LTP – where are we at?
The current picture
Why are we here today?

- We need to have an honest conversation with you as those who are closest to council, representing our communities

- To share the magnitude of our collective challenge to deliver an affordable LTP which delivers on the future direction work done with some of you

- Because there will be some tough decisions to be made

- There will be affordability challenges

- So we are going to need your help to share these messages in a way that helps us collectively make sensible and informed decisions
**Our World has changed since the last LTP (i.e. to year 4)**

<table>
<thead>
<tr>
<th>Assumption</th>
<th>Impact</th>
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<tbody>
<tr>
<td>Public expectations increasing</td>
<td>- Water (Hastings)</td>
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</table>
| Growth | - More growth OR 'success' related activity than anticipated  
- Strain on operations incl. ability to get staff  
- Increased/bought forward capital works programme |
| Depreciation Method and Useful Lives of the councils assets & Revaluation Movements | Increased asset revaluations means that current estimates of depreciation no longer adequate. In excess of $1m additional funding required |
| Dividend Income | Strada dis-banded. Loss of $500k dividend |
| Ownership of a significant asset | Actively investigating the option of a Waters CCO |
| Cost Assumptions | Challenged in this growth environment |
What does this mean?

- 3% - General rate increase anticipated at last LTP

- 6% - Additional General rate funding required ($3m)

- 9% - just to stand still - no new direction and no investment 'in' the business

- All on top of our targeted rate pressures
What are we doing about it?

- Leadership team charged with bridging the gap
- Nothing off the table
- Have identified many JDI's and others requiring business cases
- So far $400k
- We will be bringing suggestions to council
- Potentially includes increasing revenue/reducing costs/challenging LOS/invest now to save $
## Council Direction

<table>
<thead>
<tr>
<th>Community Outcome</th>
<th>Descriptors</th>
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<tbody>
<tr>
<td><strong>Sustaining Our Environment</strong></td>
<td>We are a community that believes in environmental sustainability, we pursue and promote related ideas and manage regulatory process to safeguard and improve our district</td>
</tr>
<tr>
<td><strong>Providing value for money</strong></td>
<td>Residents/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.</td>
</tr>
<tr>
<td><strong>Supporting our communities</strong></td>
<td>We consider the well-being of all of our people in all our planning and activities.</td>
</tr>
<tr>
<td></td>
<td>We support and plan for the development of complete and connected communities.</td>
</tr>
<tr>
<td><strong>Building our economy</strong></td>
<td>We attract diverse enterprise/business; creating jobs and opportunities for our community. We continue to support our existing industry.</td>
</tr>
<tr>
<td></td>
<td>We support others who leverage our location to ensure tourism brings benefits to a range of people in our communities.</td>
</tr>
<tr>
<td><strong>Working together with you</strong></td>
<td>Our communities work with us so we are collectively focused on the right things at the right time.</td>
</tr>
</tbody>
</table>
How is this different/more overt?

- We support and plan for the development of complete and connected communities

- We support others who leverage our location to ensure tourism brings benefits to a range of people in our communities

- Residents/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.
Some great wins...

Some big wins....
- Waikato District is on the map
- Pokeno growth
- Growth in tourism $
- HIF - $37m we weren’t meant to get!
- Digital enablement (8 towns +)
- Civil defence outcomes
- Wastewater CIP Annual Plan
- Waters CCO activity
- Culture/leadership progress & commitment
- Regional initiatives
- Some haven’t borne fruit yet – TIF, Fibre
- Proven agility

Delivered by...
- Stretched Staff
- Use of consultants
- Continuing to absorb!
- Inconsistent planning
What's important?

**Town Planning**
- Building Communities
- Growth planning – “joined up”
- Align implementation with strategies

**Best Practice Project and Programme Planning**
- Meet value propositions
- Value for money
- Right outcomes
- Best practice e.g. Asset management planning
Transition required...

- Take a break from adding new things not in strategy
- Allow some planning processes to catch up – ‘community planning’
- Internal connectedness – eg. ‘growth forum’
- Assess what we should Stop, Start, Continue from our current projects
- Develop a transition plan and communicate with affected communities
Summary

- Council continues to punch above its weight but want to be more consistent
- Council has landed on proposed new direction with you
- This includes some new focus areas – so needs attention in LTP
- Operations are currently stretched/stressed
- More capacity and $ required for “internal” innovation – investment required
- Budget capacity required - $3m gap
- Work being done to bridge gap (and some!)
- Pause and refocus:
  - Community planning – strategies at the right level
  - Doing the right thing - planning, engaging, value
- This will require us to stop – start – refocus (transition)
- May require conversations with communities
  - Transition
  - Current situation and test of way forward (LOS)
- We need you to be involved and come along on this journey

Questions?