiving a voucher for a free drop off at a transfer station. Ultimately, these options are not feasible because of high costs, little interest from contractors to do the kerbside service and it still doesn't align with our WMMP.

Resource Recovery Centres planned for Huntly and Tuakau will provide a better level of service compared to an inorganic kerbside rubbish collection.

This is because there would be an opportunity for items to be reused or recovered. At the moment all collected items go to landfill.

There are two options for you to choose from:

- **Option 1** is to continue to deliver the service with an increase to the solid waste targeted rate for everyone who currently receives a refuse collection to cover the true cost of the service. The solid waste targeted rate would increase to \$229.30, an increase of \$6.68 or 3% from \$222.71 in 2020.
- **Option 2, Council's preferred option**, is to stop the service from year 1 of the 2021-31 Long Term Plan. The solid waste targeted rate would decrease to \$209.46 in year 1. This is a saving of \$13.25 from what you currently pay. Choosing this option would not cancel the collection planned for 2020/21.

Effects on rates, debt, and levels of service

Under both options offered, there is no change to Council's debt. Rates are lower for those who use the service, and the level of service is lower as the service is withdrawn.

	OPTION 1: Continue collection	OPTION 2: Discontinue collection Council's preferred option
Impact on rates	ANNUAL SOLID WASTE TARGETED RATES: 2021/22 - \$229.39 2022/23 - \$236.27 2023/24 - \$243.36	ANNUAL SOLID WASTE TARGETED RATES: 2021/22 - \$209.46 2022/23 - \$215.62 2023/24 - \$221.61
Impact of Council debt	NO IMPACT	NO IMPACT
Impact on levels of service	NO CHANGE - THE SERVICE FOR THE COLLECTION OF INORGANIC WASTE CONTINUES	REDUCTION IN LEVEL OF SERVICE - THERE IS NO SERVICE FOR THE COLLECTION OF INORGANIC WASTE.

Tell us what you think:

ONLINE

Go to www.waikatodistrict.govt.nz/ltp

POST

Phone us on **0800 492 452** to request a submission form. We'll post one out to you.

EMAIL

Send your feedback to consult@waidc.govt.nz

SUBMISSIONS CLOSE AT 5PM 7 MAY, 2021.

Want to know more? Come and see us!

Want to find out more about what the options are or have questions? Come and see us at your nearest drop-in session to speak to a member of the team! Details of the drop-in sessions, including times and locations, can be found at www.waikatodistrict.govt.nz/ltp

WE'VE ALSO BEEN WORKING ON THESE IMPORTANT DETAILS:

User fees and charges

We are proposing a number of changes to our user fees and charges for the next three years with some minor adjustments for inflation and reflection of actual costs for services.

More significant changes include:

- Removal of overdue library fees
- Adding a new boat ramp usage pass for single or annual use
- Three newly proposed category fees for commercial events that are based on the number of people attending events on our reserves
- Increase to stock impound fees
- Building consents – a number of new fees proposed to cover the actual cost of processing using a new electronic system for customers, for reviewing historic building consents, for building consent exemptions and for applications for works over or adjacent to water pipes
- An increase in monitoring fees to recover actual costs
- A new fee to cover the actual costs for large scale development which require co-ordination of a project team to assess activities across multiple areas within Council

You can download the full document which outlines our fees and charges and the proposed changes at www.waikatodistrict.govt.nz/ltp

We're asking for your thoughts on these charges at the same time, but separate from the Long Term Plan, so make sure you get a submission in by 5pm Friday 7 May 2021

Development Contributions Policy

Development contributions is money that developers or property owners pay towards the costs of infrastructure required for growth. This could include water supply, stormwater disposal and wastewater pipes, roads and footpaths, parks, reserves and community facilities. The policy outlines in more detail how this works in our district and can be found at www.waikatodistrict.govt.nz/ltp

Community Hall Catchment Review

Council has been reviewing the catchment area and targeted rate of each hall in the Waikato district. Each hall committee has suggested changes to how much ratepayers should fund the hall, based on how much they need to cover their operating costs, and a revised catchment of their hall. These options are included in our community hall catchment review.

Five halls have been prioritised at this stage in the process. These halls are Karioitahi Hall, Aka Aka Hall, Otaua Hall, Naike Hall and the Te Akau Community Complex.

Consultation for the Development Contributions Policy and the Community Hall Catchment Review is open until 5pm on Friday 7 May 2021. Find out more and make a submission at www.waikatodistrict.govt.nz/ltp

Raglan food waste collection service

The Raglan Community Board has requested Council consult on a targeted rate to allow the continuation of the Raglan food waste collection service run by Xtreme Zero Waste (XZW).

In light of the community consultation carried out in 2019 on this topic, which confirmed that the community wants the service but aren't prepared to pay higher rates for it, Council will not be consulting on this matter in this LTP.

However, given the value of the service, Council's Waste Minimisation Management Plan commitments and the national desire to implement such a service nationwide within the next few years, staff are working with XZW, the Ministry for the Environment and other potential funding partners to ensure the continuation and possible long-term expansion of the existing Raglan food waste trial. This may take the form of seed funding, community grant or a combination of the two.

TO THE READER:

Independent auditor's report on Waikato District Council's consultation document for its proposed 2021-31 long term plan.

I am the Auditor General's appointed auditor for Waikato District Council (the Council). The Local Government Act 2002 (the Act) requires the Council to prepare a consultation document when developing its long term plan. Section 93C of the Act sets out the content requirements of the consultation document and requires an audit report on the consultation document. I have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 6 April 2021.

Opinion

In our opinion:

- The consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2021 31 long term plan, because it:
 - fairly represents the matters proposed for inclusion in the long term plan; and
 - identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

Emphasis of Matters

Without modifying our opinion, we draw attention to the following disclosures.

Uncertainty over the delivery of the capital programme

Pages 19 and 20 outline that the Council is proposing a significant increase in its budgeted capital programme, with capital expenditure forecast to increase by 102% for 2021/22 compared to 2020/21. Capital expenditure is forecast to be maintained at that increased level for the duration of the long-term plan. While the Council has put in place a number of initiatives to deliver its planned capital programme, there are many factors beyond its control, such as the state of the national economy, the impact of Covid-19, and the capacity of the market to deliver what is needed. If a project is affected by these factors, levels of service may not improve as quickly as planned and there could be increased risk of asset failures.

Uncertainty over three waters reforms

Page 12 outlines the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters services provided is currently uncertain because no decisions have been made. The consultation document was prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the consultation document has been based. The Council expects further consultation with the community will be required once there is greater certainty with respect to the proposals.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor General's Auditing Standards and the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the consultation document. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the consultation document.

We did not evaluate the security and controls over the publication of the consultation document.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long term plan, whether in printed or electronic form;

- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

We are responsible for reporting on the consultation document, as required by section 93C of the Act. We do not express an opinion on the merits of any policy content of the consultation document.

Independence and quality control

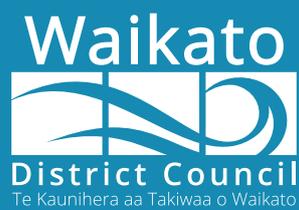
We have complied with the Auditor General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to this audit and our report on the Council's 2020/21 annual report, we performed a limited assurance engagement related to the Council's debenture trust deed and an assurance review over the procurement of a roading contract, which are compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the Council or any of its subsidiaries.

Clarence Susan
Audit New Zealand

On behalf of the Auditor General,
Tauranga, New Zealand



TE WHAKAMAHERE WHAARO A

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