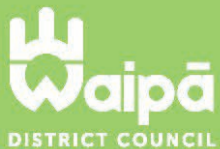


WHAT'S  
NEXT  
WAIPĀ?

WAIPĀ, KIA ANGA  
WHAKAMŪA TE TITIROI

# LONG TERM PLAN 2021-2031



## LONG TERM PLAN OVERVIEW

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Our Long Term Plan is our most important planning tool that sets out what Council plans to do over the next decade – and how it will be paid for. Every council in New Zealand must adopt a long term plan that covers a period of at least ten years (Local Government Act 2002), which is reviewed and updated every three years.

It includes detailed information on the activities, services and projects we intend on delivering, when we will deliver them, where and how. Specifically it includes:

- The activities of Council
- How we will achieve our community outcomes
- An overview of integrated decision-making and how Council resources will be coordinated
- A long-term focus for the decisions and activities of Council
- The basis for accountability of Council to the community.

Ultimately, it tells you what your rates may look like for the next 10 years.

For the purposes of this document we have named our long term plan the Long Term Plan 2021-31, and we generally refer to it as the Long Term Plan.

This plan was adopted by Waipa District Council on 29 June 2021 and takes effect from 1 July 2021.

**Please note:** Information relating to years 4-10 in the Long Term Plan will be updated in 2024. The achievements in any year will be reported in our Annual Report for that year.

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# WHAT'S NEXT WAIPA



## FOREWORD FROM THE MAYOR AND CHIEF EXECUTIVE

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### Building Connected Communities for the next 10 years

We're proud to present our Long Term Plan 2021-2031 which sets our direction for Waipā for the next 10 years.

Our previous Long Term Plan was transformational and ambitious. We've completed a massive capital works programme worth \$335.6 million, opened new community facilities, rolled out new services, and upped our game to build better working relationships with you and our communities.

In our last Long Term Plan we wanted to recognise where we have come from – our unique culture and history – and at the same time plan effectively for a rapidly growing district. Many would argue Waipā has become one of the most desirable places to live in New Zealand, and this is something we can all be extremely proud of!

Now we move into a more uncertain time where we are still trying to understand the full impacts of the global COVID-19 pandemic. Coupled with that, housing affordability has become a huge issue for New Zealand and the Waipā district. New Zealand has also declared a climate change emergency, which impacts many parts of our business including stormwater management, management of water supply, roading, property, emergency management, and the issue of planning and building consents.

However, there are many things we can do together to help reduce emissions, for example, recycling, waste minimisation, riparian and forestry planting, managing our fleet, promoting the use of cycleways and walkways, the management of our facilities and wastewater treatment.

We've made sure all of the areas above have been considered in our Long Term Plan, and prioritised areas of work that respond to COVID-19 recovery, affordability and climate change.

While we do have some challenges ahead, it's vital we continue working towards our goal of building vibrant, connected and liveable communities. Public places like parks, playgrounds, cycleways and walkways, as well as infrastructure like roads, water, wastewater and stormwater, must be well-planned and provide for community wellbeing.

## The numbers

Over the next 10 years...

- We are looking at an average rates increase of 2.2 per cent over the 10 years, starting with 4.6 per cent in 2021/2022
- We are budgeting on spending \$2.2 billion on our district including capital and operating costs
- \$0.95 billion (just under half of our overall budget) will be funded by rates
- By 2024/25 our average debt is set to peak at \$319 million, but even at this peak, we have room to borrow another \$99 million if we have to
- By year 10, our debt levels reduce to \$201.9 million
- The amount we collect in rates is 51 per cent of our total revenue for the 2021/22 (year 1).

## Where are we going?

Waipā is a great place to live, work, play and invest. To keep it this way, we need to manage growth well, which means:

- Having the right waters infrastructure in place to reduce flooding in heavy rain
- Providing sufficient, quality drinking water
- Having access to wastewater services
- Ensuring appropriate roads, walkways and cycleways are available
- Planning green spaces and recreation areas for health and social wellbeing
- Delivering great connections to neighbouring areas

More people also want to work closer to home, so we plan our new industrial areas to be close enough to commute sustainably, but with appropriate provisions in place to attract small, medium and large commercial and industrial businesses to our towns.

By 2050 we're projecting 18,900 more people will live here. This will take our total population to 73,800. Cambridge is expected to be home to 30,300 people (adding 12,300 to the 18,000 who are estimated to live there). Meanwhile, Te Awamutu and Kihikihi is projected to be home to 18,500 people (adding to the 14,700 people estimated to live there). We'll need an approximate 212 more houses in Cambridge every year to ensure new people moving to Waipā have a home. Te Awamutu and Kihikihi combined, will need approximately an additional 100 houses every year. We're also expecting an influx of new commercial and industrial businesses to Waipā, so we've set aside 253 hectares of land in Hautapu to accommodate new industry.

## **The big decisions**

### **Pirongia – Ngā Roto – Te Awamutu Cycleway connection**

Council will work to create a recreational cycling route between Te Awamutu and Pirongia.

The community supported Council's preferred option to develop section two of the cycle way between Lake Ngā Roto and Pirongia via Macky Access. Once landowners have consented to providing public access on their properties, the project will include a two metre wide path, mostly off road, and will showcase some of the district's most significant natural and cultural sites.

The option via Macky Access is the safest option for cyclists, as it has the largest proportion of off-road track. However, for added safety precaution, the proposed route will go through a safety audit before construction begins.

The total cost of section two is \$4,363,456 with \$3,275,832 to be provided through external funding.

### **Urban Mobility**

The community provided strong support for Council to roll out an urban mobility network in Cambridge and Te Awamutu to better connect places like schools, shops and workplaces for cyclists, pedestrians and scooter users.

While there are many benefits to safer cycling, walking and scootering through an urban mobility network, such as less traffic congestion, reduced vehicle emissions, better safety, less demand on parking, and more vibrant towns, Council did acknowledge that a willingness to change our behaviours to benefit wellbeing can be difficult for some residents. So an independent committee or community working group will be established for the project to work in the best interests of delivering good community outcomes.

The Urban Mobility Network will cost \$10,920,120 with \$5,569,261 in funding from Waka Kotahi (NZTA).

### **Lake Te Koo Utu**

Improving the natural health of Lake Te Koo Utu and telling its history has been a priority of the community for some time, and the community is very supportive of work getting underway to

- Improve water quality and the habitat of Lake Te Koo utu
- Improve the overall visitor experience
- Acknowledge the significant of the reserve to mana whenua

- Improve the natural ecosystem
- Provide education on the history and cultural significance of the area
- Improve habitat connectivity to the Karāpiro Gully, the green belt and the Waikato River, and
- Provide a progressive approach to the renewal of a comprehensive stormwater consent.

It will cost \$5,855,892 to implement the full concept plan. To remove financial burden on ratepayers, \$5,855,892 will be funded through asset sales. Council will also look to set up a volunteer group to help with restoration planting.

### **Te Awamutu War Memorial Park**

It is clear that the Te Awamutu War Memorial Park is important to the Te Awamutu community. Feedback on the Te Awamutu War Memorial Park concept plan and through the Long Term Plan consultation process, strongly highlighted a desire for Council to increase its maintenance of the park and make some necessary improvements.

The changes to the park will:

- Improve the water quality and surrounding habitat of the Mangaohoi and Mangapiko streams
- Improve wayfinding signage
- Improve the overall experience for visitors to the park
- Enable better maintenance of the park

When considering changes to the park and a final design plan, Council will ensure the views of the community and stakeholders, including the RSA and mana whenua are understood.

Work will begin on a Heritage Management and Maintenance Plan in 2021/22 which will include enriching the stone work across the front of the park.

The total cost will be \$5,699,793 with \$5,699,793 provided through asset sales.

### **Resource Recovery Centre**

The Waipā community has been overwhelmingly supportive of Waipā District Council in establishing a Resource Recovery Centre to give more unwanted household items a new life and divert tonnes of waste from landfill.

Council decided to partner with a community organisation, charitable group or iwi partner to develop the centre, which will service the entire district. It will be set up in an existing building on an industrial or commercial site and is set to create employment opportunities for six or seven full time staff over time.

In total, it will cost \$2.1 million to purchase or lease an existing site and prepare it for the service, plus operating costs of \$649,605. \$1.4 million of external funding is expected. The impact on all rates types will be \$195,181 per annum from year five onwards.

### **Te Ara Wai**

Our vision for Te Ara Wai is very much alive. In May 2021, Council accelerated its commitment to build Te Ara Wai, a new museum in Te Awamutu, by buying the old Bunnings building in Arawata Street. The location is ideal because it is across the road from Selwyn Park, near the historic St John's Church, and is close to the Mangaohoi Steam.

In partnership with Iwi, Te Ara Wai offers an amazing opportunity to Te Awamutu, Waipā and New Zealand to finally share its stories, right where they happened.

This has required a re-jig of Council's Long Term Plan. \$7.2 million has already been committed to Te Ara Wai. The cost for the build is \$20.5 million. After adjusting to remove other projects that are no longer required due to the change in location, the remaining \$7m will be funded by external fundraising and asset sales. Lease costs for the site will be \$123,500 excluding GST per annum, and operating costs will kick in by year 4.

### **Cambridge Town Hall**

The Cambridge Town Hall is an iconic part of Cambridge's story. However the hall is very much in need of some work to get it up to the standard where it is suitable for a wider range of events.

Because the town hall is so important to the Cambridge community, and we want to maintain and preserve it for many years to come, we've budgeted \$4.1 million to make improvements and undertake earthquake strengthening work.

We have also included in this Long Term Plan \$120,000 of operating costs in year one for the Cambridge Town Hall Community Trust, which will be used for catch-up repairs and maintenance to make the town hall a more presentable facility, contract resourcing and associated marketing focussed on activation of the facility, and initial community engagement and consultation on potential future uses and development of the town hall.

### **Other community facilities**

Community projects have been the real winner of this Long Term Plan with more budget set aside for big gains.

\$120,000 has been allocated in year one for skate parks across the district, which will be used for site identification, feasibility, geotechnical advice and concept design. \$1,730,000 will then be used for the construction and redevelopment of skate parks in year two.

For Kihikihi, \$50,000 will be used in year two for a feasibility study to develop a community centre in the heart of the town. Council will also use \$50,000 in year three for a feasibility study for a new sports centre at the Kihikihi Domain, and \$30,000 will go towards developing a master plan for the Kihikihi Domain in year three. \$40,000 will be provided for administrative resource for the Kihikihi Domain once an agreed plan is in place, but no earlier than year two. A \$1,000 grant will also be paid to the Kihikihi Police House Temple Cottage Trust for each year over the next 10 years.

In Cambridge, \$25,000 has been allocated for court renewals at the Cambridge Racquet Club in year 1. \$25,000 has also been allocated in year two to prepare a Leamington Domain master plan. In addition to this, Council has also committed to \$600,000 in capital expenditure in year two for sports field development at John Kerkhoff Park, Vogel Street, Cambridge, and \$80,000 in maintenance costs per annum from year three.

### **Three waters reform**

Waipā has signed a memorandum of understanding to engage with central government around water reform and how water services are delivered in the future. The proposal is to move the delivery of water services from local government to a public multi-regional model.

Nationally there are strong aspirations to improve our waterways, and locally we've made a commitment to be environmental champions. We are required to take the best approach for our infrastructure, and this will require significant investment.

At this stage, all water and wastewater costs are included in this Long Term Plan. If our assets and management of these assets are to be transferred to a different model, we will engage with you to ensure you fully understand the impacts and what it means for this district. Likewise, if we decide not to proceed with any proposed option, we will consult with you before any decisions are made.

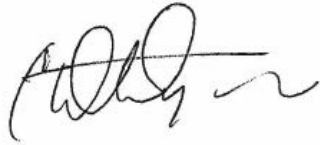
Outside a potential water reform, we have also been working through options for the Cambridge Wastewater Treatment Plant, which requires a big investment and possibly a subregional partnership with key stakeholders to futureproof wastewater services for Cambridge. We're still working through the details and this Long Term Plan was developed based on the information we have available in June 2021.

The next 10 years will be a challenging but exciting time for Waipā. We are continuing a fantastic journey and would like to thank everyone who has contributed to developing this clear plan for Waipā with a strong programme of work that will see our district continuing to thrive.

Jim Mylchreest  
MAYOR



Garry Dyet  
CHIEF EXECUTIVE





# YOUR MAYOR AND COUNCILLORS (THE FINAL DECISION MAKERS!)

Get in touch with the mayor or your local councillor if you have any questions about what we're proposing for the next 10 years.



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## STRATEGIC DIRECTION

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Council's purpose, as set by the Local Government Act 2002, is to enable local decision making on behalf of communities and to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

### Setting the course - Vision

We're Waipā Home of Champions and we plan to stay that way.

In 2019 we asked our communities what they thought about our Vision and if it still reflected the current and future aspirations, priorities and needs for Waipā. Our communities told us that it captures the best way forward for our district. Our Vision identifies and celebrates the district and its champion communities, and all things residents love about living and working here. It also highlights 'connection', which was heightened in our communities through the COVID-19 lockdown.



### Community Outcomes

The Local Government Act 2002 requires that our Long Term Plan describes the Community Outcomes for Waipā district. These are the things that ultimately we aim to achieve by providing our services. The Community Outcomes we want to achieve for Waipā all have community wellbeing at their heart.



Below, we briefly describe the Community Outcomes.

#### Socially resilient

He aha te mea nui o te ao? Māku e kī atu he tangata, he tangata, he tangata! – it's all about people

- Waipā is a great place to live, work, play and invest
- We invest in hauora and support the great work community groups do
- Waipā provides a high quality of life for current and future generations

#### Cultural champions

Promoting our culture and heritage

- We champion the unique history of Waipā
- We have a high level of cultural awareness
- We partner with tangata whenua
- We respect the cultural diversity in our district

## Environmental champions

### Protecting and sustaining our environment

- Environmental awareness and responsibility is promoted within the community
- We support programmes that promote environmental sustainability
- We are responsive to climate change

### Economically progressive

#### Supporting a thriving, sustainable economy

- We have financially sustainable decision making and work programmes
- We provide new infrastructure as an economic stimulus for our district
- Our services provide excellent value for money
- We actively promote our district to enable development, employment and business opportunities
- Waipā is a great place to invest and do business

## External Strategic Priorities

The External Strategic Priorities provide our focus for the next three years. These are:



**CREATING  
VIBRANT  
COMMUNITIES**



**NURTURING AND  
RESPECTING  
OUR UNIQUE  
CULTURE AND  
HERITAGE**



**EFFECTIVELY  
PLANNING AND  
PROVIDING  
FOR GROWING  
COMMUNITIES**



**PREPARING  
FOR CLIMATE  
CHANGE**



**LEADING THE  
RECOVERY OF  
WAIPĀ**

Below, we briefly describe the External Strategic Priorities.

#### **Creating vibrant communities**

- We celebrate all the things residents love about Waipā and foster connections with people and places.

#### **Nurturing and respecting our unique culture and heritage**

- In partnership with tangata whenua, we increase our communities' awareness, understanding and appreciation of the district's history and significant sites.

#### **Effectively planning and providing for growing communities**

- Our population is increasing because Waipā is a highly desirable place to live, work, play and invest. Growth is forecasted to continue and we need robust planning and infrastructure to create liveable communities.

#### **Preparing for climate change**

- We are experiencing the impacts of climate change in Waipā and must actively respond to ensure we have resilient communities.

#### **Leading the recovery of Waipā**

- In partnership with iwi, we lead the community in the economic and social recovery of the district in response to the global COVID-19 pandemic. We enhance our communities' resilience for the future.

Our Strategic Direction has shaped the development of our Long Term Plan and the projects, services, activities and programmes of work we're planning for the next 10 years. All of our strategies, plans, policies, activities and work programmes will be shaped to successfully deliver on Council's Vision, Community Outcomes and External Strategic Priorities. The table below identifies specific actions and initiatives to deliver the External Strategic Priorities.

**Table 1: Strategic priority actions**

External Strategic Priority	Descriptive statements	Specific actions / initiatives to deliver the priority
Creating vibrant communities	We celebrate all the things residents love about Waipā and foster connections with people and places.	<ul style="list-style-type: none"> <li>▪ Develop and upgrade Cycleways throughout the district.</li> <li>▪ Develop and upgrade community facilities such as skate parks and sports fields, parks and reserves.</li> <li>▪ Roll out an urban mobility network around Te Awamutu and Cambridge.</li> </ul>
Nurturing and respecting our unique culture and heritage	In partnership with Tangata whenua, we increase our communities' awareness, understanding and appreciation of the district's history and significant sites.	<ul style="list-style-type: none"> <li>▪ Continue to develop Te Ara Wai.</li> <li>▪ Upgrade and refresh aspects of our premier parks and reserves.</li> </ul>
Effectively planning and providing for growing communities	Our population is increasing because Waipā is a highly desirable place to live, work, play and invest. Growth is forecasted to continue and we need robust planning and infrastructure to create liveable communities.	<ul style="list-style-type: none"> <li>▪ Develop and implement a Community/Spatial Plan for the district.</li> <li>▪ Undertake district plan changes to meet the changing needs of our growing communities.</li> <li>▪ Develop and implement a property strategy to inform Council's approach to asset sales and land acquisition.</li> <li>▪ Review, redevelop and implement a Transport Strategy.</li> <li>▪ Large infrastructure projects including roads/transport routes, water supply, wastewater, stormwater and parks to enable residential and industrial development</li> </ul>

External Strategic Priority	Descriptive statements	Specific actions / initiatives to deliver the priority
Preparing for climate change	We are experiencing the impacts of climate change in Waipā and must actively respond to ensure we have resilient communities.	<ul style="list-style-type: none"> <li>▪ Review, redevelop and implement an Environment Strategy.</li> <li>▪ Partner with a community organisation or group to develop a resource recovery centre.</li> <li>▪ Plan and implement greenhouse gas mitigation initiatives.</li> <li>▪ Increase Council's understanding of climate change risks.</li> </ul>
Leading the recovery of Waipā	In partnership with iwi, we lead the community in the economic and social recovery of the district in response to the global COVID-19 pandemic. We enhance our communities' resilience for the future.	<ul style="list-style-type: none"> <li>▪ Review, revise and implement the Council's Economic Development Strategy.</li> <li>▪ Continue to fund and deliver an ambitious capital works programme, whilst balancing the ability of our residents and ratepayers to pay for our services and activities.</li> <li>▪ Create and fund two community advisor roles to engage with community organisations and determine priorities as we recover from the global COVID-19 pandemic.</li> </ul>

# **SIGNIFICANT FORECASTING ASSUMPTIONS**

## SIGNIFICANT FORECASTING ASSUMPTIONS

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In planning for the future we must make assumptions. These carry a level of risk, as they may not hold true. The impacts of these can largely be mitigated through review, with any changes included in Annual and Long-Term Plans.

The assumptions used for planning projects for 2021 to 2031 are outlined below:

### Climate change

#### **We assume:**

That the Waipā district can expect warmer temperatures and more frequent extreme weather events (drought and heavy rainfall) with little change in the average annual rainfall.

#### **Our level of uncertainty:**

Medium.

#### **The risk:**

The impacts of climate change could be felt sooner and be greater than expected. The design of our existing infrastructure may not sufficiently account for the localised effects of climate change such as increased rainfall or drought conditions. The increased frequency of drought conditions may lead to water shortages, increased demand for irrigation, increased road roughness on roads with an underlying peat base, and higher risk of wildfires. Heavy rainfall events may also overwhelm parts of the stormwater network. As a result, our environment, communities and economy could be negatively impacted.

#### **So we will:**

Take steps to reduce Council's greenhouse gas emissions profile and identify the risks and opportunities arising from climate change.

Continue to ensure, where appropriate, that infrastructure design includes allowance for climate change as required by legislation.

Details of our planning for the impacts of climate change and how it will affect Council's operations, levels of service and responses can be found in our Activity Management Plans. We believe Council's water supply and stormwater activities will be the most affected.



## Global crisis or pandemic

### We assume:

That Council will be able to maintain its level of service during a global crisis or pandemic, with sufficient systems and procedures in place to ensure business continuity, and that Council will be able to adequately resource and support any emergency management response in the event of a global crisis or pandemic.

### Our level of uncertainty:

Medium – High.

### The risk:

The effect of a crisis or pandemic on the Council will be greater than assumed, and levels of service will be significantly affected.

The full impact of the COVID-19 pandemic in New Zealand and specifically in the Waipā district is as yet unknown. Even if the COVID-19 pandemic does not end up having a significant impact on the council's activities and levels of service, it is unknown when another pandemic or other crisis might occur.

### So we will:

Maintain Council systems and procedures in place so staff can work remotely if appropriate, however some of the Council's activities cannot be performed remotely.

Reprioritise some Council business-as-usual activities to focus resources on a major emergency management response if required.

Widespread self-isolation, quarantine or complete lockdown would have an impact on customer-facing, direct contact activities. There would likely also be a significant negative impact on Council's revenue due to reduced activity levels, and some ratepayers' and residents' ability to pay rates, user fees and charges.

## Significant emergency events

### We assume:

That no significant emergency events (natural disasters) affecting our district will occur during the period of this plan, that cannot be funded out of the budgetary provisions or met by insurance arrangements. We also assume that 60% of the costs associated with damage to Council's underground infrastructure assets from a significant emergency event, will be provided by the central government for the portion of the cost of damage in excess of \$10 million.

**Our level of uncertainty:**

High due to the unpredictable nature of such events. Due to the high degree of uncertainty associated with the occurrence of a significant emergency event it is not possible to quantify the financial implications.

**The risk:**

A significant emergency event occurs during the 10-year period, which Council cannot afford to fund within the current budgets.

**So we will:**

Ensure that we have adequate insurance to cover the district's assets against such events.

Ensure that the commercial insurances are at a level to cover the district's assets against such events when taking into consideration central government's role in disaster recovery and restoration.

Continue to give focus and attention to our involvement with sub-regional emergency management activities, and local emergency management and business continuity planning. In the event of an emergency, Council's response will be immediate, with appropriate resources redirected for that purpose.

If a significant event occurred this would result in unforeseen costs, which would place demands on Council's funding streams, in this case, mainly debt funding. A committed cash advance facility of \$5 million is available to be called upon in the event of a natural disaster, and short-term lending opportunities exist with the Local Government Funding Agency.

**Changes in legislation****We assume:**

That we will continue to see legislative change as a result of central government initiatives to influence economic, social, cultural and environmental outcomes. This will likely include reform in the areas of:

Planning and resource management – central government's independent resource management reform panel recommends significant fundamental reforms. One of the key recommendations is to repeal the Resource Management Act 1991 and replace it with a Natural and Built Environments Act, and a new Strategic Planning Act.

Three Waters - central government is proposing a nationwide reform of Three Waters (Water Supply, Wastewater, and Stormwater) service delivery arrangements. The governments proposes to set up one-to-five water authorities nationwide. Council has agreed to engage and participate in the Three Waters Services reform through a memorandum of understanding with the Crown.

**Our level of uncertainty:**

Medium.

**The risk:**

Compliance with such diverse, fragmented, and in some cases, very historical legislation and regulatory requirements is a very challenging task for councils. New or amended legislation frequently involves additional regulation, reporting, resources, and expertise, as well as community input into the development of associated policies or bylaws. Legislation may require significant change to the way we currently perform by either adding new functions, removing existing ones and/or changing the nature of how these are undertaken.

**So we will:**

Continue to work with central government through LGNZ and other forums to influence policy and legislative change and to make submissions.

Continue to collaborate as a region or sector in responding to change, and to streamline plans, policies, and strategies.

Continue to monitor changes in legislation and, where changes are proposed, provide input regarding the effects and implications.

Develop a district-wide spatial plan to deliver economic, social, cultural and environmental benefits, and create a shared plan for investment and development. Following development of the spatial plan we will review our work programmes and budgets and amend these accordingly.

**Three Waters Reform****We assume:**

Central government is working through a reform that looks at the way water supply, wastewater and stormwater (three waters) are managed. We expect the reforms (and the establishment of Taumata Arowai) will change the way we will need to demonstrate compliance, assess risk relating to source and treated water quality, and require licencing and authorisation of water supplier entities and individuals involved in providing three waters services.

Additionally, an intention of the reforms is to explore publicly-owned multi-regional models for water service delivery (with a preference for local authority ownership). Final decisions on a service delivery model will be informed by discussion with the local government sector and the work of a Joint Steering Committee. As details of proposed new entities are still unknown, it is assumed that we will continue to provide water, wastewater and stormwater services throughout the period of the Long Term Plan.

**Our level of uncertainty:**

High.

**The risk:**

The details of future legislative changes are unable to be anticipated with any level of certainty. Given the lack of detail, the timing of the projects in our plan have been determined based on current legislation.

**So we will:**

Continue to work with central government (individually, and collaboratively with other entities) to influence policy and legislative change. To date, we have signed a Memorandum of Understanding (MoU) with Government to join the first phase of the three waters reform and have received \$6.82M in funding to support the delivery of specific three waters projects. The MoU commits us to a collaborative process with central government exploring structural reform in the waters sector, with a focus on a multi-regional approach to three waters management, aimed at delivering improved health, economic, cultural and environmental outcomes.

**Local government structure****We assume:**

That the activities and services Council currently provides will continue to be delivered over the period of this plan. Council notes there are central government initiatives considering reforming the way Three Waters Services are managed and delivered (discussed above), however, for the purposes of this plan the status quo is assumed.

We also assume that there will be increased shared service arrangements between councils, for example in the areas of Three Waters or Resource Management Act (RMA) planning.

And we assume that any change to the structure of local government would be led by local government and would most likely arise from mandated shared service arrangements (for example, Three Waters Reform). However, more fundamental changes to local government structure (for example, joint CCOs or council amalgamation) are also possible to fully realise the opportunities around mandated shared services and shared functions. For the purposes of this document, we will assume that the activities and services Council currently provides will continue to be delivered over the period of the plan.

**Our Level of uncertainty:**

High.

**The risk:**

Change to the current governance structure could lead to less local democracy and decision-making. Central government signals changes within local government that results in a change to our organisation, in terms of structure and/or the services we offer that we had not anticipated or planned for.

**So we will:**

Continue to work actively with central government and other councils within our region to identify opportunities such as shared service arrangements that will enhance the efficiency and effectiveness of our operations.

Evaluate any major proposed changes, and signal the implications of those changes through appropriate consultation processes.

**Local government shared services****We assume:**

That the Waikato Mayoral Forum, Waikato Local Authority Shared Services (WLASS) and Future Proof will continue to progress the collaborative initiatives they have initiated, aimed at improving the efficiency and effectiveness of local government in the Waikato region. These include Waikato Means Business, the Waikato Plan, Shared Rating Valuation Database, shared policy and planning, shared Health and Safety Contractor pre-qualification system, shared learning and development project, and shared roading management. Benefits of shared services will often present as either reduced (shared) costs for expert advice, or as an improvement in the effectiveness in the project output (not usually a financial measure).

**Our Level of uncertainty:**

Medium.

**The risk:**

That significant efficiencies are not achieved through collaborative processes.

**So we will:**

Continue to work with central government, the Mayoral Forum and WLASS to ensure we maximise the gains of working collaboratively with other councils.

## Water demand

### We assume:

That active water demand management will reduce the amount of water used per household in Cambridge and Te Awamutu from 250 litres per person per day to 190 litres.

### Our level of uncertainty:

High. District-wide water meter installations were completed in 2017 and separate water billing was introduced as a result of meters, generating a 15 per cent reduction in district-wide demand. There is currently a dedicated demand management and summer water restriction campaign in place, year-round education programmes offered and delivered to the community, public communications and education around the benefits of water meters and how to implement at-home water conservation measures. These green initiative-type education approaches are in place to drive behaviour change and decrease water consumption across our district to around 190 litres/person/day. If the water demand objectives are not achieved, the financial implications would result in approximately \$8 million of capital works to commence earlier than planned. This will also result in additional depreciation and loan interest costs as a result of bringing forward this capital work.

### The risk:

The risk is that the demand targets are not maintained at 190 litres/person/day and capital infrastructure will need to be brought forward to match demand. There is also a risk that the cost of water will increase; less water used but same revenue will be required.

### So we will:

Ensure that a demand management programme continues to be resourced in the Long Term Plan 2021-2031 to actively drive a change in behaviour around water use.

If capital infrastructure is brought forward to meet demand there will be consequential increases in capital expenditure which will have to be funded through debt, development contributions and depreciation. These increases would need to be considered in relation to the prudent limits set out in the Financial Strategy.

## Water revenue

### We assume:

That the amount and timing of water revenue has been calculated in line with the growth in water consumption expected from additional properties. This is consistent with the development contributions model.

**Our level of uncertainty:**

Medium.

**The risk:**

That the water revenue is lower than projected. This could result in a shortfall in the funding of budgeted costs. Loan funding would be required for any shortfall.

That the water revenue is higher than projected. This would result in additional funds being available for expenditure in future years.

**So we will:**

Monitor water revenue projections against actual levels and review the water pricing model on a three yearly basis to ensure expected costs are met from projected revenue.

We will also measure and report on increases in the metered water revenue annually as part of the Annual Plan.

**Lifecycle of significant assets****We assume:**

That the useful lives of assets are revised as part of the cyclical revaluation process for each asset class where infrastructural assets are normally revalued two-yearly and buildings every three years. Further detail on the useful lives of assets is tabulated under the accounting policies section of this plan.

**Our level of uncertainty:**

Medium for underground water supply, wastewater, and storm water infrastructural assets due to the limited extent of the networks covered by condition assessments.

Low for all other assets.

**The risk:**

Actual asset lives are shorter than expected resulting in unbudgeted remedial maintenance costs and/or earlier than expected asset renewal. A service failure may also occur if the asset unexpectedly fails. Early renewal of assets will also result in a shortfall in the depreciation funded to “replace” the asset.

Actual asset lives may be longer than expected. This could result in funding of unnecessary renewal budgets.

**So we will:**

Continue our programme of asset condition assessments and update affected activity management plans.

Update asset records and renewal forecasting to reflect any changes to useful lives.

Assess and confirm assets that require replacement before work occurs.

## **Revaluation of non-current assets**

### **We assume:**

That our land and buildings will be revalued every three years, our roads and Three Waters will be revalued every second year, and investment properties will be revalued annually. The valuations will be consistent with the Business and Economic Research Limited inflated values outlined in our Inflation assumption.

### **Our level of uncertainty:**

Medium for underground water supply, wastewater, and storm water infrastructural assets due to the difficulty of asset condition assessments.

Low for all other assets.

### **The risk:**

If actual valuations are different to that predicted, we will need to reflect this in our Statement of Financial Position. There will be an impact on the level of depreciation in the Statement of Comprehensive Revenue and Expense and funding through rates and user fees and charges.

### **So we will:**

Monitor value projections against actuals. The cost of replacing or constructing assets will vary each year from the estimates according to market forces. Significant differences will be reflected in budget forecasts and annual plans.

## **Sources of funds for future replacement of significant assets**

### **We assume:**

That depreciation reserves will fund the renewal of assets, and loans will fund any additional replacement costs if depreciation funding has been exhausted.



**Our level of uncertainty:**

Low.

**The risk:**

Sufficient funds, both from depreciation reserves and loans, are not available to replace assets at the time required.

**So we will:**

Consider any changes to replacement of significant assets during the Annual Plan process (if required).

**Economic environment****We assume:**

That economic activity will be subdued over the next two years, with a recovery expected to produce relatively strong growth thereafter.

**Our level of uncertainty:**

High.

**The risk:**

Economic factors vary significantly, from the assumptions in this plan which then affects our ability to deliver on the agreed work programmes, either in terms of the scope or timing of the work. If further widespread lockdowns are required due to the COVID-19 global pandemic there will be a higher risk of suppressed economic activity with a longer recovery period.

**So we will:**

Review work programmes and budgets annually, or as required due to the changing conditions. If conditions change, then appropriate reductions or increases will be made and signalled in future annual plans.

**Sources of demographic information**

The Council uses the population projections prepared by the National Institute of Demographic and Economic Analysis (NIDEA) at the University of Waikato for the Waikato territorial authorities. NIDEA updates its projections following the release of national census information by Stats NZ after every national census. Current demographic projections are based on the NIDEA report “2016 Update of area unit, household and labour force projections for the Waikato region 2013-2063”. In addition to this foundation document, the Council had an ancillary report ‘Waipā Regional Migration’ prepared by Benje Patterson in 2019 to gain a better understanding of the regional migration of people into the district from elsewhere.

Delays in the release of the 2018 Census information by Stats NZ has meant that the Council’s current population change projections are still based on the 2013 Census. Once NIDEA has the final 2018 Census information, these projections will be updated.

## **Demographic changes**

### **We assume:**

That the district’s demographics will trend in accordance with the University of Waikato age/sex projections as growth occurs. A significant aspect of the projections is an increasing proportion of our population over the age of 65 over the next 40 years. Here in Waipā, one-third (33 per cent) of the district’s population is likely to be aged over 65 by 2033, up from 17 per cent in 2013. By 2063 that proportion is projected to be even greater, around 43 per cent.

### **Our level of certainty:**

Medium.

### **The risk:**

If demographic changes do not trend as currently projected, there will be different housing and business demands than we presently anticipate. Our planning for growth at the structure plan level will remain flexible to provide for a range of housing types.

As the overall district population ages, the proportion of ratepayers on fixed incomes increases, affecting the affordability of rates increases and raising the necessity of finding alternative funding sources for the services and infrastructure needed to support our growing and changing communities.

### **So we will:**

Continue to monitor population projections against actual changes confirmed through census data and housing market demand. In this regard, the urban development capacity monitoring and three-yearly capacity assessments will help keep the Council informed as to changes and trends in housing and business demand. This monitoring information will also enable changes to be made through the Annual Plan and Long Term Plan review process.

Regularly review our services, work programmes and budgets to reflect any significant changes in district demographics as part of the long-term planning cycle.

Give careful consideration for rates increases with a view to those on fixed incomes.

## Population Growth

### We assume:

That growth projection data is based on the 2016 projections for all the territorial authorities of the Waikato by the National Institute of Demographic and Economic Analysis (NIDEA) of the University of Waikato (UoW), which were also used for the Long Term Plan 2018-28. Waipā District Council is continuing to use the 'medium' projection (rather than low or high) as the best fit projection to accommodate the short-term fluctuations of the property development cycle, and to help take into account some of the unknown future effects of the COVID-19 pandemic. In this medium projection, district-wide population increase of approximately 17 per cent is forecast to occur between 2018-2028 with more than 5,000 new houses required over this period. The urban centres will receive most of this growth, Cambridge in particular. Part of the driver in housing demand is residents per dwelling are forecast to reduce with an increasing proportion of elderly residents and more common incidence of split families.

In the 2020 National Policy Statement on Urban Development (NPS-UD) Waipā is defined as part of the Hamilton Tier 1 urban environment. As such, Council is required to enable the supply of 20 per cent (short and medium terms) or 15 per cent (long-term) more land than the forecast demand in order to attempt to provide market choice and alleviate house price pressures.

### Our level of uncertainty:

High. A rapid rise in one and two-person households is predicted; however, there is significant uncertainty about how this will be observed in the types of housing choices people make. The COVID-19 pandemic also increases the uncertainty here, for example with regards to reduced migration potentially slowing population growth.

### The risk:

If future growth varies significantly from our assumptions, our ability to fund and deliver the agreed work programmes in a timely manner is likely to be seriously affected. Should actual growth be less than forecast, a risk is building infrastructure without the ability to recover costs quickly via development contribution revenue. Should growth be higher than expected, there is both a construction inflation risk and a risk that we will struggle to procure resource to deliver against demand.

### So we will:

Monitor growth and the housing market demand and supply in accordance with the NPS-UD directives. Where the population or market behaves differently than forecasted, we will review the timing of infrastructure development and the staged rezoning of land and structure plan development as per the guidelines of our Waipā 2050 Growth Strategy. Changes will be signalled in future annual plans and Long Term Plan reviews.

## Increase in rating units and capital value

**We assume:**

That based on the projected population increase over the 10 years of the Long Term Plan, there will be an increase in the district’s rating units and capital value. This increases the rating base and shields existing ratepayers from the full impact of increases in rating requirement. Table 2 below shows the projected increase in rating units.

**Table 2: Projected increase in rating units**

2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
406	566	663	726	849	844	823	738	733	708

**Our level of uncertainty:**

Medium.

**The risk:**

If the increase in rating base is higher than projected, the average rating impact will be reduced as there are a greater number of ratepayers and higher property value across which the rates requirement will be allocated. If the increase in rating base is lower than projected, the average rating impact will be higher (assuming levels of service are maintained).

**So we will:**

Monitor development projections against actual levels and review the projections on a three-yearly basis.

Measure and report on increases in the rating base annually as part of the Annual Plan.

**Inflation**

**We assume:**

That the cost of future projects included in this plan will be consistent with the Business and Economic Research Limited (BERL) ‘mid-scenario’ projections for the local government sector. Expert advice (Infometrics) noted that the mid-scenario projections were the most reasonable for inclusion in this plan. Table 3 below shows the inflation rates for each activity. The salary assumption for market movement is set each year. It is not part of the inflation rates but has been included in the table as an internal assumption based on history and indications from the market.

**Table 3: Inflation rates for each activity**

	Roading	Water	Community Activities	Planning & Regulation	Salary
Year 1					2.0
Year 2	3.3	3.6	2.8	2.6	2.5
Year 3	3.2	2.7	2.6	2.4	3.0
Year 4	3.2	3.0	2.7	2.4	3.0
Year 5	3.3	3.2	2.7	2.5	3.0
Year 6	3.4	3.2	2.7	2.5	3.0
Year 7	3.5	3.7	2.9	2.6	3.0
Year 8	3.6	4.1	3.1	2.6	3.0
Year 9	3.8	4.3	3.2	2.7	3.0
Year 10	3.8	4.0	3.0	2.8	3.0

**Our level of uncertainty:**

Medium.

Council has a higher level of confidence regarding project costs in the short-term but less certainty in the longer term even with the BERL projections, due to fluctuations in the economy.

**The risk:**

Price level changes increase significantly from those used in preparing the work programmes and associated budgets. Higher costs could result in additional funding being required to maintain the existing levels of service. Higher costs relating to capital expenditure could result in higher debt levels and increased operating costs from interest expense leading to increases in rates.

Should price level changes decrease from those used to prepare the budgets, then there would be a favourable impact on Council's operating and capital expenditure budgets and rates.

**So we will:**

Monitor cost projections against actuals, with significant differences and associated responses such as changes in levels of service reflected in budget forecasts and annual plans.

Inflation will increase both the costs and the targeted rates cap of Local Government Cost Index plus two percent in the first three years of the plan, and plus three percent for the remaining years of the plan, mitigating the possible breach of the rate cap for operational spend.

**Borrowing and interest rates**

**We assume:**

That there will be ready access to loan funds at competitive rates. Interest rates will track in line with the projections prepared by our financial advisors. Interest rates for investments will be set at a margin compared to external debt rates. Council will meet its financial commitments and maintain its AA- Fitch credit rating. This will provide Council access to lower interest rates on its borrowing through the Local Government Funding Agency.

Table 4 below details the borrowing interest rates used:

**Table 4: Borrowing interest rates**

Year to	Bancorp Projected borrowing rate (includes margin)
June 2022	1.28%
June 2023	1.15%
June 2024	1.12%
June 2025	1.34%
June 2026	1.49%
June 2027	1.4%
June 2028	1.65%
June 2029	1.75%
June 2030	2.2%
June 2031	2.47%

**Our level of uncertainty:**

Medium.

**The risk:**

Interest rates will increase significantly from the rates used in preparing this plan which would increase costs for Council. This could have an impact on rates increases, future borrowing requirements, and on our ability to deliver the agreed work programmes.

**So we will:**

Manage changes in interest rates as set out in our Treasury Management Policy, taking advantage of hedging, fixed rates, and swaps.

**Obligations under Local Government Funding Agency (LGFA) guarantee commitments****We assume:**

That Council will not be called upon to meet its guarantee obligations to the LGFA.

**Our level of uncertainty:**

Very low. A local authority default is considered extremely remote.

**The risk:**

Council is called upon to fulfil one or more of the LGFA obligations which are:

In the case of Guaranteeing Local Authorities, a call is made under the Guarantee (this means that participating councils could potentially be called on to pay their share of another council's or the LGFA's debts. The chance of this is considered extremely remote due to the fact that no local authority has ever defaulted on a loan and the LGFA will hold substantial cash reserves and committed liquidity facilities);

In the case of Guaranteeing Local Authorities, a call is made for a contribution of additional equity to the LGFA; and

In the case of all Shareholding Local Authorities, the LGFA is not able to redeem their Borrower Notes.

**So we will:**

Undertake annual reviews of the Statement of Intent of the company to determine if its business forecasts will potentially trigger one or more of these obligations and decide and report on these matters at the earliest opportunity.

**Central government grant and subsidy payments****We assume:**

That Council will continue to receive grants and subsidies from central government agencies to assist with the expenditure programme. The level of subsidies from Waka Kotahi NZ Transport Agency will remain at 51 per cent for qualifying projects. The level of subsidies from Ministry for the Environment Waste Minimisation Levy will remain at levels similar to that currently received on a per population basis.

**Our level of uncertainty:**

Low.

**The risk:**

Subsidy or grant payments are significantly reduced from the expected levels. If the subsidy or grant is reduced, the ability to complete the budgeted work programmes will be compromised, either requiring a greater share of costs to be funded by the ratepayers or a reduction in the level of service provided.

**So we will:**

Review our work programmes, such as roading and waste management, should any changes occur to the expected level of subsidy or grant. Any changes will be included in future annual plans.

**External fundraising****We assume:**

That external fundraising will be successful so that the particular projects proceed as planned.



**Our level of uncertainty:**

High.

**The risk:**

Projects requiring community funding are not able to proceed because fundraising is unsuccessful either in terms of reaching the agreed target or timeframe. Projects dependent on successful fundraising initiatives include Te Ara Wai and the Pirongia – Ngā Roto – Te Awamutu cycling connection.

**So we will:**

Monitor the progress of planned community fundraising and assess how it impacts affected projects.

Assess the likelihood of successful achievement of external fundraising targets and any impact of a potential shortfall on the viability of a project before resolving to proceed with detailed design and/or construction contracts.

Where Council is supporting a community-led project that also relies upon other fundraising sources, Council's financial support will be contingent on other fundraising sources making a minimum contribution to make the project viable.

**Limit on rate increases****We assume:**

That the average rate increase for existing ratepayers will be no greater than the Local Government Cost Index plus two per cent for the first three years of the plan, and plus three per cent for the remaining years of the plan forecasted for that year (excluding water and wastewater).

**Our level of uncertainty:**

Low.

**The risk:**

The increase in rates will breach this limit for any given year in the Long Term Plan.

**So we will:**

Disclose the nature, timing and extent of the potential breach and Council's proposed action to address this matter at the earliest opportunity.

## Development contributions revenue

### We assume:

That the amount and timing of development contributions revenue to be received has been calculated consistent with the development contributions model and assumptions.

### Our level of uncertainty:

Medium.

### The risk:

The amount and timing of development contribution revenue is dependent on growth and timing of subdivisions. Growth factors vary significantly from our assumptions and affect our ability to fund growth-related work programmes.

### So we will:

Monitor growth projections and development revenue against actual levels.

Where significant changes occur, work programmes and budgets will be reviewed and amended accordingly, including the recalculation of development contribution rates. Changes will be signalled in future annual plans.

## Income from the development and sale of surplus Council property

### We assume:

That income from the development and sale of surplus Council property will be received at the levels and timing indicated in the financial statements.

### Our level of uncertainty:

Medium.

### The risk:

That any cash flow delays will require interim bridging in the form of additional borrowing and interest cost especially for projects which are dependent on funding from the development and sale of surplus Council property.

**So we will:**

Monitor market conditions and the progress of our property sales programme, responding to any changed cash flow circumstances in each annual plan or 4 monthly reforecasts.

**Insurance****We assume:**

That Council will continue to work with the Waikato Local Authority Shared Services (WLASS) for the best value for money insurance policies. This includes the use of commercial insurance markets where these markets provide the best value for money for the shared service and individual councils.

Insurance premiums are inflation adjusted for the 10-year period, including increases every year in material damage insurance and underground infrastructure insurance due to valuation changes of the underlying assets.

**Our level of uncertainty:**

Medium.

**The risk:**

Insurance costs increase significantly more than expected. Increases in insurance costs are usually funded by rates and this will impact on rate increases.

**So we will:**

Monitor projected insurance costs against actuals, with significant differences and associated responses reflected in budget forecasts and annual plans.

Savings in insurance expense due to market conditions will be transferred to the insurance reserve to fund insurance excess.

**Availability of staff and contractors****We assume:**

That sufficient internal and external resources will be available to undertake capital works and maintain operational needs in the years outlined in the financial statements, over and above resourcing required for business as usual responsibilities.

Any legislative change around mandated sharing of services and functions will provide opportunities around shared workforces and shared procurement.

**Our level of uncertainty:**

Medium/high.

**The risk:**

Suitably qualified staff, contractors and consultants can at times become scarce and difficult to find, limiting the level of resource available and driving costs upwards. There is a high level of uncertainty around the availability of external contractors due to high levels of forecasted capital expenditure from other central and local government agencies in the upper North Island, as well as strong ongoing demand for new housing and development. If there is a shortage of resources, we may not be able to complete projects in the timeframes indicated and for the costs budgeted.

**So we will:**

Actively undertake workforce planning on an annual basis, reflecting resourcing needs for capital works projects and taking into consideration business as usual workloads; ensure budgets and work programmes are adjusted accordingly.

Respond positively to any mandated legislative changes for shared services to realise opportunities early.

**Resource consents**

**We assume:**

That where projects require a resource consent, this will be obtained without incurring significant costs of compliance. We also assume there will continue to be a resource consent, enforcement and regulatory regime in some form, even under a replacement to the RMA.

**Our level of uncertainty:**

Low-Medium.

**The risk:**

Consenting authorities may either decline consents or impose less affordable conditions than we had anticipated. There is also risk that the consenting and enforcement systems will change under any RMA reform, with transition and implementation risks, as well as opportunities.

**So we will:**

Continue to work with consenting authorities and key stakeholders to ensure that our consent applications address their concerns.

Monitor legislative change and work with central government, WLASS and other councils around implementing any reform of the RMA.

# FINANCIAL STRATEGY

## INTRODUCTION

The Financial Strategy outlines the Council's overall approach to planning and managing its finances in a way that is sustainable over the long term. It is a central component of Council's Long Term Plan document. The Financial Strategy sets our limits on rates increases and debt, illustrates the overall financial implications of decisions made in the Long Term Plan and is key in demonstrating prudent financial management.

Over the next 10 years, it will cost \$2.2 billion to grow and run our district. That's a huge investment of ratepayer dollars so it's important this money is spent in the context of a well-considered financial strategy. Agreed financial limits restrict what we can deliver each year but also enable delivery by ensuring we have the financial resources to do this. Project prioritisation has been the key to ensuring the community has the services it expects to have, in a way that balances affordability with delivery.

Although more difficult to predict in the current environment, growth is a key factor again in this Long Term Plan with average annual district wide growth of 3.1 percent, even when factoring in a more prudent level of growth during the economic recovery of Covid-19.

The economic recovery from the Covid-19 pandemic has been widely considered as part of this Long Term Plan; with particular attention on balancing spending required to aid economic recovery with ensuring our financial limits are conservative, particularly in the first three years.

Waipa District Council is in a very good financial position. Our draft Long Term Plan proposes an average annual rates increase of 2.2 percent over the next ten years for existing ratepayers, including volumetric and network water meter charges which are charged separately. This puts us in a good position, when we engage with the community, on a district wide spatial plan in 2021/22 which will inform investment and funding from year 4 onwards.

Our rates increases are maintained within a limit of the Local Government Cost Index (local government inflation measure) plus 2 per cent for the first three years, and the Local Government Cost Index plus 3 per cent for the remainder of the Long Term Plan. Council considers this to be a reasonable and affordable limit and has considered the economic recovery from the Covid-19 pandemic when setting these limits. We also have limited rates to a maximum of 65 per cent of our total revenue.

## Balanced Budget

Council is projecting significant surpluses throughout the ten years of the LTP, the majority of these surpluses are attributed to Development Contributions and Vested Assets. The Development Contributions are collected for investment in new, or expansion of, infrastructure and pay the interest on debt raised to fund these growth projects.

One of the prudence measures Council has is the Balanced Budget Benchmark, this benchmark checks that each year's projected operational revenue is set at a level to meet that year's operational expenditure. From Council's significant surpluses, the revenue directly relating to capital (Development Contributions and Vested Assets) has to be deducted to determine our operational result. Years 3 to 5 are projecting operational losses due to Council using prior year reserves to fund expenditure.

## Growth

District wide growth continues to remain a significant factor for Waipā, although we acknowledge that this is more difficult to predict in the current environment due to the Covid-19 pandemic. We have mitigated the risk of overcalculating our growth projections by factoring in a prudent level of growth during the first two years of the Long Term Plan during the Covid-19 recovery period.

Delays in the release of the 2018 Census information by Statistics New Zealand has meant that the Council's current population change projections are still based on the 2013 Census. Once NIDEA has the final Census information, these projections will be updated. Using 2013 Census information, Waipa is expecting an additional 25,000 people by 2050. This will take our total population to nearly 75,000.

Some of the cornerstone projects included in the Long Term Plan to unlock future growth are:

- a) Cambridge Wastewater Treatment Plant \$100.2m
- b) Cambridge development in C2 & C3 growth cells \$148.1m
- c) Hautapu development including C8, C9 & C10 growth cells \$86.1m
- d) Further development in Cambridge C1 growth cell \$21.8m
- e) Picquet Hill development including T9 & T10 growth cells \$21.1m
- f) Te Awamutu Wastewater Treatment Plant \$20.5m

The Infrastructure Strategy details a full list of capital projects.



## **Growth pays for growth**

A key challenge in our Long Term Plan 2021-31 is providing resilient infrastructure that meets the needs of our fast-growing district while keeping rates affordable. Our infrastructure needs to meet the service level expectations of our ratepayers and other stakeholders and the higher demands of the environmental standards set by regulatory agencies.

As well as this, we need to make sure all of the other quality services Council provides continue to be delivered at the level our residents and ratepayers expect, and enjoy – while ensuring the rates impact is contained.

Council will be taking on substantially more debt to fund growth. Catering for growth is required by the National Policy Statement on Urban Development Capacity. Council will help to ensure rates remain affordable and within our limits by ensuring ‘growth pays for growth’. Under our Development Contributions Policy, developers are charged for the interest cost of new infrastructure development debt, not just the principal cost.

## **Service level improvements and Renewals**

Growth however, is just one part of the story. Huge investment is required in service level improvements to ensure the resilience of existing infrastructure and the achievement of higher environmental standards. There is also an ongoing need for continued investment in renewals.

The table below indicates the nature and extent of our proposed capital spend over the course of the Long Term Plan:

**Table 5: Proposed capital spend**

	Growth \$000s	Improve service level \$000s	Renewals \$000s
Water treatment and supply	24,034	17,775	69,956
Stormwater	121,270	4,458	12,655
Wastewater treatment and disposal	148,659	1,099	17,914
Roads and footpaths	109,452	37,425	78,339
Other	22,757	92,572	36,521
<b>Total</b>	<b>426,172</b>	<b>153,329</b>	<b>215,385</b>

## Rates

Our average rates increase over the ten years attributed to existing ratepayers, is 2.2 percent annually. This includes volumetric and network water meter charges which are billed by separate invoice as these charges are in terms of legislative definition, a rate. The annual rates increase over the ten years range between 0.5 percent and 4.6 percent.

All of the proposed rate increases are within Council's policy limit of the Local Government Cost Index plus 2% in the first three years, and Local Government Cost Index plus 3% for the remainder of the Long Term Plan, as demonstrated in the graph below:

**Graph 1: Rates Increase (existing ratepayers) with Water by Meter**



Setting limits on rates is a key part of ensuring financial sustainability and also ensuring rates remain affordable for our ratepayers. The economic recovery from the Covid-19 pandemic has been considered when setting these rates limits with a particular focus on ensuring the limit remains lower for the first three years of our Long Term Plan.

As well as setting limits on the level of annual rate increase we also set limits on the proportion of our income that comes from rates. This provides a focus on maximising revenue from non-rate sources and ensuring rates remain affordable. We are committed to limiting rate levels to a maximum of 65 per cent of our total revenue.

## Debt

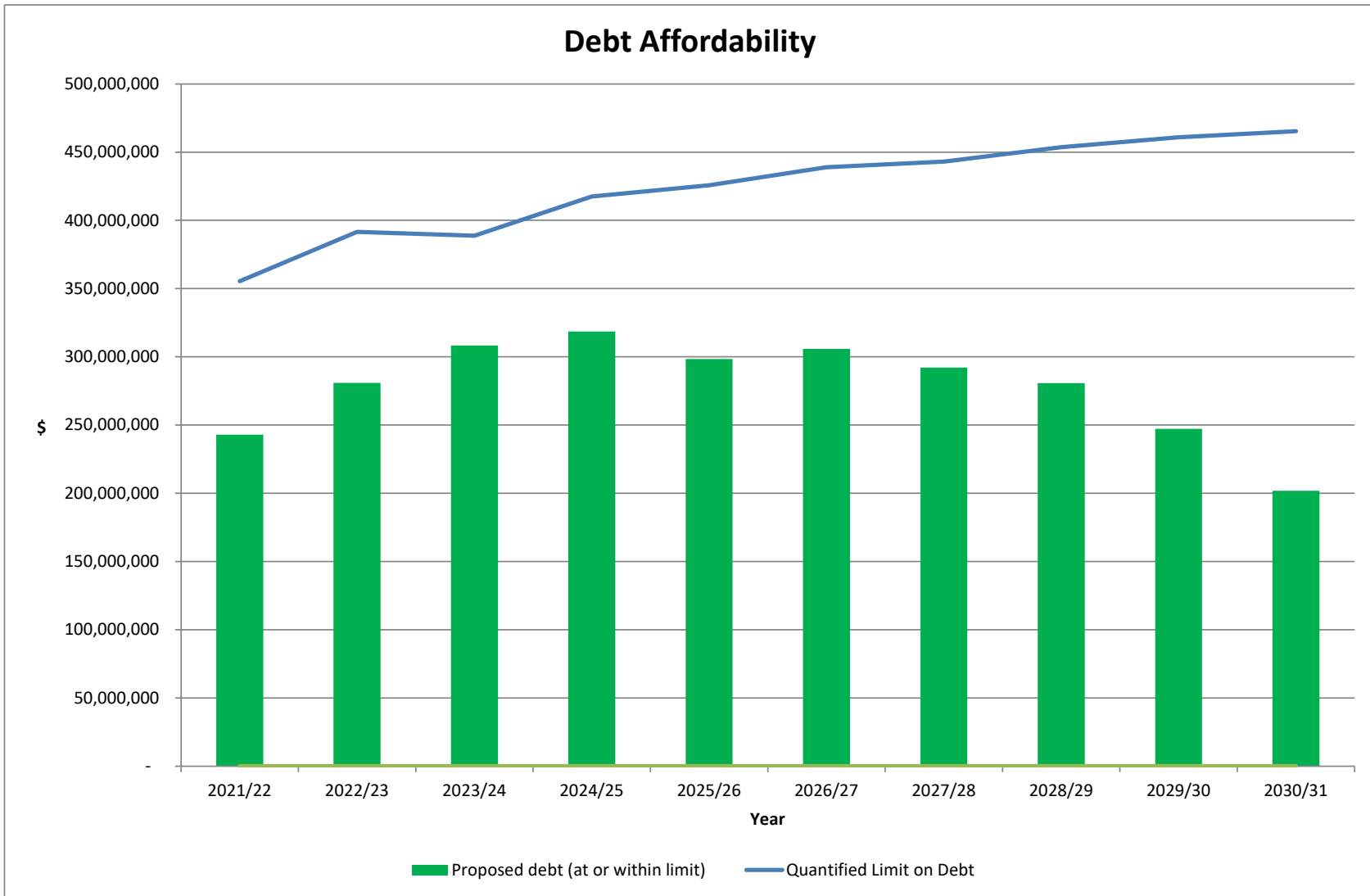
Council's debt is expected to be \$131.9 million on 1 July 2021. This is a modest level of debt for a Council of Waipā's size that is set to rise steadily over the first four years of the Long Term Plan to peak at \$318.5 million. A significant contributor to the increase in debt is the need for infrastructure to provide for growth. The National Policy Statement for Urban Development Capacity requires high-growth Councils to have adequate land provision to accommodate development. By extension, Council must then provide infrastructure to enable this development to occur.

Council has determined that our net external debt limit is prudently set at 250 per cent of total revenue, and the gross interest expense on external debt for the year is required to equal or be less than 15 per cent of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, and equipment). We remain comfortably within these limits for the duration of the plan.

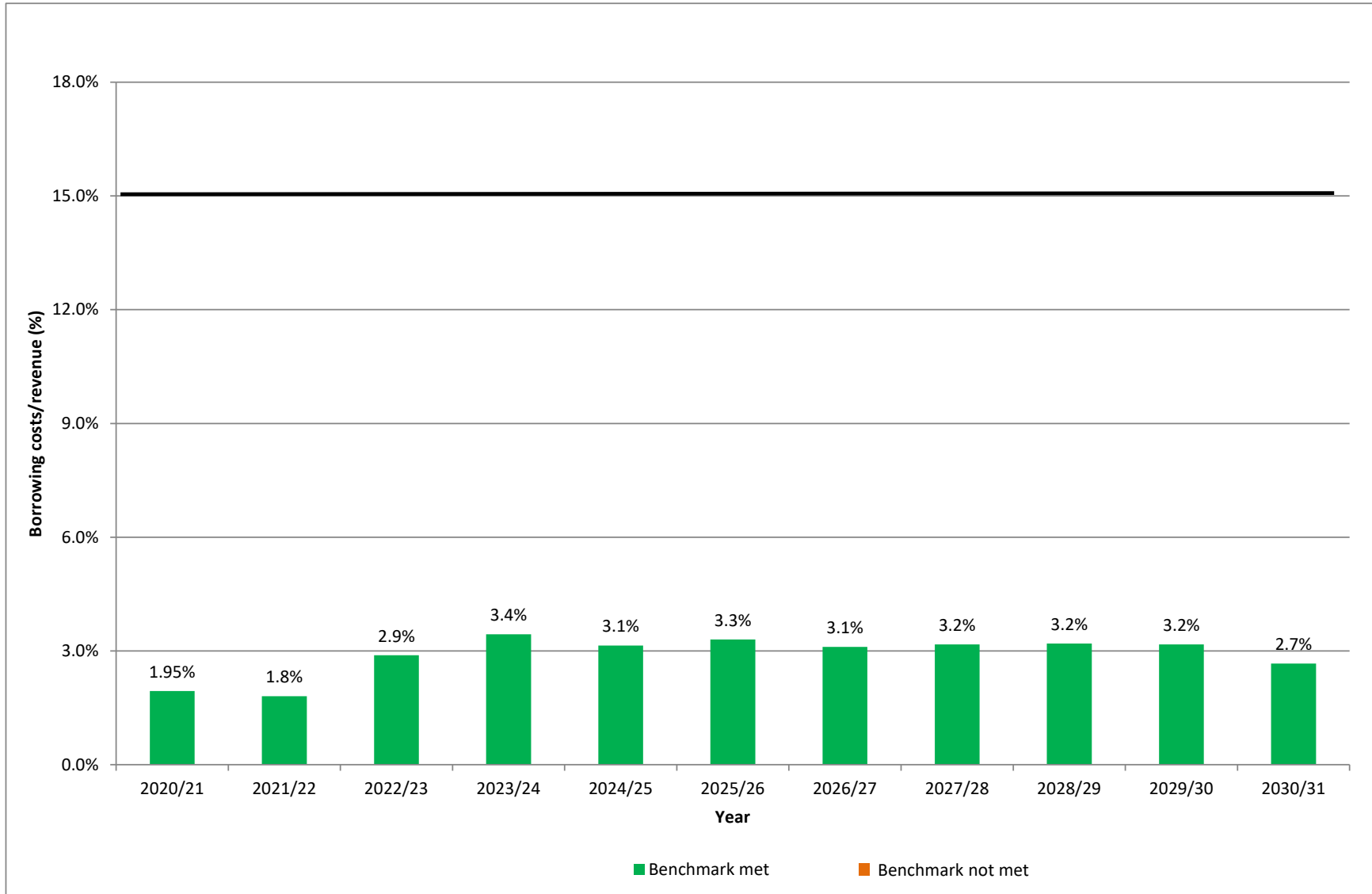
Development-driven debt is paid down as the Development Contributions are received.

The graphs below show the anticipated results against the limits as set out in the Long Term Plan:

Graph 2: Debt Affordability



Graph 3: Debt Servicing



## Asset Sales

Council continues to progress the sale of surplus assets in order to fund capital projects. Council has included a total of \$34.8 million of projected asset sales across years 1 to 10 of the Long Term Plan 2021 – 2031. The projects funded from these sales may be delayed or alternate interim funding might have to be sourced if there are delays in the timing of achieving these sales.

## Security for borrowing

Borrowing is secured by a charge over rates by way of debenture trust deed. Generally assets are not offered as security for any loan or performance of any obligation under an incidental arrangement.

## Investments

Our investment policy sets out the detail of the type of investments Council currently holds, and our objectives and risk management strategies related to holding these investments. Our approach to managing our investments is set out in our Treasury Management Policy.

Council is a shareholder in Waikato Regional Airport Limited, the New Zealand Local Government Funding Agency Limited and Local Authority Shared Services Limited. We also hold a small interest in Civic Financial Services Limited.

Other than to achieve strategic objectives, it is not our intention to undertake new equity investments. We will periodically review investments with a view to exiting at a time when market conditions are favourable and overall strategic objectives are not compromised.

Any dividend income from investments is generally included as part of general revenue.

Any purchase or disposal of equity investments not identified in this Plan is by Council resolution.

At the time of disposal, we will determine the most appropriate use of sale proceeds.

## **Managing financial risk**

In developing this Financial Strategy Council considered how we would respond if unexpected circumstances had significant impact on our financial situation.

### **Lower than expected growth**

A key risk is lower than expected growth which is particularly relevant due to the difficulty in predicting growth in the current environment (due to the Covid-19 pandemic). Lower than expected growth would result in a shortfall in development contributions and a potential situation in which we have prematurely invested in infrastructure for growth that does not actually occur.

We have been conservative in our approach to this strategy and to the draft Long Term Plan. We have factored in a prudent level of growth for the duration of the Long Term Plan, with particular focus on the first two years, during the Covid-19 recovery period. We have ensured that if in fact growth does not meet expectations, there is a sufficient buffer.

We have also been conservative with our spending and capital works programme in this draft Long Term Plan. Even with significant changes to predicted growth, we will be in a good position to cover the interest cost on our debt for assets that have already been constructed. To mitigate the risk further, we will review our capital work programmes annually, amending the scale and timing of projects in response to actual or anticipated changes in growth levels.

By designing and building some of our core infrastructure, such as water and wastewater treatment plant upgrades, on a modular basis, we can spend on an incremental basis that reduces financial outlay and the risk of underutilised assets.

### **Higher than expected growth**

Higher than expected growth places additional demands on Council to accelerate the delivery of capital projects, this will be funded from increased or earlier development contribution revenue.



## Higher than expected inflation or interest rates

If inflation and interest rates are higher than projected this will increase the overall cost of operational expenditure and capital projects. Again there is a prudent buffer in place which should allow the greater operational costs to be funded from increased rates, without unduly impacting on affordability. Council would still seek to remain within the rate limit of LGCI plus 2 per cent in the first two years, and LGCI plus 3 per cent for the remainder of the Long Term Plan. We also believe we will have sufficient capacity in our debt prudence limits to fund increased capital project costs.

## Water Meter Revenue

Lower than expected water meter revenue may create a shortfall in funding of budgeted costs, assuming levels of service are maintained, with loans required to fund the shortfall. The amount and timing of water meter revenue to be received has been calculated in line with the growth in water consumption expected due to the additional properties consistent with the development contributions model and assumptions, which is particularly relevant due to the difficulty in predicting growth in the current environment (due to the Covid-19 pandemic). We engaged an expert to complete modelling of our water meter revenue prior to adoption of this Long Term Plan.

Any relevant adjustments will be made in our Year One estimate prior to adoption of this Long Term Plan and yearly budgets will be reviewed during each Annual Plan process.

## Revaluation of non-current assets

A key risk is the revaluation of non-current assets, in particular our Infrastructure Revaluations (transportation and three waters) which are revalued every second year. These revaluations are being completed in the 2020/21 year and expected increases are consistent with the Business and Economic Research Limited inflated values. Due to the current environment with the Covid-19 pandemic and increased Central Government spending in the infrastructure area, this has increased uncertainty in the validity of the values used.

If actual valuations are different to that predicted using the Business and Economic Research Limited inflated values in both our starting position and throughout our long term plan, we will need to reflect this in our Statement of Financial Position. There will be impact on the level of depreciation in the Statement of Comprehensive Revenue and Expense and funding through rates and user fees and charges.

We will monitor value projections against actuals for the 2020/21 year and adjust when appropriate. Significant differences will be reflected in budget forecasts and annual plans.

The Assumptions section of the Long Term Plan document contains further detail of the sensitivity of our financial projections to unanticipated circumstances.

## **LONG-TERM PLAN DISCLOSURE STATEMENT FOR PERIOD COMMENCING 1 JULY 2021**

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The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its Long Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the **regulations**). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

### **Rates affordability benchmark**

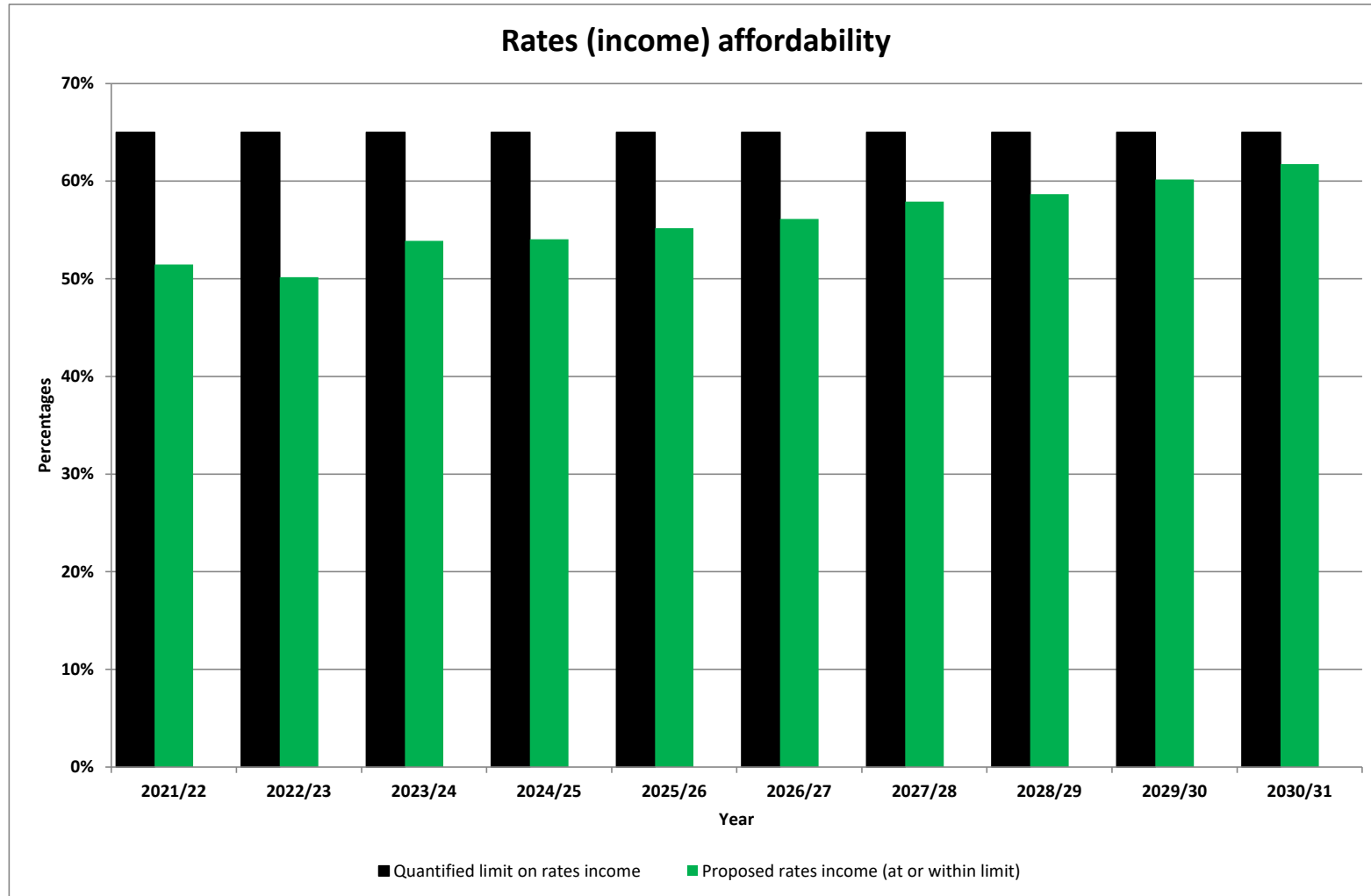
The Council meets the rates affordability benchmark if –

- Its planned rates income equals or is less than each quantified limit on rates; and
- Its planned rates increases equal or are less than each quantified limit on rates increase.

## Rates (income) affordability

The following graph compares the Council's planned rates with a quantified limit on rates contained in the Financial Strategy included in this Long Term Plan. The quantified limit is limiting rates levels to a maximum of 65% of our total revenue.

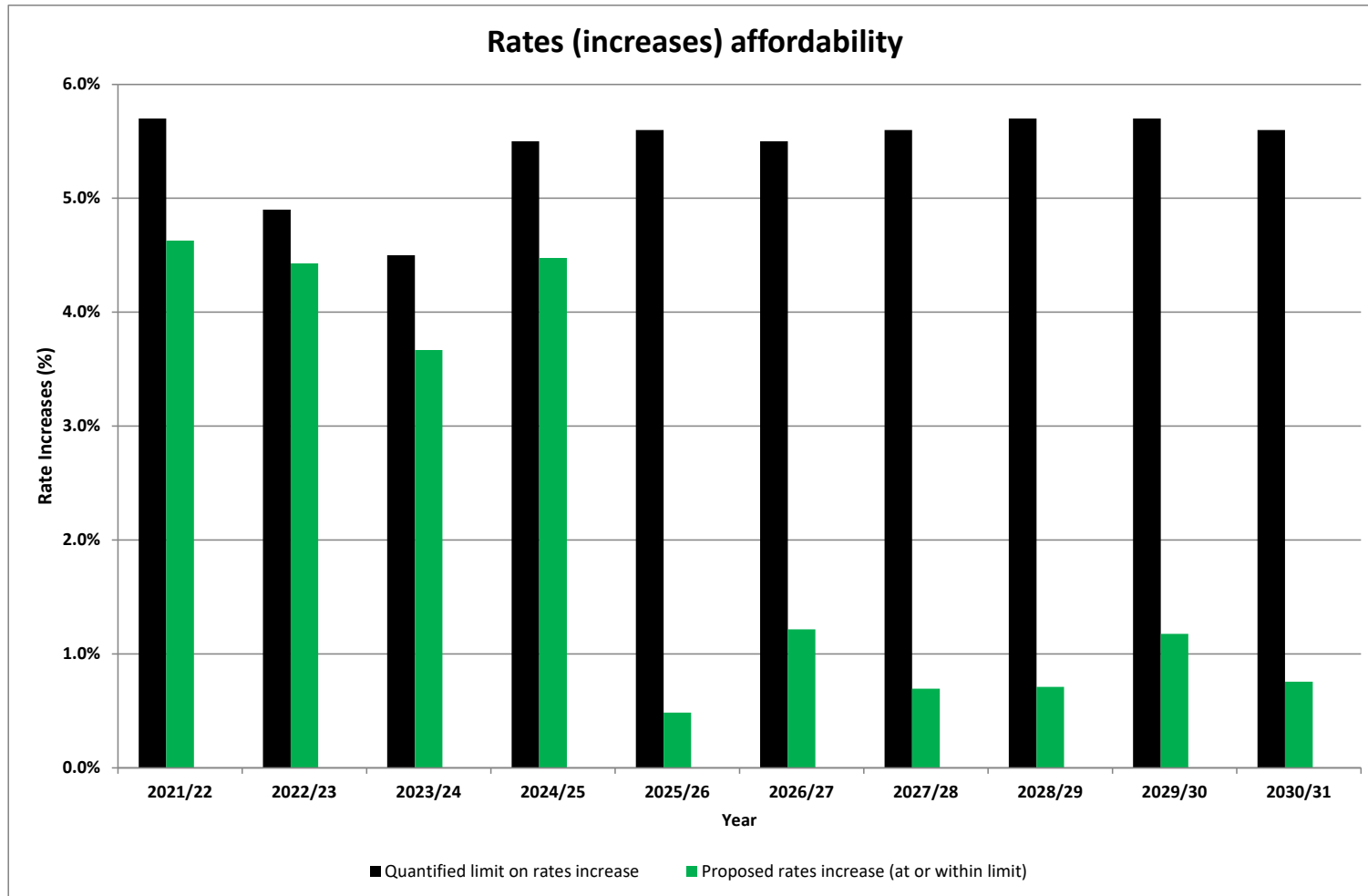
Graph 4: Rates (income) affordability



## Rates (increases) affordability

The following graph compares the Council's planned rates increases with a quantified limit on rates increases contained in the Financial Strategy included in this Long Term Plan. The quantified limit is Council will limit annual increases in the average rate requirement (after growth) to no more than the forecast Local Government Cost Index for that year plus 2% for the first three years, and Local Government Cost Index plus 3% for the remainder of the Long Term Plan.

Graph 5: Rates (increase) affordability

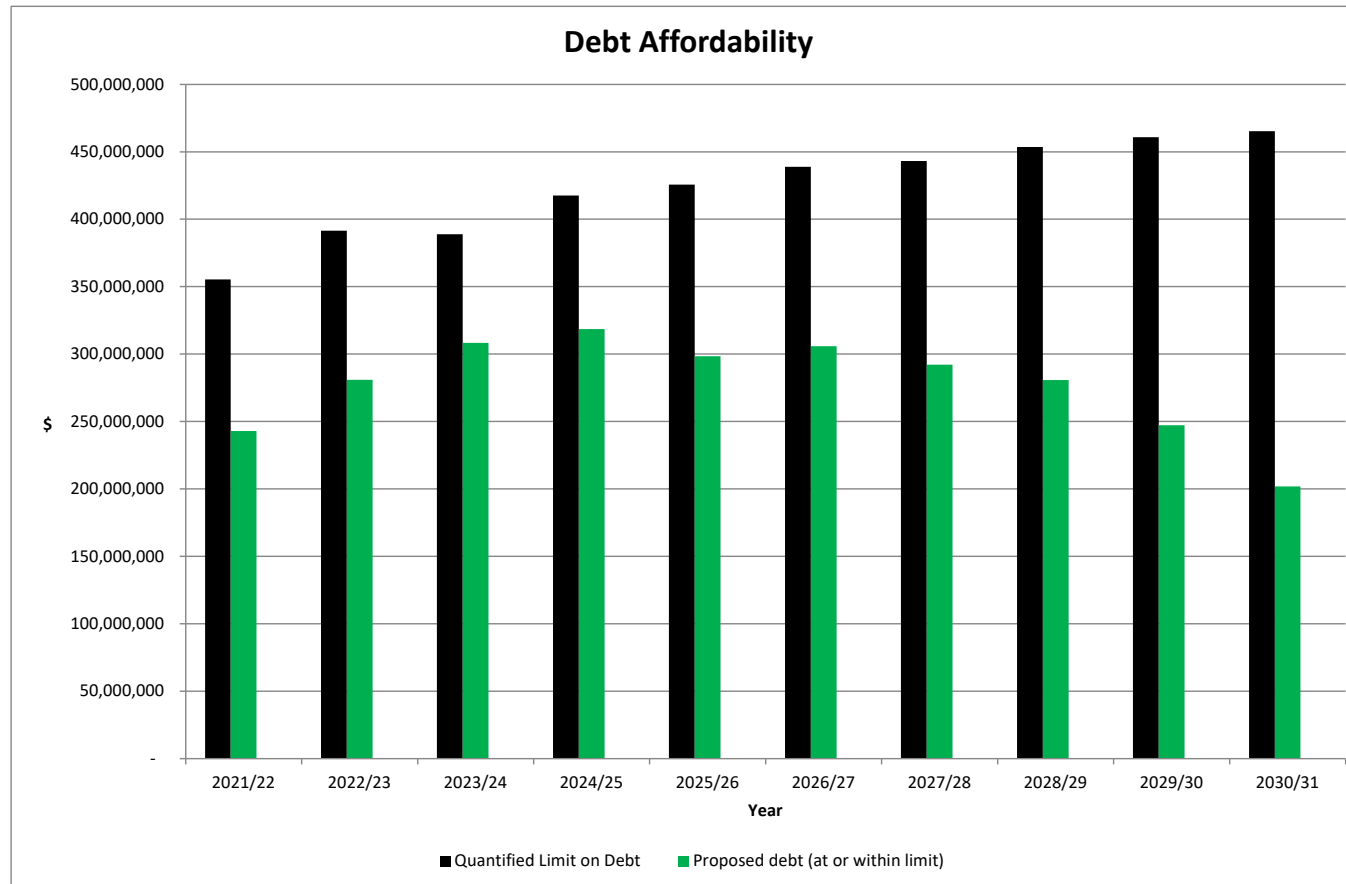


## Debt affordability benchmark

The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

The following graph compares the Council's planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this Long Term Plan. The quantified limit is set at 250% of total revenue forecasted for each year of this plan.

Graph 6: Debt Affordability

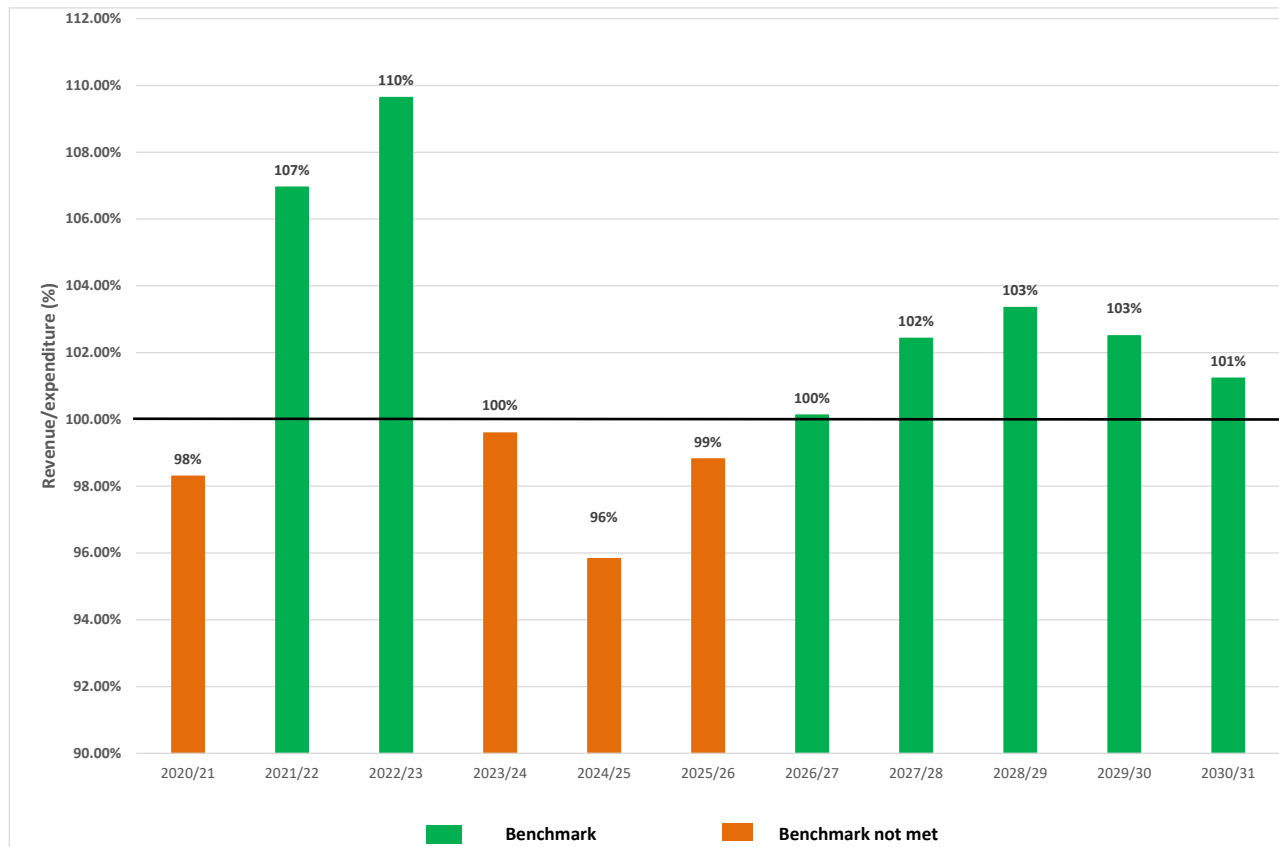


## Balanced budget benchmark

The following graph displays the Council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, and equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, and equipment).

The Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses. Year 3,4 & 5 are shown as benchmark not met, this is due to Council using prior year reserves to fund expenditure.

Graph 7: Balanced Budget



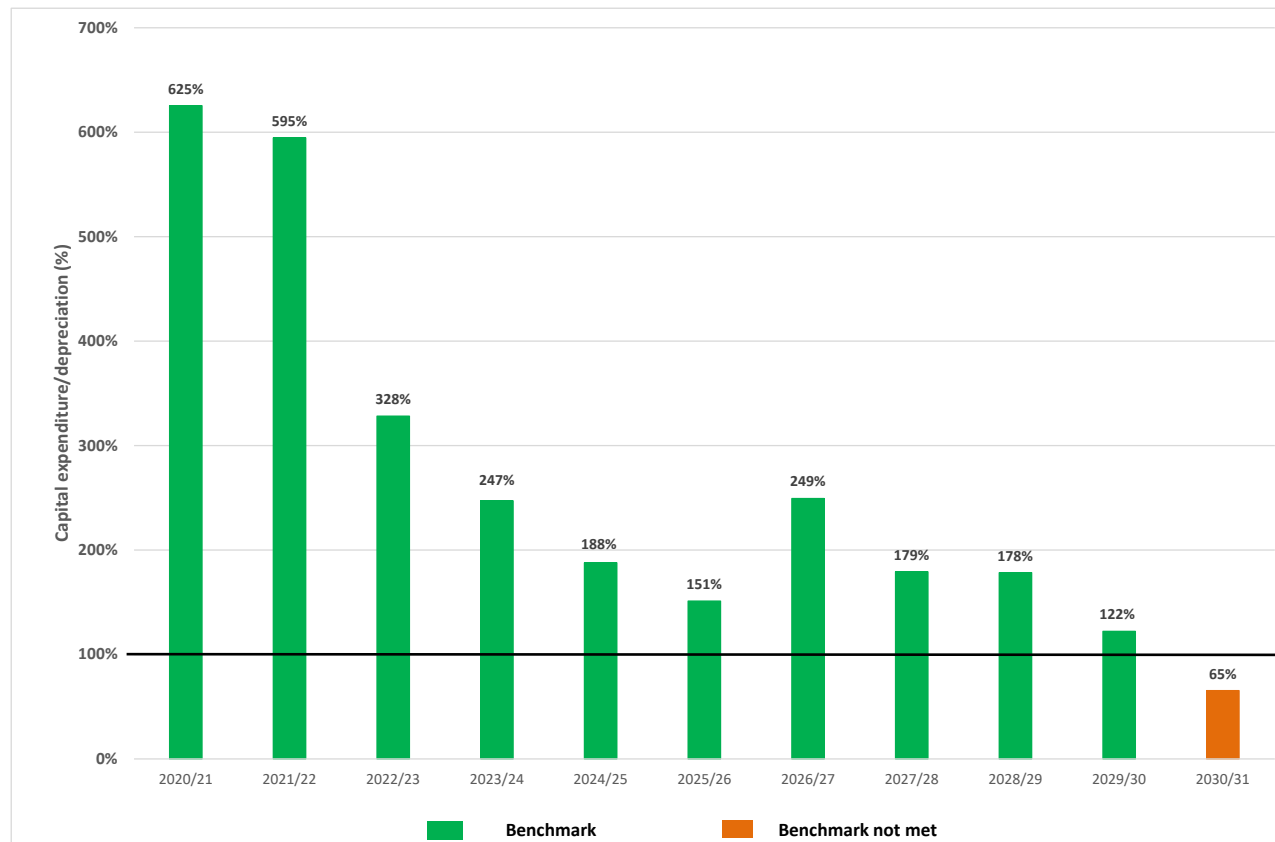
## Essential services benchmark

The following graph displays the Council's planned capital expenditure on network services as a proportion of expected depreciation on network services.

The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

In year ten (2030/31), our essential services benchmark is slightly less than 100%. This is due to the required capital works being lower in 2030/31 as we have invested heavily in our capital works programme in the 2021-2030 financial years.

**Graph 8: Essential Services**

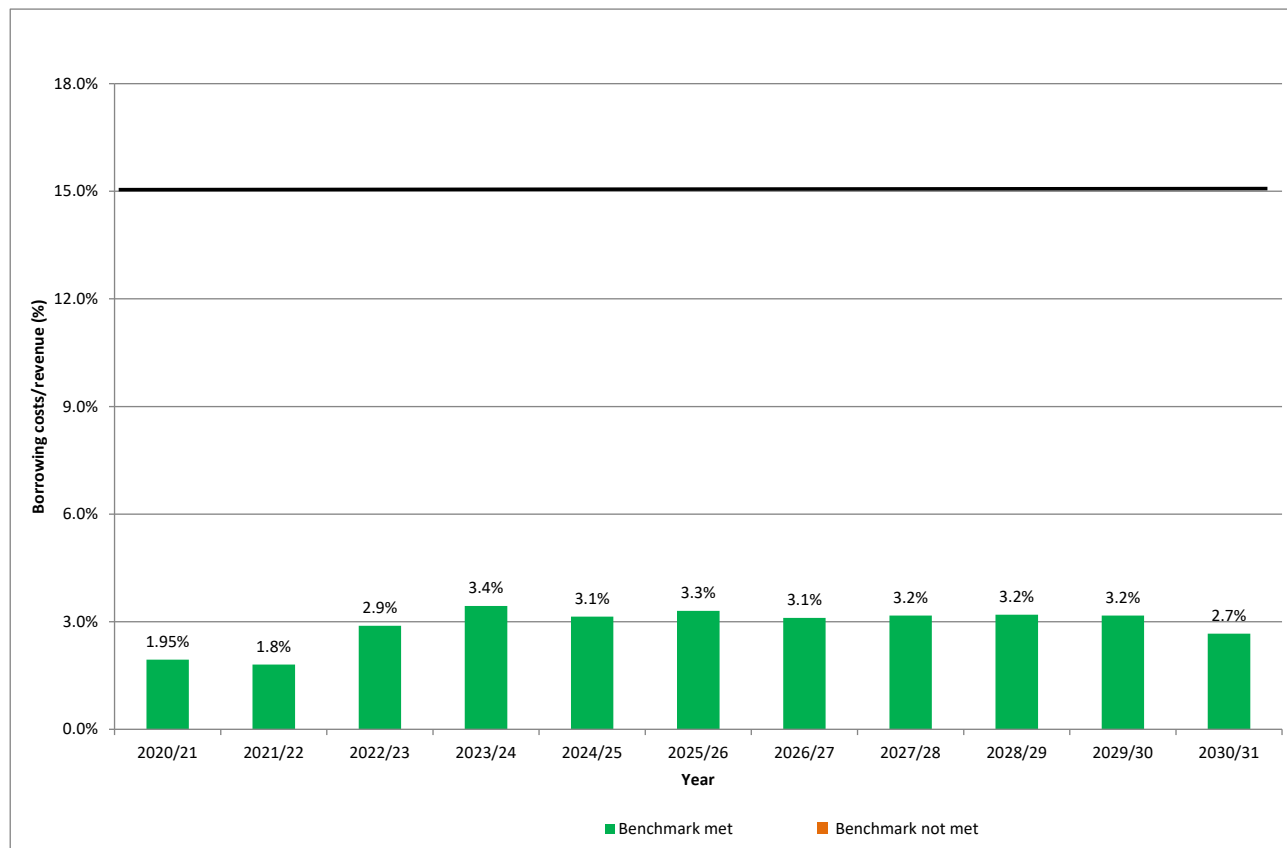


## Debt servicing benchmark

The following graph displays the Council's planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, and equipment).

Because Statistics New Zealand projects the Council's population will grow faster than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 15% of its planned revenue.

Graph 9: Debt Servicing





# FINANCIAL INFORMATION

## STATEMENT OF PROSPECTIVE FINANCIAL INFORMATION

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The financial information contained within this Long Term Plan is prospective financial information which complies with the Financial Reporting Standard 42 (FRS42). FRS42 sets the principles and specifies minimum disclosures for the preparation and presentation of general purpose prospective financial information. The purpose of this financial information is to enable the public to participate in the decision making process as to the services that Waipā District Council (Council) will provide over the financial years 2021-31, and as an accountability mechanism for the community. The financial information may not be appropriate for purposes other than those described.

In relation to the FRS42, the financial years 2021/22 to 2030/31 are considered to be 'forecast years' and based on future events, which are expected to occur. The actual results achieved for the financial years 2021-31 are likely to vary from the information presented and may vary depending upon the circumstances that arise during the period.

The forecast financial information has been prepared in accordance with Council's current policies which comply with the New Zealand International Financial Reporting Standards.

Council is responsible for the prospective financial statements, including the appropriateness of the underlying assumptions and all other required disclosures.

The Annual Plan budget for 2020/21 and/ or the Forecast values for the 2020/21 have been included in the forecasted statements, as presented in the 8 month report to 28 February 2021. The forecasted 2020/21 year, while based on the actual transactions occurring during the 2020/21 year, is still only a forecast as the financial year 2020/21 had not been completed by the time the forecast financial information was prepared.

The prospective statements in the Long Term Plan were adopted by Waipa District Council on 29 June 2021 and takes effect from 1 July 2021.

The Long Term Plan is formally reviewed and updated every three years.

## FUNDING OF OPERATING EXPENDITURE

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Section 100 of the Local Government Act 2002 requires councils to fund operating expenditure from operating revenue. The reasons for not fully funding selected operating expenses are detailed below:

### Infrastructural assets

The value of assets written off as a result of the renewal of infrastructural assets is not funded in the current or future years. The following group of activities are affected:

**Table 6: Infrastructural assets**

Group of Activities	2021/31 (\$000)
Transportation	\$1,022
Stormwater	\$215
Water Treatment and Supply	\$512
Wastewater Treatment and Disposal	\$410

These estimates were based on trends relating to asset write-offs over the preceding three years.

### Community services and facilities and support services

Council does not fund depreciation on buildings and improvements where future renewals would be from community sources or through raising new debt. This type of facility is primarily community occupied, has a life in excess of 50 years and renewal would only occur if future generations so decided. It also includes cycling trails which were funded from external funding or loan. The amount of depreciation not funded in 2021/22 is \$1,127,731. We do not fully fund depreciation on computer software and hardware as Council is moving towards cloud-based software and leasing of hardware not funded in 2021/22 is \$350,000.

## **Forestry**

Council has an investment in forestry and we generate income from logging sales and expenditure to maintain and manage the forest. The income and expenditure do not necessarily match each year, with some years having higher sales than other years. To ensure that there is no flow-on impact to ratepayers this activity will be managed through a reserve account which over a number of years should show a surplus.

## **Housing for the elderly**

Council has an investment in residential housing and we generate income from rent and expenditure to maintain and manage the properties. The income and expenditure do not necessarily match each year and to ensure that there is no flow-on impact to ratepayers this activity is managed through a reserve account to ensure that any rents collected are used for the benefit of the property.

## **Operating surplus**

Council's operating surplus is the result of income funding asset development, and various non-cash items such as revaluation gains, being included in the Statement of Comprehensive Revenue and Expense in line with accounting requirements. Council only sets rates and fees and charges income to the levels needed to meet its operating costs.

Any operating surpluses generally come from non-cash items; we budget for a general funds cash breakeven position. The Statement of Comprehensive Revenue and Expense also includes significant infrastructural revaluations which are non-cash items.

**Table 7: Prospective statement of comprehensive revenue and expense**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>OPERATING INCOME</b>											
Rates	68,263	73,176	78,562	83,808	90,244	93,970	98,454	102,555	106,383	110,860	114,905
Fees & Charges	14,720	15,187	13,532	14,003	14,468	15,488	15,878	16,253	16,759	17,242	17,729
Reserve contributions	522	1,375	1,947	2,254	2,800	2,682	2,807	2,280	2,290	2,204	1,838
Development contributions	12,072	19,620	24,593	27,510	33,064	32,324	32,837	27,905	27,845	27,280	23,911
Gain on revaluation of investment properties & forestry	447	447	450	450	450	450	450	450	450	450	450
Vested assets	15,176	11,717	12,126	12,464	12,824	13,203	13,587	14,012	14,470	14,953	15,412
Discovered assets	-	-	-	-	-	-	-	-	-	-	-
Dividends	20	20	20	20	20	20	20	20	20	20	20
Finance income	271	15	15	15	50	50	50	50	50	50	50
Subsidies and Grants	11,327	9,858	12,413	12,310	10,336	9,329	9,696	9,433	9,653	9,950	10,384
Other revenue	1,563	10,749	12,966	2,699	2,742	2,758	1,799	4,295	3,530	1,340	1,433
Gain on swap derivative	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Income</b>	<b>124,381</b>	<b>142,164</b>	<b>156,624</b>	<b>155,533</b>	<b>166,998</b>	<b>170,274</b>	<b>175,578</b>	<b>177,253</b>	<b>181,450</b>	<b>184,349</b>	<b>186,132</b>
<b>OPERATING EXPENDITURE</b>											
Employee benefit expenses	27,023	28,840	29,263	30,206	31,894	32,538	33,406	34,281	35,164	36,032	36,907
Depreciation & amortisation	25,461	30,317	31,581	34,545	37,659	39,239	39,591	40,342	40,700	42,185	44,531
Other expenses	43,465	41,203	42,934	45,118	50,182	47,710	49,258	51,059	52,164	53,839	57,902
Finance costs	1,870	1,976	3,397	3,895	3,722	4,035	3,928	4,223	4,378	4,441	3,867
Loss on revaluation	-	-	-	-	-	-	-	-	-	-	-
Loss on swap derivative	-	-	-	-	-	-	-	-	-	-	-
<b>Total Operating Expenditure</b>	<b>97,819</b>	<b>102,336</b>	<b>107,175</b>	<b>113,764</b>	<b>123,457</b>	<b>123,522</b>	<b>126,183</b>	<b>129,905</b>	<b>132,406</b>	<b>136,497</b>	<b>143,207</b>
<b>OPERATING SURPLUS</b>	<b>26,562</b>	<b>39,828</b>	<b>49,449</b>	<b>41,769</b>	<b>43,541</b>	<b>46,752</b>	<b>49,395</b>	<b>47,348</b>	<b>49,044</b>	<b>47,852</b>	<b>42,925</b>
<b>Other Comprehensive Income recognised directly in Equity</b>											
Property Plant and Equipment											
Revaluation gains/(losses) taken to equity	20,819	9,053	81,080	29,945	62,227	67,452	72,797	56,045	114,998	82,294	100,731
Intangible Revaluation gains/(losses) taken to equity	-	-	-	-	-	-	-	-	-	-	-
Investment Revaluation gains/(losses) taken to equity	-	-	-	-	-	-	-	-	-	-	-
Cash flow hedges	206	-	1,292	-	-	-	-	-	-	-	-
<b>Total Other Comprehensive Income for the year</b>	<b>21,025</b>	<b>9,053</b>	<b>82,372</b>	<b>29,945</b>	<b>62,227</b>	<b>67,452</b>	<b>72,797</b>	<b>56,045</b>	<b>114,998</b>	<b>82,294</b>	<b>100,731</b>
<b>Total Comprehensive Income for the year</b>	<b>47,587</b>	<b>48,881</b>	<b>131,821</b>	<b>71,714</b>	<b>105,768</b>	<b>114,204</b>	<b>122,192</b>	<b>103,393</b>	<b>164,042</b>	<b>130,146</b>	<b>143,656</b>

**Table 8: Targeted water rates**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Targeted Water Rates	11,210	11,636	12,337	12,982	13,790	14,954	15,807	16,832	17,779	18,693	19,856

**Table 9: Depreciation and amortisation**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Governance	7	8	6	5	4	4	3	0	-	-	-
Environmental Services	6	8	8	30	30	28	28	28	28	28	26
Community Facilities	3,382	4,362	4,582	4,816	5,308	5,029	4,924	4,835	4,916	4,879	4,899
Transportation	10,976	11,342	11,452	12,698	12,983	12,880	12,805	12,931	12,600	12,497	12,521
Stormwater	1,683	1,942	2,489	2,678	3,029	4,569	4,699	4,871	4,990	5,183	5,322
Wastewater	3,709	5,883	5,909	6,170	6,400	6,555	6,674	6,957	6,777	7,034	10,047
Water	4,375	5,247	5,079	5,351	5,870	6,103	6,487	6,951	7,340	7,635	7,496
Support Services	1,322	1,524	2,056	2,838	4,035	4,069	3,971	3,768	4,050	4,929	4,219
	25,461	30,317	31,581	34,587	37,659	39,239	39,591	40,342	40,700	42,185	44,531

Table 10: Prospective statement in changes in equity

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July	1,782,731	1,826,336	1,875,217	2,007,038	2,078,752	2,184,520	2,298,724	2,420,916	2,524,309	2,688,351	2,818,497
Total comprehensive income previously reported	47,587	48,881	131,821	71,714	105,768	114,204	122,192	103,393	164,042	130,146	143,656
<b>Balance as at 30 June</b>	<b>1,830,318</b>	<b>1,875,217</b>	<b>2,007,038</b>	<b>2,078,752</b>	<b>2,184,520</b>	<b>2,298,724</b>	<b>2,420,916</b>	<b>2,524,309</b>	<b>2,688,351</b>	<b>2,818,497</b>	<b>2,962,153</b>
<b>Equity represented by</b>											
Retained Earnings	570,075	613,453	655,118	687,418	729,462	767,770	805,082	841,836	870,768	892,839	919,367
Other Reserves	1,260,243	1,261,764	1,351,920	1,391,334	1,455,058	1,530,954	1,615,834	1,682,473	1,817,583	1,925,658	2,042,786
	<b>1,830,318</b>	<b>1,875,217</b>	<b>2,007,038</b>	<b>2,078,752</b>	<b>2,184,520</b>	<b>2,298,724</b>	<b>2,420,916</b>	<b>2,524,309</b>	<b>2,688,351</b>	<b>2,818,497</b>	<b>2,962,153</b>

**Table 11: Prospective statement of financial position**

	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Annual Plan	Forecast	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>ASSETS</b>												
<b>Current Assets</b>												
Cash and cash equivalents <sup>1</sup>	2,801	2,598	5,383	3,316	3,037	6,835	5,005	5,076	3,482	4,434	3,939	3,969
Trade and other receivables	5,295	7,514	2,167	1,958	1,958	1,958	1,959	1,959	1,960	1,961	1,961	1,962
Investment in CCO's	240	-	-	-	-	-	-	-	-	-	-	-
Non-current assets held for sale	85	85	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>8,421</b>	<b>10,197</b>	<b>7,550</b>	<b>5,274</b>	<b>4,995</b>	<b>8,793</b>	<b>6,964</b>	<b>7,035</b>	<b>5,442</b>	<b>6,395</b>	<b>5,900</b>	<b>5,931</b>
<b>Non-Current Assets</b>												
Property plant and equipment	1,998,367	1,931,117	2,089,619	2,259,189	2,356,955	2,469,822	2,566,655	2,696,405	2,787,322	2,938,406	3,035,161	3,133,046
Intangible Assets	2,465	2,711	4,173	4,704	5,881	4,735	3,387	2,807	2,727	2,882	2,820	2,711
Forestry Assets	2,977	2,559	2,597	2,637	2,677	2,717	2,757	2,797	2,837	2,877	2,917	2,957
Investment in CCO's	14,980	18,786	18,786	18,786	18,786	18,786	18,786	18,786	18,786	18,786	18,786	18,786
Trade and other receivables non-current	-	14	14	14	14	14	14	14	14	14	14	14
Investment Properties	16,611	16,027	16,436	16,846	17,256	17,666	18,076	18,486	18,896	19,306	19,716	20,126
<b>Total Non-Current Assets</b>	<b>2,035,400</b>	<b>1,971,214</b>	<b>2,131,625</b>	<b>2,302,176</b>	<b>2,401,569</b>	<b>2,513,740</b>	<b>2,609,675</b>	<b>2,739,295</b>	<b>2,830,582</b>	<b>2,982,271</b>	<b>3,079,414</b>	<b>3,177,640</b>
<b>Total Assets</b>	<b>2,043,821</b>	<b>1,981,411</b>	<b>2,139,175</b>	<b>2,307,450</b>	<b>2,406,564</b>	<b>2,522,533</b>	<b>2,616,639</b>	<b>2,746,330</b>	<b>2,836,024</b>	<b>2,988,666</b>	<b>3,085,314</b>	<b>3,183,571</b>
<b>LIABILITIES</b>												
<b>Current Liabilities</b>												
Trade and other payables	24,107	18,738	16,621	16,617	16,617	16,618	16,620	16,619	16,620	16,620	16,622	16,623
Provisions	412	452	1,744	452	452	452	452	452	452	452	452	452
Employee benefit liabilities	1,547	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744
Borrowings	55,000	41,400	9,000	15,000	42,000	121,000	102,900	92,600	100,900	34,500	110,400	60,500
<b>Total Current Liabilities</b>	<b>81,066</b>	<b>62,334</b>	<b>29,109</b>	<b>33,813</b>	<b>60,813</b>	<b>139,814</b>	<b>121,716</b>	<b>111,415</b>	<b>119,716</b>	<b>53,316</b>	<b>129,218</b>	<b>79,319</b>
<b>Non-Current Liabilities</b>												
Trade and other payables	-	250	250	-	-	-	-	-	-	-	-	-
Derivative financial instruments	-	1,292	-	-	-	-	-	-	-	-	-	-
Provisions	1,937	699	699	699	699	699	699	699	699	699	699	699
Borrowings	130,500	90,500	233,900	265,900	266,300	197,500	195,500	213,300	191,300	246,300	136,900	141,400
<b>Total Non-Current Liabilities</b>	<b>132,437</b>	<b>92,741</b>	<b>234,849</b>	<b>266,599</b>	<b>266,999</b>	<b>198,199</b>	<b>196,199</b>	<b>213,999</b>	<b>191,999</b>	<b>246,999</b>	<b>137,599</b>	<b>142,099</b>
<b>Total Liabilities</b>	<b>213,503</b>	<b>155,075</b>	<b>263,958</b>	<b>300,412</b>	<b>327,812</b>	<b>338,013</b>	<b>317,915</b>	<b>325,414</b>	<b>311,715</b>	<b>300,315</b>	<b>266,817</b>	<b>221,418</b>
<b>EQUITY</b>												
Retained Earnings	570,075	565,090	613,453	655,118	687,418	729,462	767,770	805,082	841,836	870,768	892,839	919,367
Other reserves	1,260,243	1,261,246	1,261,764	1,351,920	1,391,334	1,455,058	1,530,954	1,615,834	1,682,473	1,817,583	1,925,658	2,042,786
<b>Total Equity</b>	<b>1,830,318</b>	<b>1,826,336</b>	<b>1,875,217</b>	<b>2,007,038</b>	<b>2,078,752</b>	<b>2,184,520</b>	<b>2,298,724</b>	<b>2,420,916</b>	<b>2,524,309</b>	<b>2,688,351</b>	<b>2,818,497</b>	<b>2,962,153</b>



**Table 12: Council investment in CCOs**

	2020/21	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Annual Plan	Forecast	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Waikato Regional Council	14,976	16,960	16,960	16,960	16,960	16,960	16,960	16,960	16,960	16,960	16,960	16,960
NZ Local Government Funding Agency Ltd	100	740	740	740	740	740	740	740	740	740	740	740
Civic Financial Services Ltd	131	973	973	973	973	973	973	973	973	973	973	973
Waikato Local Authority Shared Services Ltd	13	113	113	113	113	113	113	113	113	113	113	113
	15,220	18,786	18,786	18,786	18,786	18,786	18,786	18,786	18,786	18,786	18,786	18,786

**Table 13: Prospective statement of cash flow**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Forecast	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Cash Flows from Operating Activities</b>											
Receipts from rates revenue	68,263	73,176	78,562	83,808	90,244	93,970	98,454	102,555	106,383	110,860	114,905
Interest received	271	15	15	15	50	50	50	50	50	50	50
Dividends received	20	20	20	20	20	20	20	20	20	20	20
Receipts from other revenue	52,216	53,380	56,453	56,531	61,122	60,277	61,675	56,328	56,973	57,136	54,323
Payments to suppliers and employees	(66,894)	(72,160)	(72,201)	(75,324)	(82,075)	(80,246)	(82,665)	(84,982)	(87,327)	(89,869)	(94,809)
Interest Paid	(1,870)	(1,976)	(3,397)	(3,895)	(3,722)	(4,035)	(3,928)	(4,223)	(4,378)	(4,441)	(3,867)
Goods and services tax (net)		(42)	42	-	-	-	-	-	-	-	-
<b>Net Cash Flow from Operating Activities</b>	<b>52,006</b>	<b>52,413</b>	<b>59,494</b>	<b>61,155</b>	<b>65,639</b>	<b>70,036</b>	<b>73,606</b>	<b>69,748</b>	<b>71,721</b>	<b>73,756</b>	<b>70,622</b>
<b>Cash Flows from Investing Activities</b>											
Proceeds from sale of property, plant and equipment	-	8,798	8,915	2,245	2,288	2,303	1,342	3,837	3,104	880	972
Proceeds from sale of investment property	1,275	85	-	-	-	-	-	-	-	-	-
Purchase of intangible assets	(1,419)	(1,462)	(969)	(1,906)	(156)	-	(34)	-	(171)	(36)	-
Purchase of property, plant and equipment	(170,013)	(168,049)	(107,507)	(89,173)	(74,173)	(54,069)	(82,343)	(61,479)	(62,302)	(41,595)	(26,164)
Purchase & Development of investment property	-	-	-	-	-	-	-	-	-	-	-
Investment in Associates	-	-	-	-	-	-	-	-	-	-	-
<b>Net Cash Flow from Investing Activities</b>	<b>(170,157)</b>	<b>(160,628)</b>	<b>(99,561)</b>	<b>(88,834)</b>	<b>(72,041)</b>	<b>(51,766)</b>	<b>(81,035)</b>	<b>(57,642)</b>	<b>(59,369)</b>	<b>(40,751)</b>	<b>(25,192)</b>
<b>Cash Flows from Financing Activities</b>											
Proceeds from borrowings	120,000	111,000	38,000	27,400	10,200		7,500		-	-	-
Repayment of borrowings	-					(20,100)	-	(13,700)	(11,400)	(33,500)	(45,400)
<b>Net Cash Flow from Financing Activities</b>	<b>120,000</b>	<b>111,000</b>	<b>38,000</b>	<b>27,400</b>	<b>10,200</b>	<b>(20,100)</b>	<b>7,500</b>	<b>(13,700)</b>	<b>(11,400)</b>	<b>(33,500)</b>	<b>(45,400)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>1,849</b>	<b>2,785</b>	<b>(2,067)</b>	<b>(279)</b>	<b>3,798</b>	<b>(1,830)</b>	<b>71</b>	<b>(1,594)</b>	<b>952</b>	<b>(495)</b>	<b>30</b>
Cash and cash equivalents at the beginning of the year	749	2,598	5,383	3,316	3,037	6,835	5,005	5,076	3,482	4,434	3,939
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>2,598</b>	<b>5,383</b>	<b>3,316</b>	<b>3,037</b>	<b>6,835</b>	<b>5,005</b>	<b>5,076</b>	<b>3,482</b>	<b>4,434</b>	<b>3,939</b>	<b>3,969</b>

#### 14: Statement of borrowing

	2020/21 Annual Plan \$000	2020/21 Forecast \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000	2028/29 Budget \$000	2029/30 Budget \$000	2030/31 Budget \$000
<b>Movements in Borrowings</b>												
Opening Balance	65,500	53,500	177,400	242,900	280,900	308,300	318,500	298,400	305,900	292,200	280,800	247,300
Net Loans Raised/(Repaid)	120,000	123,900	65,500	38,000	27,400	10,200	(20,100)	7,500	(13,700)	(11,400)	(33,500)	(45,400)
Closing Balance	185,500	177,400	242,900	280,900	308,300	318,500	298,400	305,900	292,200	280,800	247,300	201,900
Current Portion of External Debt	55,000	41,400	9,000	15,000	42,000	121,000	102,900	92,600	100,900	34,500	110,400	60,500
Term Portion of External Debt	130,500	90,500	233,900	265,900	266,300	197,500	195,500	213,300	191,300	246,300	136,900	141,400
	185,500	131,900	242,900	280,900	308,300	318,500	298,400	305,900	292,200	280,800	247,300	201,900

The above represents the level of external borrowing but this could fluctuate depending on future use of reserves.

**Table15: Capital expenditure programme**

	Forecast 2020/21 \$000	2021/21 AP \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000	2028/29 Budget \$000	2029/30 Budget \$000	2030/31 Budget \$000
<b>Projects</b>												
Governance	-	-	-	-	-	-	-	-	-	-	-	-
Planning and Regulatory	14	-	150	616	-	-	-	-	-	-	-	-
Community Services and Facilities	14,803	22,367	23,800	24,677	23,884	22,352	7,620	6,278	5,477	5,576	3,165	3,779
Roads and Footpaths	29,324	51,206	63,436	40,975	25,158	27,200	26,543	25,502	16,458	16,681	16,786	16,704
Stormwater	14,368	35,871	65,283	29,349	25,708	14,187	9,886	5,616	4,772	4,934	5,255	5,740
Water Treatment and Supply	33,267	30,718	10,270	14,530	18,959	17,084	15,074	20,006	13,589	10,187	11,543	11,893
Wastewater Treatment and Disposal	36,703	42,670	17,415	8,844	8,915	7,338	7,140	38,836	35,903	39,124	20,812	4,169
Support Services	4,340	3,776	3,341	4,046	3,153	2,083	3,167	1,886	1,567	2,600	1,181	1,452
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>132,819</b>	<b>186,608</b>	<b>183,695</b>	<b>123,037</b>	<b>105,777</b>	<b>90,244</b>	<b>69,430</b>	<b>98,124</b>	<b>77,766</b>	<b>79,102</b>	<b>58,742</b>	<b>43,737</b>

Note: Refer to the group of activity section in this Long Term Plan which outlines the individual projects in detail.

**Table 16: Council reserve funds, movements and balances**

	2020/21	2020/21	2021-31	2021-31	2030/31
	Budget	Forecast	Transfer	Transfer	Closing
	\$000	\$000	to	From	Balance
			Reserve	Reserve	\$000
			\$000	\$000	
<i>Council created reserves consist of:</i>					
<b>Property Reserves</b>					
Asset Sales Cambridge	-	-	-	-	-
Asset Sales Te Awamutu	-	7	5,124	(1,271)	3,861
Asset Sales General	611	631	24,598	(17,116)	8,113
Endowment Land Cambridge	-	-	-	-	-
Endowment Land Pirongia	19	12	0	-	13
Endowment Land Te Awamutu	119	123	5	-	128
Endowment Land Waipa District	13	14	1	-	14
Forestry Reserve	-	-	-	-	-
Pensioner Housing Reserve	-	2,027	5,358	(5,608)	1,777
<b>Reserve Contributions &amp; Development Contributions</b>					
District Wide Stormwater	1,553	131	122,462	(112,966)	9,627
District Wide Waste Water	-	2,387	74,709	(65,352)	11,745
District Wide Water Treatment and Supply	-	2,918	36,434	(25,304)	14,049
District Wide Roding	990	2,357	112,947	(100,582)	14,722
District Wide Reserve Developments	496	827	14,507	(1,137)	14,196
District Wide Land Purchase	-	1,439	20,829	(22,267)	(0)
Karapiro Reserve Development	-	-	607	(367)	240
Te Awamutu Library/Museum	82	87	0	(87)	0
<b>Special Funds</b>					
Cemetery Paterangi	4	5	0	-	5
Project Funding Reserve	3,314	5,847	25,192	(9,730)	21,309
General Insurance Reserve	589	554	21	-	574
Infrastructure Insurance Reserve	570	571	21	-	592
Te Awamutu 110kv Compensation Reserve	338	339	13	-	352
Pavement Levies	70	92	3	-	95
Road Asset Technical Accord (RATA)	188	124	0	(124)	0
Waste Minimisation	348	354	1,403	(1,757)	0
<b>Separate Balances</b>					
Roding Reserve	2,597	2,621	242,473	(244,884)	210
Stormwater Reserve	308	429	70,829	(71,228)	30
Water Supply Reserve	1,819	1,606	166,723	(166,788)	1,541
Waste Water Reserve	3,549	1,348	164,440	(165,758)	30
Depreciation Reserve - Long Term Assets	2,673	2,881	14,613	(4,249)	13,245
Depreciation Reserve - Medium Term Assets	927	1,830	43,441	(29,757)	15,515
<b>Asset Revaluation Reserves</b>					
<i>Asset revaluation reserves consist of:</i>					
<b>Operational assets</b>					
Land	214,752	225,787	56,686	-	282,473
Buildings	26,483	32,851	15,594	-	48,445
Intangible	378	524	-	-	524
Investments	11,597	13,288	4,497	-	17,785
<b>Infrastructural Assets</b>					
Sewerage System	72,428	73,092	80,442	-	153,534
Water System	71,954	72,314	70,380	-	142,694
Drainage network	74,769	75,708	69,372	-	145,080
Roding network	766,705	736,119	384,148	-	1,120,267
<b>Total</b>	<b>1,260,243</b>	<b>1,261,246</b>	<b>1,827,871</b>	<b>(1,046,330)</b>	<b>2,042,786</b>

## Council reserves

The tables below set out the purpose of the reserves held by Council and the related activities for these reserves.

**Table 17: Council reserves – Property**

Reserve	Purpose	Activity
Asset sales: Cambridge	Proceeds from Cambridge asset sales held in reserve to fund future asset purchases	Property services
Asset sales: Te Awamutu	Proceeds from Te Awamutu asset sales held in reserve to fund future asset purchases	Property services
Asset sales: General	Proceeds from district-wide asset sales held in reserve to fund future asset purchases	Property services
Endowment land: Cambridge	Proceeds from sale of Cambridge endowment land held in reserve for endowment purposes	Property services
Endowment land: Pirongia	Proceeds from sale of Pirongia endowment land held in reserve for endowment purposes	Property services
Endowment land: Te Awamutu	Proceeds from sale of Te Awamutu endowment land held in reserve for endowment purposes	Property services
Endowment land: Waipā district	Proceeds from sale of district-wide endowment land held in reserve for endowment purposes	Property services
Forestry reserve	Proceeds from forestry harvesting to fund future forestry activities	Forestry
Residential housing reserve	Proceeds from residential housing rental revenue to fund the operating and capital expenditure of that activity	Housing for the Elderly and Own Your Own Housing

**Table18: Council reserves – Reserve contributions and development contributions**

Reserve	Purpose	Activity
District-wide stormwater	Proceeds from development contributions to fund growth-related expenditure	Stormwater
District-wide wastewater	Proceeds from development contributions to fund growth-related expenditure	Wastewater treatment & disposal
District-wide water treatment & supply	Proceeds from development contributions to fund growth-related expenditure	Water treatment & supply
District-wide roading	Proceeds from development contributions to fund growth-related expenditure	Transportation
District-wide reserve developments	Proceeds from development contributions to fund growth-related expenditure	Parks & reserves
District-wide land purchase	Proceeds from development contributions to fund growth-related expenditure	Parks & reserves

Reserve	Purpose	Activity
Karāpiro Reserve development	Proceeds from development contributions to fund growth-related expenditure for Karāpiro Reserve and Cambridge Pool	Parks & Reserves
Te Awamutu library / museum	Proceeds from development contributions to fund growth-related expenditure for Te Awamutu library / museum	District libraries/museums

**Table 19: Council reserves – Special funds**

Reserve	Purpose	Activity
Cemetery: Paterangi	Proceeds held in reserve to fund future capital works	Cemeteries
Project funding reserve	Funding for specific projects to be completed in the following year	All activities
General insurance reserve	Provision to pay call-ups and to fund increase in deductibles of claims as well as to help to pay future premium increases	All activities
Infrastructure insurance reserve	Provision to help cover the insurance deductible if a major event happens in the Waipā district	Stormwater/ wastewater treatment and disposal/ water treatment & supply
Te Awamutu 100kv compensation reserve	Proceeds from the granting of easement rights for the Waipā Networks 110kv line, held in reserve for appropriate future utilisation with due regard to the source of these funds	Properties
Pavement levies	Levies collected from land use consents for future pavement rehabilitation	Transportation
Regional Asset Technical Accord (RATA)	Funds held in reserve for future works	Transportation
Waste Minimisation	Funds held in reserve for future works	Recycling

**Table 20: Council reserves – Separate balances**

Reserve	Purpose	Activity
Roading reserve	Funds held in reserve for capital works expenditure	Transportation
Stormwater reserve	Funds held in reserve for capital works expenditure	Stormwater
Water supply reserve	Funds held in reserve for capital works expenditure	Water treatment & supply

Reserve	Purpose	Activity
Wastewater reserve	Funds held in reserve for operating and capital works expenditure	Wastewater treatment & disposal
Depreciation reserve long term assets	Funds held in reserve for capital works expenditure	Community services & facilities
Depreciation reserve medium term assets	Funds held in reserve for capital works expenditure	Community services & facilities

**Table21: Council reserves – Asset revaluation**

Reserve	Purpose	Activity
<b><i>Operational</i></b>		
Land	Non-cash reserve to record appreciation values arising from asset revaluations	Community services & facilities
Buildings	Non-cash reserve to record appreciation values arising from asset revaluations	Community services & facilities
<b><i>Infrastructural assets</i></b>		
Sewerage system	Non-cash reserve to record appreciation values arising from asset revaluations	Wastewater treatment & disposal
Water system	Non-cash reserve to record appreciation values arising from asset revaluations	Water treatment & supply
Drainage network	Non-cash reserve to record appreciation values arising from asset revaluations	Stormwater
Roading network	Non-cash reserve to record appreciation values arising from asset revaluations	Transportation

## 2021 budget and 2021 forecast

The table below shows the 2020/21 Annual Plan budget compared to the 2020/21 Forecast as at 28 February 2021. The 2020/21 forecast column represents the 'best current information' starting point for year one of the Long Term Plan and reflects updated budget information as at 28 February 2021.

**Table22: 2021 budget and 2021 forecast**

	2020/21 Budget \$000's	2020/21 Forecast \$000's
<b>Statement of Comprehensive Income</b>		
Operating Income	124,381	134,436
Operating Expenditure	97,819	96,051
Operating Surplus	26,562	38,385
<b>Statement of Movements in Equity</b>		
Public Equity at the start of the year	1,782,731	1,767,132
Net surplus/(deficit) for the year	26,562	38,385
Property, Plant and Equipment Revaluation gains (losses) taken to equity	20,819	20,819
Cashflow hedges	206	-
Total Recognised Income and Expenses	47,587	59,204
Total Equity at End of The Year	1,830,318	1,826,336
<b>Statement of Financial Position as at year end</b>		
Current Assets	8,421	10,911
Non-Current Assets	2,035,400	1,966,599
Total Assets	2,043,821	1,977,510
Current Liabilities	81,066	58,183
Non-Current Liabilities	132,437	92,991
Total Liabilities	213,503	151,174
Equity and Net Assets	1,830,318	1,826,336
<b>Statement of Cashflows</b>		
Net from Operating Activities	52,006	52,006
Net from Investing Activities	(170,157)	(170,157)
Net from Financing Activities	120,000	120,000
Net Increase/(Decrease) in Cash and Cash Equivalents	1,849	1,849
Cash and Cash Equivalents at the beginning of the year	952	487
Cash and Cash Equivalents at the end of the year	2,801	2,336



# RATING INFORMATION

## FUNDING IMPACT STATEMENT

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The funding impact statement has been prepared in accordance with Schedule 10 of the Local Government Act 2002, as well as sections 13 to 19 of the Local Government (Rating) Act 2002 and sets out:

- The revenue and financing mechanisms used.
- An indicative level or amount of funding for each mechanism.
- A summary of the total rates requirement.
- The application of funding methods to Council activities.

This statement should be read in conjunction with our Revenue & Financing Policy that sets out our policies in respect of each source of funding for operating and capital expenses. We have reviewed the Revenue and Financing Policy as part of preparing this Long-Term Plan and in doing so have taken into consideration:

- The community outcomes to which each activity primarily contributes.
- The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals.
- The period in or over which those benefits are expected to occur.
- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity.
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.
- The overall impact of any allocation of liability for revenue needs on the community.

The Consolidated Funding Statement includes petrol tax, funds from asset sales, rates penalties and rates remissions which are not directly attributable to a specific activity.

**Table 23: Consolidated funding impact statement**

	2020/21 Annual Plan \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000	2028/29 Budget \$000	2029/30 Budget \$000	2030/31 Budget \$000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	38,592	40,335	42,371	45,977	48,902	49,248	51,797	53,831	55,944	58,137	55,795
Targeted rates	29,671	32,840	36,191	37,831	41,342	44,718	46,657	48,724	50,439	52,723	59,109
Subsidies and grants for operating purposes	3,524	3,244	3,449	3,278	3,971	4,101	4,236	4,626	4,833	4,976	5,178
Fees and charges	15,925	15,184	13,529	14,001	14,465	15,484	15,875	16,251	16,756	17,238	17,725
Interest and dividends from investments	291	35	35	35	70	70	70	70	70	70	70
Local authorities fuel tax, fines, infringement fees, and other receipts	412	412	412	412	412	412	412	412	412	412	412
<b>Total sources of operating funding (A)</b>	<b>88,415</b>	<b>92,050</b>	<b>95,987</b>	<b>101,534</b>	<b>109,162</b>	<b>114,033</b>	<b>119,047</b>	<b>123,914</b>	<b>128,454</b>	<b>133,556</b>	<b>138,289</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	66,221	66,120	68,221	70,999	77,555	76,635	79,029	81,210	83,646	86,164	91,078
Finance costs	1,870	1,976	3,397	3,895	3,722	4,035	3,928	4,223	4,378	4,441	3,867
Other operating funding applications	1,930	1,641	1,643	2,097	1,436	1,458	1,480	1,504	1,527	1,552	1,577
<b>Total applications of operating funding (B)</b>	<b>70,021</b>	<b>69,737</b>	<b>73,261</b>	<b>76,991</b>	<b>82,713</b>	<b>82,128</b>	<b>84,437</b>	<b>86,937</b>	<b>89,551</b>	<b>92,157</b>	<b>96,522</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>18,394</b>	<b>22,313</b>	<b>22,726</b>	<b>24,543</b>	<b>26,449</b>	<b>31,905</b>	<b>34,610</b>	<b>36,977</b>	<b>38,903</b>	<b>41,399</b>	<b>41,767</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	7,803	6,618	8,968	9,031	6,369	5,232	5,464	4,813	4,824	4,979	5,212
Development and financial contributions	12,594	20,995	26,540	29,764	35,864	35,006	35,644	30,185	30,135	29,484	25,749
Increase (decrease) in debt	120,000	65,500	38,000	27,400	10,200	(20,100)	7,500	(13,700)	(11,400)	(33,500)	(45,400)
Gross proceeds from sale of assets	1,275	8,796	8,915	2,245	2,288	2,303	1,342	3,836	3,071	880	972
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>141,672</b>	<b>101,909</b>	<b>82,423</b>	<b>68,440</b>	<b>54,721</b>	<b>22,441</b>	<b>49,950</b>	<b>25,134</b>	<b>26,630</b>	<b>1,843</b>	<b>(13,467)</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	80,521	127,771	64,721	42,127	31,058	26,217	47,391	33,603	35,488	17,546	250
- to improve the level of service	70,853	25,157	22,832	31,255	24,226	9,156	13,779	11,362	6,604	4,120	4,838
- to replace existing assets	20,058	19,050	23,358	19,932	22,136	20,854	23,366	18,789	22,539	22,125	23,236
Increase (decrease) in reserves	(11,366)	(47,756)	(5,762)	(331)	3,750	(1,881)	24	(1,643)	902	(549)	(24)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>160,066</b>	<b>124,222</b>	<b>105,149</b>	<b>92,983</b>	<b>81,170</b>	<b>54,346</b>	<b>84,560</b>	<b>62,111</b>	<b>65,533</b>	<b>43,242</b>	<b>28,300</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(18,394)</b>	<b>(22,313)</b>	<b>(22,726)</b>	<b>(24,543)</b>	<b>(26,449)</b>	<b>(31,905)</b>	<b>(34,610)</b>	<b>(36,977)</b>	<b>(38,903)</b>	<b>(41,399)</b>	<b>(41,767)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The funding impact statement is prepared in compliance with the requirements of clause 15, Part 1, Schedule 10 of the Local Government Act 2002. Unlike the Statement of Comprehensive Revenue and Expense, the funding impact statement is intended to show in a transparent manner, how all sources of funding received by us are applied. It does not include “non-cash” that is classified as income on the Statement of Comprehensive Revenue and Expense (as required by GAAP) such as assets that are vested to us through the subdivision process, or unrealised gains on assets. The Statement of Comprehensive Revenue and Expense also requires “non-cash” expenses such as depreciation, amortisation, and unrealised losses of assets to be reflected, whereas these are excluded from the funding impact statement. The reconciliation below identifies the differences between these two statements.

**Table 24: Reconciliation between the funding impact statement and statement of comprehensive revenue and expense**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Total prospective revenue and expense wholly attributable to District Council	47,587	48,881	131,821	71,714	105,768	114,204	122,192	103,393	164,042	130,146	143,656
Surplus (deficit) of operating funding per prospective whole of Council funding impact statement	18,394	22,313	22,726	24,543	26,449	31,905	34,610	36,977	38,903	41,399	41,767
<b>Difference</b>	29,193	26,568	109,095	47,171	79,319	82,299	87,582	66,416	125,139	88,747	101,890
<b>The difference is due to:</b>											
Capital income	20,397	36,415	44,427	41,049	44,524	42,549	42,454	38,836	38,034	35,347	31,939
Vested assets	15,176	11,717	12,126	12,464	12,824	13,203	13,587	14,012	14,470	14,953	15,412
Revaluation of assets	21,472	9,500	82,822	30,395	62,677	67,902	73,247	56,495	115,448	82,744	101,181
Gain (loss) on sale/disposal of assets	(2,391)	(747)	1,301	(2,192)	(3,047)	(2,116)	(2,115)	(2,585)	(2,113)	(2,112)	(2,111)
Depreciation and amortisation	(25,461)	(30,317)	(31,581)	(34,545)	(37,659)	(39,239)	(39,591)	(40,342)	(40,700)	(42,185)	(44,531)
<b>Total explained difference</b>	29,193	26,568	109,095	47,171	79,319	82,299	87,582	66,416	125,139	88,747	101,890

## Rates Information

Rateable property numbers as required by legislation:

**Table 25: Rateable property numbers**

Year	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Rateable Properties	22,522	23,088	23,751	24,477	25,326	26,170	26,993	27,731	28,464	29,172

Rates requirement figures quoted in the section below are GST inclusive (with GST at the prevailing rate).

## District-wide funding

The funding of district-wide activities will be from a combination of general rates, uniform annual general charge (UAGC) and targeted area rates. This combination of general rates, UAGC and targeted area rates is referred to as 'district-wide funding'. Activities funded from district-wide funding include governance, animal control, building, environmental health, resource management, development engineering, parks and reserves, Mighty River Domain, libraries, Cambridge Pool, Te Awamutu Events Centre, museums, heritage, cemeteries, public toilets, property, rural halls, town halls, community buildings, emergency management, litter bins, recycling, roading, stormwater, water supply and sewerage.

### Definition of a separately used or inhabited part of a rating unit (SUIP).

A separately used or inhabited part of a rating unit exists where there is use or ability to use a part or parts of the rating unit as an independent residence; or in the case of a rating unit used for commercial or industrial business, where there is use or ability to use a part or parts of the rating unit for independent trading operations. This is on the basis that where a rating unit is configured for the purpose of separate inhabitation or use, even if it is not currently occupied, this constitutes a separate use of the rating unit by the owner.

Definition of a separately used or inhabited part of a rating unit (SUIP) for Recycling rate, Community Hall Charges or Community Centre charges.

A separately used or inhabited part of a rating unit exists where there is use or ability to use a part or parts of the rating unit as an independent residence and includes only household units. Where a rating unit is configured for the purpose of separate inhabitation or use, even if it is not currently occupied, this constitutes a separate use of the rating unit by the owner.

## General rate

A general rate is set under Section 13 of the Local Government (Rating) Act 2002 based on the capital value of each rating unit in the district and with no differential. The inclusive of GST rate for 2021/22 is 0.1257 cents in the dollar on the capital value of each rating unit.

The general rate will fund 61.3 per cent of the district-wide funding.

Amount to be raised: \$ 28,585,137 inclusive of GST.

## Uniform annual general charge (UAGC)

A uniform annual general charge is set under Section 15 of the Local Government (Rating) Act 2002 at \$730.00 inclusive of GST per separately used or inhabited part of a rating unit.

The UAGC will fund a portion of the district-wide funding.

Amount to be raised: \$18,010,560 inclusive of GST.

## Targeted rates

Targeted rates are set under sections 16 and 19 of the Local Government (Rating) Act 2002 for the activities listed below. The Council will not invite lump sum contributions in respect of any of these targeted rates.

### Targeted area rates

A targeted area rate is set on each rating unit in the district. The targeted rate will be a fixed amount per rating unit. This rate will be set on a differential basis based on location of the rating unit, being the areas of Te Awamutu, Kakepuku, Cambridge, Maungatautari and Pirongia. The rates for the 2021/22 year are shown in the following table:

**Table 26: Targeted area rates**

Area	\$ Rate (GST inclusive)	\$ Raising
Cambridge	301.06	2,671,905
Kakepuku	183.78	235,241
Maungatautari	241.28	357,338
Pirongia	162.75	522,746
Te Awamutu	249.92	1,701,941

The targeted area rate will fund a portion of the district-wide funding and fund the public community/group benefit element of activities.

The activities funded from the targeted area rate include community boards, community grants, libraries, Swimming Pools, District Museum, Cambridge Town Hall (Cambridge area only) community properties (Cambridge and Te Awamutu areas), passenger transport, Cambridge Refuse Centre grant, and National Cycling Centre of Excellence.

Amount to be raised: \$5,489,171 inclusive of GST.

### **Cambridge community sports hall**

A targeted rate is set to fund the loan charges for the grant made for the development of the sports hall located at the Cambridge High School.

The targeted rate is a fixed amount per rating unit. A rate of \$10.61 inclusive of GST is set for each rating unit in the Cambridge and Maungatautari areas.

Amount to be raised: \$109,772 inclusive of GST.

### **Urban town halls**

A targeted rate is set to fund the maintenance costs for the Pirongia Memorial Hall and the Kihikihi Town Hall and part of the maintenance costs of the Cambridge Town Hall.

The targeted rate is a fixed amount per rating unit. A rate of \$6.08 inclusive of GST is set for each rating unit in the Cambridge and Te Awamutu areas and in the Pirongia Township being roll number 4605.

Amount to be raised: \$99,116 inclusive of GST.

## Capital works

A targeted rate is set to fund capital costs in connection with improvements and extensions to footpaths, kerbing and channelling of roads and street lighting.

The capital works rate is based on the capital value of the rating unit. The capital works rate is set on a differential basis based on location, with the categories being the areas of Te Awamutu and Cambridge. The rates in cents per dollar of capital value are shown in the following table:

**Table 27: Capital works targeted rate**

Area	Rate in cents per dollar (GST inclusive)	\$ Raising
Cambridge	0.0006	44,183
Te Awamutu	0.0009	38,248

Amount to be raised: \$82,431 inclusive of GST.

## Stormwater

A targeted rate is set to fund the operating costs and loan charges for stormwater in urban and rural areas of the district. The stormwater rate is based on the capital value of each rating unit in the district. The stormwater rate is set on a differential basis based on location of the rating unit, the categories being urban and rural. Urban is defined as being the urban drainage areas of Cambridge, Te Awamutu, Kihikihi, Ōhaupō, Pirongia and Karāpiro, as shown on Drainage Maps on [www.waipadc.govt.nz](http://www.waipadc.govt.nz). Rural is defined as the remaining area of the district not defined as urban. The rates for 2021/22 in cents per dollar of capital value are shown in the following table:



**Table 28: Stormwater targeted rates**

	Rate in cents per dollar (GST inclusive)	\$ Raising
Urban	0.0390	3,901,146
Rural	0.0053	622,296

Amount to be raised: \$4,523,442 inclusive of GST.

### Sewerage charges

A targeted rate is set for sewerage disposal costs and loan charges for each rating unit in the areas of the Cambridge sewerage scheme and the Te Awamutu sewerage scheme.

The targeted rate is set on a differential basis based on the provision of service, the categories of service being connected and serviceable. Connected means any rating unit that is connected to the Cambridge or Te Awamutu sewerage scheme. Serviceable means any rating unit situated within 30 metres of a public sewerage drain in one of the above Council sewerage scheme areas to which it is capable of being effectively connected but which is not so connected. For connected rating units, the rate is calculated based on the number of pans and urinals at the rating unit. For serviceable rating units, the rate is an amount per rating unit. The rates for the 2021/22 year are:

**Table 29: Sewerage targeted rate**

	\$ Rate per pan or urinal (GST inclusive)	\$ Raising
Connected (3 or less pans)	715.59	9,695,929
Connected (4 -10 pans)	608.26	742,669
Connected (11-15 pans)	500.92	222,408
Connected (16-20 pans)	436.51	112,618
Connected (21-35 pans)	393.58	217,648
Connected (36-45 pans)	343.49	28,852
Connected (46 or more pans)	322.01	378,364
	\$ Rate per rating unit (GST inclusive)	\$ Raising
Serviceable	357.80	157,432

A rating unit used primarily as a residence for one household will be treated as having no more than one pan or urinal. Rating units that are neither connected to the scheme nor serviceable are not liable for this rate.

Amount to be raised: \$ 11,555,920 inclusive of GST.

## Water charges

A targeted rate is set to fund water supply costs and loan charges to non-metered rating units in the areas of the Cambridge water supply and the Te Awamutu water supply.

The targeted rate is a fixed amount per separately used or inhabited part of a rating unit for Serviceable water connections.

Serviceable means within 100 metres of a supply pipe in either of the Cambridge or Te Awamutu water supply areas and capable of being effectively connected but not so connected. The rates for the 2021/22 year are:

**Table 30: Non-metered water targeted rate**

	\$ Rate per Suip (GST inclusive)	\$ Raising
Serviceable	117.99	28,257

Amount to be raised: \$28,257 inclusive of GST.

Targeted rates set for the supply of water to rating units with metered connections

- a. an amount per separately used or inhabited part of a rating unit; and
- b. and a charge based on the amount (in cubic metres) of water supplied.

In both cases, the rate is set for all metered rating units other than rating units subject to a separate water supply contract. The differential categories of service are potable and raw water supply. The rates for the 2021/22 year are:

**Table 31: Metered water targeted rate**

	\$ Rate per SUIP (Incl GST)	Amount Supplied \$ Rate (GST incl)
Potable Water	136.85	1.6560 per m <sup>3</sup>
Raw Water	136.85	0.4140 per m <sup>3</sup>

Amount to be raised: \$13,381,721 inclusive of GST.

A targeted rate is set to fund the Arohena rural water supply loan costs for Waipā ratepayers within the Arohena rural water supply area (Administered by the Otorohanga District Council).

The Arohena water rate is based on the capital value of each rating unit located within the Arohena rural water supply area. The rate for 2020/21 in cents per dollar of capital value is 0.0078 inclusive of GST.

Amount to be raised: \$5,635 inclusive of GST.

### **Recycling charges**

A targeted rate is set to fund the provision of a kerbside refuse recycling service to each household in the district.

The targeted rate is a fixed amount of \$107.00 inclusive of GST per separately used or inhabited part of a rating unit (SUIP) (where for the purposes of Recycling rates SUIP is defined to include only household units).

Amount to be raised: \$2,337,738 inclusive of GST.

### **Community Halls**

Council has a number of community halls which have a targeted rate set for each hall. The targeted rates are to fund part of the costs of the relevant community hall.

These rates are a fixed amount per separately used or inhabited part of a rating unit (SUIP) ( where for the purpose of Community Hall rates SUIP is defined to include only household units), and will be charged to every rating unit within the relevant community hall areas on which there is at least one residential household.

The plans showing the boundaries of the various community hall areas can be found at [www.waipadc.govt.nz](http://www.waipadc.govt.nz).

The following table shows the details for the various community hall targeted rates:

**Table 32: Community hall targeted rates**

	\$ Rate per Suip (GST inclusive)	\$ Raising
Fencourt Hall	16.00	6,318
Hautapu Hall	20.40	9,691
Horahora Hall	26.95	3,692
Karapiro Hall	26.75	9,603
Koromatua Hall	20.40	5,875
Maungatautari Hall	37.25	6,481
Monavale	30.00	6,420
Ngahinapouri Hall	30.00	10,441
Ohaupo Hall	13.30	5,880
Parawera Hall	18.60	2,324
Paterangi Hall	28.55	5,568
Pukeatua Hall	21.30	4,047
Rangioawhia Hall	14.25	1,866
Rukuhia Hall	26.10	7,960
Te Miro Hall	27.90	5,050
Te Rore Hall	13.80	662
Whitehall Hall	30.00	2,941

## Community Centres

Council has a number of community centres which have a targeted rate set for each community centre. The targeted rates are to fund part of the costs of the relevant community centre.

These rates are a fixed amount per separately used or inhabited part of a rating unit (SUIP) ( where for the purpose of Community Centre rates SUIP is defined to include only household units), and will be charged on land within the relevant community centre area on which there is at least one residential household.

The plans showing the boundaries of the various community centre areas can be found at [www.waipadc.govt.nz](http://www.waipadc.govt.nz)

The following table shows the details for the various community centre targeted rates:

**Table 33: Community centre targeted rates**

	\$ Rate per Suip (GST inclusive)	\$ Raising
Kaipaki	39.70	11,710
Ohaupo	38.80	35,271
Pirongia	17.35	16,989

## Early payment of rates

Sections 55 and 56 of the Local Government (Rating) Act 2002 empower councils to adopt policies in relation to the early payment of rates. Council accepts payment in full of all rates assessed in each year on or before the due date for the first instalment of the year. No discount will be given to any payment of rates received on this basis.

## Rates payable by instalments

Rates (other than rates for metered water supply) are payable in four equal instalments with the due dates and penalty dates as set out in the table below:

**Table 34: Rates payable by instalments**

Instalment	Due Date	Penalty Added
Instalment 1	23 August 2021	30 August 2021
Instalment 2	22 November 2021	29 November 2021
Instalment 3	21 February 2022	28 February 2022
Instalment 4	23 May 2022	30 May 2022

### **Water Rates payable by instalment**

Invoices for the supply of water via metered connections are payable in four instalments. The location where the water is supplied within the district will determine the month of meter reading, invoice date, due date and the penalty date. The due dates and penalty dates are as per the following table.

**Table 35: Rate payment due dates**

Location	Invoiced during month of:	Due Date	Penalty Added
Te Awamutu / Pirongia	July	31-Aug-21	7-Sep-21
	October	30-Nov-21	7-Dec-21
	January	2-Mar-22	9-Mar-22
	April	31-May-22	7-Jun-22
Kihikihi	July	31-Aug-21	7-Sep-21
	October	30-Nov-21	7-Dec-21
	January	2-Mar-22	9-Mar-22
	April	31-May-22	7-Jun-22
Cambridge	August	30-Sep-21	7-Oct-21
	November	5-Jan-22	12-Jan-22
	February	31-Mar-22	7-Apr-22
	May	30-Jun-22	7-Jul-22
Pukerimu / Ohaupo	September	1-Nov-21	8-Nov-21
	December	31-Jan-22	7-Feb-22
	March	2-May-22	9-May-22
	June	1-Aug-22	8-Aug-22

### Penalties on rates not paid by the due date

Section 58 of the Local Government (Rating) Act 2002 enables penalties to be imposed. A penalty of three per cent will be added to all instalments of rates other than rates for metered water supply or part thereof remaining unpaid on the relevant date in the “Penalty Added” column of the tables above under the heading “Rates payable by instalment”.

An additional penalty of three per cent will be added to any rates other than rates for metered water supply assessed in any previous year that are still unpaid on 6 July 2021. The penalty will be added on 7 July 2021.

A further additional penalty of three per cent will be added to rates other than rates for metered water supply from the previous years that are still unpaid after 5 January 2022. The penalty will be added on 7 January 2022.

## Penalties on rates for metered water supply not paid by the due date

Section 58 of the Local Government Rating Act 2002 enables penalties to be imposed. A penalty of 3 per cent will be added to all instalments or part thereof remaining unpaid on the relevant date in the “Penalty Added” column of the table above under the heading “Water Rates payable by instalment”.

## Rates breakdown indicator properties

**Table 36: Rates breakdown indicator properties**

Capital Value Rates	Cents /\$ of CV	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
General		0.1257	0.1290	0.1392	0.1474	0.1425	0.1469	0.1493	0.1525	0.1563	0.1435
Stormwater (Urban)		0.0390	0.0445	0.0432	0.0507	0.0649	0.0631	0.0630	0.0630	0.0649	0.0661
Stormwater (Rural)		0.0053	0.0055	0.0058	0.0059	0.0066	0.0066	0.0066	0.0067	0.0069	0.0069
Uniform Annual General Charge	\$	730.00	751.00	772.00	772.00	772.00	780.00	784.00	787.00	788.00	770.00
Fixed Targeted Rates	\$	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
Sewerage		715.59	810.52	832.60	835.36	835.36	835.36	835.36	835.36	840.65	1,045.93
Water - connectable		117.99	121.06	124.48	128.12	131.77	135.99	140.66	145.56	150.11	155.37
Targeted Areas		163 - 301	161 - 282	173 - 273	182 - 356	184 - 334	200 - 355	186 - 343	186 - 344	188 - 348	194 - 355
CB Community Sports Hall		10.61	10.33	10.01	9.77	9.44	9.08	8.55	8.35	8.20	7.84
Recycling		107.00	114.00	113.00	129.00	124.00	125.00	126.00	123.00	125.00	119.00

The indicator properties are shown **INCLUSIVE** of GST and do not include any metered water rates. The amount of metered water is not dependent on the value or size of a property, only on the quantity of water used by the owners or tenants.



Cambridge indicator properties

Table 37: Cambridge indicator properties

Cambridge Ward (Residential) \$440,000 with 1 dwelling	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	956	1,134	1,217	1,228	1,259	1,238	1,230	1,234	1,217	1,222	1,422
UAGC	708	730	751	772	772	772	780	784	787	788	770
Capital Value Rates	721	733	779	812	880	921	931	941	955	980	929
Total Rates	2,385	2,597	2,747	2,812	2,911	2,931	2,941	2,959	2,959	2,990	3,121
\$ incr per week		4.08	2.88	1.25	3.15	0.38	0.58	0.36	0.00	0.59	2.53
Percentage Increase		8.9%	5.8%	2.4%	6.0%	0.7%	1.0%	0.6%	0.0%	1.0%	4.4%
Cambridge Ward (Residential) \$700,000 with 1 dwelling	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	956	1,134	1,217	1,228	1,259	1,238	1,230	1,234	1,217	1,222	1,422
UAGC	708	730	751	772	772	772	780	784	787	788	770
Capital Value Rates	1,140	1,163	1,232	1,288	1,396	1,461	1,478	1,494	1,516	1,556	1,475
Total Rates	2,804	3,027	3,200	3,288	3,427	3,471	3,488	3,512	3,520	3,566	3,667
\$ incr per week		4.29	3.32	1.70	4.37	0.84	1.16	0.47	0.15	0.87	1.96
Percentage Increase		8.0%	5.7%	2.8%	7.1%	1.3%	1.8%	0.7%	0.2%	1.3%	2.9%
Cambridge Ward (Residential) \$1,450,000 with 1 dwelling	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	956	1,134	1,217	1,228	1,259	1,238	1,230	1,234	1,217	1,222	1,422
UAGC	708	730	751	772	772	772	780	784	787	788	770
Capital Value Rates	2,347	2,403	2,538	2,661	2,886	3,019	3,055	3,089	3,134	3,216	3,049
Total Rates	4,011	4,267	4,506	4,662	4,917	5,030	5,065	5,107	5,138	5,226	5,242
\$ incr per week		4.91	4.59	3.00	7.91	2.17	2.85	0.80	0.60	1.69	0.30
Percentage Increase		6.4%	5.6%	3.5%	9.1%	2.3%	3.0%	0.8%	0.6%	1.7%	0.3%

Rural Residential Cambridge \$790,000 with 1 dwelling	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	372	409	389	380	392	376	366	370	356	353	354
UAGC	708	730	751	772	772	772	780	784	787	788	770
Capital Value Rates	1,050	1,046	1,081	1,157	1,221	1,187	1,221	1,240	1,265	1,297	1,196
Total Rates	2,130	2,184	2,221	2,309	2,385	2,335	2,367	2,394	2,408	2,438	2,321
\$ incr per week		1.04	0.71	1.69	3.15	-0.95	-0.33	0.51	0.28	0.57	-2.26
Percentage Increase		2.5%	1.7%	4.0%	7.4%	-2.1%	-0.7%	1.1%	0.6%	1.2%	-4.8%
Rural Residential Cambridge \$1,110,000 with 1 dwelling	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	399	439	427	416	444	423	415	419	403	402	397
UAGC	708	730	751	772	772	772	780	784	787	788	770
Capital Value Rates	1,470	1,467	1,513	1,623	1,713	1,666	1,713	1,740	1,775	1,820	1,679
Total Rates	2,577	2,636	2,691	2,812	2,929	2,861	2,908	2,943	2,965	3,009	2,845
\$ incr per week		1.13	1.06	2.33	4.59	-1.31	-0.41	0.67	0.42	0.86	-3.15
Percentage Increase		2.3%	2.1%	4.5%	8.9%	-2.3%	-0.7%	1.2%	0.7%	1.5%	-5.4%
Rural Residential Cambridge \$2,440,000 with 1 dwelling	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	408	449	436	426	454	433	424	429	412	411	406
UAGC	708	730	751	772	772	772	780	784	787	788	770
Capital Value Rates	3,217	3,217	3,310	3,561	3,759	3,654	3,759	3,817	3,895	3,993	3,683
Total Rates	4,333	4,396	4,497	4,759	4,985	4,859	4,963	5,030	5,094	5,192	4,859
\$ incr per week		1.21	1.95	5.04	9.37	-2.41	-0.41	1.29	1.24	1.88	-6.40
Percentage Increase		1.5%	2.3%	5.8%	10.8%	-2.5%	-0.4%	1.3%	1.3%	1.9%	-6.4%

Commercial / Industrial Cambridge	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
<b>\$315,000 with 1 dwelling</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	853	1,027	1,103	1,115	1,130	1,114	1,105	1,108	1,094	1,097	1,303
UAGC	708	730	751	772	772	772	780	784	787	788	770
Capital Value Rates	520	527	562	583	632	661	669	676	685	703	667
Total Rates	2,081	2,284	2,416	2,470	2,534	2,547	2,553	2,568	2,567	2,588	2,740
\$ incr per week		3.90	2.53	1.05	2.27	0.26	0.37	0.28	-0.02	0.41	2.92
Percentage Increase		9.7%	5.8%	2.3%	4.9%	0.5%	0.8%	0.6%	0.0%	0.8%	5.9%
Commercial / Industrial Cambridge	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
<b>\$860,000 with 2 dwellings / units</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	1,431	1,743	1,913	1,948	1,965	1,950	1,940	1,944	1,930	1,938	2,349
UAGC	1,416	1,460	1,502	1,544	1,544	1,544	1,560	1,568	1,574	1,576	1,540
Capital Value Rates	1,398	1,428	1,511	1,581	1,714	1,793	1,815	1,834	1,861	1,910	1,811
Total Rates	4,245	4,631	4,926	5,073	5,224	5,287	5,315	5,346	5,365	5,424	5,700
\$ incr per week		7.42	5.68	2.82	5.72	1.22	1.75	0.60	0.36	1.13	5.32
Percentage Increase		9.1%	6.4%	3.0%	6.0%	1.2%	1.7%	0.6%	0.4%	1.1%	5.1%
Commercial / Industrial Cambridge	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
<b>\$2,220,000 with 3 dwellings / units</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	2,009	2,458	2,724	2,781	2,801	2,785	2,775	2,779	2,765	2,778	3,395
UAGC	1,416	1,460	1,502	1,544	1,544	1,544	1,560	1,568	1,574	1,576	1,540
Capital Value Rates	3,587	3,676	3,878	4,071	4,415	4,619	4,675	4,726	4,794	4,921	4,666
Total Rates	7,012	7,594	8,104	8,396	8,760	8,948	9,010	9,073	9,134	9,275	9,601
\$ incr per week		11.19	9.81	5.60	12.60	3.63	4.81	1.20	1.17	2.72	6.26
Percentage Increase		8.3%	6.7%	3.6%	8.1%	2.2%	2.9%	0.7%	0.7%	1.5%	3.5%

Te Awamutu indicator properties

Table 38: Te Awamutu indicator properties

Te Awamutu Ward (Residential)	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
<b>\$450,000 with 1 dwelling</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Fixed Targeted Rates	933	1,073	1,175	1,208	1,321	1,294	1,316	1,304	1,303	1,314	1,520
UAGC	708	730	751	772	772	772	780	784	787	788	770
Capital Value Rates	739	751	798	831	901	943	955	965	978	1,003	950
Total Rates	2,380	2,554	2,724	2,810	2,994	3,009	3,050	3,053	3,068	3,105	3,241
\$ incr per week		3.35	3.27	1.66	5.19	0.28	1.09	0.06	0.28	0.72	2.60
Percentage Increase		7.3%	6.7%	3.2%	9.9%	0.5%	1.9%	0.1%	0.5%	1.2%	4.4%
Te Awamutu Ward (Residential)	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
<b>\$560,000 with 1 dwelling</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Fixed Targeted Rates	933	1,073	1,175	1,208	1,321	1,294	1,316	1,304	1,303	1,314	1,520
UAGC	708	730	751	772	772	772	780	784	787	788	770
Capital Value Rates	916	933	990	1,032	1,120	1,172	1,187	1,199	1,216	1,247	1,181
Total Rates	2,557	2,736	2,916	3,012	3,213	3,238	3,282	3,288	3,305	3,349	3,471
\$ incr per week		3.44	3.46	1.84	5.71	0.48	1.34	0.10	0.34	0.84	2.36
Percentage Increase		7.0%	6.6%	3.3%	10.2%	0.8%	2.2%	0.2%	0.5%	1.3%	3.7%
Te Awamutu Ward (Residential)	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
<b>\$950,000 with 1 dwelling</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Fixed Targeted Rates	933	1,073	1,175	1,208	1,321	1,294	1,316	1,304	1,303	1,314	1,520
UAGC	708	730	751	772	772	772	780	784	787	788	770
Capital Value Rates	1,545	1,579	1,670	1,747	1,896	1,984	2,009	2,030	2,058	2,111	2,000
Total Rates	3,186	3,382	3,596	3,726	3,988	4,050	4,104	4,119	4,148	4,213	4,290
\$ incr per week		3.77	4.12	2.50	7.55	1.18	2.23	0.28	0.56	1.26	1.48
Percentage Increase		6.1%	6.3%	3.6%	10.9%	1.5%	2.9%	0.4%	0.7%	1.6%	1.8%

Rural Residential Te Awamutu \$620,000 with 1 dwelling	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	355	357	364	375	485	458	480	469	467	473	474
UAGC	708	730	751	772	772	772	780	784	787	788	770
Capital Value Rates	829	824	853	910	962	936	963	978	996	1,020	940
Total Rates	1,892	1,911	1,968	2,057	2,219	2,166	2,223	2,230	2,250	2,282	2,184
\$ incr per week		0.37	1.10	1.71	4.82	-1.02	0.08	0.14	0.39	0.60	-1.87
Percentage Increase		1.0%	3.0%	4.5%	12.7%	-2.4%	0.2%	0.3%	0.9%	1.4%	-4.3%
Rural Residential Te Awamutu \$1,070,000 with 1 dwelling	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	355	357	364	375	485	458	480	469	467	473	474
UAGC	708	730	751	772	772	772	780	784	787	788	770
Capital Value Rates	1,421	1,417	1,462	1,566	1,655	1,610	1,657	1,683	1,715	1,756	1,618
Total Rates	2,484	2,504	2,577	2,713	2,912	2,840	2,917	2,936	2,969	3,018	2,863
\$ incr per week		0.40	1.40	2.61	6.44	-1.39	0.10	0.35	0.64	0.94	-2.99
Percentage Increase		0.8%	2.9%	5.3%	13.0%	-2.5%	0.2%	0.6%	1.1%	1.6%	-5.1%
Rural Residential Te Awamutu \$1,770,000 with 1 dwelling	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	458	464	478	488	614	582	605	595	590	598	593
UAGC	1,416	1,460	1,502	1,544	1,544	1,544	1,560	1,568	1,574	1,576	1,540
Capital Value Rates	2,342	2,341	2,410	2,587	2,734	2,659	2,737	2,780	2,833	2,902	2,673
Total Rates	4,216	4,265	4,390	4,619	4,892	4,786	4,902	4,942	4,997	5,076	4,806
\$ incr per week		0.94	2.41	4.40	9.65	-2.05	0.20	0.77	1.05	1.52	-5.18
Percentage Increase		1.2%	2.9%	5.2%	11.4%	-2.2%	0.2%	0.8%	1.1%	1.6%	-5.3%

Commercial / Industrial Te Awamutu	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$365,000 with 1 dwelling	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	830	966	1,061	1,095	1,192	1,170	1,191	1,178	1,180	1,189	1,401
UAGC	708	730	751	772	772	772	780	784	787	788	770
Capital Value Rates	602	611	650	675	732	766	776	784	794	815	772
Total Rates	2,140	2,306	2,462	2,541	2,696	2,708	2,746	2,746	2,761	2,792	2,943
\$ incr per week		3.21	2.99	1.53	4.50	0.23	0.97	0.00	0.29	0.59	2.91
Percentage Increase		7.8%	6.7%	3.2%	9.5%	0.4%	1.9%	0.0%	0.5%	1.1%	5.4%
Commercial / Industrial Te Awamutu	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
\$960,000 with 4 dwellings / units	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	1,408	1,681	1,871	1,927	2,027	2,005	2,026	2,014	2,015	2,030	2,447
UAGC	2,832	2,920	3,004	3,088	3,088	3,088	3,120	3,136	3,148	3,152	3,080
Capital Value Rates	1,561	1,596	1,688	1,765	1,916	2,005	2,030	2,052	2,080	2,133	2,021
Total Rates	5,801	6,197	6,563	6,780	7,031	7,098	7,176	7,201	7,243	7,315	7,548
\$ incr per week		7.61	7.04	4.18	9.00	1.29	2.79	0.49	0.79	1.39	4.48
Percentage Increase		6.8%	5.9%	3.3%	7.1%	1.0%	2.1%	0.4%	0.6%	1.0%	3.2%
Commercial / Industrial Te Awamutu	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
dwellings / units	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	2,708	3,291	3,695	3,800	3,907	3,884	3,906	3,893	3,895	3,921	4,800
UAGC	2,832	2,920	3,004	3,088	3,088	3,088	3,120	3,136	3,148	3,152	3,080
Capital Value Rates	3,610	3,699	3,903	4,092	4,442	4,649	4,707	4,758	4,823	4,948	4,687
Total Rates	9,150	9,910	10,601	10,980	11,436	11,622	11,733	11,787	11,865	12,021	12,567
\$ incr per week		14.62	13.29	7.28	16.05	3.56	5.70	1.05	1.50	2.99	10.51
Percentage Increase		8.3%	7.0%	3.6%	7.9%	1.6%	2.6%	0.5%	0.7%	1.3%	4.5%

Pirongia indicator properties

Table 39: Pirongia indicator properties

Pirongia Ward - Rural \$670,000 with 1 dwelling	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	309	296	301	312	337	334	351	338	335	339	339
UAGC	708	730	751	772	772	772	780	784	787	788	770
Capital Value Rates	876	878	901	972	1,027	999	1,028	1,045	1,067	1,093	1,008
Total Rates	1,893	1,904	1,954	2,055	2,136	2,105	2,159	2,166	2,189	2,221	2,117
\$ incr per week		0.22	0.96	1.95	3.51	-0.60	0.45	0.14	0.44	0.62	-2.00
Percentage Increase		0.6%	2.6%	5.2%	9.3%	-1.5%	1.1%	0.3%	1.0%	1.5%	-4.7%
Pirongia Ward - Rural \$2,880,000 with 2 dwelling	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	385	377	389	399	440	432	450	438	432	438	432
UAGC	1,416	1,460	1,502	1,544	1,544	1,544	1,560	1,568	1,574	1,576	1,540
Capital Value Rates	3,764	3,773	3,874	4,176	4,415	4,294	4,421	4,490	4,585	4,700	4,332
Total Rates	5,565	5,610	5,765	6,119	6,399	6,270	6,430	6,495	6,591	6,715	6,303
\$ incr per week		0.84	2.99	6.80	12.19	-2.48	0.61	1.25	1.84	2.38	-7.91
Percentage Increase		0.8%	2.8%	6.1%	11.0%	-2.0%	0.5%	1.0%	1.5%	1.9%	-6.1%
Pirongia Ward - Rural \$6,280,000 with 2 dwellings	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	385	377	389	399	440	432	450	438	432	438	432
UAGC	1,416	1,460	1,502	1,544	1,544	1,544	1,560	1,568	1,574	1,576	1,540
Capital Value Rates	8,208	8,227	8,447	9,106	9,627	9,363	9,640	9,791	9,998	10,249	9,445
Total Rates	10,009	10,064	10,338	11,049	11,611	11,339	11,649	11,796	12,004	12,263	11,417
\$ incr per week		1.04	5.28	13.67	24.48	-5.23	0.74	2.82	4.00	4.99	-16.27
Percentage Increase		0.5%	2.7%	6.9%	12.3%	-2.3%	0.3%	1.3%	1.8%	2.2%	-6.9%

Pirongia Village \$520,000 with 1 dwelling	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	300	287	293	303	328	325	342	329	326	331	330
UAGC	708	730	751	772	772	772	780	784	787	788	770
Capital Value Rates	847	863	916	955	1,036	1,085	1,098	1,110	1,127	1,156	1,096
Total Rates	1,855	1,880	1,959	2,030	2,136	2,182	2,220	2,223	2,240	2,275	2,196
\$ incr per week		0.48	1.53	1.35	3.40	0.87	1.61	0.06	0.33	0.67	-1.52
Percentage Increase		1.3%	4.2%	3.6%	9.0%	2.1%	3.9%	0.1%	0.8%	1.6%	-3.5%
Pirongia Village \$690,000 with 1 dwelling	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	300	287	293	303	328	325	342	329	326	331	330
UAGC	708	730	751	772	772	772	780	784	787	788	770
Capital Value Rates	1,120	1,143	1,211	1,265	1,373	1,437	1,455	1,471	1,493	1,532	1,452
Total Rates	2,128	2,160	2,254	2,340	2,473	2,534	2,577	2,584	2,606	2,651	2,552
\$ incr per week		0.62	1.82	1.64	4.21	1.18	2.00	0.13	0.43	0.86	-1.89
Percentage Increase		1.5%	4.4%	3.8%	9.7%	2.5%	4.2%	0.3%	0.9%	1.7%	-3.7%
Pirongia Village \$1,020,000 with 1 dwelling	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	300	287	293	303	328	325	342	329	326	331	330
UAGC	708	730	751	772	772	772	780	784	787	788	770
Capital Value Rates	1,649	1,686	1,783	1,867	2,027	2,122	2,148	2,171	2,204	2,262	2,144
Total Rates	2,657	2,703	2,827	2,942	3,127	3,219	3,270	3,284	3,317	3,381	3,244
\$ incr per week		0.89	2.38	2.21	5.77	1.77	2.75	0.28	0.64	1.22	-2.63
Percentage Increase		1.7%	4.6%	4.1%	10.6%	2.9%	4.6%	0.4%	1.0%	1.9%	-4.0%



## Ōhaupō indicator properties

Table 40: Ōhaupō indicator properties

Ohaupo Village \$620,000 with 1 dwelling	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	335	322	327	338	363	360	377	364	361	365	365
UAGC	708	730	751	772	772	772	780	784	787	788	770
Capital Value Rates	810	812	834	899	950	924	952	967	987	1,012	932
Total Rates	1,853	1,864	1,912	2,009	2,085	2,056	2,108	2,114	2,135	2,165	2,067
\$ incr per week		0.21	0.93	1.85	3.33	-0.56	0.44	0.11	0.40	0.58	-1.88
Percentage Increase		0.6%	2.6%	5.0%	9.0%	-1.4%	1.1%	0.3%	1.0%	1.4%	-4.5%
Ohaupo Village \$810,000 with 1 dwelling	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	335	322	327	338	363	360	377	364	361	365	365
UAGC	708	730	751	772	772	772	780	784	787	788	770
Capital Value Rates	1,299	1,334	1,405	1,477	1,605	1,680	1,701	1,720	1,746	1,792	1,698
Total Rates	2,342	2,386	2,484	2,587	2,739	2,812	2,858	2,867	2,894	2,945	2,833
\$ incr per week		0.85	1.88	1.99	4.92	1.39	2.27	0.19	0.51	0.99	-2.16
Percentage Increase		1.9%	4.1%	4.2%	10.3%	2.6%	4.3%	0.3%	0.9%	1.8%	-3.8%
Ohaupo Village \$935,000 with 1 dwelling	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	335	322	327	338	363	360	377	364	361	365	365
UAGC	708	730	751	772	772	772	780	784	787	788	770
Capital Value Rates	1,500	1,540	1,622	1,705	1,852	1,939	1,964	1,985	2,015	2,068	1,960
Total Rates	2,543	2,592	2,701	2,815	2,987	3,071	3,120	3,133	3,163	3,222	3,095
\$ incr per week		0.85	1.88	1.99	4.92	1.39	2.27	0.19	0.51	0.99	-2.16
Percentage Increase		1.9%	4.2%	4.2%	10.6%	2.8%	4.5%	0.4%	1.0%	1.9%	-3.9%

## Ngāhinapouri indicator properties

Table 41: Ngāhinapouri indicator properties

Ngahinapouri \$510,000 with 1 dwelling	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	312	300	305	316	341	338	355	342	339	343	343
UAGC	708	730	751	772	772	772	780	784	787	788	770
Capital Value Rates	667	668	686	740	782	760	783	795	812	832	767
Total Rates	1,687	1,698	1,742	1,827	1,895	1,870	1,917	1,921	1,938	1,964	1,880
\$ incr per week		0.21	0.85	1.63	2.93	-0.47	0.44	0.06	0.33	0.49	-1.61
Percentage Increase		0.6%	2.6%	4.9%	8.7%	-1.3%	1.2%	0.2%	0.9%	1.3%	-4.3%
Ngahinapouri \$1,370,000 with 1 dwelling	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	303	290	296	306	331	328	345	332	329	334	333
UAGC	708	730	751	772	772	772	780	784	787	788	770
Capital Value Rates	1,791	1,795	1,843	1,987	2,100	2,043	2,103	2,136	2,181	2,236	2,060
Total Rates	2,802	2,815	2,889	3,064	3,203	3,143	3,228	3,252	3,297	3,358	3,164
\$ incr per week		0.26	1.43	3.37	6.04	-1.17	0.47	0.46	0.88	1.16	-3.73
Percentage Increase		0.5%	2.6%	6.1%	10.9%	-1.9%	0.8%	0.7%	1.4%	1.8%	-5.8%
Ngahinapouri \$4,181,000 with 2 dwellings	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	445	437	449	459	500	492	510	498	492	498	492
UAGC	1,416	1,460	1,502	1,544	1,544	1,544	1,560	1,568	1,574	1,576	1,540
Capital Value Rates	5,465	5,477	5,623	6,062	6,409	6,234	6,418	6,518	6,656	6,823	6,288
Total Rates	7,326	7,374	7,575	8,065	8,453	8,270	8,487	8,584	8,722	8,898	8,320
\$ incr per week		0.92	3.86	9.43	16.89	-3.53	0.66	1.85	2.66	3.38	-11.11
Percentage Increase		0.7%	2.7%	6.5%	11.6%	-2.2%	0.4%	1.1%	1.6%	2.0%	-6.5%

## Takepuku indicator properties

**Table 42: Takepuku indicator properties**

Takepuku Ward \$1,400,000 with 1 dwelling	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	303	291	297	307	333	329	347	333	331	334	335
UAGC	708	730	751	772	772	772	780	784	787	788	770
Capital Value Rates	1,830	1,834	1,883	2,030	2,146	2,087	2,149	2,183	2,229	2,285	2,106
Total Rates	2,841	2,855	2,931	3,109	3,251	3,189	3,276	3,299	3,347	3,407	3,210
\$ incr per week		0.27	1.47	3.42	6.15	-1.20	0.47	0.45	0.91	1.16	-3.79
Percentage Increase		0.5%	2.7%	6.1%	10.9%	-1.9%	0.8%	0.7%	1.4%	1.8%	-5.8%
Takepuku Ward \$5,000,000 with 3 dwellings	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	561	557	577	585	643	629	649	637	629	636	625
UAGC	2,124	2,190	2,253	2,316	2,316	2,316	2,340	2,352	2,361	2,364	2,310
Capital Value Rates	6,535	6,550	6,725	7,250	7,665	7,455	7,675	7,795	7,960	8,160	7,520
Total Rates	9,220	9,297	9,555	10,151	10,624	10,400	10,664	10,784	10,950	11,160	10,455
\$ incr per week		1.48	4.97	11.45	20.55	-4.30	0.76	2.31	3.20	4.05	-13.57
Percentage Increase		0.8%	2.8%	6.2%	11.2%	-2.1%	0.4%	1.1%	1.5%	1.9%	-6.3%
Takepuku Ward \$7,520,000 with 3 dwellings	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	509	505	525	533	591	577	597	585	577	584	573
UAGC	2,124	2,190	2,253	2,316	2,316	2,316	2,340	2,352	2,361	2,364	2,310
Capital Value Rates	9,829	9,851	10,114	10,904	11,528	11,212	11,543	11,724	11,972	12,273	11,310
Total Rates	12,462	12,546	12,892	13,753	14,435	14,106	14,480	14,660	14,910	15,221	14,193
\$ incr per week		1.48	4.97	11.45	20.55	-4.30	0.76	2.31	3.20	4.05	-13.57
Percentage Increase		0.8%	2.8%	6.2%	11.2%	-2.1%	0.4%	1.1%	1.5%	1.9%	-6.3%

## Maungatautari indicator properties

**Table 43: Maungatautari indicator properties**

Maungatautari Ward \$840,000 with 1 dwelling	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	364	387	389	379	404	389	382	387	371	371	367
UAGC	708	730	751	772	772	772	780	784	787	788	770
Capital Value Rates	1,098	1,100	1,130	1,218	1,288	1,252	1,289	1,310	1,337	1,371	1,263
Total Rates	2,170	2,217	2,270	2,369	2,464	2,413	2,451	2,481	2,495	2,530	2,400
\$ incr per week		0.91	1.01	1.91	3.73	-0.97	-0.25	0.57	0.28	0.66	-2.50
Percentage Increase		2.2%	2.4%	4.4%	8.5%	-2.0%	-0.5%	1.2%	0.6%	1.4%	-5.1%
Maungatautari Ward \$2,305,000 with 1 dwelling	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	352	375	377	367	392	377	370	375	359	359	355
UAGC	708	730	751	772	772	772	780	784	787	788	770
Capital Value Rates	3,013	3,020	3,100	3,342	3,534	3,437	3,538	3,594	3,670	3,762	3,467
Total Rates	4,073	4,124	4,228	4,482	4,698	4,586	4,688	4,753	4,816	4,909	4,592
\$ incr per week		1.00	2.00	4.87	9.02	-2.15	-0.19	1.25	1.21	1.79	-6.10
Percentage Increase		1.3%	2.5%	6.0%	11.1%	-2.4%	-0.2%	1.4%	1.3%	1.9%	-6.5%
Maungatautari Ward \$6,200,000 with 2 dwellings	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fixed Targeted Rates	590	621	637	625	682	657	652	659	637	641	625
UAGC	1,416	1,460	1,502	1,544	1,544	1,544	1,560	1,568	1,574	1,576	1,540
Capital Value Rates	8,103	8,122	8,339	8,990	9,505	9,244	9,517	9,666	9,870	10,118	9,325
Total Rates	10,109	10,203	10,478	11,159	11,731	11,445	11,729	11,893	12,082	12,335	11,490
\$ incr per week		1.80	5.29	13.10	24.09	-5.49	-0.04	3.16	3.62	4.88	-16.27
Percentage Increase		0.9%	2.7%	6.5%	12.0%	-2.4%	0.0%	1.4%	1.6%	2.1%	-6.9%

# OUR SERVICES

## GROUPS OF ACTIVITIES

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This section provides an overview of Council's services organised into eight groups of activities.

### Governance

- Representation
- Communications and engagement

Additionally, the Governance group of activities is responsible for ensuring Māori involvement in decision-making and developing strategy and community relationships.

### Planning and Regulatory

- Animal control
- Building compliance
- Development engineering
- Environmental health
- Resource consents, enforcement and LIMs

### Community Services and Facilities

- Parks and reserves
- Libraries
- Property services
- Heritage
- Swimming pools
- Waste management and minimisation
- Emergency management

### Transportation\*

### Stormwater\*

### Wastewater Treatment and Disposal\*

### Water Treatment and Supply\*

### Support Services<sup>†</sup>

- Information services
- Customer support

Additionally, the Support Services group of activities is responsible for financial management, human resources, legal and corporate support and business improvement functions.

\* These groups of activities are defined as mandatory under Schedule 10 of the Local Government Act 2002.

† Support Services enable the delivery of community services within other groups of activities. The costs of support services are included within each group, and are also shown separately at the end of the section to show the total indirect costs.

## Some key information you'll find under each group of activities...

### ...the activities within each group of activities and the rationale for delivery of the service.

For instance, the Support Services *group of activities* includes the Customer Support and Information Services functions. Together these primarily contribute to our *Economically progressive* community outcome.

We explain why these activities have been combined under the Support Services group (“to ensure that all council’s services are efficient, effective and costs are managed appropriately.”) Each specific activity also includes an explanation of *why we do it*, these align to our performance measurement framework.

#### Why we do it



To provide a responsive customer service to our community.

#### How the Support Services group of activities helps deliver our community outcomes

##### Economically progressive

- ✓ We have financially sustainable decision making and work programmes
- ✓ Our services provide excellent value for money



### ...significant negative effects.

If there are potential negative effects that an activity may have on the local community, we explain the risk and how it is avoided or mitigated.

### ...project details and key issues facing the district

Where appropriate we'll give additional detail on;

- projects mentioned in the Capital Expenditure Table
- significant changes to our operations
- strategic issues influencing our investment
- significant regulatory changes we've needed to account for.

### ...a financial overview and detailed financial tables.

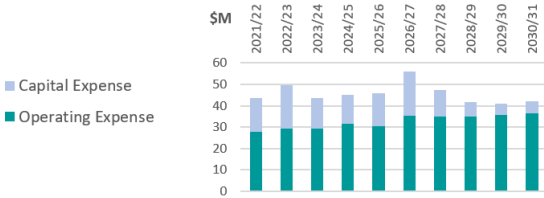
Each group of activities includes a Capital Expenditure Table and a Funding Impact Statement in the format required under the Local Government Act.

In addition, we provide a basic overview to show where the funding comes from and how it is spent over the course of the Long Term Plan. *General rates* are collected from all

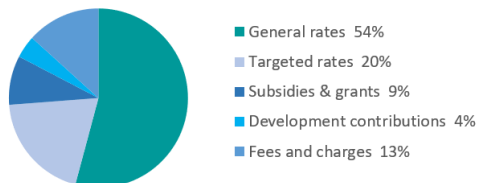
properties whereas *Targeted rates* are applied based on the services provided to different properties or to various communities.

*Subsidies* are generally sourced from central government agencies (i.e. Waka Kotahi NZTA), *Fees and charges* recover the cost of delivering services with private benefits and *Development Contributions* are levied on developers to fund the infrastructure needed to enable growth in the district.

#### Investment



#### Funding



### ...level of service and performance measure information.

Many activities have defined levels of service (LOS) which specify the quantity and/or the quality of the services that Council aims to provide for the community. Each section below details the relevant LOS and performance measures, aligned to the group or the specific activity as appropriate. Included is an explanation of whether there have been any adjustments since the 2018 Long Term Plan.

#### Building Compliance

##### What we do

Building compliance covers the processing and monitoring of building consents, and the issuing of Code of Compliance Certificates pursuant to the Building Act. This activity also covers the monitoring and enforcement of earthquake-prone building requirements.

##### Why we do it



To ensure buildings and swimming pools are safe for the community and related regulations and standards are met.

##### Our levels of service and performance measures

We are not proposing any significant changes to levels of service.

#### Building compliance levels of service and performance measures

What you can expect from us	How we measure success	Result for 2019/20	Performance Target			
			2021/22	2022/23	2023/24	2024-31
We ensure that buildings, including earthquake prone buildings, are safe and fit for purpose.	Building consent applications are processed within statutory timeframes. <sup>9</sup>	99.1%	100%	100%	100%	100%

## GOVERNANCE

The Governance group of activities represents the decision making function of elected officials who are supported by communications specialists, strategy advisors and the governance business unit, to manage democratic processes.

Governance activities include performance measures for;

- Representation
- Communications and engagement

Additionally, the Governance group of activities is responsible for ensuring Māori involvement in decision-making, developing strategy and enhancing community relationships.

### Māori involvement in decision-making

We are committed to the ongoing development of opportunities and the capacity of Māori to contribute to Council's decision-making processes and to uphold Council's objectives in the 'Policy on Liaison with Māori and Joint Management Agreements'.

Council has a number of arrangements in place to ensure Māori contributions to decision-making are enabled, including the Iwi Consultative Committee and Ngā Iwi Toopu o Waipā, as well as the appointment of 'Te Kanohi' members to the Strategic Planning and Policy, Regulatory, Service Delivery, and Finance and Corporate Committees of Council.

The Iwi Consultative Committee facilitates communications between Council and tangata whenua and will consider matters including but not limited to historical, cultural, recreational, health, housing, environmental and resource management matters. The Committee advises Council and Iwi on Treaty of Waitangi implications for policies and activities of Council.

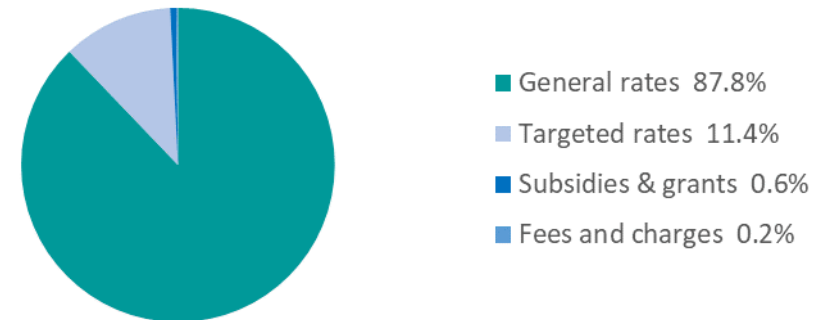
Ngā iwi Toopū o Waipā (NITOW), translated as The Assembled People of Waipā, is a group that represents most hapū in the Waipā district. They meet monthly and consider resource consent applications and other resource management policy

issues. They also consider other issues that are bought directly to iwi by Council for consultation and consideration. NITOW also nominates members on to the Iwi Consultative Committee.

### Investment



### Funding





## Strategy and community relationships

This activity considers economic research, analysis, strategy development and policy advice, to encourage sustainable development of the district. We focus on strategies, plans, policies and bylaws to ensure that we successfully deliver on the aspirations and priorities of our communities. This includes developing the Long Term Plan and partnering with neighbouring councils to deliver the subregional Growth Strategy ([www.futureproof.org.nz](http://www.futureproof.org.nz)) and joint Waikato Mayoral Forum initiatives.

Creating vibrant communities and effectively planning and providing for growing communities are identified as two of Council's strategic priorities informing the 2021-31 Long Term Plan; this is largely driven by the growth pressures we are continuing to experience. Furthermore, under the 2020 National Policy Statement for Urban Development (NPS-UD), Waipā district is defined as a high-growth area meaning we have increased obligations to provide development capacity and associated infrastructure.

The Waipā 2050 Growth Strategy, defines the type of growth we should expect in the district, where it will occur and how it will need to be managed. We commenced the development of a district-wide Spatial Plan in 2020/21 and this will be further developed and implemented through the 2021-31 Long Term Plan. Growth management and spatial planning has also been undertaken in the Hamilton-Waikato-Waipā subregion through the Future Proof partnership, with the completion of the Hamilton-Waikato Metropolitan Spatial Plan in 2020.

Council will be collaborating with iwi, subregional and local partners to help achieve our community outcomes.

Significant Strategy and community relationship projects include;

The preparation of future Long Term Plans and Annual Plans - \$1,608,836

The development of spatial plans and structure plans - \$1,030,247

### How the Governance group of activities helps deliver our community outcomes

#### Economically progressive

- ✓ *We have financially sustainable decision making and work programmes*
- ✓ *Our services provide excellent value for money*
- ✓ *We actively promote our district to enable development, employment and business opportunities*



#### Socially resilient

- ✓ *Waipā is a great place to live, work, play and invest*



#### Cultural champions

- ✓ *We have a high level of cultural awareness*
- ✓ *We partner with tangata whenua*
- ✓ *We respect the cultural diversity in our district*



## Potential negative effects

**Table 44: Governance potential negative effects**

Risk	How we are addressing this
Some sectors of the community may be under-represented.	We engage with the community in a number of ways to ensure a wide range of views are taken into account, e.g. the Iwi Consultative Committee, and targeting as many key stakeholders and members of the community as possible through our Communications Strategy.
The high cost of consultation and decision making.	We use a variety of communication channels to engage with our communities and use of technology will help to minimise costs. Our approach is guided by the Significance and Engagement Policy.
The long term planning horizon limits responsiveness to new opportunities.	The Annual Plan cycle allows council to respond to opportunities if they are deemed significant and appropriate consultation and engagement demonstrates community support.

## Governance activities

Activities in this group align to fulfil the purpose of local government to enable democratic local decision-making by, and on behalf of, communities, and to promote the social, economic, environmental and cultural wellbeing of communities in the present and for the future.

## Representation

### *What we do*

With the support of committees, community boards and Council officers, the elected Mayor and Councillors set Council's direction, work programmes and monitor and review the organisation's performance. Advisory groups and committees to assist in decision-making include an Iwi Consultative Committee and Senior Council.

Key representation projects include:

- Triennial elections in 2022, 2025 and 2028

### *Why we do it*



To enable effective democratic local decision-making and action.

## Our levels of service and performance measures

We are not proposing any significant changes to levels of service. The performance measures have been amended to better reflect the services delivered for this activity

**Table 45: Governance levels of service and performance measures**

What you can expect from us	How we measure success	Result for 2019/20	Performance Target			
			2021/22	2022/23	2023/24	2024-31
The Community have access to timely and accurate information.	The percentage of official information requests responded to within statutory timeframes.	100%	100%	100%	100%	100%
	Percentage of respondents to residents' perception survey <sup>1</sup> who are satisfied with Council "for being transparent and communicating openly."	27% (3% less)	≥previous year result	≥previous year result	≥previous year result	≥previous year result
We provide opportunities for our communities to engage with Council and participate in decision-making processes.	Percentage of respondents to residents' perception survey <sup>2</sup> who are satisfied with the opportunities provided to them to participate in Council decision making processes.	New measure	Baseline measure	≥previous year result	≥previous year result	≥previous year result

<sup>1</sup> From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percentage of individuals who scored Council an 8-10 on the ten point survey scale. Full working of question: "How would you rate Council for being transparent and communicating openly?".

<sup>2</sup> From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percentage of individuals who scored Council an 8-10 on the ten point survey scale. Full working of question: "How satisfied are you with the opportunities provided to you to participate in Council making decision processes?".

## Communications and engagement

### *What we do*

We undertake meaningful engagement with Waipā communities.

- We get information out to the right people at the right time on what's happening and why
- We provide updates on our services, projects and activities
- We help connect the dots with other projects and issues
- We enable great working relationships between Council, partners, stakeholders and communities.

But most importantly, we ensure Council listens to the desires and aspirations of the people they represent. Our job is to create opportunities for the community to have their say, provide feedback, and get involved in Council's decision making processes. By taking into account the significance of Council decisions and undertaking the appropriate level of engagement, we ensure our communities are well informed and can take part in the right debate to assist informed decision making.

We also have a focus on promoting Waipā as a great place to live, work, play and invest. Waipā has achieved great growth in our visitor numbers year-on-year because this is such a vibrant place to visit, but also because we attract some amazing events to our towns. Council will continue to support events in our district to enhance vibrancy and encourage a strong economy, particularly as we recover from the impacts of COVID-19.

### **Our levels of service and performance measures**

We are not proposing any significant changes to levels of service. The performance measures have been amended to better reflect the services delivered for this activity. Focus is on measuring meaningful digital interactions rather than simply tracking page views.

### *Why we do it*



- To focus on making sure our communities are kept up to date with Council issues and activities and also make it easy for them to be involved in Council's decision-making processes.
- To bring domestic and international visitors into our district by supporting key events.
- To support the recovery of the Waipā district by building pride within our communities

**Table 46: Communications and engagement levels of service and performance measures**

What you can expect from us	How we measure success	Result for 2019/20	Performance Target			
			2021/22	2022/23	2023/24	2024-31
We provide regular communication to the district enabling community sharing and engagement.	Average audience reach through traditional media <sup>3</sup> .	New measure	≥200,000 month	≥200,000 month	≥200,000 month	≥200,000 month
	Average impression rate <sup>4</sup> of Antenno posts.	New measure	50%	50%	50%	50%
We showcase how we're building champion communities.	Overall percent of respondents to residents' perception survey who have pride in their district <sup>5</sup> .	New measure	≥75%	≥75%	≥75%	≥75%

## Grants to community organisations

We provide community grants to organisations and community groups on an annual basis. These include Te Waka, Sport Waikato, WaikatoNZ Tourism, and the Cambridge and Te Awamutu i-SITES, which provide services on our behalf; are funded by way of service contracts; and the funding of these has been included in the relevant group of activities.

<sup>3</sup> Traditional Media includes Television, Radio, Print, and Websites

<sup>4</sup> Impression rate is the number of unique devices that have displayed the posts published via Antenno

<sup>5</sup> From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council an 8-10 on the ten point survey scale. Full working of question: "How proud do you feel to be able to say that you live in this district?".

**Table 47 : Grants to community organisations**

	2020/21 Annual Plan \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000	2028/29 Budget \$000	2029/30 Budget \$000	2030/31 Budget \$000
Pirongia Ward Grants	27,600	27,600	27,600	27,600	27,600	27,600	27,600	27,600	27,600	27,600	27,600
Cambridge Community Board Grants	49,600	49,600	49,600	49,600	49,600	49,600	49,600	49,600	49,600	49,600	49,600
Te Awamutu Community Board Grants	49,600	49,600	49,600	49,600	49,600	49,600	49,600	49,600	49,600	49,600	49,600
Waikato Sports Foundation	106,030	61,850	61,850	61,850	61,850	61,850	61,850	61,850	61,850	61,850	61,850
Cambridge Museum	-	165,080	169,372	855,834	177,296	181,423	185,550	189,842	194,134	198,591	203,213
Citizens Advice Bureau - Cambridge	14,300	14,300	14,300	14,300	14,300	14,300	14,300	14,300	14,300	14,300	14,300
Citizens Advice Bureau - Te Awamutu	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500
Nga Iwi Toopu Support	18,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Pirongia Historical Visitors Centre	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Cambridge Visitor Information Centre	136,280	138,530	142,132	145,457	148,781	152,244	155,708	159,310	162,911	166,652	170,530
Te Awamutu Public Relations	136,280	138,530	142,132	145,457	148,781	152,244	155,708	159,310	162,911	166,652	170,530
Pirongia Ratepayers Association	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
District Promotions	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Waikato Biodiversity Forum	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Te Awamutu Safer Community Charitable Trust	40,000	40,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Waikato Regional Airport Ltd	156,300	159,600	163,750	167,580	171,410	175,400	179,390	183,540	187,690	191,999	196,468
Community Grants	655,200	-	-	-	-	-	-	-	-	-	-
Cambridge Safer Community Charitable Trust	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
District Wide Creative Communities Scheme Funds	42,000	42,000	43,092	44,100	45,108	46,158	47,208	48,300	49,392	50,526	51,702
Community Led Events	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Category 1 Heritage Buildings	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Cambridge Community House Trust	68,000	-	-	-	-	-	-	-	-	-	-
Temple Cottage Charitable Trust	-	1,000	1,026	1,050	1,074	1,099	1,124	1,150	1,176	1,203	1,231
<b>TOTAL</b>	<b>1,752,190</b>	<b>1,160,690</b>	<b>1,157,453</b>	<b>1,855,427</b>	<b>1,188,401</b>	<b>1,204,519</b>	<b>1,220,638</b>	<b>1,237,401</b>	<b>1,254,164</b>	<b>1,271,572</b>	<b>1,289,625</b>

1. The grant for Cambridge Museum was previously budgeted within the District Museum Activity shifted to the Grant activity as part of the long term plan.
2. Community Grants for the 20/21 year is funds for recovery grants which is not budgeted in the 10 years
3. The Cambridge Community House Trust was a one-off grant in 20/21 year.

# Financials

**Table 48 : Governance capital expenditure table**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>To Improve Level of Service</b>											
	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure to Improve Level of Service	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE</b>	-	-	-	-	-	-	-	-	-	-	-

**Table 49 : Governance funding impact statement**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	7,939	7,712	7,962	8,384	8,266	8,589	8,982	8,725	8,909	9,220	9,348
Targeted rates	866	1,020	1,030	1,085	1,102	1,113	1,134	1,136	1,167	1,171	1,194
Subsidies and grants for operating purposes	54	54	55	57	58	59	61	62	64	65	66
Fees and charges	-	-	56	-	-	60	-	-	65	-	-
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of operating funding (A)</b>	<b>8,859</b>	<b>8,786</b>	<b>9,103</b>	<b>9,526</b>	<b>9,426</b>	<b>9,821</b>	<b>10,177</b>	<b>9,923</b>	<b>10,205</b>	<b>10,456</b>	<b>10,608</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	4,852	4,280	4,453	4,486	4,316	4,835	4,925	4,820	4,730	4,864	5,130
Finance costs	41	39	32	28	39	39	36	37	39	41	37
Internal charges and overheads applied	3,251	3,219	3,289	3,587	3,635	3,711	3,802	3,843	3,918	4,020	4,083
Other operating funding applications	1,596	1,099	1,096	1,794	1,127	1,143	1,159	1,176	1,192	1,210	1,228
<b>Total applications of operating funding (B)</b>	<b>9,740</b>	<b>8,637</b>	<b>8,870</b>	<b>9,895</b>	<b>9,117</b>	<b>9,728</b>	<b>9,922</b>	<b>9,876</b>	<b>9,879</b>	<b>10,135</b>	<b>10,478</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>(881)</b>	<b>149</b>	<b>233</b>	<b>(369)</b>	<b>309</b>	<b>93</b>	<b>255</b>	<b>47</b>	<b>326</b>	<b>321</b>	<b>130</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(881)	149	233	(369)	309	93	255	47	326	321	130
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(881)</b>	<b>149</b>	<b>233</b>	<b>(369)</b>	<b>309</b>	<b>93</b>	<b>255</b>	<b>47</b>	<b>326</b>	<b>321</b>	<b>130</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>881</b>	<b>(149)</b>	<b>(233)</b>	<b>369</b>	<b>(309)</b>	<b>(93)</b>	<b>(255)</b>	<b>(47)</b>	<b>(326)</b>	<b>(321)</b>	<b>(130)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## PLANNING AND REGULATORY

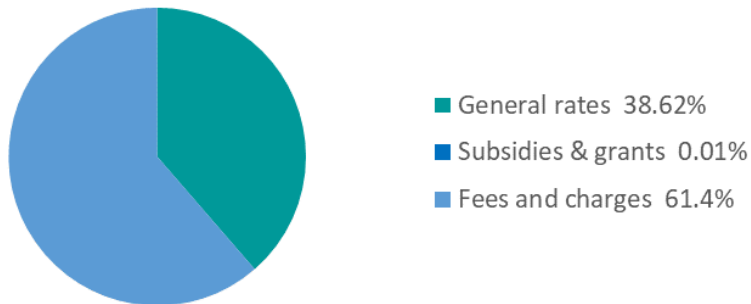
We provide planning and regulatory services to manage the natural and physical resources of the district, and to promote and protect the health and safety of our communities

Planning and Regulatory activities include;

Animal Control	Environmental Health
Building Compliance	Resource consents, enforcement and land information memorandums
Development Engineering	

As our district continues to experience significant development and population growth, robust planning and regulatory services will be integral to the creation of liveable communities. Our planning and regulatory activities are governed and directed by national legislation, national directions, and regional and local policies and bylaws. These policies and bylaws are subject to regular reviews and link to other Waikato councils when appropriate. Public health and safety activities are fundamental to the protection of life and property in the community.

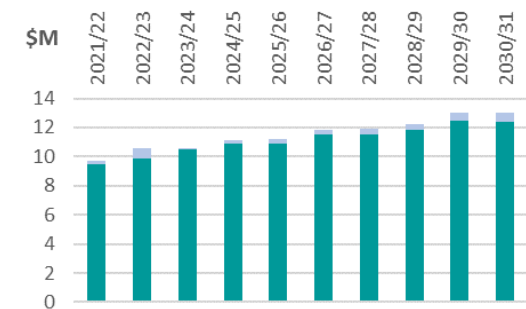
### Funding



We will continue to monitor the various legislative development and review processes, with significant changes considered and responded to as part of future annual and long term plans.

The current and projected growth increases the pressures on: our town character and outstanding landscapes; internationally significant peat lakes; stands of indigenous trees; natural features; rural character; and historically significant sites

### Investment



### How the Planning and Regulatory group of activities helps deliver our community outcomes

#### Environmental champions

- ✓ Environmental awareness and responsibility is promoted within the community
- ✓ We are responsive to climate change



#### Cultural champions

- ✓ We champion the unique history of Waipā
- ✓ We have a high level of cultural awareness



#### Socially resilient

- ✓ Waipā provides a high quality of life for current and future generations



## Potential negative effects

**Table 50: Planning and regulatory potential negative effects**

Risk	How we are addressing this
Failure to comply with resource consents leading to adverse environmental effects.	We have a programme for the regular monitoring of resource consents.
Processing time for resource and building consents may be considered excessive by applicants.	We strive to meet the timelines required by legislation. Through our performance measure monitoring and reporting, we regularly review our processes and continually strive to improve.
The costs of complying with regulatory requirements may be seen as excessive.	We ensure that fees and charges are both actual and reasonable and we regularly monitor the effectiveness and efficiency of our systems and processes.

## Planning and Regulatory activities

We have combined the following activities into the Planning and Regulatory group as they align to provide good-quality local infrastructure, local public services, and perform regulatory functions.

### Animal Control

#### *What we do*

We cover the registration and impounding of dogs, owner education and implement and enforce our Dog Control Policy and Bylaw. This activity also covers wandering stock. Within the period of this Long Term Plan we will expand and upgrade our pound facilities.

#### *Why we do it*



To ensure animals are kept in a way that promotes animal welfare and community safety.

## Our levels of service and performance measures

We are not proposing any significant changes to levels of service. The number of dogs in the district is steadily increasing and service levels will keep pace with this growth.

**Table 51: Animal control levels of service and performance measures**

What you can expect from us	How we measure success	Result for 2019/20	Performance Target			
			2021/22	2022/23	2023/24	2024-31
Animal control is managed in a way that ensures support is provided to both animals and the community in a timely manner.	The percentage of urgent dog attack allegations acted upon within one hour of Council being notified. <sup>6</sup>	97.22%	≥95%	≥95%	≥95%	≥95%

## Building Compliance

### What we do

Building compliance covers the processing and monitoring of building consents, and the issuing of Code of Compliance Certificates pursuant to the Building Act. This activity also covers the monitoring and enforcement of earthquake-prone building requirements.

### Why we do it



To ensure buildings and swimming pools are safe for the community and related regulations and standards are met.

## Our levels of service and performance measures

We are not proposing any significant changes to levels of service.

<sup>6</sup> Urgent is defined as a dog attack on a human or other animal where the Council has been notified within 12 hours of the event. Acted upon is defined as a phone call or site visit.

**Table 52: Building compliance levels of service and performance measures**

What you can expect from us	How we measure success	Result for 2019/20	Performance Target			
			2021/22	2022/23	2023/24	2024-31
We ensure that buildings, including earthquake-prone buildings, are safe and fit for purpose.	Building consent applications are processed within statutory timeframes. <sup>7</sup>	99.1%	100%	100%	100%	100%

## Development Engineering

### What we do

Development engineering covers the preparation and management of development agreements and evaluates and provides engineering input to subdivision and related land use developments. The team then monitors compliance with any engineering resource consent conditions using Council’s Regional Infrastructure Technical Specifications Manual. The team also manages the naming of roads process, and allocates property road numbers, as well as regulating the use and connections to our roads.

### Why we do it



To ensure the community and Council benefits from appropriate standards of development and infrastructure.

### Our levels of service and performance measures

We are not proposing any significant changes to levels of service.

**Table 53: Development engineering levels of service and performance measures**

What you can expect from us	How we measure success	Result for 2019/20	Performance Target			
			2021/22	2022/23	2023/24	2024-31
We are responsive to enquiries and requests for information.	Enquiries are responded to <sup>8</sup> within four working days.	87.92%	≥95%	≥95%	≥95%	≥95%

<sup>7</sup> The Building Act 2004 states the time limit is “within 20 working days after receipt by the building consent authority of the application”.

<sup>8</sup> Responded to is defined as contact with the requestor (could include phone call or visit).

## Environmental health

### What we do

Environmental health covers general public health inspections, the licensing and inspection of hairdressers and food and alcohol outlets; responding to noise and public health complaints; implementing the district gambling policy, including issuing venue consents; and applying the Local Alcohol Policy.

### Our levels of service and performance measures

We are not proposing any significant changes to levels of service.

### Why we do it



To ensure the promotion and protection of our community's health and related regulations and standards are met.

**Table 54: Environmental health levels of service and performance measures**

What you can expect from us	How we measure success	Result for 2019/20	Performance Target			
			2021/22	2022/23	2023/24	2024-31
We ensure the public sale and supply of alcohol is undertaken safely and responsibly.	All premises that sell alcohol are licensed.	100%	100%	100%	100%	100%
Noise and smoke control is provided to the community in a timely manner.	The percentage of excessive noise complaints investigated within one hour.	92.62%	≥95%	≥95%	≥95%	≥95%
	The percentage of smoke complaints investigated within one hour.	97.37%	≥95%	≥95%	≥95%	≥95%
Food premises maintain a high level of food safety.	All premises that sell food to the public are registered.	100%	100%	100%	100%	100%

## Resource consents, enforcement and land information memorandums

### What we do

We cover the planning functions under the Resource Management Act, including issuing and monitoring of resource consents, and the processing of private plan changes and designation applications. In addition, this activity includes administering the Development Contributions Policy, providing Land Information Memoranda, enforcement of the District Plan, swimming pool barriers and bylaws.

### Our levels of service and performance measures

We are not proposing any significant changes to levels of service.

### Why we do it



**Resource consents and monitoring** - Continuing to build a sustainable, thriving economy based upon the district's unique characteristics, and building a community that is proud of Waipā's physical and cultural environment.

**Land information memorandums** - To provide relevant information to property owners and potential owners about that property and any associated buildings to help inform their decisions.

**Table 55: Resource consents, enforcement and land information memorandums levels of service and performance measures**

What you can expect from us	How we measure success	Result for 2019/20	Performance Target			
			2021/22	2022/23	2023/24	2024-31
We process all applications within agreed timeframes.	The percentage of Resource Consents processed within statutory timeframes.	99.52%	100%	100%	100%	100%
	The percentage of LIMs processed within statutory timeframes.	100%	100%	100%	100%	100%
	The percentage of requests for general resource consent information and planning enquiries responded to within ten working days.	New measure	100%	100%	100%	100%
We ensure we investigate compliance with the District Plan when requested.	We respond <sup>9</sup> to requests to check compliance of the District Plan and land use consents within four working days.	100%	100%	100%	100%	100%
We complete the required safety inspections of swimming pools and associated barriers.	We will inspect 500 swimming pool barriers per annum. <sup>10</sup>	436	500	500	500	500

<sup>9</sup> Responded to is defined as contact (could include phone call or visit) with the requester and / or accused.

<sup>10</sup> The Building Act 2004 states - All swimming pools in the District must be inspected every 3 years from 1 January 2017.

## Financials

**Table 56: Planning and regulatory capital expenditure table**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>To Improve Level of Service</b>											
Dog Pound Development	-	150	616	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE</b>	-	150	616	-	-	-	-	-	-	-	-



Table 57: Planning and regulatory funding impact statement

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	3,327	3,639	3,779	4,061	4,201	4,218	4,490	4,215	4,394	4,400	4,566
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	1	1	1	1	1	1	1	1	1	1
Fees and charges	5,552	5,474	5,730	6,073	6,281	6,538	6,687	7,130	7,308	7,639	7,817
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of operating funding (A)</b>	<b>8,879</b>	<b>9,114</b>	<b>9,510</b>	<b>10,135</b>	<b>10,483</b>	<b>10,757</b>	<b>11,178</b>	<b>11,346</b>	<b>11,703</b>	<b>12,040</b>	<b>12,384</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	6,413	6,777	7,112	7,268	7,652	7,622	8,035	8,051	8,284	8,848	8,659
Finance costs	3	5	11	22	31	42	42	56	63	82	104
Internal charges and overheads applied	2,677	2,726	2,819	3,169	3,273	3,305	3,466	3,417	3,500	3,599	3,615
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>9,093</b>	<b>9,508</b>	<b>9,942</b>	<b>10,459</b>	<b>10,956</b>	<b>10,969</b>	<b>11,543</b>	<b>11,524</b>	<b>11,847</b>	<b>12,529</b>	<b>12,378</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>(214)</b>	<b>(394)</b>	<b>(432)</b>	<b>(324)</b>	<b>(473)</b>	<b>(212)</b>	<b>(365)</b>	<b>(178)</b>	<b>(144)</b>	<b>(489)</b>	<b>6</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	150	616	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(214)	(544)	(1,048)	(324)	(473)	(212)	(365)	(178)	(144)	(489)	6
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(214)</b>	<b>(394)</b>	<b>(432)</b>	<b>(324)</b>	<b>(473)</b>	<b>(212)</b>	<b>(365)</b>	<b>(178)</b>	<b>(144)</b>	<b>(489)</b>	<b>6</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>214</b>	<b>394</b>	<b>432</b>	<b>324</b>	<b>473</b>	<b>212</b>	<b>365</b>	<b>178</b>	<b>144</b>	<b>489</b>	<b>(6)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## COMMUNITY SERVICES AND FACILITIES

We provide recreational benefits and promote the social and environmental wellbeing of our communities. Community services and facilities activities include;

### Parks & Reserves

- Open Spaces
- Playgrounds
- Public Toilets
- Cemeteries

### Libraries

### Heritage

### Property Services

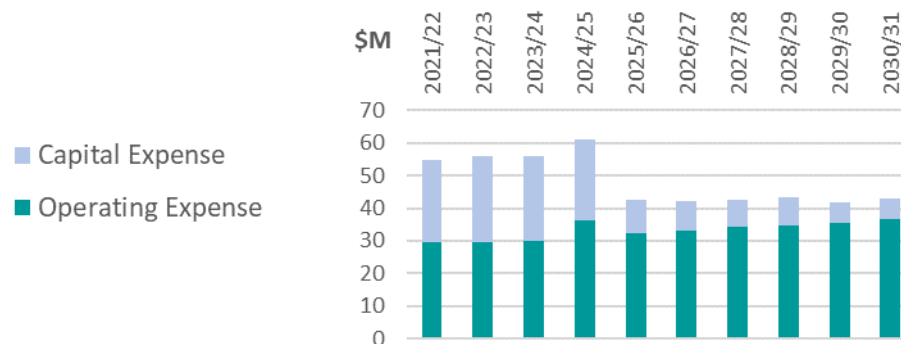
- Community Land & Buildings
- Housing for the Elderly

### Public Swimming Pools

### Waste Management and Minimisation

### Emergency Management

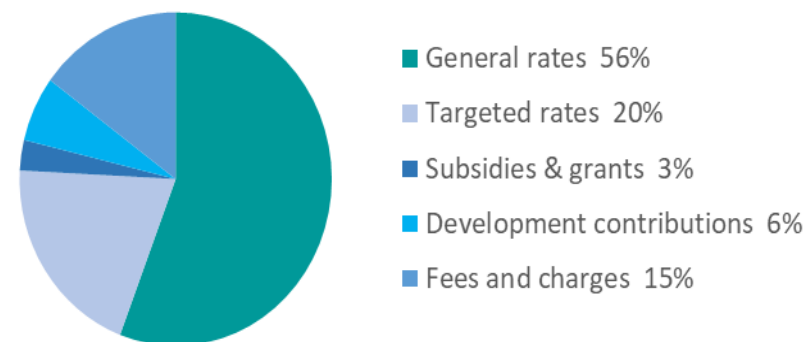
## Investment



Libraries, museums, reserves, and community amenities are defined under the Local Government Act as core services of Council. Libraries, museums, reserves, and other recreational facilities are recognised by our Significance and Engagement Policy as significant activities of Council. In addition, the Policy also recognises housing for the elderly and libraries as strategic assets.

Community facilities, recreation and heritage assets are managed according to the relevant activity management plans, which identify trends and the likely changes in demand. Ageing assets, changing demographics, such as the ageing population and significant population growth, will have a significant impact on the renewal of assets and new assets we invest in. A key focus will be on working with developers, and the Transportation and Waters Services teams within Council to provide a connected network of reserves in future urban areas, and to upgrade and renew our existing facilities to cater for increased patronage and changing community expectations.

## Funding



We will continue to work with the community to understand their expectations for recreation and heritage services, and the Waipā 2050 Growth Strategy has helped us to understand future requirements. The feasibility of some projects is dependent on securing external funding.

We adopted the Waipā Waste Strategy and Waste Management and Minimisation Plan (WMMP) in October 2017. Our waste minimisation work programme continues to be driven by the goals and actions within the Strategy and the WMMP, and the WMMP will be reviewed in 2023.

We have a key role in disaster and emergency response, management and recovery, and Council's strategic priorities reflect the need to enhance our communities' resilience for the future. We are also leading the community in the economic and social recovery of the district in the present and immediate future from the impacts of the COVID-19 pandemic.

## How the Community Services and facilities group of activities help deliver our community outcome

### Economically progressive

- ✓ *Our services provide excellent value for money*
- ✓ *Waipā is a great place to invest and do business*
- ✓ *We have financially sustainable decision making and work programmes*



### Environmental champions

- ✓ *Environmental awareness and responsibility is promoted within the community*



### Cultural champions

- ✓ *We champion the unique history of Waipā*
- ✓ *We have a high level of cultural awareness*



### Socially resilient

- ✓ *Waipā is a great place to live, work, play and invest*
- ✓ *Waipā provides a high quality of life for current and future generations*



## Potential negative effects

**Table 58: Community services and facilities potential negative effects**

Risk	How we are addressing this
Possible disruption to neighbours or the community caused by activities being held in open spaces.	We control these effects through the District Plan, Reserve Management Plans and the use of Crime Prevention Through Environmental Design principles in planning and developing open spaces. We also operate regular and appropriate maintenance schedules and provide advanced notice of any works or events likely to cause disruption.
Health issues could arise in respect of cemeteries, public toilets, or pools if services are not adequately provided.	We will ensure our staff are trained, our facilities are monitored/audited, and a timely response to complaints/customer requests. The Cemetery Provision Plan will identify future steps to ensure cemetery capacity is catered for and help inform future Long Term Plan requirements.
Inability to meet demand for housing for the elderly.	We maintain contact with other housing providers, such as Kāinga Ora, to ensure maximum use of rental accommodation.
Our efforts to showcase the district's historic sites may compromise their cultural and archaeological condition.	The primary focus of the heritage showcase sites is to provide access and interpretation, without impacting their condition. We plan on using smart technologies to enhance people's ability to understand the history with minimal impact to the sites.
Sports fields in the district reach full capacity, reducing the amount of participation in active recreation by the community and fields being overused causing quality issues and poor experiences for the users.	We will address this through working with partners such as Sport Waikato and the district's clubs to undertake forward planning to meet community needs and demand. The Central Waikato Sub-Region Sports Field Capacity and Demand Study will help inform future Long Term Plan requirements.

### Community services and facilities activities

Activities in this group are operationally aligned and fulfil many of the services considered to be local government's core role under Section 11a of the Local Government Act.

## Parks and Reserves

### What we do

As we grow, we need to invest in additional land or existing open spaces to cater for our community and environmental needs. Pressure from development and intensifying land use will require investment to ensure some of our most threatened assets like the peat lakes, wetlands and remnant indigenous vegetation, are buffered from harmful impacts and land management practices.

Council has more than 200 actively managed sites covering in excess of 4,122 hectares. In planning parks and reserves for the district, we focus on achieving a balance between:

- a) **Conservation parks** - these provide for the protection and enhancement of the natural environment and allow for low impact recreational use. These include Maungatautari, Kakepuku, Lake Ngā Roto and Rotopiko/Lake Serpentine. We intend to continue to work with key partners such as Maungatautari Ecological Island Trust, Department of Conservation and National Wetlands Trust to continue to restore these nationally significant habitats.
- b) **Sports parks** - these provide for a wide range of physical activities and sports. These include Kihikihi Domain, Albert Park, Castleton Park, John Kerkoff Park and Cambridge Memorial Park. In addition to regular maintenance and renewal programmes, we are planning to invest around \$4.23 million over the course of the Long Term Plan to improve our sports park network and to acquire and develop additional sports fields in the C2 growth cell in Cambridge.
- c) **Neighbourhood and Amenity parks** – these provide our urban and rural communities with informal recreational opportunities, and walkway and cycle linkages. Some of our Amenity parks provide connection to the Waikato Awa for kai and recreation opportunities. We've heard from our community they want us to improve play provision and so we put a strong focus on developing and upgrading five playgrounds within our existing urban areas and developing seven new playgrounds in the new urban areas, along with catering for recreation spaces for workers in the Hautapu Industrial area.
- d) **Premier reserves** - Our premier reserves provide high quality experiences in key locations such as Mighty River Domain at Lake Karāpiro, Te Awamutu Memorial Park, Te Awamutu Rose Gardens, Leamington Domain and Lake Te Koo Utu in Cambridge.

We have other open space sites that are currently undeveloped, leased or grazed. These locations will provide opportunities for development when demand reaches a point the land is required for use.

### Why we do it



**Open Space:** To ensure the provision of appropriate open spaces which provide for, and support opportunities for the community's health and recreation needs to be met.



**Playgrounds:** To ensure the provision of playgrounds which provide for and support opportunities for the communities to engage in safe and stimulating play.



**Public Toilets:** To ensure the provision of an adequate and accessible network of public toilets which meets the needs of the community and visitors to the district.



**Cemeteries:** To ensure the provision of adequate and appropriate places for interment and remembrance.

Since the last Long Term Plan, we have completed new playgrounds at Thompson Street (Cambridge) and Rangimarie Reserve (Pirongia). We have also completed the Pirongia Esplanade Walkway, Saffron Walkway (in Cambridge) and the renewal of Settlers Track, also in Cambridge. There is continued development of Waipuke Park. Over the next ten years, there are a range of key projects proposed to meet levels of service, growth and renewal requirements for the Parks activity. These include the Te Awamutu/Pirongia/ Ngā Roto Cycling Connection, the Peat Lake restoration programme, Mangaohoi and Mangapiko Streams erosion control and amenity enhancement, park and sports fields improvements, new open spaces and playgrounds in growth areas, and the renewal of Centennial Park. The implementation of concept plans for Lake Te Koo Utu and Te Awamutu's Memorial Park is an aspect we are seeking further direction on, in terms of timing, prioritisation and funding of these works.

We operate 52 public toilets across the district located in reserves, business areas and places where public events are held. Since the Long Term Plan 2018-28, we have renewed or developed three toilet facilities in Pirongia, Kāniwhaniwha Reserve and Centennial Park. The Pirongia public toilet was 50 per cent funded using the Tourism Infrastructure Fund to support the many tourists who stop to use these facilities. We operate ten cemeteries within the district, with the majority being located near small rural settlements. Waipā cemeteries provide for around 200 plus burials and ash interments each year, with 90 per cent of these being at the four larger cemeteries at Hautapu, Leamington, Kihikihi and Te Awamutu.

### ***Our levels of service and performance measures***

Our Parks, Public Toilets and Cemeteries Activity Management Plans detail our levels of services. No changes to levels of service are proposed in this ten year period, but in a number of areas action is required to achieve the desired levels of service, including;

- **Open Spaces;** improvements are proposed to be undertaken for sports grounds, particularly with regard to drainage, and there are opportunities to improve community and neighbourhood reserves.
- **Playgrounds;** Council plans to develop new playgrounds, to undertake playground upgrades to address gaps in playground provision in some areas, and poorly located or dated play equipment that doesn't encourage play, support tourism, provide for different age groups or cater for children with disabilities.
- **Public Toilets;** Council plans to increase the standard of toilets adjoining cycleways and at lakeside reserves. This will be combined with an increased frequency of toilet cleaning to present an improved appearance and reduce the number of complaints received.

Our Parks and Reserves performance measures have been standardised to provide an ongoing reflection of public satisfaction with the services and to maintain consistency with other service areas.

**Table 59: Parks and reserves levels of service and performance measures**

What you can expect from us	How we measure success	Result for 2019/20	Performance Target			
			2021/22	2022/23	2023/24	2024-31
Provision of an adequate network of multi-purpose open spaces which provide for passive and active recreation and sporting activities.	Percentage of residents who are satisfied with parks, reserves and open spaces. <sup>11</sup>	71%	≥previous year result	≥previous year result	≥previous year result	≥previous year result
	Percentage of residents who have utilised parks, reserves and open spaces in the last year. <sup>12</sup>	80%	≥previous year result	≥previous year result	≥previous year result	≥previous year result
Provision of an adequate network of playgrounds which provide for safe and stimulating play.	Percentage of residents who are satisfied with playgrounds. <sup>13</sup>	70%	≥previous year result	≥previous year result	≥previous year result	≥previous year result
	Percentage of residents who have utilised playgrounds in the last 12 months. <sup>14</sup>	41%	≥previous year result	≥previous year result	≥previous year result	≥previous year result
Provision of an adequate and accessible network of public toilets which meets the needs of the community and visitors while minimising public health risks and environmental impact, in a way that is most cost-effective.	Percentage of residents who are satisfied with public toilets. <sup>15</sup>	52%	≥previous year result	≥previous year result	≥previous year result	≥previous year result
Provision of accessible cemeteries and interment services which meets the needs of the community.	Percentage of residents who are satisfied with cemeteries. <sup>16</sup>	New measure	≥previous year result	≥previous year result	≥previous year result	≥previous year result

<sup>11</sup> From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: “How would you rate your overall satisfaction with each other the following facilities...Parks, reserves and open spaces?”.

<sup>12</sup> From Waipā District Council Annual Resident Perception Survey result. Full working of question: “Which of the following facilities have you visited or used within the last year...Parks, reserves and open spaces?”.

<sup>13</sup> From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: “How would you rate your overall satisfaction with each other the following facilities...Playgrounds?”.

<sup>14</sup> From Waipā District Council Annual Resident Perception Survey result. Full working of question: “Which of the following facilities have you visited or used within the last year...Playgrounds?”.

<sup>15</sup> From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: “How would you rate your overall satisfaction with each other the following facilities...Public toilets?”.

<sup>16</sup> Percentage of respondents to residents’ perception survey question regarding satisfaction with cemeteries.

## Libraries

### What we do

The Cambridge and Te Awamutu libraries hold over 140,000 books and more than 6,400 other items, such as DVDs, CDs and talking books. The library service also provides a variety of programmes and events, both onsite and through outreach, in support of the community's literacy and lifelong learning needs.

The Te Awamutu Library building was opened in 2016.. The construction of a new library in Cambridge was provided for in the 2018-28 LTP and now sits outside the Long Term Plan 2021-31.

### Why we do it



To ensure the provision of accessible facilities, resources and services which support the community's learning and leisure needs.

### Our levels of service and performance measures

We are not proposing any significant changes to levels of service.

**Table 60: Libraries levels of service and performance measures**

What you can expect from us	How we measure success	Result 2019/20	Performance Target				
			2021/22	2022/23	2023/24	2024-31	
Provision of library facilities with sufficient resources and services which provide the necessary support for the communities' learning and leisure needs.	Percentage of population who are active <sup>17</sup> library users.	66.29%	≥65%	≥65%	≥65%	≥65%	
	The number of walk-in library visitors per annum.	Cambridge	No result <sup>18</sup>	Unable to measure <sup>19</sup>	103,000	102,000	100,000
		Te Awamutu	No result	Unable to measure	100,000	98,000	96,000
	Size of the Library collection compared to the LIANZA standard of 3 items per resident.	2.67	2.95 – 3.05	2.95 – 3.05	2.95 – 3.05	2.95 – 3.05	
	Percentage of customers who are satisfied with libraries. <sup>20</sup>	75%	≥75%	≥75%	≥75%	≥75%	

<sup>17</sup> Active – library card used in past two years

<sup>18</sup> The door counters in both Te Awamutu and Cambridge libraries were not operational in 2019/20 therefore no result is available.

<sup>19</sup> The RFID project, which includes installation of security gates, is scheduled for Year One. This will enable measurement of the number of walk-in library visitors per annum from Year Two onwards.

<sup>20</sup> Percentage of respondents to residents' perception survey question regarding satisfaction with libraries



	Number of participants in library programmes.	New measure	≥previous year result	≥previous year result	≥previous year result	≥previous year result
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## Property Services

### What we do

The Property services team manages a portfolio of 167 council, community and commercial locations and 93 housing for the elderly units.. The purpose of the housing for the elderly is to provide affordable and safe accommodation for elderly people and people with physical and/or mental health needs on limited incomes.

We are in the process of developing an additional ten housing units for the elderly at Vaile Court in Leamington, along with a number of ongoing upgrades to the existing portfolio to ensure all units meet legislative requirements. We have completed earthquake-prone buildings assessments on a number of priority buildings in accordance with the Building Act, and this seismic assessment work will continue over the next ten years. We are setting aside some additional funding to undertake strengthening work where necessary. From 2022-24 we will invest around \$3.88 million in upgrading the Cambridge Town Hall. In December 2020, the Council approved the establishment of a charitable trust to manage this facility which among other things will assist in the ability to obtain external funding.

### Why we do it



**Community land & buildings:** To ensure the provision of land and buildings within the community that supports social and recreational interaction.



**Housing for the elderly:** To ensure the provision of suitable housing within the District for elderly of limited financial means.

### Our levels of service and performance measures

We are not proposing any significant changes to levels of service.

**Table 61: Property services levels of service and performance measures**

What you can expect from us	How we measure success	Result 2019/20	Performance Target			
			2021/22	2022/23	2023/24	2024-31
Council is responsive to community land and building-related service requests.	The median response time (hours) for urgent <sup>21</sup> service requests relating to land and buildings to be actioned.	No events	2 hours	2 hours	2 hours	2 hours

<sup>21</sup> Urgent service requests defined as a health & safety or public safety issue.

What you can expect from us	How we measure success	Result 2019/20	Performance Target			
			2021/22	2022/23	2023/24	2024-31
	The median response time (days) for non-urgent <sup>22</sup> service requests relating to land and buildings to be actioned.	0.97	2 days	2 days	2 days	2 days
Council is responsive to service requests relating to housing for the elderly.	The median response time (hours) for urgent <sup>23</sup> service requests relating to housing for the elderly to be actioned.	0.84	2 hours	2 hours	2 hours	2 hours
	The median response time (days) for non-urgent <sup>24</sup> service requests relating to housing for the elderly to be actioned.	0.82	2 days	2 days	2 days	2 days

## Heritage

### What we do

Council is planning a range of projects to champion the district's diverse environmental and cultural heritage sites and to showcase our story and unique place in New Zealand's history.

In May 2021, Council accelerated its commitment to build Te Ara Wai, a new museum in Te Awamutu, by buying the old Bunnings building in Arawata Street. The location is ideal because it is across the road from Selwyn Park, near the historic St John's Church, and is close to the Mangaohoi Steam.

In partnership with Iwi, Te Ara Wai offers an amazing opportunity to Te Awamutu, Waipā and New Zealand to finally share its stories, right where they happened.

This required a change to Council's Long Term Plan. \$7.2 million has already been committed to Te Ara Wai. The cost for the build is \$20.5 million. After adjusting to remove other projects that are no longer required due to the change in location, the remaining \$7m will be funded by external fundraising and asset sales. Lease costs for the site will be \$123,500 excluding GST per annum, and operating costs will kick in by year 4.

### Why we do it



To ensure the support of the identification, celebration, protection, and promotion of Waipā district's heritage which enriches the lives of current and future generations of locals and visitors.

<sup>22</sup> Non-urgent service requests defined as any other service request other than a health & safety or public safety issue.

<sup>23</sup> An urgent service request is defined as a health & safety or public safety issue.

<sup>24</sup> Non-urgent service requests defined as any other service request other than a health & safety or public safety issue.

Te Ara Wai will serve as a hub to connect Waipā's important historical sites, natural features, town centres and recreation areas via ongoing development of the cycleway network (described under the Transportation group). The Waikato Land Wars are a core element of the Waipā identity and a critical part of the development of New Zealand's nationhood. Land Wars site interpretation will continue to grow through the Te Ara Wai Journeys website. By showcasing our heritage offering, Waipā can also leverage trends in regional and national tourism, enticing visitors to extend their stay in combination with other key regional attractions like Hobbiton and Waitomo Caves to help to grow the local and regional economy.

### ***Our levels of service and performance measures***

The focus within the Heritage Service is the development of the hub and spoke model, connecting the planned Te Ara Wai in Te Awamutu with historically significant sites. Te Ara Wai will act as a gateway to wider tourism offerings including Te Ara Wai Journeys as well as being a visitor experience in its own right. The only amendment to the performance measures is the addition of a measure to report on usage of the Te Ara Wai Journeys website.

**Table 62: Heritage levels of service and performance measures**

What you can expect from us	How we measure success	Result for 2019/20	Performance Target				
			2021/22	2022/23	2023/24	2024-31	
The district's community and visitors are provided with appropriate opportunities to experience the district's heritage through interpretation, education and conservation delivered directly by Council and through partnerships.	The percentage of visitors surveyed who were satisfied with their Heritage Facility visit. <sup>25</sup>	97.83%	95%	95%	95%	95%	
	Number of annual visitors to key heritage sites.	Te Awamutu Museum <sup>26</sup>	4,764	≥4,500	≥5,000	≥5,500	≥6,000
		Pirongia Visitor Centre	2,534	≥2,000	≥2,250	≥2,500	≥3,000
		Cambridge Museum	4,566	≥4,000	≥4,250	≥4,500	≥5,000
		Lake Ngā Roto	64,727	≥previous year result	≥previous year result	≥previous year result	≥previous year result
Usage of Te Ara Wai Journeys <sup>27</sup> website.	New measure	≥previous year result	≥previous year result	≥previous year result	≥previous year result		

<sup>25</sup> As identified through the Museum's survey questionnaire

<sup>26</sup> Excludes school students visiting the museum as part of the LEOTC programme

<sup>27</sup> Number of individual Te Ara Wai Journeys App sessions

What you can expect from us	How we measure success	Result for 2019/20	Performance Target			
			2021/22	2022/23	2023/24	2024-31
	The number of school student experiencing Heritage based educated through the LEOTC <sup>28</sup> programme.	1,388	4,400	4,400	4,400	4,400

## Public Swimming Pools

### What we do

Council's pool facilities in Te Awamutu and Cambridge are managed by the Waipā Community Facilities Trust (WCFT). The new Cambridge Pool facility was opened in May 2021 after being closed for major redevelopment since 2018. This is a fantastic facility for Cambridge that the community will enjoy for generations to come.

### Why we do it



To ensure the provision of appropriate Public Swimming Pools which provide for, and support opportunities for the community's health and recreation needs to be met.

### Our levels of service and performance measures;

We are not proposing any significant changes to levels of service.

**Table 63: Public swimming pools levels of service and performance measures**

What you can expect from us	How we measure success		Result for 2019/20	Performance Target			
				2021/22	2022/23	2023/24	2024-31
Safe and pleasant aquatic facilities are provided which offer a variety of casual and programmed activities which cater for the needs of the community.	Percentage of users satisfied with swimming pool services (via survey mechanism).	Te Awamutu	78%	≥80%	≥80%	≥80%	≥80%
		Cambridge	0	≥80%	≥80%	≥80%	≥80%
	Number of admissions per annum. <sup>29</sup>	Te Awamutu	117,415	110,000	115,000	120,000	125,000
		Cambridge	0	120,000	125,000	130,000	135,000
		Te Awamutu	93.89%	≥85%	≥85%	≥85%	≥85%

<sup>28</sup> Learning Experience Outside the Classroom

<sup>29</sup> Cambridge Pool was closed in 2019/20 due to the redevelopment project, therefore there are no results available for that year.

	Percentage of compliance with water quality standards. (no. of tests compliant).	Cambridge	n/a	≥85%	≥85%	≥85%	≥85%
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## Waste Management and Minimisation

### *What we do*

Council does not operate the district’s rubbish collection service but we provide a convenient recycling service to all urban and rural ratepayers to divert waste from landfill. We have a Solid Waste Bylaw that controls how waste collection should be managed within the district, we service an extensive number of public litter bins and clean up illegal dumping. Support is provided to groups and organisations through the Community Waste Minimisation Fund to develop and deliver their own projects to reduce waste to landfill. Other projects are delivered in partnership or through collaboration with industry, neighbouring councils, businesses, individuals and groups.

### *Why we do it*



To support the management of the district’s waste to maximise sustainability and minimise waste to landfill.

Annually we receive around \$200,000 from the national waste levy to promote or achieve waste minimisation in the district. In 2017, we adopted the Waste Management and Minimisation Plan (WMMP) covering the period 2017 to 2023, which focuses on moving away from a ‘disposable’ economy, improving data collection, working with neighbouring councils and building community capacity for partnerships and resource recovery. There is no significant variation between the Waste Management and Minimisation Plan 2017-23 and the Long Term Plan 2021-31. The WMMP will be due for review in 2023 in time for the next Long Term Plan.

### *Our levels of service and performance measures*

We are proposing a change to levels of service through the development of a resource recovery centre.

The performance measures have been amended to better reflect the current services delivered for this activity.

**Table 64: Waste management and minimisation levels of service and performance measures**

What you can expect from us	How we measure success	Result for 2019/20	Performance Target			
			2021/22	2022/23	2023/24	2024-31
Provision of an effective waste minimisation education programme.	Number of face-to-face participants in the waste minimisation programme	1,100	≥previous year	≥previous year	≥previous year	≥previous year
Provision of a convenient kerbside recycling service.	Annual average quantity (kg) of recycled material per household. <sup>30</sup>	178.28	170-180	170-180	170-180	170-180
	Number of residents satisfied with the kerbside recycling service. <sup>31</sup>	New measure	≥previous year	≥previous year	≥previous year	≥previous year

## Emergency Management

### What we do

Council is part of the Waikato Civil Defence and Emergency Management (CDEM) Group, which is a collective approach to manage an emergency in the Waikato region. We also have a shared services arrangement with our partnering Councils (Otorohanga DC and Waitomo DC) as part of the Western Waikato Area in the delivery of the emergency management functions. As a Council we prepare ourselves by having our staff members and partners trained in the Coordinated Incident Management System (CIMS), an Emergency Operations Centre (EOC) fully equipped to operate in, and processes in place that guide us in the event of an emergency.

### Why we do it



To provide an effective emergency management response to our community.

In an emergency of any scale, we will have a trained team in our EOC coordinating and prioritising Council's response to the areas of impact within our community. Council staff will be working collectively with stakeholders to get our organisation, services and community back up and running, through the response, transition and recovery phases of an emergency.

<sup>30</sup> Household defined as: a property rated for recycling

<sup>31</sup> Percentage of respondents to residents' perception survey question regarding satisfaction with the kerbside recycling service

***Our levels of service and performance measures***

The below performance measure is a new measure. It was agreed by the Waikato Group CDEM Coordinating Executive Group (CEG) and endorsed by the joint committee for all Waikato territorial local authorities to include an emergency response KPI in their Long Term Plans. We are not proposing any significant changes to levels of service.

**Table 65: Emergency management levels of service and performance measures**

What you can expect from us	How we measure success	Result for 2019/20	Performance Target			
			2021/22	2022/23	2023/24	2024-31
We remain suitably capable to provide a high level <sup>32</sup> response in the event of a Civil Defence Emergency.	Percentage scored in an emergency response annual evaluation exercise <sup>33</sup> .	New measure	≥ previous year result	≥ previous year result	≥ previous year result	>60% (advancing)

<sup>32</sup> High level is considered to be Advancing or Mature score. Scores are based on the CDEM Capability Scoring Guide & Capability level.

<sup>33</sup> Council will be assessed on the capability shown during the exercise and scored a percentage based on the CDEM Capability Scoring Guide & Capability level: Unsatisfactory = 0-20%, Early Developing = 21-40%, Late Developing = 41-60%, Advancing = 61-80%, Mature = 81-100%.

## Financials

Table 66: Community services and facilities capital expenditure

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>To Meet Additional Demand</b>											
Reserves - C1, C2 & C3	3,169	3,990	8,286	263	-	-	-	-	-	-	-
Reserve Purchases - Growth Related Development	269	-	-	-	-	-	-	-	-	-	-
Playground Reserve Land Cambridge North	430	410	-	-	-	-	-	-	-	-	-
Playground Reserve Land CB Nth LTP Yr3	420	379	-	-	-	-	-	-	-	-	-
CB Nth Land Acquisition and Development	-	1,800	1,285	622	703	-	-	-	-	-	-
CB Hautapu Industrial Land Acquisition and Developmen	-	700	-	-	1,572	2,747	-	-	-	-	-
<b>Total Capital Expenditure to Meet Additional Demand</b>	<b>4,288</b>	<b>7,279</b>	<b>9,571</b>	<b>885</b>	<b>2,275</b>	<b>2,747</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>To Improve Level of Service</b>											
Destination Playgrounds	126	-	-	-	-	-	-	-	-	-	-
Public Conveniences - New Toilet Blocks	696	-	212	55	57	168	60	-	-	-	-
Housing for the Elderly Upgrades and New Build	3,355	3,170	-	-	-	-	-	-	-	-	-
Karapiro Domain Improvements	92	119	687	42	86	89	45	47	72	74	50
Cambridge Town Pool Development	8,979	-	-	-	-	-	-	-	-	-	-
Addison Street Development - Property	20	15	-	-	-	-	-	-	-	-	-
Peat Lake Programme	-	26	15	13	26	20	25	21	26	23	28
Design & Build Te Ara Wai	-	-	1,439	6,324	12,717	-	-	-	-	-	-
Purchase of Property for TA Hub Development	-	-	-	-	-	-	-	-	-	-	-
Ngaroto - Heritage Restoration	100	105	65	44	34	140	-	37	151	-	-
Cycling - Te Awamutu/Ngaroto/Pirongia Connection	1,845	5,100	1,088	3,276	-	-	-	-	-	-	-
Lake Rotopiko Heritage Development	-	50	31	28	57	23	24	24	-	-	-
Pukemako A & B - Planning & Restoration	32	-	21	42	66	-	-	-	-	-	-
Land Wars - Site Interpretation & Facilities	31	-	-	-	-	-	-	-	-	-	-
Purchase of Property for TA Commercial	22	-	-	-	-	-	-	-	-	-	-
Mangakaware - Restoration & Development	30	7	8	8	8	8	8	9	9	9	9
Mt Pirongia - collaboration with DOC	-	30	-	53	-	-	-	-	-	-	-
Exhibition Planning, Design, Development and Install	-	-	-	3,113	-	-	-	-	-	-	-
Library RFID Technology	-	265	-	-	-	-	-	-	-	-	-
Erosion Control and Amenity Enhancement	-	326	295	482	187	230	156	248	283	151	-
Maungatautari - Hicks Rd Formation	-	150	-	-	-	-	-	-	-	-	-
TA Community Hub - External Social Space between Library	-	-	-	-	-	-	-	-	-	-	-
Kihikihi Town Hall	-	20	-	-	81	-	-	-	-	-	-
Pirongia Town Hall	-	20	-	-	-	-	-	-	-	-	-
Cambridge Town Hall Upgrades	40	60	1,748	2,108	-	-	-	-	-	-	-
Colgan St Development - Property	-	886	-	-	-	-	-	-	-	-	-
Te Rahu Road Development - Property	450	385	-	-	-	-	-	-	-	-	-
Mangaohoi Stream Slip Remediation	103	-	-	-	-	-	-	-	-	-	-
Premier Reserves Development	52	-	-	34	67	16	303	-	-	-	-



	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sports Reserves Development	94	-	-	-	-	-	-	-	-	-	-
Neighbourhood Reserves Development	158	181	10	15	16	17	18	19	-	-	-
Amenity Reserves Development	191	33	97	137	96	164	168	216	31	73	280
Special Purpose Reserves Development	-	-	-	21	-	-	-	-	-	-	-
LTP Potential Property Developments & Sales	-	210	216	-	-	-	-	116	-	-	-
Cambridge Town Belt Development	47	-	-	-	-	-	-	-	-	-	-
Waipuke Reserve Development	122	53	167	117	-	-	-	-	-	-	-
Storage Facilities for Climax Engine	-	105	-	-	-	-	-	-	-	-	-
Cemetery Capacity Developments	-	140	486	350	151	155	12	-	13	-	13
Cemetery Structure	-	-	-	279	86	411	180	-	-	-	-
Water Supply Improvements	-	-	-	-	-	222	227	233	-	-	-
Cambridge Town Hall Clock Tower Repair	-	25	180	-	-	-	-	-	-	-	-
CB Town Hall Carpark	-	-	-	-	-	-	-	-	60	-	-
Castleton Park	-	473	86	-	148	506	-	98	526	-	-
Sports Fields Improvements	-	-	617	-	851	-	894	-	314	-	330
Collective Hydro Lakes	-	70	51	126	54	-	-	58	60	-	-
Play Provision Outside Structure Plan	-	500	-	1,686	-	-	908	1,164	-	-	-
Ngahinapouri Land Acquisition and Development	-	-	280	287	-	-	-	-	-	-	-
T8 Land Acquisition and Development: Structure Plan Areas	-	784	401	-	-	-	-	-	-	-	-
T1 Land Acquisition and Development: Structure Plan Areas	-	-	1,429	712	-	251	-	-	-	-	-
Resource Recovery Centre	-	-	-	327	1,773	-	-	-	-	-	-
Horahora Domain Land Purchase	-	400	-	-	-	-	-	-	-	-	-
Band Rotundas within the District	80	-	-	-	-	-	-	-	-	-	-
Kihikihi Memorial Hall	-	20	-	-	-	-	-	-	-	-	-
District Wide Skateparks	-	120	1,778	-	-	-	-	-	-	-	-
Memorial Park	-	288	-	865	341	382	698	669	687	282	289
Lake Te Ko Utu	-	268	499	595	863	303	78	478	817	63	86
Kihikihi Town Clock Repairs	-	40	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure to Improve Level of Service</b>	<b>16,665</b>	<b>14,444</b>	<b>11,906</b>	<b>21,139</b>	<b>17,765</b>	<b>3,105</b>	<b>3,804</b>	<b>3,437</b>	<b>3,049</b>	<b>675</b>	<b>1,085</b>

	10	8	7	6	7	7	6	6	5	6	5
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>To Replace Existing Assets</b>											
Carpark Renewals	150	24	62	26	151	-	159	-	48	-	50
Library Books	362	354	364	374	383	393	402	412	423	435	445
District Pools Plant Renewals	126	103	603	217	114	80	142	215	433	401	334
Housing for the Elderly Renewals	250	300	308	316	324	332	341	349	359	368	377
Parks Structure Renewals	111	-	103	-	108	-	114	-	120	-	126
Plant Replacement Mighty River Domain	52	80	15	34	7	49	14	76	45	26	56
Leamington Domain Facility Maintenance	-	36	-	-	-	-	-	-	-	-	-
Mighty River Domain Facility Renewals	52	-	-	-	-	-	-	-	-	-	-
Memorial Park Bridge Replacement	75	-	-	-	-	-	-	-	-	-	-
Karapiro / Arapuni Lakes Programme	21	-	154	-	162	-	-	-	-	-	-
Playground Equipment & Safety Surfaces Renewal	59	566	441	253	224	251	431	292	457	375	392
Cemeteries Renewals	-	18	49	19	19	20	20	21	22	22	23
Parks Renewals	156	325	310	318	325	332	341	349	357	368	377
Public Conveniences Renewals	-	75	463	184	486	194	510	204	209	215	220
Parks Plant & Equipment Replacement	-	196	328	119	9	117	-	122	54	280	294
<b>Total Capital Expenditure to Replace Existing Assets</b>	<b>1,414</b>	<b>2,077</b>	<b>3,200</b>	<b>1,860</b>	<b>2,312</b>	<b>1,768</b>	<b>2,474</b>	<b>2,040</b>	<b>2,527</b>	<b>2,490</b>	<b>2,694</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>22,367</b>	<b>23,800</b>	<b>24,677</b>	<b>23,884</b>	<b>22,352</b>	<b>7,620</b>	<b>6,278</b>	<b>5,477</b>	<b>5,576</b>	<b>3,165</b>	<b>3,779</b>

**Table 67: Community services and facilities capital expenditure funding impact statement**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	14,459	16,166	16,830	17,898	20,285	19,609	20,356	20,775	21,350	22,101	22,572
Targeted rates	5,717	5,904	6,166	6,189	7,248	7,140	7,370	7,523	7,601	7,863	8,004
Subsidies and grants for operating purposes	6	287	333	22	22	23	23	253	307	315	323
Fees and charges	8,003	6,324	4,421	4,517	4,678	5,300	5,480	5,309	5,457	5,552	5,744
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of operating funding (A)</b>	<b>28,185</b>	<b>28,681</b>	<b>27,750</b>	<b>28,626</b>	<b>32,233</b>	<b>32,072</b>	<b>33,229</b>	<b>33,860</b>	<b>34,715</b>	<b>35,831</b>	<b>36,643</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	20,429	20,456	19,962	20,337	24,444	21,611	22,344	23,190	23,782	24,186	25,020
Finance costs	377	390	415	479	750	987	916	1,075	1,124	1,376	1,480
Internal charges and overheads applied	3,734	3,547	3,819	4,154	4,665	4,394	4,507	4,503	4,673	4,839	4,769
Other operating funding applications	334	537	542	298	304	310	316	323	330	337	344
<b>Total applications of operating funding (B)</b>	<b>24,874</b>	<b>24,930</b>	<b>24,738</b>	<b>25,268</b>	<b>30,163</b>	<b>27,302</b>	<b>28,083</b>	<b>29,091</b>	<b>29,909</b>	<b>30,738</b>	<b>31,613</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>3,311</b>	<b>3,751</b>	<b>3,012</b>	<b>3,358</b>	<b>2,070</b>	<b>4,770</b>	<b>5,146</b>	<b>4,769</b>	<b>4,806</b>	<b>5,093</b>	<b>5,030</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	741	1,440	2,098	3,424	1,340	44	45	47	47	49	51
Development and financial contributions	522	1,375	1,947	2,254	2,800	2,682	2,807	2,280	2,290	2,204	1,838
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	8,481	7,978	2,013	1,758	876	898	3,228	1,874	457	473
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>1,263</b>	<b>11,296</b>	<b>12,023</b>	<b>7,691</b>	<b>5,898</b>	<b>3,602</b>	<b>3,750</b>	<b>5,555</b>	<b>4,211</b>	<b>2,710</b>	<b>2,362</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	4,288	7,279	9,571	885	2,275	2,747	-	-	-	-	-
- to improve the level of service	16,665	14,444	11,906	21,139	17,765	3,105	3,804	3,437	3,049	675	1,085
- to replace existing assets	1,414	2,077	3,200	1,860	2,312	1,768	2,474	2,040	2,527	2,490	2,694
Increase (decrease) in reserves	(17,793)	(8,753)	(9,642)	(12,835)	(14,384)	752	2,618	4,847	3,441	4,638	3,613
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>4,574</b>	<b>15,047</b>	<b>15,035</b>	<b>11,049</b>	<b>7,968</b>	<b>8,372</b>	<b>8,896</b>	<b>10,324</b>	<b>9,017</b>	<b>7,803</b>	<b>7,392</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(3,311)</b>	<b>(3,751)</b>	<b>(3,012)</b>	<b>(3,358)</b>	<b>(2,070)</b>	<b>(4,770)</b>	<b>(5,146)</b>	<b>(4,769)</b>	<b>(4,806)</b>	<b>(5,093)</b>	<b>(5,030)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## TRANSPORTATION

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The Transportation group is the primary service provider for the provision of the local transport network including roads, footpaths and cycleways, as well as road safety interventions and education.

### *What we do*

We oversee a range of the district's core infrastructure assets and services including;

#### **Roads and Structures**

The Waipā district road network covers 1,103km of sealed and unsealed roads, 184 bridges (including stock underpasses) and structures such as retaining walls and bus shelters. Increases in the network length generally come from the development of new roads in subdivisions. Waka Kotahi NZ Transport Agency is responsible for the State Highway network.

In addition to our maintenance and renewal programmes, population growth is a major factor in our planning. We will pause spending on sealing gravel roads for the first three years of this LTP and then continue this work in Years 4-10.

Road safety is a key driver in shaping our programme of works, including implementation of speed management, intersection improvements and addressing deficiencies in the network. We provide road safety education within Waipā.

The Council has planned and set aside funds for the construction of roading (alongside wastewater, stormwater and water) in current residential and industrial growth areas. Any new development of deferred growth cells will require structure planning including identifying infrastructure services. Council will work closely with

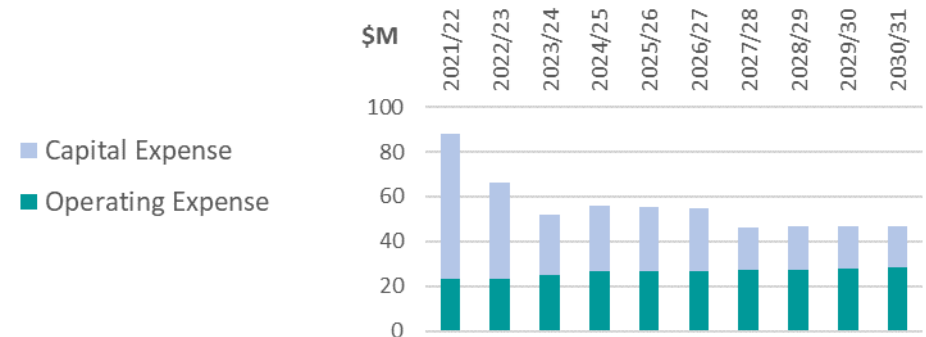
these developers and, in the case of roading, with Waka Kotahi on funding solutions.

### *Why we do it*

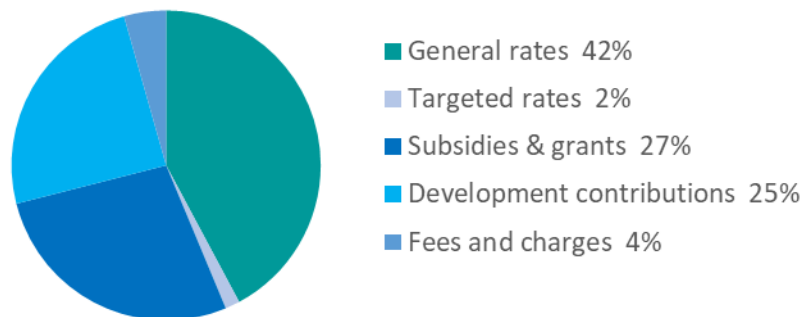


To ensure the ongoing provision of an adequate local transport network which supports the transportation of people, goods, and services as an integral part of everyday community activity.

### **Investment**



## Funding



### How the Transportation group of activities helps deliver our community outcomes

#### Economically progressive

- ✓ *We have financially sustainable decision making and work programmes*
- ✓ *We provide new infrastructure as an economic stimulus for our district*



#### Socially resilient

- ✓ *Waipā provides a high quality of life for current and future generations*



#### Environmental champions

- ✓ *We support programmes that promote environmental sustainability*
- ✓ *We are responsive to climate change*



#### Cultural champions

- ✓ *We partner with tangata whenua*



## Footpaths and Cycleways

We manage 256km of surfaced footpaths; these are usually provided on both sides of the road in high-use urban areas, and on one side only in lower use areas. There is growing awareness and use of alternative modes of transport, including e-bikes and e-scooters, and a general desire to promote healthier transport choices like walking and cycling to school and work. This challenges Council to provide infrastructure and services for modes other than private cars.

In the next ten years, there is a planned step change in the development of our urban walking and cycleway network to improve options for the community to use alternative modes of personal transport. Additionally, we are investing in a rural scenic linkage between Te Awamutu, Ngā Roto and Pirongia and the completion of the Te Awa River Ride cycleway toward Hamilton is anticipated during 2021.

## Signage & Traffic Facilities

Signs range from information signs identifying street names and public facilities to permanent warning signs and regulatory signs that are legally required. Electronic signs are used for variable speed zones by some rural schools. CCTV cameras are installed at major urban intersections and expansion of this system will continue. Guardrails are provided to stop vehicles leaving the road and sight rails provide identification of hazards.

## Street Lighting

Street lights are provided in all urban areas of the district and there are flag lights at the intersections of major rural roads for easy identification and safety reasons. Lighting is provided in amenity areas like car parks, reserves and under verandas in CBDs. Having completed a conversion to LED lights in 2019 we are planning to address urban streets that have dark areas due to the historic wide spacing of lights.

## Amenity

The Transportation group is responsible for developing and maintaining town and village centre streets and paths, entrances and verges. The presentation of these areas contributes to an attractive living and commercial environment for the district. We're increasing the focus on these amenities in this Long Term Plan with particular emphasis on the streets surrounding the Te Awamutu Precinct, linked to the development of Te Ara Wai.

We manage a large number of car parks in CBD areas, sporting facilities, reserves and community areas. In 2020, Council decided to manage public car park restrictions and enforcement more actively as a means to ensure parking availability, as opposed to introducing paid parking or building more parking facilities. Existing car parks will be maintained, reconstructed and resurfaced as necessary.

## Transport Strategy

Our Waipā Integrated Transport Strategy, which was influenced by a number of national and regional policy statements, has provided the local strategic framework for an effective and sustainable transport system for the last 10 years. This strategy is being reviewed and updated in 2020/21 to ensure strategic alignment with recent updates to regional and national plans and policy statements, as well as ensuring that key strategic influences that have emerged since 2010 are appropriately planned for. Priorities and actions arising from the review of the strategy will inform future Long Term Plans.

As identified in the 2021-51 Infrastructure Strategy, the key strategic issues influencing our Transportation investment this Long Term Plan are;

- Accommodating growth – This will require approximately \$73M worth of upgrades to existing roading assets over ten years. Properly planned infrastructure will make provision for walking, cycling and bus use, and prevent congestion and crashes at intersections.

- Managing road user risks – Deaths and serious injuries have been increasing on our network in line with the growth in traffic volumes. We want to reduce this high social and economic cost and influence user behaviour to reduce the risk.
- Passenger Transport – Use of the Te Awamutu and Cambridge bus services has increased year on year before the COVID-19 global pandemic in 2020. Trips per annum are expected to grow from 150,000 to 260,000 in 3-5 years. Council intends to increase investment in bus services to expand route coverage and operating hours to make bus use more attractive.
- Network resilience – Damage to Waipā's bridges could significantly disrupt access, water supplies and communications for the whole community, industries and freight. Understanding bridge resilience and providing a reasonable level of security is an ongoing activity. In the first three years of this Long Term Plan, the historic Victoria bridge is to be repainted and any repairs completed while scaffolding is in place. This work is valued at approximately \$2.5M.
- Accommodating urban intensification and an aging population – By 2063, 70 per cent of Waipā's residents will live in urban areas and 44% of the population may be aged 65+ years. An ageing population will see more demand for other modes of transport. We will see greater demand for good footpaths, street lighting, cycleways, and road crossings, and the removal of barriers presented by steps and steep path grades.
- Future Challenges – Climate change, rapid population growth, new technology and services like e-scooters, e-bikes, car share services, and autonomous vehicles all present a challenge to our current approach to transport. We need to remain adaptable and avoid the congestion that comes from over reliance on private vehicle use for short trips around our towns.

## Potential negative effects

**Table 68: Transportation potential negative effects**

Risk	How we are addressing this
Poorly planned transport networks can result in congestion, wasting time and money for users, noise pollution, air pollution (including carbon emissions) and visual disturbance.	We are reviewing our transport strategy in 2021 to ensure transport infrastructure and land use planning are tightly integrated.
Increase in traffic crashes.	We have a road safety education programme, we monitor road safety performance and we make safety improvements to the roading network.
Road construction can cause erosion, damage to flora and fauna, noise, pollution, and impacts on places of cultural, historical and archaeological importance.	Potential risks are managed through adhering to industry best practice and by ensuring contractors who undertake the work are suitably qualified. We involve Mana Whenua in planning projects so cultural impacts are understood and mitigated appropriately.
Run off from road surfaces may contain pollutants.	This is managed in sensitive urban environments through the design and operation of our stormwater system.

### *Our levels of service and performance measures*

We are not proposing any significant changes to levels of service. In our Transportation Activity Management Plan, we have identified some actions which will assist in ensuring we achieve our desired levels of service.

We have replaced some performance measures with new measures to better reflect Council's strategic focus and provide a better snapshot of service provision. We have also ensured these are able to be reliably measured.

**Table 69: Transportation levels of service and performance measures**

What you can expect from us	How we measure success	Result for 2019/20	Performance Target			
			2021/22	2022/23	2023/24	2024-31
	Number of annual crashes resulting in fatal and serious injuries on Waipā local roads (five year average).	25.2	< Prior year result	< Prior year result	< Prior year result	< Prior year result

What you can expect from us	How we measure success		Result for 2019/20	Performance Target			
				2021/22	2022/23	2023/24	2024-31
Roads and road usage is managed to reduce the risk of harm to users.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network. [M]		5 more	< Prior year result	< Prior year result	< Prior year result	< Prior year result
Provision of road and footpath networks which support usability and user comfort both now and in the future	The percentage of the sealed local road network that is resurfaced. <sup>34</sup> [M]		79.54%	75%-120%	75%-120%	75%-120%	75%-120%
	Percentage of footpaths whose condition meets the desired minimum standard for condition. <sup>35</sup> [M]		98.28%	≥95%	≥95%	≥95%	≥95%
	Length (km) of network which remains unsealed.		New Measure	< Prior year result	< Prior year result	< Prior year result	< Prior year result
	Percentage of vehicle kilometres travelled on smooth sealed local roads. <sup>36</sup> [M]		94%	≥87%	≥87%	≥87%	≥87%
We are responsive to roading issues raised by the community	Percentage of customer service requests relating to roads and footpaths responded to within the time frame specified in the long term plan. <sup>37</sup> [M]		64.41%	≥90%	≥90%	≥90%	≥90%
Alternative transport options are available and user friendly	Usage of the ratepayer funded passenger transport services	Bus <sup>38</sup>	107,499 (28,443 less)	> Prior year result	> Prior year result	> Prior year result	> Prior year result
		Total Mobility	1,591 (1,591 more)	> Prior year result	> Prior year result	> Prior year result	> Prior year result
	Length of dedicated cycling facilities <sup>39</sup> within the road corridor		New measure	> Prior year result	> Prior year result	> Prior year result	> Prior year result

[M] = DIA mandatory measure

## Financials

<sup>34</sup> As compared to the average annual target set in the Asset Management Plan (82.6 centre line km per year)

<sup>35</sup> Full wording of mandatory measure is: The percentage of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or long term plan). For Council this is based on a five point scale (excellent, good, average, poor and very poor) the percentage will be the length of footpath recorded as average, good or excellent condition grade.

<sup>36</sup> Full wording of mandatory measure is: The average quality of ride on a sealed local road network, measured by smooth travel exposure.

<sup>37</sup> Full wording of mandatory measure is: The percentage of customer service requests relating to roads & footpaths to which the territorial authority responds within the time frame specified in the Long Term Plan - 10 Working Days.

<sup>38</sup> Te Awamutu and Cambridge services to Hamilton.

<sup>39</sup> Defined as cycleways which are within the road corridor, but which are separate to the actual road, this includes cycleways which are designed to be shared by pedestrians and mobility device users.



**Table 70: Transportation capital expenditure**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>To Meet Additional Demand</b>											
Cambridge North Capital Projects	1,461	1,350	-	-	-	-	-	-	-	-	-
Cambridge Growth Cells (C1,C2 and C3) incl Land Purchase	23,336	31,150	6,880	-	6,582	7,458	6,286	-	-	-	-
Cambridge Growth Cells (C5, C6) Lamb Street	-	300	1,033	-	-	34	349	-	-	-	-
Hautapu Structure Plan and Cycleway	724	5,100	8,987	4,260	3,602	1,469	737	-	-	-	-
St Leger and Kihikihi Road	-	300	-	320	-	339	-	360	-	382	-
Picquet Hill Plan Change Roading	-	3,500	-	-	-	-	-	-	-	-	-
Frontier Road Plan Change	104	14	1,209	-	-	-	-	-	-	-	-
Urban Upgrades - Development Related	2,289	1,300	-	-	-	-	-	-	-	-	-
Hamilton Rd/Cambridge Rd Urbanisation	-	300	2,583	2,567	-	-	-	-	-	-	-
Ngahinapouri SH39 Intersection & N1/N2 Development	-	-	1,054	-	-	-	782	-	-	-	-
T9/T10 New Collector Road and Walkway	-	1,000	1,239	958	1,207	1,388	912	719	1,111	331	-
<b>Total Capital Expenditure to Meet Additional Demand</b>	<b>27,914</b>	<b>44,314</b>	<b>22,985</b>	<b>8,105</b>	<b>11,391</b>	<b>10,688</b>	<b>9,066</b>	<b>1,079</b>	<b>1,111</b>	<b>713</b>	<b>-</b>
<b>To Improve Level of Service</b>											
Seal Extensions	250	-	-	-	549	565	582	600	618	637	656
New Footpaths	75	100	103	107	110	113	116	120	124	127	131
Car Park Improvements	-	-	-	-	-	-	-	-	-	-	-
Town Concept Plans and Streetscape Implementation	1,400	1,300	268	1,902	439	-	-	-	-	-	-
Passenger Transport Infrastructure	-	100	103	-	-	-	116	120	-	-	-
Street Light Improvements	367	150	155	160	165	170	175	180	185	191	197
Cycle Projects District Wide	5,831	4,310	1,550	1,598	1,646	1,695	1,746	240	247	255	262
CBD Accessibility Improvements	21	-	-	-	-	-	-	-	-	-	-
Major Improvements	378	215	-	-	-	-	-	-	-	-	-
Bridge Footpath Widening	200	-	-	-	-	-	-	-	-	-	-
Associated Improvements	600	-	-	-	-	-	-	-	-	-	-
Minor Improvements	824	1,355	1,431	1,060	1,081	1,124	1,158	1,205	1,229	1,280	1,304
<b>Total Capital Expenditure to Improve Level of Service</b>	<b>9,946</b>	<b>7,530</b>	<b>3,610</b>	<b>4,827</b>	<b>3,990</b>	<b>3,667</b>	<b>3,893</b>	<b>2,465</b>	<b>2,403</b>	<b>2,490</b>	<b>2,550</b>
<b>To Replace Existing Assets</b>											
Footpath Renewals	200	375	387	399	439	452	466	510	525	541	590
Amenity Lighting Renewals	-	3	3	3	3	3	3	3	3	3	3
Car Park Renewals	37	55	57	59	60	62	64	66	68	70	72
Drainage Renewals	308	389	402	414	427	440	453	466	480	495	510
Pavement Rehabilitation	900	1,800	1,859	1,913	1,972	2,033	2,094	2,156	2,223	2,291	2,360
Structures Component Renewal	150	410	103	320	329	339	349	360	247	255	393
Traffic Services Renewals	10	40	41	43	55	57	58	72	74	76	92
Unsealed Road Metalling	25	60	62	64	66	68	70	72	74	76	79
Sealed Road Resurfacing	3,900	4,030	4,163	4,292	3,620	3,729	3,841	3,897	4,014	4,137	4,261
Bridge Renewals	-	-	2,737	-	-	-	-	-	-	-	-
Guardrail Renewals	102	55	57	59	60	62	64	66	68	70	72
Bus Shelter Renewals	-	10	-	11	-	11	-	12	-	13	-
<b>Total Capital Expenditure to Replace Existing Assets</b>	<b>5,632</b>	<b>7,227</b>	<b>9,871</b>	<b>7,577</b>	<b>7,031</b>	<b>7,256</b>	<b>7,462</b>	<b>7,680</b>	<b>7,776</b>	<b>8,027</b>	<b>8,432</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>43,492</b>	<b>59,071</b>	<b>36,466</b>	<b>20,509</b>	<b>22,412</b>	<b>21,611</b>	<b>20,421</b>	<b>11,224</b>	<b>11,290</b>	<b>11,230</b>	<b>10,982</b>

**Table 71: Transportation funding impact statement**

	2020/21 Annual Plan \$000	2021/22 Budget \$000	2022/23 Budget \$000	2023/24 Budget \$000	2024/25 Budget \$000	2025/26 Budget \$000	2026/27 Budget \$000	2027/28 Budget \$000	2028/29 Budget \$000	2029/30 Budget \$000	2030/31 Budget \$000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	12,262	13,100	12,448	13,125	14,668	14,427	14,337	15,233	15,135	15,059	14,935
Targeted rates	265	269	272	353	530	525	659	707	588	603	631
Subsidies and grants for operating purposes	3,464	2,902	3,060	3,204	3,890	4,018	4,151	4,310	4,461	4,595	4,788
Fees and charges	1,262	1,469	1,336	1,374	1,412	1,431	1,492	1,525	1,563	1,602	1,643
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of operating funding (A)</b>	<b>17,253</b>	<b>17,740</b>	<b>17,116</b>	<b>18,056</b>	<b>20,500</b>	<b>20,401</b>	<b>20,639</b>	<b>21,775</b>	<b>21,747</b>	<b>21,859</b>	<b>21,997</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	8,202	8,652	8,935	9,320	10,417	10,806	11,134	11,583	12,013	12,375	12,815
Finance costs	329	286	307	334	432	450	396	441	424	481	486
Internal charges and overheads applied	1,839	1,891	1,704	1,843	1,848	1,784	1,629	1,563	1,547	1,507	1,439
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>10,370</b>	<b>10,829</b>	<b>10,946</b>	<b>11,497</b>	<b>12,697</b>	<b>13,040</b>	<b>13,159</b>	<b>13,587</b>	<b>13,984</b>	<b>14,363</b>	<b>14,740</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>6,883</b>	<b>6,911</b>	<b>6,170</b>	<b>6,559</b>	<b>7,803</b>	<b>7,361</b>	<b>7,480</b>	<b>8,188</b>	<b>7,763</b>	<b>7,496</b>	<b>7,257</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	7,062	5,178	6,870	5,607	5,029	5,188	5,419	4,766	4,777	4,930	5,161
Development and financial contributions	2,814	5,045	6,990	7,895	9,732	9,811	9,599	8,853	8,930	8,685	7,533
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>9,876</b>	<b>10,223</b>	<b>13,860</b>	<b>13,502</b>	<b>14,761</b>	<b>14,999</b>	<b>15,018</b>	<b>13,619</b>	<b>13,707</b>	<b>13,615</b>	<b>12,694</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	27,914	44,314	22,985	8,105	11,391	10,688	9,066	1,079	1,111	713	-
- to improve the level of service	9,946	7,530	3,610	4,827	3,990	3,667	3,893	2,465	2,403	2,490	2,550
- to replace existing assets	5,632	7,227	9,871	7,577	7,031	7,256	7,462	7,680	7,776	8,027	8,432
Increase (decrease) in reserves	(26,733)	(41,937)	(16,436)	(448)	152	749	2,077	10,583	10,180	9,881	8,969
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>16,759</b>	<b>17,134</b>	<b>20,030</b>	<b>20,061</b>	<b>22,564</b>	<b>22,360</b>	<b>22,498</b>	<b>21,807</b>	<b>21,470</b>	<b>21,111</b>	<b>19,951</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(6,883)</b>	<b>(6,911)</b>	<b>(6,170)</b>	<b>(6,559)</b>	<b>(7,803)</b>	<b>(7,361)</b>	<b>(7,480)</b>	<b>(8,188)</b>	<b>(7,763)</b>	<b>(7,496)</b>	<b>(7,257)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# STORMWATER

We are the primary service provider for managing stormwater in urban areas. Council maintains all public rural drains in Waipā

## What we do

The stormwater network infrastructure is a core service of Council and is recognised by our Significance and Engagement Policy as a significant activity and a strategic asset.

The work programme for the stormwater activity has been informed by the recent development of Council’s Three Waters Master Plan, in conjunction with the sub-regional Three Waters Strategy, which was prepared by the Future Proof

## How the Stormwater group of activities helps deliver our community outcomes

### Socially resilient

- ✓ *Waipā provides a high quality of life for current and future generations*



### Environmental champions

- ✓ *We are responsive to climate change*



### Cultural champions

- ✓ *We partner with tangata whenua*



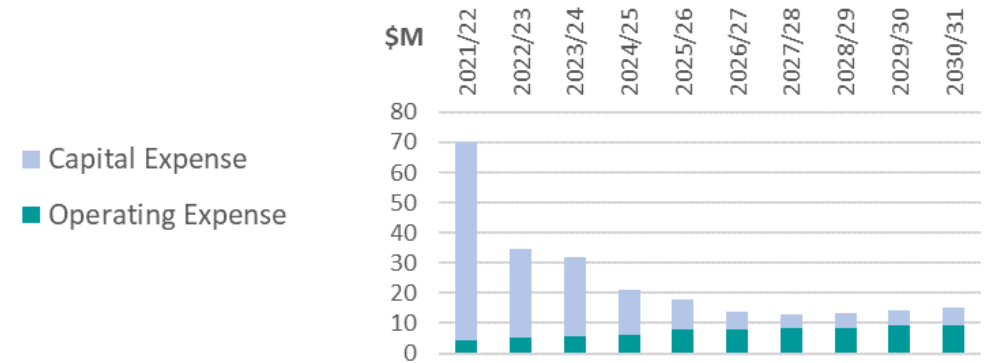
### Economically progressive

- ✓ *We provide new infrastructure as an economic stimulus for our district*
- ✓ *Our services provide excellent value for money*

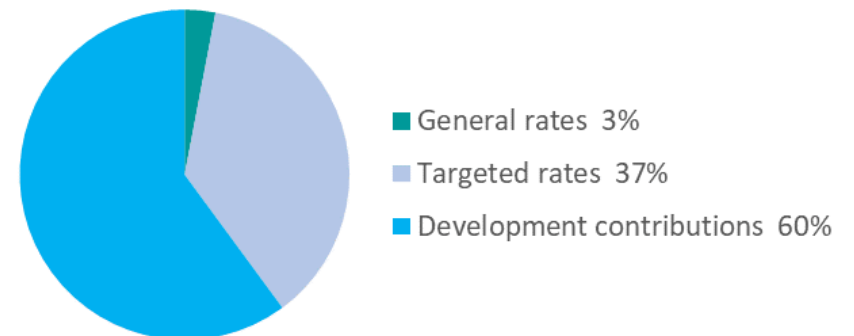


partnership to provide an overarching framework for the development and maintenance of the stormwater, water supply and wastewater systems of the Waipā District, Waikato District and Hamilton City councils.

## Investment



## Funding



Council's comprehensive stormwater consent is due for renewal with Waikato Regional Council in 2022. The uncertainty around increased costs associated with consent compliance will be resolved during the next three years by engagement and consultation with key stakeholders, and this will drive changes required to the stormwater activity in the next Long Term Plan.

Council maintains stormwater assets worth more than \$146.5 million and consisting of 174 kilometres of pipes, 3,141 manholes and other related structures such as open drains, streams, swales, soak systems and retention structures. An appropriately managed system will limit the impacts of flooding and ensure that stormwater discharges to waterways are free from contaminants.

Our stormwater assets vary from new to 80 years of age and a renewal programme to maintain the condition of the infrastructure is included in this Long Term Plan along with a programme to carry out pipe condition and assessments.

Over recent years regulatory compliance and best practice for stormwater design has resulted in the installation of a large number of high maintenance stormwater systems. These include infiltration devices, swales, and wetlands. The maintenance cost of these types of structures is expected to add significantly to the ongoing cost of providing this service.

Controlling the cost of services will continue to be a challenge, in particular construction price increases, new treatment technologies and increases in costs associated with environmental compliance. As identified in the 2021-2051 Infrastructure Strategy and the 2021 Stormwater Activity Management Plan, the key strategic issues influencing our stormwater investment this Long Term plan are;

- Protecting the health and safety of the community
- Changing climate
- Protecting the natural environment
- Future growth and demand

- River co-management

#### *Why we do it*



To ensure the adverse effects of stormwater run-off and flooding on the community and the environment are minimised.

## Potential negative effects

**Table 72: Stormwater potential negative effects**

Risk	How we are addressing this
Contaminated stormwater from runoff or spillage could impact on the groundwater and river water.	These are managed through network design and resource consents which include regular street sweeping, monitoring storm water quality and investigating the sources of contaminants.
Poor management of the stormwater system and large rainfall events can lead to flooding, which can affect people and property.	To help alleviate this, secondary flow paths are used to reduce the risk of household damage and we have emergency plans in place to respond to flooding.

### *Our levels of service and performance measures*

We are not proposing any significant changes to levels of service. However, not all existing areas of the stormwater network meet our current LOS. Gaps in levels of service are being addressed with renewal projects. Population growth, climate change, an increased number of assets and increasingly restrictive consent conditions are placing pressure on the stormwater network.

**Table 73: Stormwater levels of service and performance measures**

What you can expect from us	How we measure success	Result for 2019/20	Performance Target			
			2021/22	2022/23	2023/24	2024-31
Provision of a safe and reliable stormwater system which minimises flooding and environmental impact.	Number of complaints (per 1,000 properties connected) received about the performance of the stormwater system. <sup>40</sup> [M]	3.12	<10	<10	<10	<10
	Compliance with the resource consents for discharge from the stormwater system. <sup>41</sup>	Number of Abatement notices [M]	0	0	0	0
		Number of Infringement notices [M]	0	0	0	0
		Number of Enforcement orders [M]	0	0	0	0
		Number of Convictions [M]	0	0	0	0

<sup>40</sup> Full wording of mandatory measure is: The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system.

<sup>41</sup> Full wording of mandatory measure is: Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of: (a) abatement notices; and (b) infringement notices; and (c) enforcement orders; (d) convictions, received by the territorial authority in relation to those resource consents.

	Number of flooding events in the district. <sup>42</sup> [M]	0	<5	<5	<5	<5
	For each flooding event, the number of habitable floors affected (per 1,000 properties connected). <sup>43</sup> [M]	0	<0.09	<0.09	<0.09	<0.09
	The median response time (hours) to attend a flooding event from the time that notification is received. <sup>44</sup> [M]	No events	2 hours	2 hours	2 hours	2 hours

[M] = DIA Mandatory measure

## Financials

**Table 74: Stormwater capital expenditure**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>To Meet Additional Demand</b>											
Cambridge North Residential Stormwater Works	7,107	5,398	-	-	-	-	-	-	-	-	-
Cambridge Growth Cells (C1, C2 and C3)	24,334	48,056	23,064	20,730	9,741	4,977	854	-	-	-	-
Hautapu Industrial Stormwater	210	6,907	-	-	-	-	-	-	-	-	-
Bond Road Stormwater Culvert	5	-	-	-	-	-	-	-	-	-	-
Kihikihi Stormwater Works	122	234	671	638	-	-	-	-	-	-	-
<b>Total Capital Expenditure to Meet Additional Demand</b>	<b>31,778</b>	<b>60,595</b>	<b>23,735</b>	<b>21,368</b>	<b>9,741</b>	<b>4,977</b>	<b>854</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>To Improve Level of Service</b>											
Consent, Remedial and Flood Mitigation Work	160	528	1,584	205	194	532	262	127	130	284	612
<b>Total Capital Expenditure to Improve Level of Service</b>	<b>160</b>	<b>528</b>	<b>1,584</b>	<b>205</b>	<b>194</b>	<b>532</b>	<b>262</b>	<b>127</b>	<b>130</b>	<b>284</b>	<b>612</b>
<b>To Replace Existing Assets</b>											
Renewals	828	1,347	1,116	1,145	1,177	1,212	1,246	1,286	1,330	1,376	1,420
<b>Total Capital Expenditure to Replace Existing Assets</b>	<b>828</b>	<b>1,347</b>	<b>1,116</b>	<b>1,145</b>	<b>1,177</b>	<b>1,212</b>	<b>1,246</b>	<b>1,286</b>	<b>1,330</b>	<b>1,376</b>	<b>1,420</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>32,766</b>	<b>62,470</b>	<b>26,435</b>	<b>22,718</b>	<b>11,112</b>	<b>6,721</b>	<b>2,362</b>	<b>1,413</b>	<b>1,460</b>	<b>1,660</b>	<b>2,032</b>

<sup>42</sup> Full wording of mandatory measure is: The number of flooding events that occur in a territorial authority district.

<sup>43</sup> Full wording of mandatory measure is: For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to the territorial authority's stormwater system).

<sup>44</sup> Full wording of mandatory measure is: The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.

**Table 75: Stormwater funding impact statement**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	312	319	371	404	451	586	593	613	633	671	702
Targeted rates	3,669	3,933	4,571	4,623	5,509	7,222	7,311	7,552	7,804	8,265	8,647
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	4	4	4	4	5	5	5	5	5	5
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of operating funding (A)</b>	<b>3,981</b>	<b>4,256</b>	<b>4,946</b>	<b>5,031</b>	<b>5,964</b>	<b>7,813</b>	<b>7,909</b>	<b>8,170</b>	<b>8,442</b>	<b>8,941</b>	<b>9,354</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	1,884	1,748	1,814	1,995	2,236	2,307	2,264	2,333	2,436	2,694	2,951
Finance costs	3	7	9	15	2	2	-	-	-	-	-
Internal charges and overheads applied	594	560	634	693	747	936	947	965	1,016	1,064	1,081
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,481</b>	<b>2,315</b>	<b>2,457</b>	<b>2,703</b>	<b>2,985</b>	<b>3,245</b>	<b>3,211</b>	<b>3,298</b>	<b>3,452</b>	<b>3,758</b>	<b>4,032</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>1,500</b>	<b>1,941</b>	<b>2,489</b>	<b>2,328</b>	<b>2,979</b>	<b>4,568</b>	<b>4,698</b>	<b>4,872</b>	<b>4,990</b>	<b>5,183</b>	<b>5,322</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	4,886	7,395	9,697	10,768	13,330	12,537	13,109	10,359	10,408	10,332	8,672
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>4,886</b>	<b>7,395</b>	<b>9,697</b>	<b>10,768</b>	<b>13,330</b>	<b>12,537</b>	<b>13,109</b>	<b>10,359</b>	<b>10,408</b>	<b>10,332</b>	<b>8,672</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	31,778	60,595	23,735	21,368	9,741	4,977	854	-	-	-	-
- to improve the level of service	160	528	1,584	205	194	532	262	127	130	284	612
- to replace existing assets	828	1,347	1,116	1,145	1,177	1,212	1,246	1,286	1,330	1,376	1,420
Increase (decrease) in reserves	(26,380)	(53,134)	(14,249)	(9,622)	5,197	10,384	15,445	13,818	13,938	13,855	11,962
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>6,386</b>	<b>9,336</b>	<b>12,186</b>	<b>13,096</b>	<b>16,309</b>	<b>17,105</b>	<b>17,807</b>	<b>15,231</b>	<b>15,398</b>	<b>15,515</b>	<b>13,994</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(1,500)</b>	<b>(1,941)</b>	<b>(2,489)</b>	<b>(2,328)</b>	<b>(2,979)</b>	<b>(4,568)</b>	<b>(4,698)</b>	<b>(4,872)</b>	<b>(4,990)</b>	<b>(5,183)</b>	<b>(5,322)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## WASTEWATER TREATMENT AND DISPOSAL

We provide a safe, effective and reliable system for managing wastewater in urban areas to maintain public health and protect land and waterways from contamination

### What we do

The wastewater treatment and disposal activity includes the reticulation network for the collection of sewage and trade waste and its treatment and disposal. Wastewater treatment and disposal is a core service of Council and is recognised by our Significance and Engagement Policy. The Infrastructure Strategy outlines the strategic intent of this activity and this is supported by the Activity Management Plan.

### How the Wastewater Treatment and Disposal Group of activities helps deliver our community outcomes

#### Socially resilient

- ✓ *Waipā provides a high quality of life for current and future generations*



#### Cultural champions

- ✓ *We partner with tangata whenua*



#### Economically progressive

- ✓ *We provide new infrastructure as an economic stimulus for our district*
- ✓ *Our services provide excellent value for money*



#### Environmental champions

- ✓ *We are responsive to climate change*

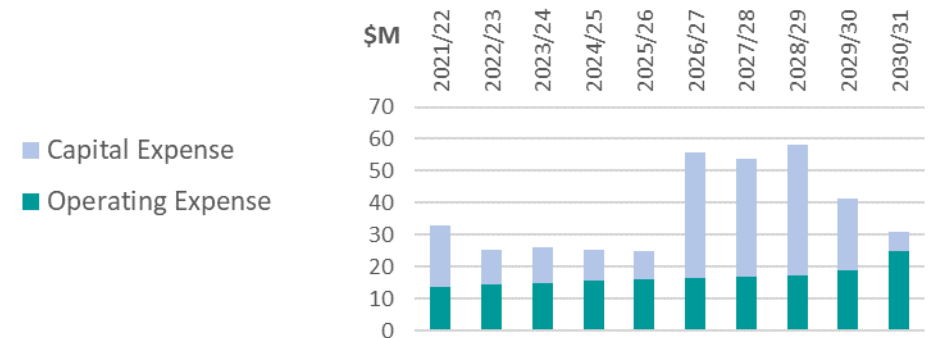


### Why we do it



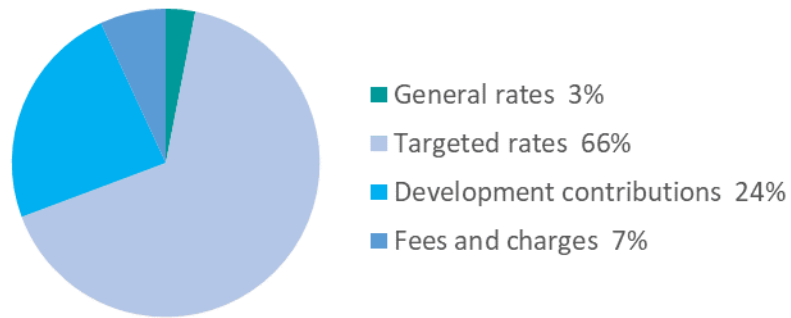
To ensure the community and the environment are protected from the adverse effects of wastewater.

### Investment





## Funding



Wastewater from toilets, laundries, kitchens, bathrooms and trade waste is collected and managed by wastewater assets worth over \$203 million and consisting of over 272 kilometres of pipes, 4831 manholes, 60 pump stations and two treatment plants. We are responsible for ensuring wastewater is treated and disposed of in a way that minimises potential harm to the environment, consistent with the requirements of Waikato Regional Council resource consents, legislation and our sustainable development approach.

Council has developed a Three Waters Master Plan to inform the work programme for the wastewater activity, along with stormwater and water treatment and supply activities. The Master Plan operates in conjunction with the subregional Three Waters Strategy, which was prepared by the Future Proof partnership to provide an overarching framework for the development and maintenance of the Three Waters network of the Waipā and Waikato districts and Hamilton city. This strategy has an action plan which is being implemented by the partnership councils.

Cambridge wastewater treatment plant has been granted a short term consent to 2026, which will allow Council time to consider and implement a long-term solution for Cambridge's wastewater needs.

As identified in the 2021-2051 Infrastructure Strategy and the 2021 Wastewater Treatment and Disposal Activity Management Plan, the key strategic issues influencing our wastewater investment this Long Term Plan are;

- Protecting the health and safety of the community
- Changing climate
- Protecting the natural environment
- River co-management
- Future growth and demand

## Potential negative effects

**Table 76: Wastewater treatment and disposal potential negative effects**

Risk	How we are addressing this
Discharge and overflows from the wastewater network pose health, safety, economic and environmental risks.	We aim to minimise this risk by ensuring compliance with discharge consent conditions, and by ensuring compliance with appropriate New Zealand standards and we respond promptly to sewage complaints of odour and sewage spills.

### *Our levels of service and performance measures*

We are not proposing any significant changes to levels of service. The focus instead will be on maintaining the current levels of service as the district population grows.

**Table 77: Wastewater treatment and disposal levels of service and performance measures**

What you can expect from us	How we measure success		Result for 2019/20	Performance Target			
				2021/22	2022/23	2023/24	2024-31
Provision of a safe and reliable system for the treatment and disposal of wastewater which minimises public health risks and environmental impact.	Number of dry weather sewerage overflows (per 1,000 sewage connections. <sup>45</sup> [M]		0.17	<1	<1	<1	<1
	Compliance with consents for discharge from the sewerage system. <sup>46</sup>	Number of Abatement notices [M]	1	0	0	0	0
		Number of Infringement notices [M]	0	0	0	0	0
		Number of Enforcement orders [M]	0	0	0	0	0
		Number of Convictions [M]	0	0	0	0	0
	Median response time for call-outs in response to a sewerage overflow. <sup>47</sup>	The time (hours) from notification for service personnel to reach the site [M]		0.73	2 hours	2 hours	2 hours
The time (hours) from notification that resolution of a blockage or other fault [M]		2.71	6 hours	6 hours	6 hours	6 hours	

<sup>45</sup> Full wording of mandatory measure is: The number of dry weather sewerage overflows from the territorial authority's sewerage system expressed per 1000 sewerage connections to that sewerage system.

<sup>46</sup> Full wording of mandatory measure is: Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of: (a) abatement notices, (b) infringement notices, (c) enforcement orders, (d) convictions received by the territorial authority in relation to those resource consents.

<sup>47</sup> Full wording of mandatory measure is: Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured: (a) Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site, (b) Resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.

What you can expect from us	How we measure success	Result for 2019/20	Performance Target			
			2021/22	2022/23	2023/24	2024-31
	Number of complaints (per 1,000 sewage connections received about any of the following: odour, system faults, blockages, and the response to any of these issues. <sup>48</sup> [M]	2.74	<10	<10	<10	<10

[M] = DIA Mandatory measure

<sup>48</sup> Full wording of mandatory measure is: The total number of complaints received by the territorial authority about any of the following (expressed per 1000 connections to the territorial authority's sewerage system): Sewerage odour, sewerage system faults, sewerage system blockages, territorial authority's response to issues with its sewerage system.

## Financials

**Table 78: Wastewater treatment and disposal capital expenditure**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>To Meet Additional Demand</b>											
Cambridge North Wastewater Provision	484	-	-	-	-	-	-	-	-	-	-
Cambridge Growth Cells (C1, C2 and C3)	5,484	4,471	1,317	-	-	-	257	-	-	-	-
Hautapu Industrial Wastewater	2,014	1,692	1,123	678	421	425	1,713	-	-	-	-
Cambridge Wastewater Treatment Plant Consent & Upgrades	-	2,282	1,915	1,380	3,323	2,854	28,281	29,188	30,188	781	-
Te Awamutu Wastewater Treatment Plant Upgrade	4,503	-	218	-	339	-	220	1,576	1,865	16,052	250
District Wide Wastewater Pump Station Upgrades	-	410	52	-	-	-	-	1,760	-	-	-
District Wide Wastewater Pipe Upgrades	-	3,542	-	2,836	-	-	4,223	-	2,324	-	-
Te Awamutu Growth Provision (T8)	-	126	577	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure to Meet Additional Demand</b>	<b>12,485</b>	<b>12,523</b>	<b>5,202</b>	<b>4,894</b>	<b>4,083</b>	<b>3,279</b>	<b>34,694</b>	<b>32,524</b>	<b>34,377</b>	<b>16,833</b>	<b>250</b>
<b>To Improve Level of Service</b>											
Waikeria Prison Expansion - WW Connection	15,875	-	-	-	-	-	-	-	-	-	-
Cambridge Wastewater Treatment Plant Upgrade	3,705	-	-	-	-	-	-	-	-	-	-
Vogel & Alpha Street Odour Control	51	-	-	-	-	-	-	-	-	-	-
Turere Lane Pump Station Capacity & Storage	-	-	-	-	161	350	-	-	-	-	-
District Wide Wastewater Modelling	-	36	37	86	39	49	94	42	44	103	58
<b>Total Capital Expenditure to Improve Level of Service</b>	<b>19,631</b>	<b>36</b>	<b>37</b>	<b>86</b>	<b>200</b>	<b>399</b>	<b>94</b>	<b>42</b>	<b>44</b>	<b>103</b>	<b>58</b>
<b>To Replace Existing Assets</b>											
Renewals	196	-	-	-	-	-	-	-	-	-	-
Cambridge Pipe Bridge	263	-	-	-	-	-	-	-	-	-	-
Plant and Pumps	7,398	3,045	1,729	2,010	1,076	1,425	1,952	1,175	2,466	1,562	1,474
<b>Total Capital Expenditure to Replace Existing Assets</b>	<b>7,857</b>	<b>3,045</b>	<b>1,729</b>	<b>2,010</b>	<b>1,076</b>	<b>1,425</b>	<b>1,952</b>	<b>1,175</b>	<b>2,466</b>	<b>1,562</b>	<b>1,474</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>39,973</b>	<b>15,604</b>	<b>6,968</b>	<b>6,990</b>	<b>5,359</b>	<b>5,103</b>	<b>36,740</b>	<b>33,741</b>	<b>36,887</b>	<b>18,498</b>	<b>1,782</b>

**Table 79: Wastewater treatment and disposal funding impact statement**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	664	664	664	664	664	664	664	664	664	664	664
Targeted rates	7,922	10,049	11,788	12,571	13,128	13,732	14,344	14,938	15,468	16,096	20,735
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	768	1,300	1,347	1,382	1,421	1,462	1,504	1,552	1,605	1,661	1,713
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of operating funding (A)</b>	<b>9,354</b>	<b>12,013</b>	<b>13,799</b>	<b>14,617</b>	<b>15,213</b>	<b>15,858</b>	<b>16,512</b>	<b>17,154</b>	<b>17,737</b>	<b>18,421</b>	<b>23,112</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	5,173	6,132	6,883	7,106	7,449	7,682	7,794	8,066	8,328	8,760	11,458
Finance costs	221	346	307	272	288	272	248	520	811	1,409	1,712
Internal charges and overheads applied	1,611	872	950	1,068	1,076	1,092	1,286	1,240	1,202	1,219	1,474
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>7,005</b>	<b>7,350</b>	<b>8,140</b>	<b>8,446</b>	<b>8,813</b>	<b>9,046</b>	<b>9,328</b>	<b>9,826</b>	<b>10,341</b>	<b>11,388</b>	<b>14,644</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>2,349</b>	<b>4,663</b>	<b>5,659</b>	<b>6,171</b>	<b>6,400</b>	<b>6,812</b>	<b>7,184</b>	<b>7,328</b>	<b>7,396</b>	<b>7,033</b>	<b>8,468</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	2,439	4,202	4,672	5,224	5,944	5,864	5,994	5,032	4,992	4,868	4,505
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>2,439</b>	<b>4,202</b>	<b>4,672</b>	<b>5,224</b>	<b>5,944</b>	<b>5,864</b>	<b>5,994</b>	<b>5,032</b>	<b>4,992</b>	<b>4,868</b>	<b>4,505</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	12,485	12,523	5,202	4,894	4,083	3,279	34,694	32,524	34,377	16,833	250
- to improve the level of service	19,631	36	37	86	200	399	94	42	44	103	58
- to replace existing assets	7,857	3,045	1,729	2,010	1,076	1,425	1,952	1,175	2,466	1,562	1,474
Increase (decrease) in reserves	(35,185)	(6,739)	3,363	4,405	6,985	7,573	(23,562)	(21,381)	(24,499)	(6,597)	11,191
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>4,788</b>	<b>8,865</b>	<b>10,331</b>	<b>11,395</b>	<b>12,344</b>	<b>12,676</b>	<b>13,178</b>	<b>12,360</b>	<b>12,388</b>	<b>11,901</b>	<b>12,973</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(2,349)</b>	<b>(4,663)</b>	<b>(5,659)</b>	<b>(6,171)</b>	<b>(6,400)</b>	<b>(6,812)</b>	<b>(7,184)</b>	<b>(7,328)</b>	<b>(7,396)</b>	<b>(7,033)</b>	<b>(8,468)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## WATER TREATMENT AND SUPPLY

The water treatment and supply group of activities includes all the services involved in abstracting, treating, storing and distributing water to users through the reticulation network.

### What we do

We provide reticulated water supplies to Cambridge, Te Awamutu, Kihikihi, Pirongia, Ōhaupō, Pukerimu and Karāpiro and operate seven water treatment plants. We are responsible for maintaining water supply assets worth \$232.6 million including 607km of water pipes plus pump stations, reservoirs and treatment plants.

Water infrastructure remains a significant challenge facing our district over the coming decade, particularly given our projected population growth. Our water supply and treatment challenges are;

- Some of our water infrastructure is old and needs replacing.
- We have water pressure, taste and odour issues to resolve.
- Compliance with new resource consent conditions, including restrictions on how much water we can take from water sources.
- Compliance with new rules to protect the environment.
- Compliance with drinking water standards.

Council has developed a Three Waters Master Plan to inform the work programme for the water treatment and supply activity, along with stormwater and wastewater activities. The Master Plan operates in conjunction with the sub-regional three waters strategy, which was prepared by the Future Proof partnership to provide an overarching framework for the development and

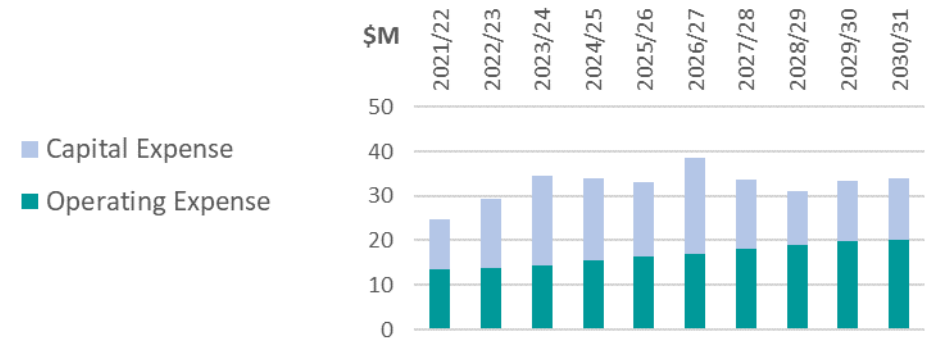
maintenance of the Three Waters network of the Waipā and Waikato districts and Hamilton city. Waipā is continuing to deliver the Smart Water demand

### Why we do it



To ensure our community benefits from the ongoing provision of potable water.

### Investment



## How the Water Treatment and Supply group of activities helps deliver our community outcomes

### Economically progressive

- ✓ *We have financially sustainable decision making and work programmes*
- ✓ *We provide new infrastructure as an economic stimulus for our district*
- ✓ *Our services provide excellent value for money*



### Environmental champions

- ✓ *We are responsive to climate change*



### Cultural champions

- ✓ *We partner with tangata whenua*



### Socially resilient

- ✓ *Waipā provides a high quality of life for current and future generations*



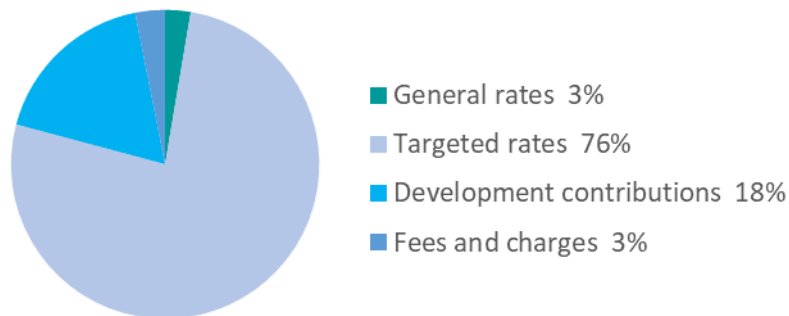
management program and our residential usage has reduced by 20 per cent since the introduction of universal water metering.

The most significant water treatment and supply projects being undertaken this Long Term Plan are the renewal and upgrade of our reservoirs and water mains to ensure viability for our future population, provide resilience and support economic growth.

As identified in the 2021-2051 Infrastructure Strategy and the 2021 Water Treatment and Supply Activity Management Plan, the key strategic issues influencing our water treatment and supply investment this Long Term Plan are;

- Protecting the health and safety of the community
- Providing a reliable, resilient and responsive supply of water
- Ensuring sustainable, environmental and economic delivery
- Future growth and demand

## Funding



## Potential negative effects

**Table 80: Water treatment and supply potential negative effects**

Risk	How we are addressing this
Increasing demand due to population increase and drought events may have adverse environmental effects on supply sources.	We are subject to resource consents regarding water abstraction, and water meters are intended to contribute to behaviour changes for improved water conservation and to help pinpoint losses in the reticulation system.
System failure, contamination or vandalism could lead to disruption of service, environmental damage or public health risk.	We have in place Water Safety Plans and Incident Management Plans for each area and telemetry systems to provide early warnings of issues. We have built-in redundancy in our system and our asset management and renewal programs ensure our infrastructure is fit-for-purpose.



## Our levels of service and performance measures

We are not proposing any significant changes to levels of service. The focus instead will be on maintaining the current levels of service as the district population grows.

**Table 81: Water treatment and supply levels of service and performance measures**

What you can expect from us	How we measure success		Result for 2019/20	Performance Target				
				2021/22	2022/23	2023/24	2024-31	
Provision of potable water within specified areas via a safe and reliable treatment and supply system.	The extent to which the local authority's drinking water supply complies with the drinking-water standards. <sup>49,50</sup>	Water Treatment Plants – compliance with bacteriological criteria. [M]	Alpha Street	C	C	C	C	C
			Frontier Road	C	C	C	C	C
			Karāpiro	C	C	C	C	C
			Parallel Road	C	C	C	C	C
			Rolleston Street	C	C	C	C	C
			Te Tahi	C	C	C	C	C
		Water Treatment Plants – compliance with protozoal criteria. [M]	Alpha Street	C	C	C	C	C
			Frontier Road	C	C	C	C	C
			Karāpiro	C	C	C	C	C
			Parallel Road	C	C	C	C	C
			Rolleston Street	C	C	C	C	C
			Te Tahi	C	C	C	C	C
	Network zones – compliance. [M]	Cambridge	NC	C	C	C	C	
		Kihikihi	C	C	C	C	C	
		Maungatautari	NC	C	C	C	C	
		Ōhaupō	C	C	C	C	C	

<sup>49</sup> Full wording of mandatory measure is: The extent to which the local authority's drinking water supply complies with: (a) part 4 of the drinking water standards (bacteria compliance criteria); and (b) part 5 of the drinking water standards (protozoal compliance criteria).

<sup>50</sup> The details of how this measure is reported against have changed (Treatment Plant element has been split out into individual plants rather than combining those supplying the same network, proposed decommission of Hick Rd, and new Maungatautari network zone), therefore a direct comparison with the 2016/17 annual report is not possible. The results against the revised reporting subcategories have not been audited in this format.

What you can expect from us	How we measure success			Result for 2019/20	Performance Target				
					2021/22	2022/23	2023/24	2024-31	
			Pirongia	C	C	C	C	C	
			Pukerimu Rural	NC	C	C	C	C	
			Te Awamutu	NC	C	C	C	C	
Provision of wholesome potable water within specified areas via a safe and reliable treatment and supply system	Median response time for call-outs in response to a fault or unplanned interruption to the network. <sup>51</sup>	Attendance for urgent call-out from the time of notification (hours). <sup>52</sup> [M]		0.60	2 hours	2 hours	2 hours	2 hours	
		Resolution of urgent call-outs from the time of notification (hours). <sup>53</sup> [M]		1.72	6 hours	6 hours	6 hours	6 hours	
		Attendance for non-urgent call-outs from the time of notification (days). <sup>54</sup> [M]		0.74	2 days	2 days	2 days	2 days	
		Resolution of non-urgent call-outs from the time of notification (days). <sup>55</sup> [M]		0.80	10 days	10 days	10 days	10 days	
	The total number of complaints (per 1000 connections) received about any of the following: Drinking water clarity, taste, odour, pressure or flow, continuity of supply, and the response to any of these issues <sup>56</sup> . [M]			7.85	<15	<15	<15	<15	
Water supply and demand is managed to ensure prudent use of water	The percentage of real water loss from the networked reticulation system. <sup>57</sup> [M]	Cambridge & Karāpiro		4%	<12%	<12%	<12%	<12%	
		Te Awamutu & Pirongia		10%	<12%	<12%	<12%	<12%	
		Kihikihi		15%	<20%	<20%	<20%	<20%	
		Ōhaupō & Pukerimu		19%	<20%	<20%	<20%	<20%	
			Cambridge & Karāpiro		195	190	190	190	190
			Te Awamutu & Pirongia		164	190	190	190	190

<sup>51</sup> Full wording of measure is: Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response time measured.

<sup>52</sup> Full wording of mandatory measure is: Attendance for urgent call-outs: from the time the local authority receives notification to the time that service personnel reach the site.

<sup>53</sup> Full wording of mandatory measure is: Resolution of urgent call-outs: from the time the local authority receives notification to the time service personnel confirm resolution of the fault or interruption.

<sup>54</sup> Full wording of mandatory measure is: Attendance for non-urgent call-outs: from the time the local authority receives notification to the time that service personnel reach the site.

<sup>55</sup> Full wording of mandatory measure is: Resolution of non-urgent call-outs: from the time the local authority receives notification to the time service personnel confirm resolution of the fault or interruption.

<sup>56</sup> Full wording of the measure is: The total number of complaints received by the local authority about any of the following (expressed per 1000 connections to the local authority's networked reticulation system): Drinking water clarity, drinking water taste, drinking water odour, drinking water pressure or flow, continuity of supply, the local authority's response to any of these issues.

<sup>57</sup> Full wording of the mandatory measure is: The percentage of real water loss from the local authority's networked reticulation system.

What you can expect from us	How we measure success	Result for 2019/20	Performance Target				
			2021/22	2022/23	2023/24	2024-31	
	The average consumption of drinking water per day per resident. <sup>58</sup> [M]	Kihikihi	174	190	190	190	190
		Ōhaupō & Pukerimu	197	190	190	190	190

[M] = DIA Mandatory measure

C = Compliant, NC = Non-Compliant

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<sup>58</sup> Full wording of the mandatory measure is: The average consumption of drinking water per day per resident within the territorial authority district.

## Financials

**Table 82: Water treatment and supply capital expenditure**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>To Meet Additional Demand</b>											
Dedicated Main Leamington to Hautapu	122	225	-	-	-	-	-	-	-	-	-
Cambridge North to Hautapu Pipeline	850	744	1,657	2,525	-	346	-	-	-	-	-
Hautapu East Water Development (C10)	500	620	-	-	-	-	-	-	-	-	-
Cambridge Growth Cells (C1, C2, C3, C4 and C7)	1,493	1,023	406	-	1,377	788	-	-	-	-	-
Water Supply Provision Cambridge (C6)	303	-	-	-	-	-	-	-	-	-	-
Cambridge Water Reticulation Active Control	463	-	-	-	-	-	-	-	-	-	-
Karapiro Water Treatment Plant Upgrade	48	-	-	-	-	-	-	-	-	-	-
Alpha Street Water Treatment Plant Upgrade	-	40	-	298	306	2,880	2,777	-	-	-	-
Te Awamutu Internal CBD Rising Main	-	58	1,082	2,219	-	-	-	-	-	-	-
Te Awamutu Growth Cells	277	350	-	-	-	-	-	-	-	-	-
Pukerimu Water Supply	-	-	83	1,833	1,885	512	-	-	-	-	-
<b>Total Capital Expenditure to Meet Additional Demand</b>	<b>4,056</b>	<b>3,060</b>	<b>3,228</b>	<b>6,875</b>	<b>3,568</b>	<b>4,526</b>	<b>2,777</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>To Improve Level of Service</b>											
Raw Water Main Renewal & Inlet Pump Installation	630	-	-	-	-	-	-	-	-	-	-
Parallel Road Water Treatment Plant Upgrade	15,312	-	-	-	-	-	-	-	-	-	-
Parallel Road to Taylors Hill Pipeline	4,999	-	-	-	-	-	-	-	-	-	-
Pukerimu Water Supply - Parallel Rd to Titanium Park	-	-	-	-	-	-	4,613	4,761	-	-	-
Te Awamutu Fire/LOS Service Upgrades	-	63	359	-	173	-	-	-	-	-	-
Karapiro Rising Main	26	-	-	-	-	-	-	-	-	-	-
Te Awamutu Active Reticulation Control	463	-	-	-	-	-	-	-	-	-	-
District Wide Water Modelling	-	54	422	57	68	458	62	64	503	80	71
Cambridge Fire & Water LOS Upgrades	190	124	1,565	1,069	710	-	-	-	-	-	-
District Wide Zone Identification	-	86	248	177	155	-	-	-	-	-	-
Fairview Rd Water Main	-	58	500	1,027	-	-	-	-	-	-	-
Standby Generators for Treatment Plants	-	248	-	-	-	-	-	-	-	-	-
DW Complex Water Connections	194	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure to Improve Level of Service</b>	<b>21,814</b>	<b>633</b>	<b>3,094</b>	<b>2,330</b>	<b>1,106</b>	<b>458</b>	<b>4,675</b>	<b>4,825</b>	<b>503</b>	<b>80</b>	<b>71</b>
<b>To Replace Existing Assets</b>											
District Wide Water Main Renewals	2,507	2,272	3,613	4,341	4,560	2,292	2,357	2,433	2,516	2,604	2,685
Reservoir Renewals	230	451	532	1,512	4,362	4,209	6,505	2,522	3,228	4,782	4,932
Plant and Pumps	200	790	887	644	138	142	146	150	156	161	166
Water Connections	251	336	349	358	368	378	389	402	415	430	443
<b>Total Capital Expenditure to Replace Existing Assets</b>	<b>3,188</b>	<b>3,849</b>	<b>5,381</b>	<b>6,855</b>	<b>9,428</b>	<b>7,021</b>	<b>9,397</b>	<b>5,507</b>	<b>6,315</b>	<b>7,977</b>	<b>8,226</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>29,058</b>	<b>7,542</b>	<b>11,703</b>	<b>16,060</b>	<b>14,102</b>	<b>12,005</b>	<b>16,849</b>	<b>10,332</b>	<b>6,818</b>	<b>8,057</b>	<b>8,297</b>

**Table 83: Water treatment and supply funding impact statement**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	500	530	560	530	530	530	535	530	550	550	550
Targeted rates	11,232	11,665	12,365	13,010	13,825	14,985	15,840	16,868	17,811	18,726	19,899
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	278	550	570	585	601	619	636	657	679	703	725
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of operating funding (A)</b>	<b>12,010</b>	<b>12,745</b>	<b>13,495</b>	<b>14,125</b>	<b>14,956</b>	<b>16,134</b>	<b>17,011</b>	<b>18,055</b>	<b>19,040</b>	<b>19,979</b>	<b>21,174</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	7,481	6,154	6,986	7,159	7,401	7,723	8,145	8,456	8,847	8,994	9,300
Finance costs	229	399	346	373	517	668	549	877	975	1,206	1,355
Internal charges and overheads applied	516	1,148	1,042	1,157	1,216	1,398	1,375	1,408	1,503	1,546	1,504
Other operating funding applications	-	5	5	5	5	5	5	5	5	5	5
<b>Total applications of operating funding (B)</b>	<b>8,226</b>	<b>7,706</b>	<b>8,379</b>	<b>8,694</b>	<b>9,139</b>	<b>9,794</b>	<b>10,074</b>	<b>10,746</b>	<b>11,330</b>	<b>11,751</b>	<b>12,164</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>3,784</b>	<b>5,039</b>	<b>5,116</b>	<b>5,431</b>	<b>5,817</b>	<b>6,340</b>	<b>6,937</b>	<b>7,309</b>	<b>7,710</b>	<b>8,228</b>	<b>9,010</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	1,933	2,978	3,234	3,623	4,058	4,112	4,135	3,662	3,515	3,395	3,201
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>1,933</b>	<b>2,978</b>	<b>3,234</b>	<b>3,623</b>	<b>4,058</b>	<b>4,112</b>	<b>4,135</b>	<b>3,662</b>	<b>3,515</b>	<b>3,395</b>	<b>3,201</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	4,056	3,060	3,228	6,875	3,568	4,526	2,777	-	-	-	-
- to improve the level of service	21,814	633	3,094	2,330	1,106	458	4,675	4,825	503	80	71
- to replace existing assets	3,188	3,849	5,381	6,855	9,428	7,021	9,397	5,507	6,315	7,977	8,226
Increase (decrease) in reserves	(23,341)	475	(3,353)	(7,006)	(4,227)	(1,553)	(5,777)	639	4,407	3,566	3,914
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>5,717</b>	<b>8,017</b>	<b>8,350</b>	<b>9,054</b>	<b>9,875</b>	<b>10,452</b>	<b>11,072</b>	<b>10,971</b>	<b>11,225</b>	<b>11,623</b>	<b>12,211</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(3,784)</b>	<b>(5,039)</b>	<b>(5,116)</b>	<b>(5,431)</b>	<b>(5,817)</b>	<b>(6,340)</b>	<b>(6,937)</b>	<b>(7,309)</b>	<b>(7,710)</b>	<b>(8,228)</b>	<b>(9,010)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## SUPPORT SERVICES

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**This group provides a range of specialist skills and services to support the organisation to efficiently deliver services**

Support Services activities include performance measures for;

Information Services

Customer Support

Additionally, the Support Services group of activities is responsible for financial management, human resources, legal services, and business improvement and risk management functions which work closely with the other groups of activities to understand our business, community and statutory needs.

**Financial Management;** includes revenue collection, payment processing, budgeting, financial and treasury management, tax compliance, procurement and financial reporting and analysis.

**Human Resources;** Human Resources focuses on enhancing organisational performance by ensuring Council attracts, develops and retains skilled and engaged employees.

The HR Team are responsible for overseeing activities such as payroll, recruitment, induction, engagement, performance management, reward and recognition, staff development, health, safety and wellbeing.

**Legal and Corporate Support;** The Legal business unit oversees the provision of advice and legal services for the activity areas across council.

### How the Support Services group of activities helps deliver our community outcomes

#### Economically progressive

- ✓ *We have financially sustainable decision making and work programmes*
- ✓ *Our services provide excellent value for money*



#### Socially resilient

- ✓ *Waipā is a great place to live, work, play and invest*
- ✓ *Waipā provides a high quality of life for current and future generations*



#### Cultural champions

- ✓ *We have a high level of cultural awareness*
- ✓ *We respect the cultural diversity in our district*



#### Environmental champions

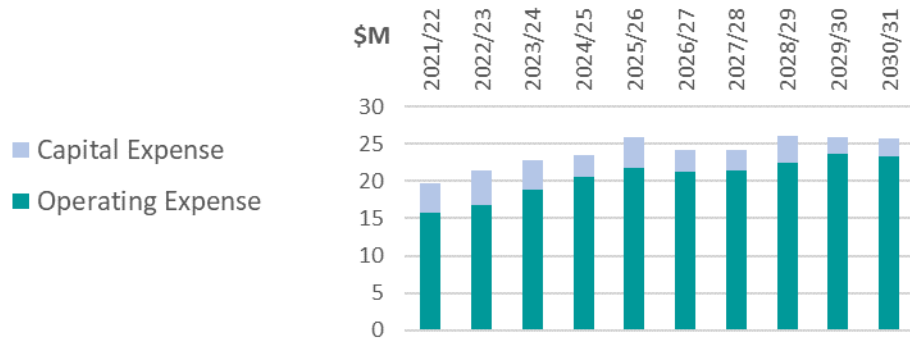
- ✓ *We support programmes that promote environmental sustainability*



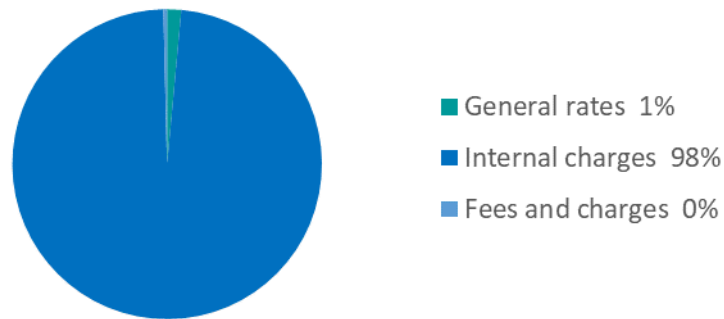
**Business improvement and risk management;** includes business analysis, performance monitoring and works across council to undertake changes to improve efficiency and effectiveness.

Support services do not generally generate revenue so a key challenge is managing costs while continuing to achieve statutory compliance and delivering the agreed levels of service.

### Investment



### Funding



## Potential negative effects

**Table 84: Support services potential negative effects**

Risk	How we are addressing this
Projected growth is not met and we cannot finance the infrastructure that has been built.	Council has conducted sensitivity analysis in relation to significant assumptions and financial benchmarks to ensure that the risk is minimised. Ongoing review of forecasts and annual reporting processes will ensure that the risk is monitored.
Council cannot build the capability and capacity to cost effectively manage the growing needs of the district.	Council has identified internal strategic priorities which include; Capability & Capacity, Operational Efficiency, Project Management, Partnerships and Strategic Planning to address the challenge of scaling operations.
An Information Technology system failure or cyber-security breach impacts council operations and restricts the community's access to information.	Council actively mitigates against cyber-security risk by implementing up to date firewalls, anti-virus software and operating system patching and by having policies aligned with best practice security controls. A regular hardware, software and network renewal programme reduces the risk of vulnerability to attack.



## Support service activities

Activities in this group align to ensure that all councils services are efficient, effective and cost are managed appropriately.

### Information services

#### *What we do*

Information technology provides desktop and server technology, software solutions, phone systems as well as day-to-day information technology-related support for all staff. Records management, including the processing of inwards and outwards correspondence, and maintaining records and archives is the responsibility of the Information Management team. Geographical Information Services manage and provide spatial information and externally oriented services such as maps online.

#### *Our levels of service and performance measures*

We are not proposing any significant changes to levels of service.

**Table 85: Information services levels of service and performance measures**

What you can expect from us	How we measure success	Result for 2019/20	Performance Target			
			2021/22	2022/23	2023/24	2024-31
The online services Council provides are reliable.	Availability of Council website and online forms <sup>59</sup> .	99.94%	≥99%	≥99%	≥99%	≥99%

<sup>59</sup> [www.waipadc.govt.nz](http://www.waipadc.govt.nz) & [eservices.waipadc.govt.nz](http://eservices.waipadc.govt.nz) sites only.

#### *Why we do it*



To provide convenient and reliable digital contact channels for customers.

## Customer Support

### What we do

Providing information to customers, logging customer requests, and processing payments are some of the key tasks undertaken by Customer Support. This team is the primary interface between our customers and Council. We are responsible for ensuring customers receive excellent support services and continually look for opportunities to make it easier for customers to do business with us.

### Why we do it



To provide a responsive and supportive customer service to our community.

### Our levels of service and performance measures

We are not proposing any significant changes to levels of service.

**Table 86: Customer support levels of service and performance measures**

What you can expect from us	How we measure success	Result for 2019/20	Performance Target			
			2021/22	2022/23	2023/24	2024-31
The community has enquiries completed at first resolution provided by Customer Support.	Percentage of query calls received by Customer Support resolved at the time.	97.75%	≥80%	≥80%	≥80%	≥80%
	Percentage of walk in queries received by Customer Support resolved at the time.	97.83%	≥90%	≥90%	≥90%	≥90%
The community has a positive experience when contacting Council.	Percentage of respondents to residents' perception survey who are satisfied with how their enquiry or complaint has been handled <sup>60</sup> .	New measure	≥previous year result	≥previous year result	≥previous year result	≥previous year result

<sup>60</sup> From Waipā District Council Annual Resident Perception Survey result. Satisfied is that percent of individuals who scored Council a 8-10 on the ten point survey scale. Full working of question: "Overall, how satisfied are you with how your complaint or query was handled?".

## Financials

**Table 87: Support services capital expenditure**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>To Improve Level of Service</b>											
Buildings	1,388	374	1,016	761	971	995	1,017	466	475	452	462
Computer Software Upgrades	1,249	1,462	969	1,907	-	-	34	-	-	36	-
<b>Total to Improve Level of Service</b>	<b>2,637</b>	<b>1,836</b>	<b>1,985</b>	<b>2,668</b>	<b>971</b>	<b>995</b>	<b>1,051</b>	<b>466</b>	<b>475</b>	<b>488</b>	<b>462</b>
<b>To Replace Existing Assets</b>											
Buildings	-	94	96	-	-	-	-	-	-	-	-
Plant	714	1,321	1,888	406	832	2,090	751	1,015	1,818	603	898
Carpark Renewals	55	-	-	-	-	-	-	-	-	-	-
Computer Hardware Renewals	200	70	77	79	280	82	84	86	307	90	92
Computer Software Renewals	170	20	-	-	-	-	-	-	-	-	-
<b>Total to Replace Existing Assets</b>	<b>1,139</b>	<b>1,505</b>	<b>2,061</b>	<b>485</b>	<b>1,112</b>	<b>2,172</b>	<b>835</b>	<b>1,101</b>	<b>2,125</b>	<b>693</b>	<b>990</b>
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>3,776</b>	<b>3,341</b>	<b>4,046</b>	<b>3,153</b>	<b>2,083</b>	<b>3,167</b>	<b>1,886</b>	<b>1,567</b>	<b>2,600</b>	<b>1,181</b>	<b>1,452</b>

**Table 88: Support services funding impact statement**

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Annual Plan	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	223	362	355	310	251	245	250	251	255	255	146
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	62	63	65	66	68	69	71	73	74	76	78
Internal charges and overheads recovered	15,477	15,139	15,661	17,115	17,945	18,138	18,594	18,563	19,027	19,458	19,749
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of operating funding (A)</b>	<b>15,762</b>	<b>15,564</b>	<b>16,081</b>	<b>17,491</b>	<b>18,264</b>	<b>18,452</b>	<b>18,915</b>	<b>18,887</b>	<b>19,356</b>	<b>19,789</b>	<b>19,973</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	14,168	14,223	14,635	15,954	16,334	17,584	17,235	17,629	18,218	18,461	18,915
Finance costs	105	100	104	115	164	183	172	204	206	244	259
Internal charges and overheads applied	-	-	-	-	-	-	-	-	-	-	-
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>14,273</b>	<b>14,323</b>	<b>14,739</b>	<b>16,069</b>	<b>16,498</b>	<b>17,767</b>	<b>17,407</b>	<b>17,833</b>	<b>18,424</b>	<b>18,705</b>	<b>19,174</b>
<b>Surplus (deficit) of operating funding (A - B)</b>	<b>1,489</b>	<b>1,241</b>	<b>1,342</b>	<b>1,422</b>	<b>1,766</b>	<b>685</b>	<b>1,508</b>	<b>1,054</b>	<b>932</b>	<b>1,084</b>	<b>799</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	315	937	232	530	1,427	444	608	1,197	423	499
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>315</b>	<b>937</b>	<b>232</b>	<b>530</b>	<b>1,427</b>	<b>444</b>	<b>608</b>	<b>1,197</b>	<b>423</b>	<b>499</b>
<b>Applications of capital funding</b>											
Capital expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	2,637	1,836	1,985	2,668	971	995	1,051	466	475	488	462
- to replace existing assets	1,139	1,505	2,061	485	1,112	2,172	835	1,101	2,125	693	990
Increase (decrease) in reserves	(2,287)	(1,785)	(1,767)	(1,499)	213	(1,055)	66	95	(471)	326	(154)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,489</b>	<b>1,556</b>	<b>2,279</b>	<b>1,654</b>	<b>2,296</b>	<b>2,112</b>	<b>1,952</b>	<b>1,662</b>	<b>2,129</b>	<b>1,507</b>	<b>1,298</b>
<b>Surplus (deficit) of capital funding (C - D)</b>	<b>(1,489)</b>	<b>(1,241)</b>	<b>(1,342)</b>	<b>(1,422)</b>	<b>(1,766)</b>	<b>(685)</b>	<b>(1,508)</b>	<b>(1,054)</b>	<b>(932)</b>	<b>(1,084)</b>	<b>(799)</b>
<b>Funding balance ((A - B) + (C - D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



# FINANCIAL POLICIES

## REVENUE AND FINANCING POLICY

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### Introduction

The Revenue and Financing Policy (“the policy”) outlines Council’s policies on the funding sources to be used to fund the operational and capital expenditure of Council’s activities and the rationale for their use.

The policy is required by Sections 102 and 103 of the Local Government Act 2002 (the Act). The policy must be included in the Long Term Plan as required by Schedule 10, clause 10. Section 103(4) requires that where a change to the policy is made outside of the Long Term Plan process, only a significant amendment is required to be audited.

Section 103(2) of the Act allows the following mechanisms to be used for funding the operating or capital expenditure of Council’s activities:

- 1) General rates, including
  - i. Choice of valuation system; and
  - ii. Differential rating; and
  - iii. Uniform annual general charges
- 2) Targeted rates
  - i. Lump sum contributions
- 3) Fees and charges
- 4) Interest and dividends from investments
- 5) Borrowing
- 6) Proceeds from asset sales
- 7) Development contributions



- 8) Financial contributions under the Resource Management Act 1991
- 9) Grants and subsidies
- 10) Any other source.

In addition to identifying the sources of funding under Section 103(2) of the Act, the policy must set out why Council has determined they should be used. A two-step process is required under section 101(3) of the Act. Firstly, for each activity, Council must consider the following matters:

- The community outcomes to which the activity primarily contributes;
- The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals;
- The period of time over which benefits occur (intergenerational equity);
- The extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity (also called the 'exacerbator pays' principle, which suggests that the exacerbators should meet at least part of the cost of an activity); and
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

Secondly, following consideration of these matters, Council must consider the overall impact of this allocation of liability on the current and future wellbeing of the community (Section 101(3)(b) of the Act).

In deciding how activities will be funded Council first looks to sources other than rates. These sources include fees and charges, grants and subsidies. Rates are Council's major source of income although grants, fees and charges, subsidies, levies, and loans also provide substantial funding.

The Local Government Act requires Council to produce a Funding Impact Statement that provides details on the funding mechanisms to be used for each year covered by the Long Term Plan (Schedule 10, clause 15). The Funding Impact Statement shows how Council intends to implement the Revenue and Financing Policy each year. It also shows the amounts to be collected from each available source, including how various rates are to be applied.

## **Changes since the 2018 policy was adopted**

A high-level review was undertaken with particular focus on some key areas of the 2018 policy. The following changes have been incorporated into the 2021 policy:

### **Targeted ward rate renamed to targeted area rate**

This rate is based on current electoral ward boundaries, which can change from time to time. Renaming this rate to refer to a targeted area rather than a ward breaks the link between electoral boundaries and rating boundaries. The areas and properties affected by this rate have not changed.

### **Recategorisation of Cambridge Museum Funding**

The district museum activity had previously included the funding of the Cambridge Museum. This has been moved to be captured within the grants activity, as the Cambridge Museum is funded by a grant. This ensures that there is consistency in how grants are applied, and greater clarity around how the District Museum is funded.




## Application of section 101(3) of the Act

This section sets out how Council has applied its analysis of Section 101(3) to the funding sources in sections 3 and 4 of this policy.

### Community outcomes

Council is required to identify the community outcome to which each activity primarily contributes. Each activity is assigned to one or more community outcomes. Council’s community outcomes are:

**Table 89: Community outcomes activities**

Outcomes	Description
	<p><b>Socially resilient</b>  <i>He aha te mea nui o te ao? Māku e kī atu he tangata, he tangata, he tangata! – it’s all about people</i></p> <ul style="list-style-type: none"> <li>▪ Waipā is a great place to live, work, play and invest</li> <li>▪ We invest in hauora and support the great work community groups do</li> <li>▪ Waipā provides a high quality of life for current and future generations</li> </ul>
	<p><b>Cultural champions</b>  <i>Promoting our culture and heritage</i></p> <ul style="list-style-type: none"> <li>▪ We champion the unique history of Waipā</li> <li>▪ We have a high level of cultural awareness</li> <li>▪ We partner with tangata whenua</li> <li>▪ We respect the cultural diversity in our district</li> </ul>
	<p><b>Environmental champions</b>  <i>Protecting and sustaining our environment</i></p> <ul style="list-style-type: none"> <li>▪ Environmental awareness and responsibility is promoted within the community</li> <li>▪ We support programmes that promote environmental sustainability</li> <li>▪ We are responsive to climate change</li> </ul>



### **Economically progressive**

*Supporting a thriving, sustainable economy*

- We have financially sustainable decision-making and work programmes
- We provide new infrastructure as an economic stimulus for our district
- Our services provide excellent value for money
- We actively promote our district to enable development, employment and business opportunities
- Waipā is a great place to invest and do business

## **Distribution of benefits**

Section 101(3)(ii) of the Act requires Council to assess the 'distribution of benefits between the community as a whole, any identifiable part of the community, and individuals'. For this assessment, Council has identified three types of benefits:

### **Public benefit - whole district**

This is any service or product:

That is available to all;

- a) From which it is not practicable to exclude and/or identify particular user(s);
- b) Where use by one particular individual or group does not consume the service or product, and it remains available for the benefit of others;
- c) That typically does not incur significant additional costs for additional users;
- d) That may benefit the community generally through option value (availability), existence value (quality of life), bequest value (a legacy for later generations) or prestige value (civic pride).

### **Public benefit - community**

This is any service or product (as above for the whole district) which can be identified to a specific part of the community usually by location, i.e., by area.

### **Private benefit**

This is any service or product:

- a) That is used only by a particular individual or group;
- b) That once purchased or used, the service or product is not available for use by another individual or group;
- c) That has a quantifiable incremental cost according to the number of users.

For a number of activities, Council has established a range of values for the percentage split of public and private benefits, as these can vary from year to year depending on the demand for services and the level of debt servicing within the activities.

### **Period of benefits**

Council is required to assess the period in or over which those benefits are expected to occur which will in turn indicate the period in which the operating and capital expenditure should be funded. For all activities, operating costs are directly related to providing benefits in the year of expenditure and are funded on an annual basis.

Assets provide benefits for the duration of their useful lives ranging from a few years to many decades for infrastructural assets. The concept behind intergenerational equity is to match the period over which an asset is funded to the period where benefits are derived from the use of the asset.

### **Exacerbator pays**

Council is required to consider the extent to which the action or inaction of particular individuals or a group contribute to the need to undertake the activity. The 'exacerbator pays' principle basically holds that those whose actions or inactions give rise to a need to undertake a particular activity should meet part of the cost of that particular activity.

## **Costs and benefits**

Council is required to consider the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities using a different rate or combination of rates.

## **Overall impact of revenue needs on wellbeing**

When Council has completed its activity-by-activity analysis and allocation of funding mechanisms, it examines the overall effect of the allocation to ensure that it does not adversely impact on the current or future wellbeing of the district. To achieve this, Council's revenue policies have regard to the following principles:

- a) Fairness/equity
- b) Uniformity
- c) Efficiency
- d) Stability
- e) Simplicity
- f) Justifiability.

Council assesses the effect of proposed funding mixes on a range of properties, including low and high-value residential properties in urban areas and townships, rural properties, and commercial/industrial properties. As part of this assessment Council can adjust the proportion of the general rate, uniform annual general charge and targeted area rate which make up district-wide funding if the annual effects of relative changes in the level of rates between various types of properties in the district require moderation.

## **Funding sources – operational expenditure**

Operating expenditure is expenditure on the day-to-day operations of Council.

Council's policies in relation to the funding of operating expenses are set out to ensure prudent financial management and compliance with legislative requirements and generally accepted accounting practice.

Council may choose not to fully fund operating expenditure in any particular year, if the deficit can be funded from operating surpluses in the immediate, preceding, or subsequent years. An operating deficit will only be budgeted when it would be beneficial to avoid significant fluctuations in rates, fees, or charges.

In addition, Council may choose to fund more than is necessary to meet the operating expenditure in any particular year. It will only budget for such an operating surplus if necessary, to fund an operating deficit in the immediate, preceding, or subsequent years, or to repay debt having regard to forecast future debt levels or to avoid significant fluctuations in rates, fees, or charges in future years.

From time-to-time loans may also be used to cover the costs of operating projects. These are likely to be projects which span more than one year, and/or the outcome of which is expected to last for some time (e.g., the District Plan review). Any projects to be funded from loans will be identified in the annual Funding Impact Statement.

The proportion of district-wide funding provided by general rates, uniform annual general charge and targeted area rates are determined and disclosed each year in the Funding Impact Statement.

Council has determined that the following sources may be used to fund operating expenditure:

## **Rates**

In selecting funding mechanisms for each activity, Council seeks to fund private benefit from fees and charges, community benefit from targeted rates, and whole district benefit from a mixture of general rates, uniform annual general charges, and targeted rates for district-wide activities.

The mixture of general rates, uniform annual general charge and targeted rates for district-wide activities is referred to in this policy as "district-wide funding". District-wide funding is also used to meet the shortfall where the fees and charges that are collected are less than the assessed private benefit of the activity.

## General Rates

Council uses a capital value rating system across the district. Capital value is preferred to land value because Council believes this generally provides a better surrogate for ability to pay. Rates in a capital value rating system are collected as follows:

A General Rate is a rate in the dollar for the capital value of the property and is used to meet a portion of district-wide funding.

### **Uniform Annual General Charge**

A uniform annual general charge, based on a fixed amount per separately used or inhabited part of a rating unit (SUIP), is used to meet a portion of district-wide funding.

Definition of a Separately Used or Inhabited Part of a Rating Unit:

A separately used or inhabited part of a rating unit exists where there is use or ability to use a part or parts of the rating unit as an independent residence; or in the case of a rating unit used for commercial or industrial business, where there is use or ability to use a part or parts of the rating unit for independent trading operations. *This is on the basis that where a rating unit is configured for the purpose of separate habitation or use, even if it is not currently occupied, this constitutes a separate use of the rating unit by the owner. The following are guides to how this will be applied.*

In a residential situation an independent residence is defined as having a separate entrance and separate cooking, living and toilet/bathroom facilities. A separately used or inhabited part comes into effect in a business situation when the property has been set up to accommodate, or is accommodating, separate lessees, tenants, or the like, or the ability to operate separate businesses from the same rating unit.



The following examples are separately used or inhabited parts of a rating unit:

- a) Individual flats, apartments, or dwellings.
- b) A building or parts of a building that can be used as independent trading operations.
- c) Vacant rating units.
- d) A dwelling attached to a shop or other business premises.
- e) A residential building or part of a residential building that is used or can be used as an independent residence.

The following are not considered to be separately used parts of a rating unit:

- a) Residential sleep out or granny flat that does not meet the definition of an independent residence.
- b) A hotel room with or without kitchen facilities.
- c) A motel room with or without kitchen facilities.

### **Targeted Rates**

The targeted area rate which is a fixed amount per rating unit is collected on a differential basis based on location.

The targeted area rate is used to meet:

- a) The community/group benefit element of activities, which includes community boards, community grants, libraries, Cambridge Pool, Te Awamutu Events Centre, District Museum, community properties, Cambridge Town Hall, recycling, Cycling Centre of Excellence and passenger transport.
- b) A proportion of district-wide funding.

Targeted rates can either be based on a rate in the dollar for the capital value of the property, or a fixed amount per property either by rating unit or by SUIP.

Targeted rates are used to fund activities such as **rural halls and town halls**, recycling, Cambridge Community Sports Hall, stormwater, water treatment and supply and wastewater treatment and disposal.

## **Fees and charges**

Generally, Council will use fees and charges to recover the 'private benefit' costs of a particular activity if it is economically viable to do so.

## **Grants and subsidies**

Some activities undertaken by Council qualify for grants or subsidies from the Crown. In particular, Council receives a subsidy from the Waka Kotahi NZ Transport Agency (NZTA) for qualifying roading expenditure.

## **Development Contributions**

Revenue from Development Contributions can be used to cover the interest expense from loans relating to growth funded projects, where there is a timing difference between capital expenditure and development contribution revenue.

## **Other sources of income**

This is a catch-all classification, and the income is treated in the same way as fees and charges. It includes parking infringement fines, rates penalties, income from interest and lease income.

## Funding operational expenditure by activity

The tables below illustrate the outcome of the analysis undertaken by Council in relation to Section 101(3). The tables 'community outcomes' and 'funding principles' are assessed for the entire group of activity, and the tables 'economic benefit assessment' are assessed for each activity within that group. Where appropriate, footnotes are provided for additional rationale of the funding of the targeted area rate.

The 'community outcomes' tables below show the community outcomes to which each group of activity primarily contributes. These tables show only the primary considerations, and it is acknowledged that most activities contribute to more outcomes than those shown.

The 'funding principles' tables show how the funding principles in sections 101(3)(b) to (e) of the Act relate to each group of activity. The analysis assists Council in determining which funding mechanisms are appropriate for each activity. Generally, those activities which score low for user pays or for cost/benefit of separate funding are best funded by general rates, whilst those scoring higher in those areas are best funded by user charges or targeted rates.

The low/medium/high rating relates to the degree by which each group of activity conforms to the following economic principles:


- a) Distribution of benefit – the degree to which benefits can be attributed to individuals/groups, rather than the whole community.
- b) Period of benefit – the degree to which benefits can be attributed to a future period.
- c) Extent of action/inaction – the degree to which action or inaction of groups or individuals gives rise to need for expenditure.
- d) Cost/benefit of separate funding – the degree to which costs and benefits justify separate funding of this activity.

The 'economic benefit assessment and funding target' tables detail how each activity within the group of activity is proposed to be funded, and what the funding targets are for each activity. Generally, these tables show that where a private benefit exists, the cost of this is to be recovered by user charges or a targeted rate. The cost of public benefits is usually funded via district-wide funding or via the targeted area rate for benefits restricted by location.

Costs for each group of activity include the allocation of Council's support service overheads.

## Governance and Support services

**Table 90: Governance and support services community outcomes**

Governance and support services - community outcomes primarily contributed to		
	<b>Economically progressive</b>	<ul style="list-style-type: none"> <li>▪ We have financially sustainable decision making and work programmes</li> <li>▪ Our services provide excellent value for money</li> <li>▪ We actively promote our district to enable development, employment and business opportunities</li> </ul>
	<b>Socially resilient</b>	<ul style="list-style-type: none"> <li>▪ Waipā is a great place to live, work, play and invest</li> </ul>
	<b>Cultural champions</b>	<ul style="list-style-type: none"> <li>▪ We have a high level of cultural awareness</li> <li>▪ We partner with tangata whenua</li> <li>▪ We respect the cultural diversity in our district</li> </ul>
	<b>Environmental champions</b>	<ul style="list-style-type: none"> <li>▪ We support programmes that promote environmental sustainability</li> </ul>

**Table 91: Governance and support services funding principles**

Group of Activity	Funding principles			
	Distribution of benefit (user pays)	Period of benefit (intergenerational equity)	Extent of action/inaction (Exacerbator pays)	Cost/benefit of separate funding
Governance and support services	Low	Low	Low	Low

**Table 92: Governance and support services economic benefit assessment and funding targets**

Group of Activity	Economic benefit assessment			Funding Targets			
	Private	Community	Whole District	Fees & Charges	Targeted Rate	Targeted Area Rate	District-Wide Funding
Council and elections			100%				100%
Community boards		90%	10%			90% <sup>61</sup>	10%
Community grants	7% - 11%	45% - 55%	33% - 47%	5% - 13%		87% - 95% <sup>62</sup>	
Strategic planning			100%				100%
Community relationships			100%				100%
Corporate			100%				100%
Development Contributions	100%			100% <sup>63</sup>			

### **Governance and support services funding conclusion**

Council, elections, strategic planning, and communications provide a public benefit to the whole district and should be funded by all ratepayers through district-wide funding. The Community Boards provide a public benefit both to the individual communities that they serve and to the wider district and are funded partially by the targeted area rate and partially by district-wide funding. Community grants provide a public benefit to the individual communities that the individual grants relate to, and for some grants this is a district-wide benefit.

Capital projects relating to growth are funded from Development Contributions. The growth-related capital expenditure is paid by those benefiting from growth to meet the principle of growth paying for growth. When there is a timing difference between the capital cost and the revenue from Development Contributions, a loan is required. The interest expenses relating to the development loans are funded from Development Contribution revenue.




<sup>61</sup> The Te Awamutu Community Board is allocated to Te Awamutu and Kakepuku areas, the Cambridge Community Board is allocated to the Cambridge and Maungatautari areas.

<sup>62</sup> These are allocated to the area to which the grant relates/benefits, grants benefiting the whole district are funded across all areas.

<sup>63</sup> Interest expense from growth loans to be paid by development contribution revenue.

## Planning and Regulatory

**Table 93: Planning and regulatory community outcomes**

Planning and Regulatory - community outcomes primarily contributed to		
	<b>Environmental champions</b>	<ul style="list-style-type: none"> <li>Environmental awareness and responsibility is promoted within the community</li> <li>We are responsive to climate change</li> </ul>
	<b>Socially resilient</b>	<ul style="list-style-type: none"> <li>Waipā provides a high quality of life for current and future generations</li> </ul>
	<b>Cultural champions</b>	<ul style="list-style-type: none"> <li>We champion the unique history of Waipā</li> <li>We have a high level of cultural awareness</li> </ul>

**Table 94: Planning and regulatory funding principles**

Group of Activity	Funding principles			
	Distribution of benefit (user pays)	Period of benefit (intergenerational equity)	Extent of action/inaction (Exacerbator pays)	Cost/benefit of separate funding
Planning & Regulatory	High	Low	High	Low

**Table 95: Planning and regulatory economic benefit assessment and funding targets**

Group of Activity	Economic benefit assessment			Funding Targets			
	Private	Community	Whole District	Fees & Charges	Targeted Rate	Targeted Area Rate	District-Wide Funding
Animal Control	60%		40%	60% - 70%			30% - 40%
Building Control	80%		20%	70% - 95%			5% - 30%

Group of Activity	Economic benefit assessment			Funding Targets			
	Private	Community	Whole District	Fees & Charges	Targeted Rate	Targeted Area Rate	District-Wide Funding
Environmental Health	56%		44%	30% - 45% <sup>64</sup>			55% - 70%
Resource Management	40%		60%	45% - 70%			30% - 55%
Development Engineering	32%		68%	30% - 60%			40% - 70%

### Planning and Regulatory funding conclusion

Benefits are generated for the whole district within the activities for health inspections, maintaining animal control facilities, some aspects of planning (appeals to the Environmental Court, protecting heritage, landscape features) and responding to non-chargeable information requests.

Fees and charges are levied for these activities to recover the private benefit portion of services provided (“user pays”). The quantity of services delivered will vary according to market conditions, and accordingly Council sets a range for the funding for these activities from fees and charges. The balance is funded from district-wide funding.

For the activity Environmental Health, Council is prevented by statutory limits from fully recovering the costs related to implementing liquor licenses and hazardous substances. This results in the balance of these costs being funded from district-wide funding.

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<sup>64</sup> Refer to paragraph 0

## Community services and facilities

Table 96: Community services and facilities community outcomes

Community services and facilities - community outcomes primarily contributed to		
	<b>Environmental champions</b>	<ul style="list-style-type: none"> <li>Environmental awareness and responsibility is promoted within the community</li> </ul>
	<b>Socially resilient</b>	<ul style="list-style-type: none"> <li>Waipā is a great place to live, work, play and invest</li> </ul>
		<ul style="list-style-type: none"> <li>Waipā provides a high quality of life for current and future generations</li> </ul>
	<b>Economically progressive</b>	<ul style="list-style-type: none"> <li>Our services provide excellent value for money</li> </ul>
		<ul style="list-style-type: none"> <li>Waipā is a great place to invest and do business</li> </ul>
		<ul style="list-style-type: none"> <li>We have financially sustainable decision making and work programmes</li> </ul>
	<b>Cultural champions</b>	<ul style="list-style-type: none"> <li>We champion the unique history of Waipā</li> </ul>
		<ul style="list-style-type: none"> <li>We have a high level of cultural awareness</li> </ul>



**Table 97: Community services and facilities funding principles**

Group of Activity	Funding principles			
	Distribution of benefit (user pays)	Period of benefit (intergenerational equity)	Extent of action/inaction (Exacerbator pays)	Cost/benefit of separate funding
Community services and facilities	Medium	Medium	Medium	Medium

**Table 98: Community services and facilities economic benefit assessment and funding targets**

Group of Activity	Economic benefit assessment			Funding Targets			
	Private	Community	Whole District	Fees & Charges	Targeted Rate	Targeted Area Rate	District-Wide Funding
Parks & Reserves			100%				100%
Mighty River Domain	45% - 55%		45% - 55%	35% - 55%			45% - 65%
District Libraries	21%	21%	58%	5% - 20%		20% - 25% <sup>65</sup>	55% - 75%
Cambridge Pool		60% - 75%	25% - 40%			55% - 75% <sup>66</sup>	25% - 45%
Te Awamutu Events Centre		50% - 55%	45% - 50%			50% - 55% <sup>67</sup>	45% - 50%
District Museum	7% - 12%	23% - 28%	60% - 70%	5% - 15%		20% - 30% <sup>68</sup>	55% - 75%
Heritage			100%				100%
Cemeteries	64%		36%	60% - 80%			20% - 40%

<sup>65</sup> The Te Awamutu Library is allocated to the Te Awamutu, Kakepuku and Pirongia areas; Cambridge Library is allocated to the Cambridge and Maungatautari areas.

<sup>66</sup> The Cambridge pool is allocated to the Cambridge and Maungatautari areas, this includes the funding of the capital loans and 50% of the operating costs.

<sup>67</sup> The Te Awamutu Events Centre is allocated to the Te Awamutu, Kakepuku and Pirongia areas, this includes the funding of the capital loans and 50% of the operating costs.

<sup>68</sup> District Museum is allocated to the Te Awamutu area.

Group of Activity	Economic benefit assessment			Funding Targets			
	Private	Community	Whole District	Fees & Charges	Targeted Rate	Targeted Area Rate	District-Wide Funding
Public Toilets	41%		59%				100% <sup>69</sup>
Commercial / Strategic Properties	40% - 50%		50% - 60%	50% - 70%			30% - 50%
Community Properties	20% - 25%	20% - 25%	50% - 60%	5% - 20% <sup>70</sup>		15% - 20% <sup>71</sup>	60% - 80%
Housing for the elderly	100%			100% <sup>72</sup>			
Rural Halls		59%	41%		55% - 75%		25% - 45%
Town Halls	10% <sup>73</sup>	63%	27%	5% - 15%	25% - 30% <sup>74</sup>	30% - 40% <sup>75</sup>	25% - 35%
Forestry	100%			100% <sup>76</sup>			
Emergency Management	60%		40%	50% - 60%			40% - 50%
Litter Bins & Waste Minimisation			100%	45% - 55% <sup>77</sup>			45% - 55%
Waste Management (recycling)	95%	3%	2%	5% - 15%	80% - 90%	2% <sup>78</sup>	3%

<sup>69</sup> There are practical difficulties in applying the 'user pays' principle to this activity. There is no revenue received for the use of the toilets.

<sup>70</sup> Council subsidises the rental costs for this activity as rent received from these organisations is generally below market value.

<sup>71</sup> Allocated to the Cambridge and Te Awamutu areas.

<sup>72</sup> Council has a long standing policy of funding all costs from rents.

<sup>73</sup> Private benefit relates to the fees and charges received from hall hireage.

<sup>74</sup> Urban Hall Rate which is allocated to Cambridge and Te Awamutu areas and the Pirongia village.

<sup>75</sup> Allocated to the Cambridge area to fund the Cambridge Town Hall.

<sup>76</sup> Fees and charges are received in the form of forestry harvesting revenue, which is accounted for in a separate reserve to fund this activity.

<sup>77</sup> Funds received from Ministry for the Environment to fund waste minimisation activities.

<sup>78</sup> Allocated to the Cambridge and Maungatautari areas.

Group of Activity	Economic benefit assessment			Funding Targets			
	Private	Community	Whole District	Fees & Charges	Targeted Rate	Targeted Area Rate	District-Wide Funding
Landfills			100%				100%
Cambridge Community Sports Hall		100%			100%		
Cycling Centre of Excellence		100%				100% <sup>79</sup>	

### Community services and facilities funding conclusion:

Some activities are identified as generating benefits for the whole district such as Emergency Management, and in other instances activities will benefit a specific identifiable community within the district, e.g., Cambridge Community Sports Hall.

Council will recover reasonable costs from individuals or groups who are identified as benefiting from the service or facility (“user pays”).

Council subsidises some activities via district-wide funding to promote Council policies and achieve strategic outcomes through:





- a) Subsidising the costs to individuals of borrowing library books, to encourage recreational and educational development of district residents; and
- b) Subsidising the costs to individuals of entry to community facilities to encourage the development of a healthy community.

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<sup>79</sup> This is allocated to all areas in the Waipā district.

## Transportation

**Table 99: Transportation community outcomes**

Transportation - community outcomes primarily contributed to		
	<b>Socially resilient</b>	<ul style="list-style-type: none"> <li>▪ Waipā provides a high quality of life for current and future generations</li> </ul>
	<b>Economically progressive</b>	<ul style="list-style-type: none"> <li>▪ We have financially sustainable decision making and work programmes</li> </ul>
		<ul style="list-style-type: none"> <li>▪ Our services provide excellent value for money</li> </ul>
		<ul style="list-style-type: none"> <li>▪ We provide new infrastructure as an economic stimulus for our district</li> </ul>
	<b>Environmental champions</b>	<ul style="list-style-type: none"> <li>▪ We support programmes that promote environmental sustainability</li> </ul>
		<ul style="list-style-type: none"> <li>▪ We are responsive to climate change</li> </ul>
	<b>Cultural champions</b>	<ul style="list-style-type: none"> <li>▪ We partner with tangata whenua</li> </ul>

**Table 100: Transportation funding principles**

Group of Activity	Funding principles			
	Distribution of benefit (user pays)	Period of benefit (intergenerational equity)	Extent of action/inaction (Exacerbator pays)	Cost/benefit of separate funding
Transportation	Medium	High	Low	Medium

**Table 101: Transportation economic benefit assessment and funding targets**

Group of Activity	Economic benefit assessment			Funding Targets				
	Private	Community	Whole District	Fees & Charges	Subsidies & Grants	Targeted Rate	Targeted Area Rate	District-Wide Funding
Transportation	33%- 38%	2%	60% - 65%	5%-10%	15%-25%	1%-2%	1%-3%	60% - 78%

### Transportation funding conclusion





This activity includes roads, road safety, passenger transport, footpaths, streetlights, cycling and walking and car parks.

This activity is considered to generate benefits for the whole district, although in some circumstances (e.g., road seal extensions) there is a higher proportion of benefit identified for a particular community. Additionally, in some instances the provision of a paved surface is considered to benefit a particular community (e.g., the construction of new footpaths) but the maintenance of it generates a benefit to the whole district.

Access to the road system is regarded as a public good due to non-excludability, and the funding method is through district-wide funding. External subsidies and contributions are available, and Council seeks to maximise the level of subsidy available from external agencies and minimise district-wide funding. The funding percentages are expressed as ranges, because the actual funding mix from year to year will vary in accordance with the percentage of work undertaken which is eligible for subsidy.

## Stormwater

**Table 102: Stormwater community outcomes**

Stormwater - community outcomes primarily contributed to		
	<b>Environmental champions</b>	<ul style="list-style-type: none"> <li>We are responsive to climate change</li> </ul>
	<b>Socially resilient</b>	<ul style="list-style-type: none"> <li>Waipā provides a high quality of life for current and future generations</li> </ul>
	<b>Economically progressive</b>	<ul style="list-style-type: none"> <li>Our services provide excellent value for money</li> </ul>
		<ul style="list-style-type: none"> <li>We provide new infrastructure as an economic stimulus for our district</li> </ul>
	<b>Cultural champions</b>	<ul style="list-style-type: none"> <li>We partner with tangata whenua</li> </ul>

**Table 103: Stormwater funding principles**

Group of Activity	Funding principles			
	Distribution of benefit (user pays)	Period of benefit (intergenerational equity)	Extent of action/inaction (Exacerbator pays)	Cost/benefit of separate funding
Stormwater	Low	High	Low	High

**Table 104: Stormwater economic benefit assessment and funding targets**

Group of Activity	Economic benefit assessment			Funding Targets			
	Private	Community	Whole District	Fees & Charges	Targeted Rate	Targeted Area Rate	District-Wide Funding
Stormwater	-	93%	7%	-	90% - 95%	-	5% - 10%



### Stormwater funding conclusion



Stormwater is one of the groups of activities required within the Long Term Plan, and it is considered appropriate to rate this as a separate activity. Council considers that this service is a public benefit that should primarily be recovered through a targeted rate differentiated for rural and urban service.

Reticulated stormwater is considered to generate benefits for urban communities, whereas rural drainage is considered to benefit rural communities.

### Water treatment and supply

**Table 105: Water treatment and supply community outcomes**

Water treatment and supply - community outcomes primarily contributed to		
	<b>Socially resilient</b>	<ul style="list-style-type: none"> <li>Waipā provides a high quality of life for current and future generations</li> </ul>
	<b>Economically progressive</b>	<ul style="list-style-type: none"> <li>Our services provide excellent value for money</li> </ul>
		<ul style="list-style-type: none"> <li>We have financially sustainable decision making and work programmes</li> <li>We provide new infrastructure as an economic stimulus for our district</li> </ul>

	<b>Environmental champions</b>	<ul style="list-style-type: none"> <li>We are responsive to climate change</li> </ul>
	<b>Cultural champions</b>	<ul style="list-style-type: none"> <li>We partner with tangata whenua</li> </ul>

**Table 106: Water treatment and supply funding principles**

Group of Activity	Funding principles			
	Distribution of benefit (user pays)	Period of benefit (intergenerational equity)	Extent of action/inaction (Exacerbator pays)	Cost/benefit of separate funding
Water treatment and supply	High	High	Low	High

**Table 107: Water treatment and supply economic benefit assessment and funding targets**

Group of Activity	Economic benefit assessment			Funding Targets			
	Private	Community	Whole District	Fees & Charges	Targeted Rate	Targeted Area Rate	District-Wide Funding
Water treatment and supply	88% - 90%	3% - 5%	7%	2.5% - 6%	85% - 95%	-	2.5% - 9%

### Water treatment and supply funding conclusion

Water treatment and supply is one of the groups of activities required within the Long Term Plan, and it is considered appropriate to rate this as a separate activity.

Direct users of the water supply clearly receive a benefit. The service also provides a public benefit in relation to the promotion of public health.





Council considers this service should be recovered through a targeted rate **for connectable properties** and through water invoicing for metered properties.



The rate will be differentiated for the service received, **being** connectable or connected via a water meter. The public benefit component will be funded through district-wide funding.

## Wastewater treatment and disposal

**Table 108: Wastewater treatment and disposal community outcomes**

Community services and facilities - community outcomes primarily contributed to		
	<b>Socially resilient</b>	<ul style="list-style-type: none"> <li>Waipā provides a high quality of life for current and future generations</li> </ul>
	<b>Economically progressive</b>	<ul style="list-style-type: none"> <li>Our services provide excellent value for money</li> </ul>
		<ul style="list-style-type: none"> <li>We provide new infrastructure as an economic stimulus for our district</li> </ul>
	<b>Environmental champions</b>	<ul style="list-style-type: none"> <li>We are responsive to climate change</li> </ul>
	<b>Cultural champions</b>	<ul style="list-style-type: none"> <li>We partner with tangata whenua</li> </ul>

**Table 109: Wastewater treatment and supply funding principles**

Group of Activity	Funding principles			
	Distribution of benefit (user pays)	Period of benefit (intergenerational equity)	Extent of action/inaction (Exacerbator pays)	Cost/benefit of separate funding
Wastewater treatment and disposal	Low	High	Low	High

**Table 110: Wastewater treatment and supply economic benefit assessment and funding targets**

Group of Activity	Economic benefit assessment			Funding Targets			
	Private	Community	Whole District	Fees & Charges	Targeted Rate	Targeted Area Rate	District-Wide Funding
Wastewater treatment and disposal	84% - 88%	3% - 5%	9% - 11%	5% - 15%	75% - 92.5%	-	2.5% - 10%

### **Wastewater treatment and disposal funding conclusion**

Wastewater treatment and disposal is one of the groups of activities required within the Long Term Plan, and it is considered appropriate to rate this as a separate activity.

The provision of wastewater service is primarily a private benefit to the communities that can access the reticulation. The service also provides a public benefit via improved public health and environmental quality.

Council considers that this service should be recovered through a targeted rate and through fees and charges for trade waste recoveries. The rate will be differentiated for the service received, connected or connectable. The public benefit component will be funded through district-wide funding.

## Overall consideration of rates impact

The activity outlined above allocates some funding directly to sources such as fees and charges, subsidises, grants and targeted rates (including targeted area rate). The remaining funding balance comes from district-wide funding, a mix of general rates (by CV), UAGC and targeted area rates.

When considering the impacts on the community for the 2021 review of the policy, Council was largely comfortable with the policy in place from 2018. Council undertook a high level, minor review, and changes were made to aid the readability and application of the policy.

## Funding sources – capital expenditure

As with operating expenditure, Council has set out to ensure that it takes a prudent approach to the funding of capital expenditure with an emphasis on legislative and accounting compliance.

Funding to pay for new assets will come from a mix of borrowing, development contributions, grants and subsidies, capital revenue, reserves and asset sales. Generally, the costs of new assets will not be met from rates, however a portion of the costs of servicing loans will be.

Rates may be used to fund low value capital projects, these may be district-wide funding or a targeted rate depending on the activity the capital project relates to.

Some of the groups of activities use separate reserves to fund upgrades/growth to achieve stated levels of service. Once reserves are fully used, any remaining balance is funded by borrowing. These activities include stormwater, water treatment and supply, wastewater treatment and disposal, and transportation.

Funding for capital works will depend on the nature of the work, in particular the reasons (cost drivers) which have made the work necessary. There are three main cost drivers recognised by Council:

- a) Growth
- b) Level of service improvements
- c) Renewals.

As outlined in the introduction section of this policy, Section 101(3) of the Act requires Council to consider a range of matters (using a two-step process) to determine what funding sources are appropriate. Responses to these requirements in relation to all methods of funding capital expenditure are illustrated in the tables below:

**Table 112: Capital expenditure community outcomes**

	Community outcomes			
	Economically progressive	Environmental champions	Cultural champions	Socially resilient
Capital expenditure	Y	Y	Y	Y

**Table 113: Capital expenditure funding principles**

	Funding principles			
	Distribution of benefit (user pays)	Period of benefit (intergenerational equity)	Extent of action/inaction (Exacerbator pays)	Cost/benefit of separate funding
Capital expenditure due to growth	High	High	High	High
Capital expenditure – levels of service improvement, statutory requirements or other reasons	Low	High	Low	High
Capital expenditure due to renewals	Low	High	Low	High

## Capital expenditure due to growth

The district’s population and local economy is growing. The development generated from growth places pressure on the assets and services provided by Council. Investment in additional assets is required to meet growth-related demands.

Council intends to entirely fund the portion of capital expenditure (CAPEX) that is attributable to growth by Development Contributions where it is legally, fairly, reasonably, and practically possible to do so. It is considered that Development Contributions are the best mechanism available to ensure that the cost

of growth sits with those who have created the need for that cost. Refer to the Development Contributions Policy, which is a separate policy that provides full details around the rationale for, and level of, contributions.

## **Funding sources for growth capital expenditure**

The funding sources for growth capital expenditure in order of priority are:

- a) Vested assets
- b) Development Contributions
- c) Capital grants and subsidies attributable to growth portion
- d) Borrowing.

## **Capital expenditure due to changes in levels of service**

The cost driver for a portion of capital works within the Waipā district relates to increasing levels of service for the community. In some cases, these improvements are required because of changes to legislation or resource consent conditions, which means there is often little discretion regarding the decision<sup>80</sup>.

## **Funding sources for levels of service improvement capital expenditure**

The funding sources for levels of service improvement capital expenditure in order of priority are:

- a) Capital grants and subsidies
- b) Asset sales
- c) Capital reserves
- d) Borrowing

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<sup>80</sup> For example, upgrades to water treatment plants due to water treatment standards.

- e) Rates for small value capital projects.

### **Capital expenditure due to renewals**

Renewal capital works are those capital expenditure costs that are incurred in restoring an asset to previous service levels, usually reflected in the amount that an asset has depreciated. Therefore, by using depreciation funds Council is maintaining infrastructural networks to their existing service level.

The funding of depreciation is an implied requirement of the “balanced budget” provision of the LGA. It requires that the Council fully fund all operating costs, including reductions in the useful life or quality of assets.

### **Funding sources for renewal capital expenditure**

The funding sources for renewal capital expenditure in order of priority are:

- a) Depreciation reserves
- b) Borrowing
- c) Rates for small value capital projects.

Depreciation reserves are used to fund projects relating to renewals. Borrowing is used to fund projects where insufficient depreciation reserves are available.

## STATEMENT OF ACCOUNTING POLICES

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### Reporting entity

Waipa District Council is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The group consists of the ultimate parent, Waipa District Council, the Waipa Community Facilities Trust, and the Cambridge Town Hall Trust. Council is not presenting group forecast financial statements as the parent statements are considered to be more relevant to users. The main purpose of these statements is to provide users with information about the core services that Council intends to provide ratepayers, the expected cost of those services and the consequent requirement for rate funding.

The primary objective of Council is to provide goods or services for community or social benefit rather than making a financial return. Accordingly, Council has designated itself as public benefit entities (PBEs) for financial reporting purposes. The main purpose of these statements is to provide users with information about the core services that Council intends to provide ratepayers, the expected cost of those services and the consequent requirement for rate funding.

### Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

The financial statements of the Council have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional currency of Council is New Zealand dollars.

## **Summary of significant accounting policies**

### **Goods and services taxation (GST)**

All items in the financial statements are stated exclusive of GST, except for receivables and payables which are stated on a GST inclusive basis.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position. The net GST paid to, or received from the IRD is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

### **Income tax**

The Council is tax exempt for income tax purposes.

### **Budget figures**

The budget figures have been prepared in accordance with the New Zealand Generally Accepted Accounting Practices, using accounting policies that are consistent with those adopted by Council for the preparation of these financial statements.

### **Cost allocation**

Council has derived the cost of service for each significant activity using the cost allocation system outlined below.



Direct costs are those costs directly attributable and charged to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific significant activity. Indirect costs are charged to significant activities using appropriate cost drivers such as computer equipment used, staff numbers and floor area.

## **Revenue**

Revenue may be derived from either exchange or non-exchange transactions.

### **Exchange transactions**

Exchange transactions are transactions where Council receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity in exchange.

Specific accounting policies for major categories of exchange revenue transactions are listed below.

### **Interest and dividends**

Interest income is recognised using the effective interest method.

Dividends are recognised when Council's right to receive the payment is established.

### **Pensioner housing revenue**

Rental revenue arising from tenancy agreements is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of revenue and expenditure due to its operating nature.

## **Other gains and losses**

Other gains and losses include fair value gains and losses on financial instruments at fair value through surplus or deficit, unrealised fair value gains and losses on the revaluation of investment properties and realised gains and losses on the sale of Property, Plant and Equipment (PPE) held at cost.

## **Sales of goods**

Revenue from the sale of goods is recognised when a product is sold to the customer.

## **Non-exchange transactions**

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange, or where the value given or received is not able to be accurately measured.

An inflow of resources from a non-exchange transaction, whether this be an asset or revenue, is only recognised if a liability is not also recognised for that particular asset or revenue.

A liability is only recognised to the extent that the present obligations have not been satisfied. A liability in respect of a transferred asset is recognised only when the transferred asset is subject to a condition, such as a condition for the asset to be consumed as specified and/or that future economic benefits or service potential must be returned to the owner.

Specific accounting policies for major categories of non-exchange revenue transactions are listed below.

## **Rates revenue**

The following policies for rates have been applied:

- General rates, targeted rates (excluding water-by-meter) and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.

Rates arising from late payment penalties are recognised as revenue when rates become overdue.

Revenue from water-by-meter rates is recognised on an actual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Rates remissions are recognised as a reduction in rates revenue when the Council has received an application that satisfies its Rates Remission Policy.

### **Development contributions**

Development and financial contributions are recognised as revenue when Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as Council provides, or is able to provide the service.

### **Waka Kotahi NZ Transport Agency roading subsidies**

Council receives funding assistance from Waka Kotahi NZ Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

### **Other grants received**

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

## **Direct charges**

Rendering of services at a price that is not approximately equal to the value of the service provided by the Council is considered a non-exchange transaction. This includes rendering of services where the price does not allow the Council to fully recover the cost of providing the service (such as resource consents, building consents, water connections, dog licencing, etc.), and where the shortfall is subsidised by income from other activities, such as rates. Generally there are no conditions attached to such revenue.

Revenue from such services is recognised when the Council issues the invoice or bill for the service. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the service. Revenue is recognised by reference to the stage of completion of the service to the extent that the Council has an obligation to refund the cash received from the service (or to the extent that the customer has the right to withhold payment from the Council for the service) if the service is not completed.

## **Building and resource consent revenue**

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

## **Entrance fees**

Entrance fees are fees charged to users of the Council's local facilities, such as the pools. Revenue from entrance fees are recognised upon entry to such facilities.

## **Infringement fees and fines**

Infringement fees and fines mostly relate to animal infringements and parking infringements and are recognised when the revenue is received. The fair value of this revenue is determined based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding two-year period.

## **Vested or donated physical assets**

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as income. Assets vested in Council are recognised as revenue when control over the asset is obtained.

The fair value of vested assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is either based on construction price information provided by the property developer or values as per the last revaluation.

For long-lived assets that must be used for a specific purpose (e.g. land must be used as a recreation reserve), Council immediately recognises the fair value of the asset as revenue. A liability is only recognised if Council expects that it will need to return or pass the asset to another party.

Council is required by the New Zealand Local Government Funding Agency Limited (LGFA) Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. That Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by Council from other local authorities for services provided by that Council for which those other Local Authorities rate.

## **Personnel costs**

Employer contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

## **Other expenses**

## **Grant expenditure**

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria, and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and grants are recognised as expenditure on payment.

## **Operating leases**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

## **Finance costs**

In accordance with PBE IPSAS 5 Borrowing Costs, all borrowing costs are recognised as an expense in the period in which they are incurred.

## **Cash and cash equivalents**

Cash and cash equivalents includes cash-in-hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

## **Trade and other receivables**

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The Council applies the simplified ECL model of recognising lifetime ECL for receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are “written-off”:

When remitted in accordance with the Council’s rates remission policy; and

In accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery.

## **Other financial assets**

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

Amortised cost;

Fair value through other comprehensive revenue and expense (FVTOCRE); or

Fair value through surplus and deficit (FVTSD).

Transaction costs are included in the carrying value of the financial asset at initial recognition, unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding, and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

*Initial recognition of concessionary loans*

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. For loans to community organisations, the difference between the loan amount and present value of the expected future cash flows of the loan is recognised in surplus or deficit as a grant expense.

*Subsequent measurement of financial assets at amortised cost*

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses. Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

*Subsequent measurement of financial assets at FVTOCRE*

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except expected credit losses (ECL) and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. The Council does not hold any debt instruments in this category.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council designates into this category all equity investments that are not included in its investment fund portfolio, and if they are intended to be held for the medium to long-term.

*Subsequent measurement of financial assets at FVTSD*

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Instruments in this category include the Council's investment fund portfolio (comprising of listed shares, bonds, and units in investment funds) and LGFA borrower notes.



### *Expected credit loss allowance (ECL)*

The Council recognises an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council's historical experience and informed credit assessment and including forward-looking information.

The Council considers a financial asset to be in default when the financial asset is more than 90 days past due. The Council may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

### **Financial assets at fair value through surplus or deficit**

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit. A financial asset falls in this category if acquired principally to sell in the short-term or if designated this way by Council. After initial recognition, they are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit. These financial assets are classified as current assets if they are held for trading or expected to be realised within twelve months of the year end date.

### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments not quoted in an active market. They arise when Council provides money, goods or services directly to a debtor with no intention of selling the receivable asset. After initial recognition, they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit. They are included in current assets, except for those with maturities greater than twelve months after the year end date, which are classified as non-current assets.

### **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council has the intention and ability to hold to maturity. After initial recognition, they are measured at amortised cost using the effective interest method. Gains or losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

### **Financial assets at fair value through other comprehensive revenue and expense**

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of the share investment within 12 months of balance date or if the debt instrument is not expected to be realised within 12 months of balance date. The Council includes in this category:

investments that it intends to hold long-term but which may be realised before maturity; and  
shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

### **Investments in CCOs'**

### *Subsidiaries*

The Council consolidates in the financial statements those entities it controls, for Annual Reporting purposes, but Council does not consolidate those entities it controls, in the forecast financial statements, as the parent statements are considered to be more relevant to users. Control exists where the Institute is exposed, or has rights, to variable benefits (either financial or non-financial) and has the ability to affect the nature and amount of those benefits from its power over the entity. Power can exist over an entity if, by virtue of its purpose and design, the relevant activities and the way in which the relevant activities of the entity can be directed has been predetermined by the Council.

Investments in subsidiaries are measured at cost in the Council's financial statements.

### *Associate*

An associate is an entity over which the Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. Investments in associates are accounted for in the financial statements using the equity method of accounting.

Investments in associates are measured at cost in Council's financial statements.

### *Joint venture*

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the agreed sharing of control of an arrangement by way of a binding arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Investments in joint ventures are measured at cost in Council's financial statements.

### *Equity method of accounting in financial statements*

Investments in associates and joint ventures are accounted for in the financial statements using the equity method of accounting.

Under the equity method of accounting, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise Council's share of the change in net assets of the entity after the date of acquisition. Council's share of the surplus or deficit is recognised in Council's surplus or deficit. Distributions received from the investee reduce the carrying amount of the investment in Council's financial statements.

If the share of deficits of the entity equals or exceeds the interest in the entity, Council discontinues recognising its share of further deficits. After Council's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that Council has incurred legal or constructive obligations or made payments on behalf of the entity. If the entity subsequently reports surpluses, Council will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

## **Assets held for sale**

Assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use.

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

These assets are not depreciated or amortised.

## **Property, plant and equipment**

Property, plant and equipment consists of:

Operational assets which include land, buildings, library books, plant, furniture and equipment, and motor vehicles.

Infrastructural assets which are the fixed utility systems. Each asset class includes all items that are required for the network to function, for example sewer reticulation includes reticulation piping and sewer pump stations.

Property, plant and equipment is shown at cost or valuation, less accumulated depreciation and impairment losses.

## **Additions**

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably. Additions are generally recognised at cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value at the date of acquisition.

## **Disposals**

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are included in the Statement of Comprehensive Revenue and Expense. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

## **Subsequent costs**

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential with the item will flow to Council and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

## **Depreciation**

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

**Table 114: Useful lives and associated depreciation rates of major classes of assets**

	Components	Years
Water Treatment	Structures	25 – 80
	Plant	10 – 100
	Pipes	60
Water Reticulation	Pipes	30 - 100
	Fittings	10 – 30
Sewage Treatment	Structures	25 – 100
	Plant	10 – 100
	Pipes	60
Sewerage Reticulation	Pipes	50 – 100
	Fittings	25 – 100
	Manholes	80
Stormwater	Structures	15 – 80
	Pipes	50 – 100
	Manholes	50 – 80
Formation/carriageway and shoulder		Infinite
Pavement structure		12 – 150
Pavement surface (seal)		6 - 65
Catchpits and culverts		50 - 75
Bridges		50 - 115
Kerb and channel		50 - 75
Lighting		20 - 35
Footpaths		15 – 70

	Components	Years
Signs		10 – 35
Railings		20 – 35
Islands		35 – infinite
Traffic Signals		15-30
Buildings – not componentised		0 – 100
Building – structure		35 – 100
Building – fit-out		25 – 40
Building – services		30 - 45
Plant/motor vehicles		15 - 25
Furniture, fittings and equipment		5 - 75
Computer equipment		3 – 10
Intangibles		0 - 10
Library Books		7

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

## Revaluation

Those asset classes that are revalued are valued on a two-yearly cycle and Operational Land and Buildings are valued every three years. All other asset classes are carried at depreciated historical cost.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit.

Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

### **Operational land and buildings**

At fair value as determined from market-based evidence where there is a market, or depreciated replacement cost for specialised assets, by an independent valuer.

### **Infrastructural assets**

At fair value determined on a Depreciated Replacement Cost (DRC) basis by an independent valuer.

### **Land under roads and road reserves**

Land under roads is no longer revalued.

### **Accounting for revaluations**



Revaluations of property, plant and equipment are on a class of asset basis. The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Comprehensive Revenue and Expense. Any subsequent increase in revaluation that offsets a previous decrease in value recognised in the Statement of Comprehensive Revenue and Expense will be recognised first in the Statement of Comprehensive Revenue and Expense up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

### **Impairment of property, plant and equipment and intangible assets**

Assets that have a finite useful life are reviewed for indicators of and are tested annually for impairment at each balance date. When there is an indicator of impairment the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

## **Intangible assets**

### **Software acquisition and development**

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with maintaining computer software are recognised as an expense when incurred. Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

### **Amortisation**

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Revenue and Expense. The useful lives and associated amortisation rates of computer software have been estimated at 3-10 years (33% - 10%).

## **Impairment of intangible assets**

Intangible assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite life are reviewed for indicators of impairment and tested annually for impairments each balance date.

## **Emissions trading scheme**

Gains and losses on disposal are determined by comparing the disposal proceeds with the carrying amount of the New Zealand Units (NZU). Gains and losses on disposals are reported in the surplus or deficit. If, at the end of any financial year, there has been some deforestation (such as harvesting) that is yet to be replanted, a contingent liability will be disclosed until such time as replanting has occurred. After initial recognition, Emission Trading Scheme credits are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit. NZUs are not amortised and have an indefinite life.

## **Forestry assets**

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs, and from a change in fair value less estimated point of sale costs, are recognised in the Statement of Comprehensive Revenue and Expense. The costs to maintain the forestry assets are included in the Statement of Comprehensive Revenue and Expense.

## **Investment property**

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals.

Initially, investment properties are measured at cost, including transaction costs. Subsequent to initial recognition investment properties are measured at fair value as determined annually by an independent valuer. Gains and losses on revaluation, acquisition and disposal are recognised in the Statement of Comprehensive Revenue and Expense.

## **Trade and other payables**

Short-term payables are recorded at the amount payable.

## **Provisions**

Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in “finance costs”.

## **Employee benefit liabilities**

Employee benefits expected to be settled within twelve months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave. A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that it is anticipated it will be used by staff to cover those future absences.

## **Borrowings and other financial liabilities**

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowing's balance.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

### **Finance leases**

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item and the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

### **Financial guarantee contracts**

A financial guarantee contract requires the Council to make specified payments to reimburse the holder of the contract for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's-length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, the fair value of the liability is initially measured using a valuation technique, such as considering the credit enhancement arising from the guarantee or the probability that the Council will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a financial guarantee cannot be reliably

determined, a liability is recognised at the amount of the loss allowance determined in accordance with the ECL model described in 'Other Financial Assets' note.

Financial guarantees are subsequently measured at the higher of:

The amount determined in accordance with the ECL model as described in the 'Other financial assets' note; and

The amount initially recognised less, when appropriate, cumulative amortisation as revenue.

## **Derivative financial instruments**

Derivative financial instruments are used to manage exposure to foreign exchange risks arising from the Council's operational activities and interest rate risks arising from the Council's financing activities. In accordance with its treasury policies, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

The associated gains or losses on derivatives that are not hedge accounted are recognised in surplus or deficit.

The full fair value of a hedge accounted derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current if the remaining maturity of the hedged item is less than 12 months.

The full fair value of a non-hedge accounted foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date; otherwise, foreign exchange derivatives are classified as non-current. The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

## **Hedge accounting**

The Council designate certain derivatives as either:

hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or

hedges of highly probable forecast transactions (cash flow hedge).

The Council have elected to not adopt the new hedge accounting requirements of PBE IPSAS 41 as permitted under the transitional provisions of PBE IPSAS 41. This means the Council continues to apply the hedge accounting requirements of PBE IPSAS 29 Financial Instruments: Recognition and Measurement.

The Council documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Council also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

### **Fair value hedge**

The gain or loss from remeasuring the hedging instrument at fair value, along with the changes in the fair value on the hedged item attributable to the hedged risk, is recognised in surplus or deficit. Fair value hedge accounting is applied only for hedging fixed interest risk on borrowings.

If the hedge relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the surplus or deficit over the period to maturity.

### **Cash flow hedge**

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive revenue and expense, and the ineffective portion of the gain or loss on the hedging instrument is recognised in surplus or deficit as part of “finance costs”.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive revenue and expense are reclassified into surplus or deficit in the same period or periods during which the asset acquired or liability assumed affects surplus or deficit. However, if it is expected that all or a portion of a loss recognised in other comprehensive revenue and expense will not be recovered in one or more future periods, the amount that is not expected to be recovered is reclassified to surplus or deficit.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the associated gains and losses that were recognised in other comprehensive revenue and expense will be included in the initial cost or carrying amount of the asset or liability.

If a hedging instrument expires or is sold, terminated, exercised, or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective is reclassified from equity to surplus or deficit.

## **Equity**

Equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves, the components are:

Retained earnings

Council created reserves

Revaluation Reserves

Cash flow hedge reserve



### **Council created reserves**

Council created reserves are a component of equity representing a particular use to which various parts of equity have been assigned. Council may alter them without reference to any third party or the Courts. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

### **Revaluation reserves**

This reserve relates to the revaluation of property, plant and equipment to fair value.

### **Cash flow hedge reserves**

This reserve comprises the effective portion of the cumulative net change in the fair value of derivatives designated as cash flows hedges.

## TREASURY MANAGEMENT POLICY

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This policy is prepared pursuant to

**Sections 109 and 110 of the Local Government Act 2002.**

### Introduction

Waipa District Council (Council) undertakes liability management (borrowing), investment, cash and associated risk management activity (in total referred to in this document as treasury activity). Council's borrowing and investment activities are carried out within the requirements of the Local Government Act 2002 (the Act) and its various amendments, which define the operating environment for local authorities in relation to borrowing, investment and treasury risk management activity.

This Treasury Management Policy (the Policy) document includes the Liability Management Policy and Investment Policy as required by Part 6, sections 104 and 105 of the Act. The policy provides the framework for all of Council's treasury activities and defines key responsibilities and the operating parameters within which treasury activity is to be carried out.

The scope of this policy covers treasury activity at the Council level and is formally reviewed and updated from time to time, but at least once every three years, although the review is normally in conjunction with the review of the Long Term Plan.

Council's borrowing activity is largely driven by its capital expenditure programme.

Council also manages a portfolio of investments comprising equity, forestry, property and treasury investments.

### Treasury objectives and philosophy

Council's broad objectives in relation to treasury activity are as follows:

Compliance with the Act and any other relevant local authority legislation.

To manage Council's investments according to its strategic and commercial objectives and optimise returns within these objectives.

Avoidance of capital losses. For treasury investments this is achieved by investing on a hold to maturity basis (unless circumstances otherwise dictate) with creditworthy counter parties.

Maintain funding mechanisms with an appropriate maturity profile to ensure adequate liquidity is available at margins and costs appropriate to Council's credit standing.

To manage the operational cash position and ensure that any surplus cash is invested in approved liquid instruments, or where appropriate is used to minimise debt.

Mitigate potential adverse interest rate risk and minimise financing costs within acceptable risk management parameters.

Develop and maintain professional relationships with Council's bankers and the financial markets in general.

Provide timely and accurate reporting of treasury activity and performance.

In meeting the above objectives, Council acknowledges that there are financial risks such as funding, liquidity, interest rate, credit and operational risks arising from its treasury activities.

Council is a risk averse entity and does not wish to incur undue risk from its treasury activities. Accordingly, Council's finance function in relation to its treasury activities is a risk management function focused on protecting Council's budgeted interest costs and interest income and stabilising Council's cash flows. Council seeks to prudently manage these risks, and activity that is unrelated to its underlying cash flows or may be construed as speculative in nature, is expressly forbidden.

## **Borrowing policy**

### **General Policy**

Section 104 of the LGA 2002 provides that the Liability Management Policy required under Section 102(2)(b) must state the local authority's policies in respect of liability management, including:

Interest rate exposure

Credit exposure

Liquidity

Debt repayment.

Council's infrastructure and community assets generally have long economic lives and long term benefits. The use of debt is seen as an appropriate and efficient mechanism for promoting intergenerational equity between current and future ratepayers in relation to Council's assets and investments, as well as assisting Council in meeting the infrastructure demands of its ratepayers on a timely basis. Council borrows as it considers appropriate within the flexible and diversified borrowing powers contained within the Local Government Act 2002. Borrowing arrangements in aggregate, in excess of \$250,000 that are not included in the current Long Term Plan must be approved by Council resolution.

Council raises debt for the following primary purposes:

General debt to fund Council's balance sheet

Specific debt associated with "special one-off" projects and capital expenditure

To fund assets with intergenerational qualities

Council is able to borrow through a variety of market mechanisms including borrowing from the New Zealand Local Government Funding Agency Limited (LGFA), the issue of bonds via the domestic capital markets or direct bank borrowing.

Council has a general preference to firstly use available internal reserves for its borrowing requirements and thereafter utilise external funding sources.

Given the relative advantages to each funding mechanism, Council may have a mix of LGFA, bank and capital markets borrowing over time. Generally, a bank facility is most appropriate to provide working capital and core funding where there is uncertainty regarding timing and amount of borrowing. When there exists a degree of certainty in terms of amount and term, the LGFA or bonds via the domestic capital markets are likely to provide an appropriate source of funding.

New Zealand Local Government Funding Agency Limited Investment

Council may borrow from the LGFA and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA;

provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;

commit to contributing additional equity (or subordinated debt) to the LGFA if required;

subscribe for shares and uncalled capital in the LGFA; and

secure its borrowing from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

### **Borrowing Limits**

In managing debt, Council will adhere to the following limits:

The gross interest expense on external debt for the year equal or are less than 15 per cent of its revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) for the year<sup>81</sup>

Net cash flows from operating activities will exceed gross annual interest expense by a minimum four times

Net external debt will not exceed 250 per cent of Total Revenue.

Council will adhere to the borrowing limit that is reached first and provides the lowest level of debt capacity. Council reports compliance to these limits on an annual basis.

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<sup>81</sup> Local Government (Financial Reporting and Prudence) Regulations 2014, Section 21

## **Liquidity and funding risk management**

Liquidity risk management refers to the timely availability of funds when needed without incurring penalty costs. Funding risk management centres on the ability to re-finance or raise new debt at a future time at the same or more favourable pricing (fees and borrowing margins) and terms of existing facilities.

Council's ability to readily attract cost effective borrowing is largely driven by its ability to maintain a strong balance sheet, levy rates and manage its relationships with capital market investors, the LGFA and its bankers. Where practical, Council seeks a diversified pool of external borrowing and ensures bank borrowings and incidental arrangements (risk management products) are only sought from strongly rated New Zealand registered banks. This helps ensure that funds are available when required and amounts owing are paid in full on the due date.

Council minimises its liquidity risk by:

Matching expenditure to its revenue streams and managing cash flow timing differences through its bank facilities and/or maintaining a liquidity buffer

Ensuring that any liquidity buffer investments are liquid and readily negotiable instruments

Having in place a committed bank or similar LGFA provided facility that allows headroom of at least \$5 million compared to projected peak borrowing requirements over the next 12 months as detailed in the latest Annual/Long Term Plan.

The matching of longer term expenditure and revenue requirements is monitored through the cash flow forecast prepared during the annual planning and Long Term Plan process and reviewed through the quarterly forecast reports.

In relation to funding risk management, Council aims to minimise the risk of debt maturing or being reissued in foreseeable periods of illiquidity or where credit margins are high, where practical, by maintaining access to multiple sources of funding, such as banks, loan stock funding and the LGFA and across a range of maturities.

Council manages funding risk by avoiding a concentration of debt maturity dates and manages this specifically by ensuring that:

No more than \$70 million of outstanding external debt is subject to refinancing over the next 12 months or any rolling 12 month period thereafter.

The maximum term for external debt is 20 years unless approved by Council.

### **Internal Borrowing**

Council uses its reserves and external borrowing to internally fund capital expenditure as identified in the Long Term Plan and Annual Plan and approved by Council resolution. The finance function is responsible for administering Council's internal loan portfolio.

The primary objective in funding internally is to use reserves and external borrowing effectively, by establishing a portfolio that provides funding to internal activity centres. This creates operational efficiencies as savings may be created by eliminating the negative margin that would be incurred through Council separately investing and borrowing externally.

The following operational parameters apply in relation to the management of Council's internal loan portfolio:

- The finance function uses the internal loan portfolio as an input into determining its external debt requirements. In most cases, Council's reserves are used firstly to reduce external debt requirements, as this would normally reduce Council's net interest cost.
- All internal borrowing activities are consistent with the principles and parameters outlined throughout this policy.
- In determining an activity centre's internal loan amount, any depreciation reserve or other related amount is firstly allocated to that centre. Any additional funding is then provided through internal loans.
- The maximum term of the internal loan is the lesser of either 60 per cent of the projected economic life of the underlying asset or 30 years.
- A notional internal loan is set up for all new capital projects, and operating projects in special circumstances, which would require Council resolution, and allocated to the activity centre incurring the expenditure. External interest is apportioned across all internal loan balances.
- Loans can be on an interest only basis if it is expected that the underlying asset may be sold or transferred to another party in the future and is strategic in nature. Development contribution loans can also be on an interest only basis. However, the maximum term for such loans is five years.
- Unless specified otherwise principal repayments required in relation to internal loans will be on a table mortgage basis over the expected life of the loan.

## **Interest Rate Risk Management**

Council's borrowing gives rise to a direct exposure to interest rate movements. Generally, given the long-term nature of Council's assets, projects, intergenerational factors and Council's objective to avoid any adverse impact on rates, there is a preference to have an appropriate level of long-term fixed rate or hedged debt taking into account Council budget requirements, the nominal level of interest rates and other appropriate factors. In any case interest rate risk must be managed within the parameters detailed below unless an exception is approved by Council.

**Table 115**

Timeframe	Policy Parameters	
	Minimum	Maximum
0 – 1 year	40%	100%
1 – 3 years	30%	80%
3 – 5 years	10%	60%
5 years or greater (*)	0%	40%

*(\*) Hedging beyond ten years can only be by way of bond issuance or hedging that is directly linked to an underlying debt instrument already in place (for example floating rate note).*

Interest rate risk management objectives are reflected in the table above and outline the minimum fixed or hedged rate requirements allocated to various time bands. Debt is regarded as fixed or hedged, where the interest rate is protected for a period of at least one year. The Group Manager Business Support has discretion within the control parameters to set interest rate risk management hedging levels.

However, if total outstanding external debt (excluding short term working capital requirements) is less than \$25 million, actual interest rate risk management hedging levels are at the discretion of the Group Manager Business Support and can be outside the above bands.

### Approved Instruments

Council can only enter into interest rate hedging transactions by way of the following instruments:

- Interest rate swaps for a maximum of ten years
- Interest rate collars where the nominal value of the cap bought is the same as the floor sold, for a maximum term of ten years

### Credit Risk Management

Council can only enter into hedging transactions, with approved counterparties. Unless specifically approved by the Council, counterparties must be a New Zealand registered bank with a long term credit rating of A or better from S&P, or the Moody's or Fitch equivalent.



## **Debt Security**

Council's current security arrangements consist of a charge over rates by way of a debenture trust deed. Council generally does not offer assets, other than a charge over rates or rates revenue, as security for any loan or performance of any obligation under an incidental arrangement.

## **Loan Repayment**

The Council repays borrowings from refinancing or surplus general funds. Maturing borrowings may be refinanced by new borrowings that have a maximum 20 year term unless approved by Council, as stipulated in clause 24.

## **Contingent Liabilities**

Council provides financial guarantees to community and service organisations. This is by application and after ensuring that the Business Plan of the guaranteed party is consistent with the strategic objectives of Council and that the organisation has the means to service and repay the debt. Should the guarantee be called up, Council takes immediate action to recover the money.

Individual guarantees are limited to \$1 million and total guarantees will not exceed \$5 million. This is supported by section 2.2.5 (Community Grants and Guarantees) of the Procedural Policy Manual. Granting of any guarantees is by Council resolution.

## **Investment policy**

Section 105 of the Act provides that the Investment Policy required to be adopted under Section 102(2)(c) must state the local authority's policies in respect of investments, including:

- The mix of investments
- The acquisition of new investments
- An outline of the procedures by which investments are managed and reported
- An outline of how risks associated with investments are assessed and managed

Council investments may be maintained to meet specific strategic and economic objectives outlined in the Long Term Plan. The finance function monitors the investments and reports performance on a regular basis to the Chief Executive and Council. The types of investments held include:

- Equity Investments
- Loan Advances
- Property Investments
- Forestry Investments
- Treasury Investments

### **Equity Investments**

Council maintains equity investments in:

- Waikato Regional Airport Limited
- New Zealand Local Government Funding Agency Limited
- Local Authority Shared Services Limited
- New Zealand Local Government Insurance Corporation Limited (Civic Assurance)

Other than to achieve strategic objectives, it is not Council's intention to undertake new equity investments. Council may periodically review investments with a view to exiting at a time when market conditions are favourable and overall strategic objectives are not compromised.

Any dividend income is included as part of general revenue.

Any purchase or disposition of equity investments not identified in the Long Term Plan is by Council resolution.

At the time of disposal, Council determines the most appropriate use of sale proceeds.

## **New Zealand Local Government Funding Agency Limited Investment**

Council may invest in shares and other financial instruments of the LGFA, and may borrow to fund that investment.

Council's objective in making any such investment will be to:

- obtain a return on the investment; and
- ensure that the LGFA has sufficient capital to maintain an appropriate credit rating so that it continues as a source of attractively priced debt funding for the Council sector.

Because of this dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.

If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.

## **Loan Advances**

Council provides financial guarantees to community and service organisations but generally does not make loan advances, except in special circumstances, which would require Council resolution. Council has existing outstanding community loans which it will manage until repayment is complete.

## **Property Investments**

Council owns property to achieve its operational and strategic objectives. Council reviews property ownership through assessing the benefits of continued ownership in comparison to other arrangements that could deliver the same results. This assessment is based on the most financially viable method of achieving the delivery of Council services.

The purchase or disposition of property not identified in the Long Term Plan is approved by Council resolution. A precondition of all property purchase is the obtaining of a current registered valuation. Property holdings are sold at market values that are at least equivalent to 90 per cent of a current registered valuation. Vendor financing may be provided to facilitate a sale, in special circumstances, which would require Council resolution.

Except where Council has identified a rental subsidy appropriate to the end use for which the property is held, all properties will be leased on commercial terms at market rates. Rental subsidies, not identified in the Long Term Plan will be by Council resolution. All income, including rentals and ground rent from

property held, except Housing for the elderly and Own Your Own properties where revenue is ring-fenced, is included as part of general revenue.

Net proceeds from the sale of property, unless subject to statutory constraints, will form part of the reserves of the District, to be reinvested in new assets or the betterment of existing assets for the benefit of the present and future residents of the District. A resolution of Council is required for expenditure from the asset sales reserve accounts.

### **Forestry Investments**

Council's investment in forestry on Mount Pirongia, historically, was to assist with water catchment protection objectives and to provide a scenic reserve. The water catchment protection objective is less of a consideration now with the reduced reliance on the Te Tahi stream for potable water supply and with modern water treatment practices in place. The investment is managed by a specialist consultant and is expected to deliver positive cash flow over the long term.

New investment or the disposition of existing investments not identified in the Long Term Plan is by Council resolution.

At time of harvest, Council determines the most appropriate use of both the sale proceeds and the land.

### **Treasury Investments**

Council may maintain treasury investments for the following purposes:

- Provide cash in the event of a natural disaster
- Invest amounts allocated to special funds and reserves
- Invest amounts allocated for approved future expenditure, to implement strategic initiatives or to support intergenerational allocations
- Invest the proceeds from the sale of assets
- Invest surplus cash.

Council's primary investment objective is capital protection. It utilises its surplus funds through internal lending to various activity centres within Council and through external investment to approved counter-parties.

Within the above credit constraints, Council also seeks to:

- Ensure investments are in liquid instruments
- Maximise investment return
- Match investment maturities to projected cash flow requirements to avoid realisations prior to maturity
- Manage potential capital losses due to interest rate movements if investments need to be liquidated prior to maturity.

Council is also able to undertake short-term investments funded by external borrowings that mature within the current financial year, with approved Counterparties, if it is able to earn a positive margin between the borrowing and investment interest rates. This is called positive arbitrage.

The amount that Council can borrow this way can, when added to existing external debt, be no more than the peak projected debt levels for the financial year as outlined in the latest Long Term Plan.

In relation to Treasury Investments credit exposure is minimised by limiting exposure to any investment sector or counter-party and from monitoring compliance against set limits as detailed in the table below:

**Table 116:**

Institution	Minimum S&P <sup>82</sup> Short Term Credit Rating	Minimum S&P <sup>2</sup> Long Term Credit Rating	Total Exposure Limit for each Counter-party	Investment Portfolio Limit (up to)
Central Government	N/A	N/A	\$500 million	100%

<sup>82</sup> Minimum Standard & Poor's or Moody's or Fitch equivalent.

NZ Registered Bank	A1	AA-	\$40 million	100%
NZ Registered Bank	A1	A to A+	\$20 million	50%
Local Authorities (including LGFA issues)	Rates as Security (LGFA A1)	Rates as Security (LGFA A+)	\$10 million	50%
Strongly Rated Corporates & SOEs	A2	A- (BBB+ for SOEs)	\$5 million	30%

Note: If an investment counterparty is downgraded only one notch below the minimum rating controls in the above table, the underlying investments can be held to maturity as long as the term is less than six-months. Beyond that it requires Council approval.

Council may also hold LGFA Borrower Notes, however as these are a required investment by Council when it borrows via the LGFA, they are not deemed an external investment and are thus not included when investment counterparty limits are calculated as per the limits above.

### Foreign Exchange Policy

From time to time Council may have foreign exchange exposure through the occasional purchase of foreign currency denominated plant, equipment and services.

All exposures over NZD100,000 equivalent are recognised and hedged when the exact timing and amount of the exposure is known following the Group Manager Business Support's approval. Exposures are hedged using foreign exchange contracts.

Exposures of less than NZD100,000 equivalent are transacted at the prevailing spot rate on the day.

Council does not borrow or enter into incidental arrangements within or outside New Zealand in currency other than New Zealand currency.

## Approved Instruments

Council can only enter into foreign exchange hedging transactions by way of the following instruments:

- Spot foreign exchange or forward foreign exchange contracts with a maturity date aligned with the timing of the confirmed exposure.

## REMISSION AND POSTPONEMENT OF RATES AND WATER CHARGES

This policy is prepared pursuant to  
Sections 109 and 110 of the Local Government Act 2002.

Remission of rates

### REMISSION FOR COMMUNITY, SPORTING AND OTHER ORGANISATIONS

#### Objective

This policy is intended to facilitate the ongoing provision of non-commercial community services and recreational opportunities for the residents of Waipā district. The purpose of granting rates remission to an organisation is to:

- (a) assist the organisation's survival; and
- (b) make membership of the organisation more accessible and affordable to Waipā residents and ratepayers

#### Conditions and Criteria

This part of the policy will apply to land owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes.

The policy does not apply to organisations operated for private pecuniary profit. Nor will it apply to groups or organisations who engage in recreational, sporting or community services as a secondary purpose only.

Remission will be applied as follows to all rates with the exception of targeted rates for water supply, sewage disposal or waste collection including recycling:

- (a) A remission of the 50% residual rates will be given to those societies and associations who qualify for the 50% non-rateable category under Schedule 1, Part 2 of the Local Government (Rating) Act 2002.



(b) All other community and sporting organisations fitting the criteria stated in this policy will receive a full remission of rates.

Due to the funding arrangements put in place with the Home of Cycling Charitable Trust this policy does not apply to the New Zealand Cycling Centre of Excellence building located adjacent to the St Peters School in Cambridge.

No remission will be granted on targeted rates for water supply, sewage disposal or waste collection including recycling.

## **Remission of Uniform Annual General Charge**

### **Objective**

The Local Government (Rating) Act 2002 Section 20 states that two or more rating units must be treated as 1 unit for setting a rate that is applied per rating unit.

The objective of this part of the remission policy is to provide relief for land that is in common ownership but no longer eligible for application of Section 20 as the Uniform Annual General Charge (UAGC) will be applied on a separately used or inhabited part of a rating unit (SUIP) basis.

### **Conditions and criteria**

The remission applied will be 100 per cent of the Uniform Annual General Charge where the following criteria is met:

The land must be owned by the same person or persons; and

Used jointly as a single unit; and

Contiguous or separated only by a road, railway, drain, water race, river or stream; and

Not have a dwelling, flat or unit recorded as improvements.

## REMISSION RELATING TO COVENANTED LAND

### Objective

To provide for relief for land where an open-space covenant under Section 22 of the Queen Elizabeth the Second National Trust Act 1977 has been registered against the title of a property.

To provide relief for land where a covenant or consent notice is registered on the title to the land to secure an appropriate interest in perpetuity for conservation, heritage and cultural purposes under either the Resource Management Act 1991 or Reserves Act 1977.

### Conditions and criteria

The Local Government (Rating) Act 2002 provides for land owned or used by the QE2 National Trust to be non-rateable. Where the land to which the covenant relates remains in the ownership of the ratepayer, the covenanted land will be eligible for a remission of rate. Where a covenant or consent notice under the Resource Management Act 1991 as described in the objective above is registered, the covenanted land will be eligible for a remission of rates.

The remission applied will be 100 per cent of all rates other than targeted rates for water supply, sewerage disposal or waste collection including recycling.

## Postponement of Rates

### Postponement of Rates

#### Objective

The objective of this part of the policy is to assist ratepayers experiencing extreme financial circumstances that affect their ability to pay rates.

#### Conditions and criteria

Only rating units used solely for residential purposes will be eligible for consideration for rates postponement due to extreme financial circumstances.

Only the person entered on Council's rating information database as the ratepayer, or their authorised agent, may make an application for rates postponement due to extreme financial circumstances. The ratepayer must be the current owner of, and have owned for a minimum of five years, the rating unit which is the subject of the application. The ratepayer must not own any other rating units or investment properties (whether in the district or in another district).

The ratepayer (or authorised agent) must make an application to Council for consideration. Council will consider on a case by case basis all applications received that meet the criteria above. When considering an application all of the ratepayer's personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.

Before approving an application, Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day-to-day living expenses.

Where Council decides to postpone rates the ratepayer must first make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

Any postponed rates will be postponed until:

- The death of the ratepayer; or
- Until the ratepayer ceases to be the owner of the rating unit; or
- Until the ratepayer ceases to use the property as their residence; or
- Until a date specified by Council-at five yearly intervals as a minimum.

In accordance with Section 88 of the Local Government (Rating) Act 2002 Council will charge an additional fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover the Council's administrative and financial costs, and will be based on the average bank borrowing rate in any one year. This fee would replace the six month penalty regime, and would require any six month penalties already charged to be remitted.

The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

## Remission of Penalties

### Penalty remission policy

#### Objective

The objective of this part of the remission policy is to enable Council to act fairly and reasonably in its consideration of overdue rates and water invoices, due to circumstances outside the ratepayer's control.

#### Conditions and criteria

Remission of penalty will be granted where payment is made within seven days of the penalty date provided the ratepayer has made no late payments for rates or water invoices within the preceding three years.

Remission of penalty may be granted at Council's discretion where regular payments are being made in accordance with an agreement which is set up to clear all outstanding rates by the end of the following rating year.

In addition, remission of penalty will be considered where payment has been late due to significant family disruption or as a result of matters beyond the control of the ratepayer. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

Decisions on remission of penalties will be delegated to officers as set out in Council's delegations resolution.

## Remission of Sewerage Charges

### Sewerage charges remission

#### Objective

The sewerage charges levied by Council against separate rating units make provision to charge rates based on the number of toilets. The legislation to provide some relief to schools in their liability for sewerage charges has been repealed and in the absence of new legislation Council wishes to provide a partial remission to schools in line with the previous legislation.

In some cases Council may wish to provide relief to not-for-profit organisations that choose to install more toilets than required by the building code.

#### Conditions and criteria

Sewerage charges for schools will be based on the required number of toilets based on staff/student numbers supplied by each school. The student numbers will be taken as those at the March roll. The difference between the required rate and the school calculation rate will be treated as a remission.

Council may partially remit the sewerage charge for not-for-profit organisations where the number of toilets installed exceeds the number of toilets required under the Building Code.

## **Remission of Water Charges**

### **Water charges remission**

#### **Objective**

The objective of this part of the policy is to assist people in situations where water usage is high and attributed to a water leak.

#### **Conditions and criteria**

The ratepayer (or authorised agent) must make an application to Council for consideration.

Council is satisfied a leak on the property has caused excessive consumption and is recorded on the water meter. The leak has been repaired within one month of being identified (unless evidence is provided that the services of an appropriate repairer could not be obtained within this period). Proof of the leak being repaired has been provided to Council promptly after repair of the leak.

The amount of the remission will be the difference between the average consumption of the property prior to the leak, as deemed reasonable by Council, and the consumption over and above that average.

Remission for any particular property will generally be granted only once every year. Where a remission for a water leak has been granted to a property within the last year, the remission is to be made by the Finance Manager.

## **WATER REMISSION FOR COMPLEX PROPERTIES**

#### **Objective**

The objective of this part of the policy is to provide a mechanism for adjusting the impact of metered water rates on complex water metered properties<sup>83</sup>.

- By year 10, our debt levels reduce to \$201.9 million
- The amount we collect in rates is 51 per cent of our total revenue for the 2021/22 (year 1).

### **Conditions and criteria**

Definition: Threshold Daily Usage means the use of 0.488 cubic metres per day.

- Any ratepayer of a residential rating unit connected to a complex water meter may apply for a remission, except where the ratepayer owns all the rating units connected to a complex meter.
- When a ratepayer applies for a remission, the average daily usage for their rating unit (as recorded on their water invoice) is compared to the Threshold Daily Usage.
- If the daily usage invoiced is greater than 0.877 cubic metres, the resident or ratepayer must provide evidence that there are no leaks or extraordinary use, such as where there is a swimming pool, fixed garden irrigation or any type of commercial undertaking within the rating unit prior to the remission being processed.
- A ratepayer will be eligible for a remission where the invoiced daily usage for the rating unit is higher than the Threshold Daily Usage and the ratepayer is eligible to have their remission processed under 3. above.
- A remission will be granted for the difference between invoiced daily usage and the Threshold Daily Usage.
- At Council's absolute discretion, and on a case-by-case basis, Council staff can work with owners of complex properties with a water meter to get an equitable distribution of costs. This could include making reasonable inquiries about water usage as a basis for adjusting the allocations that would otherwise result from the application of this policy.

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<sup>83</sup> Complex properties are properties where there is no single Council water supply point per property. Instead, like other parts of the property (shared driveways etc), the water supply is shared with neighbouring properties. They are also properties where Council does not own, or have legal access to, the connecting pipe from the Council water supply point to each property.



- If a remission is given to one of the rating units on the complex meter, Council is unable to increase the amount invoiced to the other ratepayers on the same meter to recover the reduced revenue received.
- Applicants may apply for this remission from 1 July 2018 and the remission will be effective from that date or the first day of the billing quarter in which application is made, whichever is later. The remission will be calculated as part of the normal water billing cycle.
- All remissions will be processed via the metered water account.

## **Policy on the Remission and postponement of rates on Māori freehold land**

### **Remission of rates**

This policy is prepared pursuant to Sections 102 and 108 of the Local Government Act 2002 and Section 114 of the Local Government (Rating) Act 2002. In preparing this policy Council has considered the matters set out in Schedule 11 of the Local Government Act 2002.

Māori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by the Māori Land Court by freehold order. Only land that is the subject of such an order may qualify for the remission or postponement of rates under this policy.

This Policy aims to:

- a) contribute to the fair and equitable collection of rates from all sectors of the community recognising that certain Māori lands have particular conditions, features, ownership, structures or other circumstances that make it appropriate to provide relief from rates; and
- b) put in place a means of providing relief on rating for Māori land pursuant to Section 108 of the Local Government Act 2002 by way of remission or postponement of rates.

### **Objectives**

The objectives of this policy are:

- a) to recognise situations where there is no person or owner gaining an economic or financial benefit from the land;
- b) to set aside land that is better set aside for non-use because of its natural features;
- c) to recognise matters related to the physical accessibility of the land;
- d) to recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes;
- e) where part only of a block is occupied, to grant remission for the portion of the land not occupied; and
- f) to facilitate development or use of the land where Council considers rates based on actual capital value make the actual use of the land uneconomic.

## **Principles**

The principles used in establishing this policy are:

- a) that, as defined in Section 91 of the Local Government (Rating) Act 2002, Māori freehold land is liable for rates in the same manner as if it were general land;
- b) that Council is required to consider whether it should have a policy which provides for remission of rates on Māori freehold land;
- c) that Council and the community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is considered non-collectable;
- d) that applications for relief meet the criteria set by Council; and
- e) that the policy does not provide for the permanent remission or postponement of rates on the property concerned.

## **Conditions and criteria**

Council will maintain a register called the Māori freehold land rates relief register (the register), for the purpose of recording properties on which it has agreed to remit rates pursuant to this policy.

Applications for remission should include the following information:

- a) Details of the property.
- b) The objectives that will be achieved by providing a remission.

c) Documentation proving that the subject land is Māori freehold land.

Applications made after commencement of the rating year may be accepted at the discretion of Council.

Any relief granted and the extent thereof is at the sole discretion of Council.

The register will be reviewed annually (or on a more regular basis at the discretion of Council). It may at its discretion add properties to the register. It may also determine that properties no longer comply either fully or in part, and either remove them from the register or reduce the extent of the relief.

Council will consider granting a remission of rates on property where any one or more of its objectives as set out in section 6.2 a) through to e) will be met. Where a remission is granted this will, to the extent that the objective relates to the entire property, be a 100 per cent remission of all rates, except targeted rates for water supply, sewage disposal or waste collection including recycling. Where the objective relates to only part of the property, there will be a proportional remission of all rates, except targeted rates for water supply, sewage disposal or waste collection including recycling.

Council will also consider granting a remission of rates on property where objective f) will be met.

This will follow the principle that the property carries a best potential use value that is significantly in excess of the economic value arising from the actual use. The remission will be to a maximum of 50 per cent of all rates except targeted rates for water supply, sewage disposal or waste collection including recycling and will reflect a measure of the difference between rates as assessed and the rates that would be assessed based on actual use.

For the purposes of this policy, rates are deemed to include penalties.

### **Postponement of rates**

This policy aims to:

- contribute to the fair and equitable collection of rates from all sectors of the community recognising that certain Māori lands have particular conditions, features, ownership structures or other circumstances that make it appropriate to provide relief from rates; and
- put in place a means of providing relief on rating for Māori land pursuant to Section 108 of the Local Government Act 2002 by way of postponement of rates.

## **Objectives**

The objectives of this policy are:

to encourage the economic development of the land by a new occupier, where there are rate arrears; and

to facilitate the development and economic use of land where it is considered that utilisation would be uneconomic if full rates are required to be paid during the period of development and establishment.

## **Principles**

The principles used in establishing this policy are:

- that, as defined in Section 91 of the Local Government (Rating) Act 2002, Māori freehold land is liable for rates in the same manner as if it were general land:
- that Council is required to consider whether it should have a policy which provides for the postponement of rates or rates relief on Māori freehold land:
- that applications for postponement or remission meet the criteria set by Council; and
- that the policy does not provide for the permanent remission or postponement of rates on the property concerned.

## **Conditions and criteria**

Application for postponement of rates should be made in writing prior to commencement of the next rating year.

Applications made after commencement of the rating year may be accepted at the discretion of Council.

Owners or trustees making application should include the following information in their applications:

- Details of the property.
- The objectives that will be achieved by providing a remission.
- Documentation proving that the subject land is Māori freehold land.
- Any postponement granted and the extent thereof is at the sole discretion of Council.
- No postponement will be granted on targeted rates for water supply, sewage disposal or waste collection including recycling.

## **DEVELOPMENT CONTRIBUTIONS POLICY**

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### **POLICY OVERVIEW**

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Section 102(2)(d) of the Local Government Act 2002 (LGA) requires Waipa District Council (Council) to have a development contribution policy. Section 198 of the LGA gives Council the power to require a contribution for developments. Development contributions provide Council with the means to fund infrastructure required due to growth.

This policy has been prepared in accordance with the LGA and summarises and explains the capital expenditure identified in the Long Term Plan Council expects to incur to meet the increased demand for infrastructure resulting from growth in the District.

This policy also sets out the development contributions payable by developers, how and when they are to be calculated and paid, and a summary of the methodology and the rationale used in calculating the level of contribution required.

The purpose of this policy is to:

- a) Provide predictability and certainty to stakeholders in how infrastructure for growth is to be funded, and provide transparency of what is to be funded and what has already been delivered in anticipation of growth.

- b) Support and facilitate the wider outcomes of Council including those reflected in Council's District Plan.
- c) Provide for those involved in development to make fair payments to Council to reflect the expected demand their developments will have on Council infrastructure and the expected benefits residents and businesses occupying these developments will derive from Council infrastructure.
- d) Present this policy simply and clearly to enable a greater understanding and awareness of what Council intends to fund and how this applies to a particular development.
- e) Set contribution charges at levels that help achieve the scale, type, quality and location of development that the District Plan aspires to.

Contributions will be required for capital expenditure on a relatively small number of Council activities that are seen as strongly connected to new development.

Contribution amounts are set out clearly and unambiguously in this policy, assisting those undertaking development to assess the financial viability of their projects early in their process.

There is the opportunity for contributions to be payable later in the development cycle for some developments to take account of the funding realities facing developers. Council has retained the statutory enforcement powers set out in the legislation to offset the risks of non-payment.

Capital expenditure projects will be transparent and details accessible for those wishing to understand the infrastructure Council is planning to provide for growth.

## **POLICY BACKGROUND**

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1. Council's first development contribution policy (DCP) was adopted in June 2006, when Council decided to principally fund the growth related costs of development via development contributions (DCs) under the LGA, rather than relying solely on financial contributions (FCs) under the Resource Management Act 1991 (RMA).
2. The DCP was subsequently revised during each Long Term Plan cycle in 2009, 2012, 2015, 2018 and now in 2021.
3. There is a need for Council to deliver infrastructure to accommodate growth and a need for this to be funded appropriately. Council has therefore determined that growth should generally pay for the cost of growth. This is considered to achieve financial equity between existing ratepayers and those undertaking development.

4. In terms of this policy in addition to Council, the key stakeholders are developers and ratepayers.
5. Additional commentary on these stakeholders is included in the paper: '*Methodology for the development contribution policy 2020 (incorporating a review and analysis of options)*'<sup>84</sup> ('the methodology and options paper').
6. Further information supporting the DCP is contained within the DCs model, and the methodology and options paper, which are both available from Council on request.

## DEFINITIONS

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The following definitions are used throughout this policy:

**Table 117: Definitions**

Term	Definition
Activity	A grouping of Council functions required for development contributions.
Allotment	Has the same meaning as defined in section 218 of the Resource Management Act 1991.
Asset manager	Means an officer of Council involved in the management of Council infrastructure.
Authorised officer	Means an officer authorised in accordance with Council's Delegations Register to carry out functions under this policy.
Brownfield development	A non-residential development occurring in an existing town or village and not in an identified growth cell
Catchment or funding area	A geographical area used to accumulate the cost of activities and define a part of Waipa District for development contribution purposes. This includes any future development which extends the area served by a catchment.

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<sup>84</sup> Refer to Appendix 1: Documents referenced in this Policy

Term	Definition
Commercial accommodation	Any accommodation units other than dwelling units, such as hotels, motels, holiday flats, which are offered at a tariff, on a per-unit basis and student accommodation where this is located on the grounds of an educational institution.
Commercial	A non-residential development providing for activities that are conducted in an office setting and that generally focus on business, government, professional, or financial services; and includes the personal service elements of these activities that are offered to consumers or clients.
Community facilities	Has the same meaning as defined in section 197 of the Local Government Act 2002.
Community infrastructure	Has the same meaning as defined in section 197 of the Local Government Act 2002.
Council	Waipa District Council.
Developer	Means a developer who undertakes development, and means a person for the purposes of sections 199A to 199E of the Local Government Act 2002.
Development	Has the same meaning as defined in section 197 of the Local Government Act 2002.
'Development agreement' or 'DA'	Has the same meaning as defined in section 197 of the Local Government Act 2002.
Development contributions commissioner	Has the same meaning as defined in section 197 of the Local Government Act 2002.
Development contribution objection	Has the same meaning as defined in section 197 of the Local Government Act 2002.
District Plan	Means the Waipa District Plan – Decisions Version, or any subsequent operative version of the Plan.
District-wide catchment	Means the entire District.
Dwelling [or dwelling unit]	<p>A building or part of a building capable of being used as an independent residence and includes dwelling apartments, semi-detached or detached houses, units, town houses, granny flats (or similar), and caravans (where used as a place of residence or occupied for a period of time exceeding six months in a calendar year).</p> <p>For the avoidance of doubt the following shall also apply:</p> <ul style="list-style-type: none"> <li>▪ Any dwelling which has two separate kitchen facilities of any nature, shall be deemed to be two household units regardless of the configuration of the dwelling.</li> <li>▪ A 'sleepout' is considered to be any building or part of a building which is 35m<sup>2</sup> or less (excluding garaging), anything in addition to this will be considered to be a household unit/minor household unit.</li> </ul> <p>But does not include any unit of commercial accommodation.</p>



Term	Definition
Funded growth cell	Means a catchment or part thereof that Council has resolved to fund or part fund through its Long Term Plan.
GFA	Gross floor area (including mezzanine floors). However, for the purpose of calculating impervious surface areas for non-residential developments, GFA means the footprint of all impermeable surfaces of the site, so excluding 2 <sup>nd</sup> floors and mezzanine floors.
Greenfield development	A non-residential development occurring in an identified growth cell and not in an existing town or village.
Household equivalent unit [or HEU]	A unit of demand representing one average household.
Impervious surface area [or ISA]	The area of any site which is not capable of absorbing rainwater.
LGA	Local Government Act 2002
LTP	Long Term Plan (for 2021-2031)
Minor dwelling unit	A household unit not exceeding 70m <sup>2</sup> in Gross Floor Area (GFA), provided that attached garaging and open deck areas are not included in the 70m <sup>2</sup> GFA calculation.
Network infrastructure	Has the same meaning as defined in section 197 of the Local Government Act 2002.
Non-residential development	Means any development that is a commercial, industrial or retail development.
Residential development	Means any subdivision, building, land use or work, but excludes non-residential development.
Retirement unit	Any dwelling unit in a retirement village subject to the Retirement Villages Act 2003. For the avoidance of doubt, this does not include aged care rooms in a hospital (or similar) building/s.
Retirement village	Has the meaning in section 6 of the Retirement Villages Act 2003.
RMA	Resource Management Act 1991
Service connection	Has the same meaning as defined in section 197 of the Local Government Act 2002.

## POLICY DETAILS

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This is a policy of Council adopted under section 102(1) and required by section 102(2)(d) of the LGA. This section of the policy describes the considerations of Council in making this policy and covers all matters required to be included in a policy on development contributions by section 106 of the LGA.

## **Use of development contributions or financial contributions**

Council considered the options available to it for funding the capital expenditure it is planning to incur as a result of, or in anticipation, of growth in Waipa. Council considered the purposes of and reasons for development and financial contributions and other funding sources and determined that:

- a) Development and financial contributions are the primary sources available to it for funding growth related infrastructure under current legislation.
- b) Development contributions should be used as the main funding tool for growth related infrastructure provided by Council.

This does not preclude Council from using and investigating other funding sources as appropriate.

This policy is distinct from, and in addition to, section 18 of the District Plan that provides Council with discretion to require financial contributions under the RMA.

Where a development results in Council incurring capital expenditure that is not covered by this policy, Council may impose a financial contribution as a condition/s of resource consent in accordance with the requirements of the District Plan, and Council's powers under the RMA.

## **Significant assumptions**

Section 201(1)(b) of the LGA requires this policy to set out the significant assumptions underlying the calculation of the schedule to the development contributions policy, including an estimate of the potential effects if there is a significant level of uncertainty as to the scope and nature of the effects.

Table below sets out a summary of the significant assumptions underlying this policy. Further detail on specific assumptions relating to growth are included in clauses 8 to 21 below.

**Table 118: Significant assumptions**

Significant assumption	Estimate of potential effects	Level of uncertainty
<p>The rate, level, location and type of residential growth will occur as is forecast by the National Institute of Demographic and Economic Analysis (NIDEA) report '2016 update (2020 update of population and family and household projections for Waipa District 2013-2063) of area unit population, household and Labour Force Projections for the Waikato Region for the period 2013-2061.</p> <p>The growth forecasts are based on a medium population and household growth scenario.</p> <p>The rate, level, location and type of non-residential growth will occur as is forecast in the <i>Waipa District Business Land Study (May 2017)</i> prepared by Property Economics (and informed by council staff with their local and latest information).</p> <p>Growth can be influenced by a wide range of factors including: changes in demographics, changes in social and economic conditions, the performance of the economy and the effect of local, national and international forces.</p>	<p>If development is lower than that forecast by the growth reports, the amount of revenue generated through this policy will be reduced.</p> <p>Council may need to review the growth forecasts to reflect a longer take up period than anticipated. This will affect the ability of Council to fund growth related infrastructure, which itself may need to be deferred.</p> <p>As a result Council needs to be flexible with the timing of works and be able to quickly react to changes in the market or to non-active as well as active developers.</p> <p>This uncertainty is further heightened by COVID- 19 and its impacts.</p>	<p>Significant</p>
<p>The proportion of capital expenditure projects for growth is based on the best available information and aligned with both the forecast growth, the District Plan and active developers.</p>	<p>There is the potential for capital expenditure projects to alter over time. This can be as a result of changes in demand by developers – either faster or slower, or a significant industrial/commercial demand for infrastructure.</p> <p>Where significant changes occur to capital expenditure projects through an annual plan, it may be appropriate for Council to determine whether to revise the schedule of charges within this policy.</p> <p>Provision of growth infrastructure in a period of low or uncertain growth can create a cost risk on the existing rating base as growth is not arriving to share the increased cost.</p>	<p>Significant</p>
<p>No significant changes to service standards planned by council other than those planned within asset management plans, although the government’s recently announced water reforms will certainly</p>	<p>Changes to service standards will affect both the level of on-site works required by those undertaking development and the scale and type of infrastructure provided by Council.</p>	<p>High</p>

Significant assumption	Estimate of potential effects	Level of uncertainty
change the landscape. The details on how growth funding will work is unclear at this time.	If significant changes occur Council will need to reassess the effect on capital expenditure projects and determine the materiality of change to the schedule of charges within this policy.	
The cost of growth incorporated in the contributions charge is calculated net of all third party income. This policy assumes that the level of third party funding will not change over the life of the Long Term Plan, and the eligibility criteria will remain the same.	If the level of third party funding is reduced, Council will have understated the cost to be recovered through this policy. If the level of third party funding is increased, Council will have overstated the cost to be recovered through this policy.  In either case Council will be at liberty to assess the materiality of the difference and determine whether to revise the schedule of charges within this policy and provide for a lower or higher expectation of third party income.	Low
Developments will in general exhibit common demand characteristics that enable Council to consider them as part of a simple overall classification of development types.	All residential development will be attributed with the average demand as set out in this policy.  Developments individually may create a lower or higher demand on infrastructure than the average demand for their development type.  Development overall and in time, will create the demand levels required to recover the cost of infrastructure for growth.	Medium
Developers are only required to pay development contributions on additional development that is the subject of a consent application. Any existing lawfully established allotments or land uses on the development site are assumed to have either: <ul style="list-style-type: none"> <li>▪ paid development or financial contributions under relevant legislation at the time; and/or</li> <li>▪ have been exempt from paying contributions.</li> </ul>	The assumption that lawfully established allotments are deemed to have paid for development contributions requires all new developments to pay for one unit of demand (HEU) at the point of consent being issued.  In addition, this would result in Council recovering less development contributions than originally anticipated.	Low

## Residential growth assumptions

All planned growth projects in this policy are in the Long Term Plan.

A report on population and dwelling projections was produced by the National Institute of Demographic and Economic Analysis (NIDEA) as background to this policy. The population projections included high, medium and low variants. For the purposes of this policy, the medium variant for both population and household projections was considered appropriate, subject to some modification to account for the current economic climate. The modification to the growth projections does not alter the total growth expected, just its timing over the next ten years. Council considers this a prudent and realistic basis for decision-making related to growth.

The household occupancy has been calculated as 2.58 persons per household.

For the purposes of assessing growth, Council has used the traffic demand modelling set out in the report by Gray Matter 'Growth Component of Transportation Projects', dated August 2014, with updates from Waipa staff generated when preparing Business Cases for the Long Term Plan.

Refer to the methodology and options paper for further information on the residential growth assumptions.

## **Non-residential growth assumptions**

The non-residential growth assumptions are based on the *Waipa District Business Land Study* (May 2017) prepared by Property Economics with input from Council.

There are greenfield non-residential land areas planned for Hautapu west and east, plus Bond Road. These areas are in addition to the land already zoned but in the case of Hautapu, will now be fully serviced. Waikato Regional Airport Ltd (WRAL) is in process of planning to develop more industrial land around the airport as it has sold most of its existing stock. This new growth cell is planned to have a private wastewater system but public water supply. The water supply is via a Development Agreement with WRAL and so water supply and wastewater DCs are not charged. An increase in non-residential HEUs has been assumed in asset management planning and development contribution fee setting on the basis of an additional equivalent of 1,256 HEUs over the ten-year period 2021-2031.

Refer to the methodology and options paper for further information on the non-residential growth assumptions.

## **Growth HEUs by activities (asset class)**

Growth HEUs by asset class have been calculated on a District-wide basis and for specific catchments, and are based on projections prepared by the National Institute of Demographic and Economic Analysis (NIDEA) at the University of Waikato<sup>85</sup>. The forecast for the District population is for around 64,200 by 2031 at the medium projection.

The population projections were converted to households in the same manner as previously undertaken by NIDEA. For further information on growth HEUs by catchment and asset class, refer to the DC model.

Water, wastewater and stormwater catchment data have been based on Council asset managers demand estimates, using the population projections and predictions of development that will connect to water, wastewater and stormwater networks.

Growth HEUs in several catchments are based on planning estimates of specific growth potential in these catchments that may not follow general population growth projections. These specific estimates are used to inform asset specification such as Cambridge North, Cambridge West, Picquet Hill and T1 growth cell in Te Awamutu.

Further information on assumptions for growth projects are contained with the methodology and options paper.

## **Historic capital expenditure**

Historic capital expenditure has been recognised where there is a direct link to a capacity upgrade that has or will enable services to be provided for growth, and therefore costs should be recovered from developers.

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<sup>85</sup> Refer to Appendix 1: Documents referenced in this policy.

Historic capital expenditure includes expenditure that has been made prior to the next Long Term Plan, and where projects will require further expenditure for completion during the 2021-2031 timeframe (i.e. partially completed projects).

Council does not include the cost of capital in its methodology for the cost of the completed projects.

Further information on historical capital expenditure is available in the methodology and options paper. Information on the historical capital expenditure projects is contained within the DC model, or within the relevant project business cases (available on request).

## **Interest and GST**

All costs from projects in the Long Term Plan used in this policy are based on current estimates of infrastructure construction prices in 2020 dollar terms and then inflated using the inflation rates as per the Long Term Plan. Fees set in the 2021 DCP will change over the period of the Long Term Plan to reflect inflation, based on BERL inflation rates.

No compensation for Council taking the risk of building infrastructure in advance of demand, is included in growth cost calculations, and interest is added to the Development Contribution loans.

All capital expenditure noted in this policy is exclusive of GST. However the development contribution fee summary in Table 119 is inclusive of GST.

## **Transitional provisions**

The development contribution amounts applying to a development will depend on the date on which the consent or service connection application was lodged and the date on which it was granted.

Applications lodged prior to 30 June 2021 but not granted (or issued in terms of the Building Act 2004) by 30 June 2021 will be assessed under the development contribution policy that requires the lowest overall development contribution charge (i.e. either the 2018 DCP or the 2021 DCP).

Applications lodged and granted (with existing assessed development contribution notices) prior to 30 June 2021 will also be assessed under the development contribution policy that requires the lowest overall development contribution charge (i.e. either the 2018 DCP or the 2021 DCP).

For the avoidance of doubt, if a development contribution notice has been issued, the HEUs per activity will remain as per the original assessment. Upon payment of the required development contribution, the activity catchment rates will be applied to the already assessed HEUs. This does not apply to activities that have increased their demand, which will be subject to a new assessment.

Applications lodged on or after 1 July 2021 will be assessed under this policy, or any later version of this policy (as specified in that later policy).

### **Adoption and amendment of this policy**

This policy is expected to be adopted in June 2021, take effect on 1 July 2021 and will remain in effect until 30 June 2024. This policy may be reviewed and amended earlier in accordance with the requirements of the LGA, including reviewing only the annual adjustments to the development contributions rates.

### **Development contribution fee summary**

The following table sets out the development contribution fee summary per catchment, per HEU for 2021/22.



**Table 119: Development contribution fee summary per HEU by catchment (all costs include GST) (updated 1 July 2021)**

<b>Funding Areas</b>	<b>Roading</b>	<b>Stormwater</b>	<b>Water</b>	<b>Wastewater</b>	<b>Community Infrastructure</b>	<b>Reserves</b>	<b>Total</b>
Bond Rd	\$75	\$7,406	\$18,566	\$7,794	\$0	\$0	<b>\$33,841</b>
C1	\$23,558	\$26,156	\$5,365	\$7,440	\$145	\$5,781	<b>\$68,445</b>
C2	\$19,455	\$26,156	\$3,841	\$6,855	\$145	\$5,781	<b>\$62,233</b>
C3	\$19,535	\$26,156	\$3,841	\$6,855	\$145	\$5,781	<b>\$62,313</b>
C4	\$5,371	\$0	\$2,116	\$3,869	\$145	\$788	<b>\$12,289</b>
C6	\$5,462	\$0	\$2,116	\$0	\$145	\$788	<b>\$8,511</b>
Cambridge / Karāpiro	\$5,371	\$0	\$2,116	\$3,869	\$145	\$788	<b>\$12,289</b>
Cambridge North	\$5,233	\$31,547	\$4,320	\$10,613	\$671	\$4,251	<b>\$56,635</b>
Hautapu	\$16,318	\$30,503	\$6,667	\$11,155	\$0	\$3,228	<b>\$67,871</b>
Kihikihi	\$11,897	\$6,867	\$277	\$7,802	\$145	\$33	<b>\$27,021</b>
Ngāhinapōuri	\$8,999	\$0	\$0	\$0	\$145	\$33	<b>\$9,177</b>
Picquet Hill	\$19,213	\$43	\$8,312	\$13,268	\$145	\$459	<b>\$41,440</b>
Pirongia	\$44	\$0	\$7,431	\$0	\$145	\$33	<b>\$7,653</b>
Pukerimu	\$0	\$0	\$3,229	\$0	\$145	\$33	<b>\$3,407</b>
Rural	\$44	\$0	\$0	\$0	\$145	\$33	<b>\$223</b>
T1	\$1,870	\$0	\$8,003	\$8,138	\$145	\$4,093	<b>\$22,249</b>
T2	\$1,870	\$0	\$8,003	\$8,138	\$145	\$4,093	<b>\$22,249</b>
T3	\$82	\$2,205	\$11,848	\$7,802	\$145	\$459	<b>\$22,541</b>

Funding Areas	Roading	Stormwater	Water	Wastewater	Community Infrastructure	Reserves	Total
T6	\$375	\$0	\$7,431	\$0	\$145	\$459	<b>\$8,410</b>
T7	\$44	\$0	\$7,431	\$7,802	\$145	\$459	<b>\$15,881</b>
T8	\$82	\$0	\$7,431	\$7,802	\$145	\$459	<b>\$15,919</b>
Te Awamutu	\$82	\$0	\$7,431	\$7,802	\$145	\$459	<b>\$15,919</b>

**Note** SW for C1, C2 and C3 are treated as one catchment.

## Calculation of schedule to development contribution policy

Section 201(1) of the LGA requires this policy to include, in summary form, an explanation of, and justification for, the way each development contribution in the schedule to this policy<sup>86</sup> (Table 119 above) is calculated. This is explained in the following paragraphs.

In accordance with section 106(3) of the LGA, the full methodology, including the DC model, the methodology and options paper, and the project plans for each activity are available for public inspection on request.

Calculation of the development contribution amounts (if any) payable for any project or programme line in the model have been calculated in accordance with the methodology set out in schedule 13 of the LGA, by using the following process:

**Table 120: Summary of LGA process steps**

Step	Explanation	LGA Reference
1	<p><b>Define catchments.</b></p> <p>For network based services, a catchment is the area served by the network.</p> <p>Funded growth cells located within a catchment are deemed sub-catchments of the respective catchment.</p> <p>For community infrastructure and reserves the catchment is the Waipa District, although there some specific catchments with their own community infrastructure and reserves as well.</p>	LGA Schedule 13(1)(a) Section 197AB(g)

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<sup>86</sup> As per section 202 of the LGA.

Step	Explanation	LGA Reference
2	<p><b>Identify ten year capital expenditure resulting from growth.</b></p> <p>Capital expenditure already incurred in anticipation of growth, net of any previous third party contributions.</p> <p>The proportion of total planned costs of capital expenditure for network and community infrastructure and parks and reserves from the Long Term Plan resulting from growth.</p> <p>Growth costs (capacity increase to cater for new entrants) can be funded in full or in part by using development contributions. This is one of three components of the total ten year capital costs budgeted in the Long Term Plan, the other two components being level of service improvements and renewals. These other two costs are met from funding sources other than development contributions.</p> <p>Justification for the level of growth capital expenditure is supported by financial management funding considerations and show significant assumptions and impacts of uncertainty.</p>	LGA Schedule 13(1)(b)
3	<p><b>Identify the percentage of growth related ten year capital expenditure to be funded by development contributions.</b></p> <p>100% of the growth related capital expenditure will be funded by development contributions because:</p> <ul style="list-style-type: none"> <li>▪ It directly relates to the planned capital expenditure set out in the Long Term Plan and detailed in Council’s asset management plans; and</li> <li>▪ The capital expenditure identified for growth can be reasonably identified.</li> </ul> <p>Council has decided that capital and associated interest will be developer funded so growth generally pays for growth.</p>	LGA 106(2)(b)
4	<p><b>Identify the appropriate units of demand.</b></p> <p>The selected unit of demand is the HEU calculated as follows:</p> <p>For residential development, fees per HEU will be applied uniformly for each lot regardless of size for reasons of administrative simplicity; and for any additional dwelling on any lot (subject to specific considerations for minor household units and retirement units, refer to assessment section below).</p> <p>For non-residential development, development contributions are assessed once defined ‘trigger levels’ are met for brownfield developments. The actual demand assessed is then converted into HEUs based on the expected demand placed on network infrastructure. The assessment is based on vehicle movements per day for roading and transport, m<sup>3</sup> use for water and wastewater, and impervious surface areas (ISA) for stormwater (which is assessed on additional ISA per m<sup>2</sup>).</p> <p>In all cases, a special assessment is required.</p>	LGA Schedule 13(1)(b)
5	<p><b>Identify the designed capacity (in units of demand) provided for growth.</b></p> <p>The designed capacity may vary between different types of infrastructure. In some cases it may be considered economically prudent to provide growth capacity considerably beyond current ten year expectations of growth.</p>	LGA Schedule 13(1)(b) and (2)

Step	Explanation	LGA Reference
	Costs are applied to usable growth capacity to be provided. Projected growth in HEUs over the ten year period of the Long Term Plan will be relevant to Council's budgeting of revenue but not to the calculation of the development contribution per HEU.	
6	<p><b>Allocate the costs to each unit of demand for growth.</b></p> <p>The development contribution charge per HEU is calculated by dividing the total capital expenditure resulting from growth (step two) by the usable units of demand for growth (step five).</p>	LGA Schedule 13(1)(b)
7	<p><b>Prepare schedule of fees.</b></p> <p>A detailed schedule has been prepared as part of this policy that enables the development contributions to be calculated by infrastructure type and catchment.</p> <p>This policy will be supported by the significant assumptions made to determine the development contributions payable and their impacts, contribution and conditions and criteria for remission, postponement or refund, the valuation basis for assessment of maximum reserves and catchment maps.</p>	LGA 201(2) LGA 201(1)(a) LGA 201(1)(b), (c) and (d)

## DEVELOPMENT CONTRIBUTION ASSESSMENTS

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### Test for development contributions/when development contributions are required

Under section 198 of the LGA, Council may require a development contribution to be made when:

- a) A resource consent is granted under the RMA for a development.
- b) A building consent is granted under the Building Act 2004 for building work.
- c) An authorisation for a service connection is granted.

However, development contributions can only be required where a development as defined by section 197 of the LGA is to occur. Section 197 (1) of the LGA defines development as follows:

- a) any subdivision, building (as defined in section 8 of the Building Act 2004), land use, or work that generates a demand for reserves, network infrastructure, or community infrastructure; but
- b) does not include the pipes or lines of a network utility operator."

On receiving an application for resource consent (subdivision or land use consent), building consent or service connection, Council will first:

- a) Test that the application represents a development under section 197;
- b) Determine whether alone or in combination with other developments the application under consideration will have the effect of requiring new or additional assets or assets of increased capacity and, as a consequence, Council will incur capital expenditure to provide appropriately for this; and
- c) Ensure that any development contribution that may be required is provided for in this policy.

If Council is satisfied that the application meets the legal requirements above, it will assess contributions following the process set out in this development contribution assessment section.

Where a resource consent or building consent is required, but does not generate additional demand for reserves or infrastructure (such as a minor boundary adjustment), no development contribution will be required.

For the avoidance of doubt, this policy also enables Council to require a development contribution that is used to pay, in full or in part, for capital expenditure already incurred by Council in anticipation of development.

## **Catchments/funding areas**

Development contributions will be required from development across the whole of the Waipa District using geographic demand catchments. Development occurring within each catchment/area will be required to pay contributions applicable in that catchment.

Any development which connects into a catchment from outside that catchment will be required to pay the applicable catchment rate for the activity connected to.

The catchments are identified in the schedule to the development contributions policy (i.e. the development contribution fee summary per HEU in Table 119), and on the maps in Appendix 2: Development contribution catchment maps.

For the avoidance of doubt, any area in the Waipa District which is not specifically shown to be within a catchment on the catchment maps shall be deemed to be in the rural catchment unless it is provided with services similar to an adjacent catchment in which case it will be deemed to be the same as for the adjacent catchment.

Refer to the methodology and options paper for further information on how the catchments have been determined.

## **How do I assess what development contributions I have to pay?**

The following table explains how to undertake an assessment of what development contributions you may have to pay for a development.

**Table 121: Undertaking an assessment of development contributions**

Step		What to do	Where do I find it?
1	Identify catchment.	Go to the development contribution catchment maps and identify where the property subject to the development is located.  The catchment your property is located within, is the catchment fees that will be applied to your development.	<u>Appendix 2</u> of this policy.  The development contribution catchment maps are also located on Council's online maps programme 'maps online' module 'Environment'.  Go to <a href="http://www.waipadc.govt.nz">www.waipadc.govt.nz</a>
2	Calculation of units of demand household equivalent units (HEUs) your development will generate.	Go to the sections of this policy identified below, and in the adjoining column and identify the number of HEUs your development will generate.  For subdivisions, the unit of demand = 1 HEU per additional lot created.  For proposals to erect additional dwelling/s on your property, the unit of demand is dependent on the size of your proposed dwelling, please refer to Part 5 clauses 15, and 20-23 for further information.  For non-residential developments refer to Table 123 for the threshold levels which trigger an assessment.	Part 5 Clauses 11-27  Also note the definition of "household unit" (dwelling), and "minor household unit".
3	Calculation of credits.	In some circumstances a credit will apply to the site you are developing on.  Calculate the number of credits (if any) that apply to your development, and deduct the credits from the number of HEUs identified under step 2.	Part 6 Clauses 14-23
4	Identification of development contribution payable per HEU	Go to the schedule of development contribution fees and identify the catchment your development relates to. The total amount payable per HEU is shown per activity, per catchment.	Refer to Table 119.
5	Calculate total development contribution payable.	Multiply the numbers of HEUs (less any credits in step 3) by the development contribution fee per HEU identified in step 4. This is the total development contribution payable for the development.	



## **Assessment of development contributions**

### **General information applicable to all developments**

Development contributions will be required and will be subject to an assessment on all applications for building consent, land use (resource) consent, subdivision (resource) consent and service connection.

Development contributions will be calculated on a development's first application for consent or service connection authorisation, and re-calculated on any subsequent application in relation to the same development.

Development contributions will not be payable for normal residential extensions or alterations to existing dwellings, unless these create an additional household unit (including the addition of a kitchen), or alter a feature that was used to claim an earlier reduction in development contribution fees payable.

A reassessment may be made on each and every event described in clauses 10 and 12 of this policy; or in accordance with section 106(2C) of the LGA, which enables Council to amend the development contributions.

The development contribution fee summary per HEU by catchment is contained in table 119 of this policy.

The definitions are contained in table 117 of this policy.

The unit of demand used for each activity is the Household Equivalent Unit (HEU). An HEU represents one household unit, as demonstrated for each activity by the following table:

**Table 122: Units of demand per activity per HEU**

Activity	Units	Demand/HEU	Comments
Roading & transport	Vehicle movements/day	10 <i>(1 vehicle visiting =2 vehicle movements)</i>	Assumes all light vehicles.
Water supply	Litres/dwelling/day	622 litres	241 litres/person/day @2.58 persons/dwelling.
Wastewater	Litres/dwelling/day	435 litres	70% of 241 litres per day supplied multiplied by 2.58 persons/dwelling.
Stormwater	ISA (m <sup>2</sup> )	390	60% impervious area (assumes 390m <sup>2</sup> of impervious area from an average 650m <sup>2</sup> residential allotment).
Parks and reserves	Dwelling	1-	Assuming 2.58 people
Community infrastructure	Dwelling -	1-	Assuming 2.58 people

## Residential developments

Residential developments will be assessed on the number of additional HEUs created by development, on the basis of anticipated demand. For the avoidance of doubt, residential development includes residential subdivisions.

A minor dwelling unit shall be assessed at 0.5 of an HEU per additional household unit created by the development.

Where a minor dwelling unit is erected first on a site, and a subsequent dwelling is erected on the same site, the new dwelling will be required to pay an additional 0.5 HEU.

Retirement units in a retirement village registered under the Rating Valuation Act 2003 will be assessed at 0.5 of an HEU per retirement unit.

## Non-residential developments

Non-residential developments will be assessed on the basis of additional HEUs created, and will not pay a development contribution for community infrastructure or parks and reserves, except for where these facilities are specifically provided in the defined catchments of C8/C9/C10 (Hautapu).

Non-residential subdivisions will pay 1 HEU per additional lot, excluding community infrastructure and parks and reserves, subject to clause 24 above.

A development contribution for a non-residential development (excluding non-residential subdivisions, which are subject to clause 25 above) will only be assessed and required when any one or more of the thresholds in the following table are met. If the threshold is met for any one activity, then development contributions will be calculated for all activities.

The threshold in Table 123 below will only apply if the non-residential development is a brownfield site, and not a greenfield development.

**Table 123: Non-residential thresholds**

Activity	Threshold
Roading & transport	<p>The development will generate <math>\geq 100</math> vehicle movements per day attributable to growth (VMPD), except traffic that has already been assessed for residential development within the catchment.</p> <p><i>Notes:</i></p> <p>(a) 1 vehicle visiting = 2 vehicle movements.</p> <p>(b) 10 heavy vehicles = 100 VMPD.</p> <p>(c) 'Heavy vehicle' means a motor vehicle that has a gross vehicle mass (GVM) exceeding 3500 kilograms.</p> <p>(d) Any subsequent expansion or redevelopment that increases the VMPD will be re-assessed.</p>

Activity	Threshold
Water supply	<p>The development (or expansion/redevelopment) requires a water connection from the water main into the development greater than 20mm diameter. The assessment will be calculated by analysing the water use of similar developments as well as any information supplied by the developer.</p> <p><i>Note: Where a water connection greater than 20mm diameter is required solely for firefighting purposes this will not trigger an assessment.</i></p>
Wastewater	<p>The development (or expansion/redevelopment) requires a water connection from the water main into the development greater than 20mm diameter. The assessment will be calculated by analysis of the water supply use.</p>
Stormwater	<p>The development (or expansion/redevelopment) increases the impervious surface area (ISA) on a site and there is an increase in stormwater flow off the site in a 2% Annual Exceedance Probability (AED) event. The assessment will be calculated using a factor of 0.35 HEUs per 100m<sup>2</sup> impervious surface area only.</p>

## ADMINISTRATION OF POLICY

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### Special assessments

Where Council considers the level of demand for any development (residential or non-residential) is:

- unknown; and/or
- of relatively large scale; and/or
- clearly has a significantly greater or lower impact than is envisaged in the averaging implicit in this policy,

Council will undertake a 'special assessment' of the units of demand.

Council may require the developer to provide additional information in relation to the development to inform the special assessment process.

Subject to the requirements of clause 2 above, developers may elect, at their own cost, to submit a special assessment for consideration by Council.

For development in a funded growth cell, Council may undertake a special assessment of the units of demand. The special assessment is to ensure that development in funded growth cells proceed in line with the demand assumptions on which the design capacity of the infrastructure is based, or if not, Council is reimbursed for capital expenditure incurred on the basis of those demand assumptions. The demand assumptions are based on a yield of 12 lots per hectare of gross land area<sup>87</sup>. Developers in growth cells may also elect, at their own cost, to submit a special assessment for consideration by Council.

### Exempt and partially exempt developments - Council developments

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<sup>87</sup> Also refer to the section on development agreements.

Council is exempt from paying any development contributions on any development that itself is a capital expenditure for which development contributions are required (e.g. if Council is developing a park, it will not pay a community infrastructure contribution, but it will be required to pay water, wastewater, and other contributions). This avoids the possibility of collecting contributions for one activity to pay for contributions for another activity.

## **Exempt developments - Crown developments**

The Crown is exempt from the provisions of this policy by virtue of section 8 of the LGA.

If a developer considers that it is the Crown for the purposes of avoiding liability to pay a development contribution, Council may require the developer to provide written evidence outlining the basis on which the developer considers that it is the Crown.

## **Cross boundary issues**

In some cases, developments may fall within more than one catchment or cross district council boundaries. The total units of demand will be assessed separately for each catchment. The development contribution will then be calculated using the appropriate development contribution per unit of demand for each development contribution area. The total development contribution is the sum of the development contribution for each area.

Where the development crosses district council boundaries, Council will only assess the development for that part of the development that is within the Waipa District.

## **Timing of assessments**

Council has the power to require a development contribution to be made under Section 198 of the LGA when:

- A resource consent is granted under the Resource Management Act 1991;
- A building consent is uplifted under the Building Act 2004;

- An authorisation for a service connection is granted.

## Payment and enforcement powers

Subject to clause\_below, of this policy, except as otherwise provided in any signed development agreement; a developer must pay the development contribution within 12 months of the date of each assessment and, if not paid within 12 months of the date of the assessment, Council may at its discretion, review the assessment, including any adjustment in accordance with the latest fees.

The development contribution must be paid as follows:

- Subdivision consent: Prior to the issue of Section 224(c) certificate;
- Landuse consent: Prior to the commencement of the consent;
- Building consent: Prior to the uplifting of the Building Consent;
- Service connection: Prior to connection.

If payment of development contribution is not received, Council will exercise its powers outlined in Section 208 of the LGA. Those provisions state that until a development contribution required in relation to a development has been paid or made under section 198 of the LGA, Council may:

- a) In the case of a subdivision consent, withhold the section 224(c) certificate;
- b) In the case of any other resource consent, prevent the commencement of the resource consent;
- c) In the case of a building consent, withhold the Code of Compliance Certificate;
- d) In the case of a service connection, withhold the service connection; and
- e) In each case, register the outstanding development contribution as a charge on the subject land under the Statutory Charges Registration Act 1928
- f) Kainga Ora- Homes and Communities may, as appropriate and by agreement with Council, exercise the powers under this clause to set and collect DC's on developments they are involved in.

## Credits

Credits towards the development contribution assessment include both 'historical credits' and 'actual credits' for each relevant activity. Credits are expressed in units of demand and may be used to reduce the number of units of demand created by a development.

Credits can only be used for developments on the same site and for the same activity. Provided that roading and transport, water and wastewater credits for non-residential developments may be transferred between sites within the same catchment only where the trigger thresholds in Table 123 are exceeded.

Actual credits are used where development contributions or financial contributions for a particular property have previously been paid at any time in relation to the same site, and for the same activity. Historical credits are used where the current development of the site does not result in an increase in the units of demand having regard to the prior use of the site.

Credits cannot be used to reduce the number of units of demand to less than zero.

Existing greenfield vacant allotments are considered to have an historical credit of one HEU per allotment.

For the avoidance of doubt, historical credits will only be applied in relation to a parcel of land contained in one certificate of title, regardless of the number of allotments included in a certificate of title.

For brownfield residential developments, historical credits will generally only apply where a household unit was removed less than five years before the new consent application, or service connection was lodged.

For non-residential developments, historical credits will apply as follows:

- a) Non-residential historical credits shall be granted for stormwater on the basis of the gross floor area of the existing development, and for other activities on the actual demand of the specific use (e.g. m<sup>3</sup> per day for water use); and



- b) For existing non-residential buildings that are extended or demolished and re-built to the same or higher intensity, the assessment of credits will be based only on the existing development prior to rebuilding; and
- c) In the event a non-residential development is proposed on a vacant brownfield site Council will, for assessment purposes, consider the land uses that have taken place on the site prior to the proposed development; and
- d) Where a non-residential development is relocating to a new site within the same development contribution catchment, the development may transfer its credits to the new site. In these circumstances, a 1 HEU credit will be applied to the existing site that the non-residential development has vacated.
- e) Credits will not be granted for any infrastructure and/or services provided in excess of that required as a condition of any consents issued by Council.

For the avoidance of doubt, all assessments will be done on a 'before and after' development basis for each relevant activity at the time of consent application, or service connection, and will be undertaken on an incremental effects basis.

In order to be subject to a credit, the prior use of the site must have been lawfully established. It is the responsibility of the developer to provide sufficient proof to Council to establish this if required, such as a certificate of existing use pursuant to the RMA.

## Reconsideration of development contribution, REFUND, and POSTPONEMENT

### Right for reconsideration pursuant to sections 199A of the Local Government Act 2002

At the request of a developer required to make a development contribution, Council must reconsider the development contributions required.

The developer must make the request for reconsideration in writing within 10 working days after the date on which the developer lodging the request receives notice from Council of the level of development contribution that Council is proposing to require.

### How to apply for a reconsideration

The request can be lodged with Council in the following ways:

- a) by email to; DCenquiry@waipadc.govt.nz

*Note: The email heading should state: 'request for reconsideration of development contribution'. Please also include the consent application reference number, or the development contribution notice number.*

- b) by writing to Council at the following address:

Manager District Plan and Growth  
Private Bag 2402  
Te Awamutu 3840  
(or deliver to 101 Bank Street, Te Awamutu or 23 Wilson Street, Cambridge)

*Note: Please include the consent application reference number, or the development contribution notice number.*

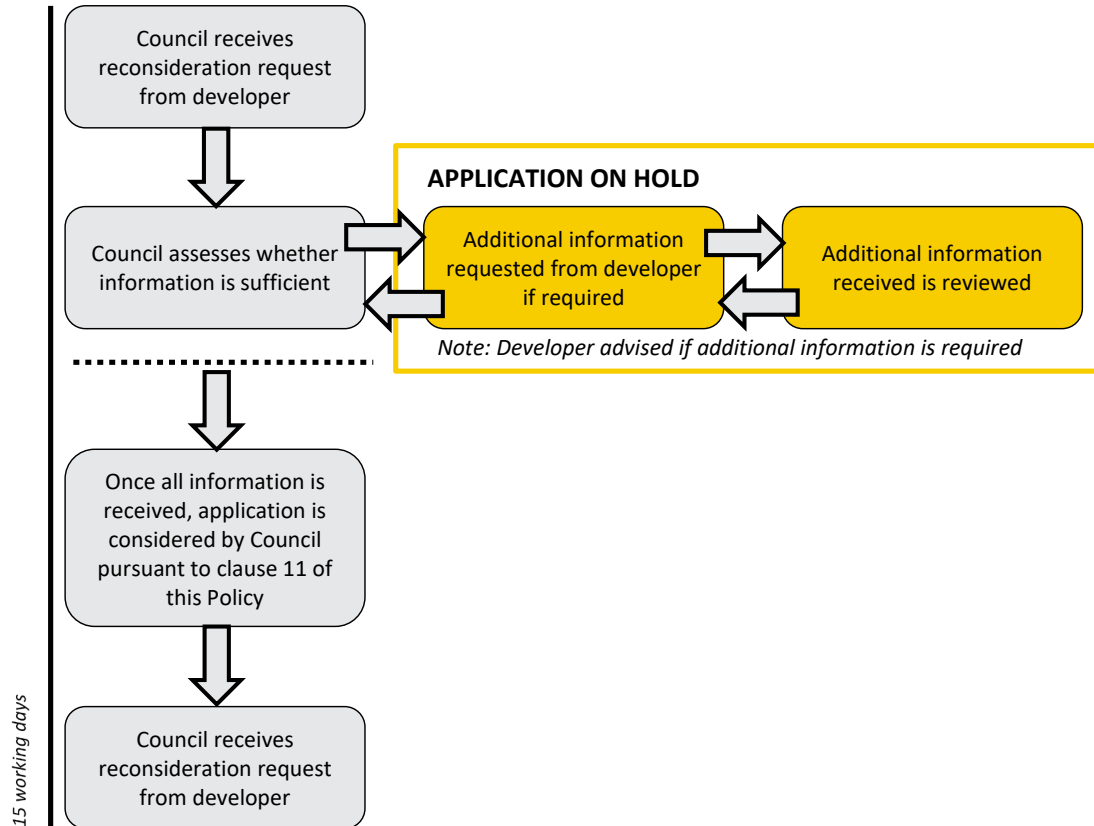
A developer may not apply for a reconsideration of a requirement if the developer has already lodged an objection under Section 199C and Schedule 13A of the Local Government Act 2002 (refer to clauses 10-13 for further information on this process).

A right of objection may be lodged rather than a request for reconsideration. Refer to clauses 10-13 for further information.

### **Reconsideration process**

The following diagram sets out the reconsideration process:

**Figure 1: Reconsideration process**



Within 15 working days after the date on which Council receives all required relevant information related to a request, Council must give written notice of the outcome of the reconsideration to the developer who made the request.

The developer who receives written notice from Council of the outcome of the reconsideration may lodge a development contribution objection within 15 working days of receiving the notice of the outcome.

*Note: The 15 working day period begins on the day after the date on which the developer received the notice of the outcome.*

### **Matters Council will consider in a reconsideration**

When considering a reconsideration request Council will take the following matters into account:

- a) Whether, based on the information received by the developer, the development contribution was incorrectly calculated or assessed under this policy, or Council incorrectly applied this policy; and
- b) The purpose of development contributions, and the development contribution principles, as set out in sections 197AA and 197AB of the Local Government Act 2002 respectively; and
- c) Council's financial modelling; and
- d) Council's Revenue and Financing Policy; and
- e) The extent to which the value and nature of the works proposed by the developer reduces the need for works proposed by Council in its capital works programme; and
- f) The level of existing development on the site; and
- g) Whether Council determines that the development contributions are manifestly excessive in relation to:-
  - the scale of the development;
  - the value of the development;
  - the viability of the development;
  - the impact of the development on infrastructure;
  - whether the development supports Council's wider objectives; and
  - any other matter Council considers to be relevant.

## **Objection to assessed amount of development contribution in accordance with Sections 199C and 199D of the Local Government Act 2002**

A developer may, on any grounds set out in section 199D of the Local Government Act 2002 (LGA), object to the assessed amount of the development contribution that Council has required advised in either:

- a) A notice given to the developer for that purpose by Council; or
- b) If notice has not been given, such other formal advice of the requirement that the territorial authority has given to the developer.

The objection must be made in writing by the developer serving notice of the objection on Council within 15 working days after the date on which the developer received notice from Council of the level of development contribution that Council has required; or in accordance with clause 8.

The objection must set out the grounds and reasons for the objection, the relief sought, and state whether the objector wishes to be heard on the objection.

The objection process is set out in Schedule 13A of the LGA. Further information is also available on Council's website at <https://www.waipadc.govt.nz/our-services/planning-and-resource-consents/development-contributions>

## **Refunds**

Sections 209 and 210 of the LGA apply to refunds of development contributions paid to Council, where:

- a) Resource consents lapse or are surrendered; or
- b) Building consents lapse; or
- c) The development or building does not proceed; or
- d) Council does not spend the money on the purpose for which the development contribution was required; or
- e) Previous overpayment has been made

- f) The development contribution will be refunded to the registered proprietors of the subject allotment as at the date of the refund assessment (less a fair and reasonable administration fee).

## **Postponements**

Council will consider any request to postpone a development contribution in accordance with the section below on development agreements.

## **Part 8 Development agreements**

### **General**

Where it is in the best interests of all parties (and all parties agree), Council may enter into a development agreement (DA) with the developer, at the developer's expense, unless the agreement is for Council's benefit.

The quantum of development contributions assessed pursuant to a Development Agreement will be in accordance with the level of demand.

Council, at its sole discretion, may accept a developer's offer to provide network infrastructure or community infrastructure. In this event, the transaction would entail the contemporaneous purchase of assets and payment of development contributions, as provided by a DA.

Where there is any conflict between a DA and this (or any replacement) DC Policy the DA will prevail. For the avoidance of doubt, a DA may permit a complete contracting out of the DC Policy for a specific development where both Council and the Developer agree.

Development contributions shall be required in money unless, at the sole discretion of an authorised officer, a piece of land is offered by the developer that would adequately suit the purposes for which the contribution is sought, and this is agreed in a DA.

Council may require land off a developer to construct infrastructure such as a collector road, stormwater pond or recreation and/or utility reserves.

As shown in Figure 2: below, the acquisition of land is reasonably straight forward, with the issues generally related to differing views on valuation. Council's desire is that the process is clear, auditable and fair.

### **Betterment and injurious affection**

The valuation of land required is undertaken by a Council contracted registered independent valuer, with minimal instructions, using the Public Works Act (PWA).

The estimated cost of the land is recognised in the Development Contributions (DC) model and calculations. No potential betterment or injurious affection is included in the current DC modelling. These estimates, along with construction estimates are replaced each year by actuals in the DC model.

Betterment and Injurious Affection can be described as follows;

- a) Betterment is the consideration of the positive benefits the public works that result, will have on the residual land. For example, if Council acquires land for a road and then builds the road, the developer will be able to develop off that road and not have to construct it themselves. Betterment can also apply for other public works.
- b) Injurious Affection can apply if the residual land is negatively impacted by the works Council intends to undertake, such as the requirement of land for the construction of a stormwater swale. This type of infrastructure results in the developer having to cross over it to access their residual land, and as a result incur additional costs.

To provide certainty to both developers and Council:

- a) A Development Agreement will become a means to provide a payment offset equal to the betterment value. This is normally with the developer by its name, but can be the landowner if that is more appropriate.
- b) This would then be recovered by DCs, or;



- c) In the case of new growth cells that do not have a structure plan adopted by Council at the commencement of this policy, on 1 July 2021, Council will only pay developers for the additional costs of upgrading from a local road standard, to a collector road standard.

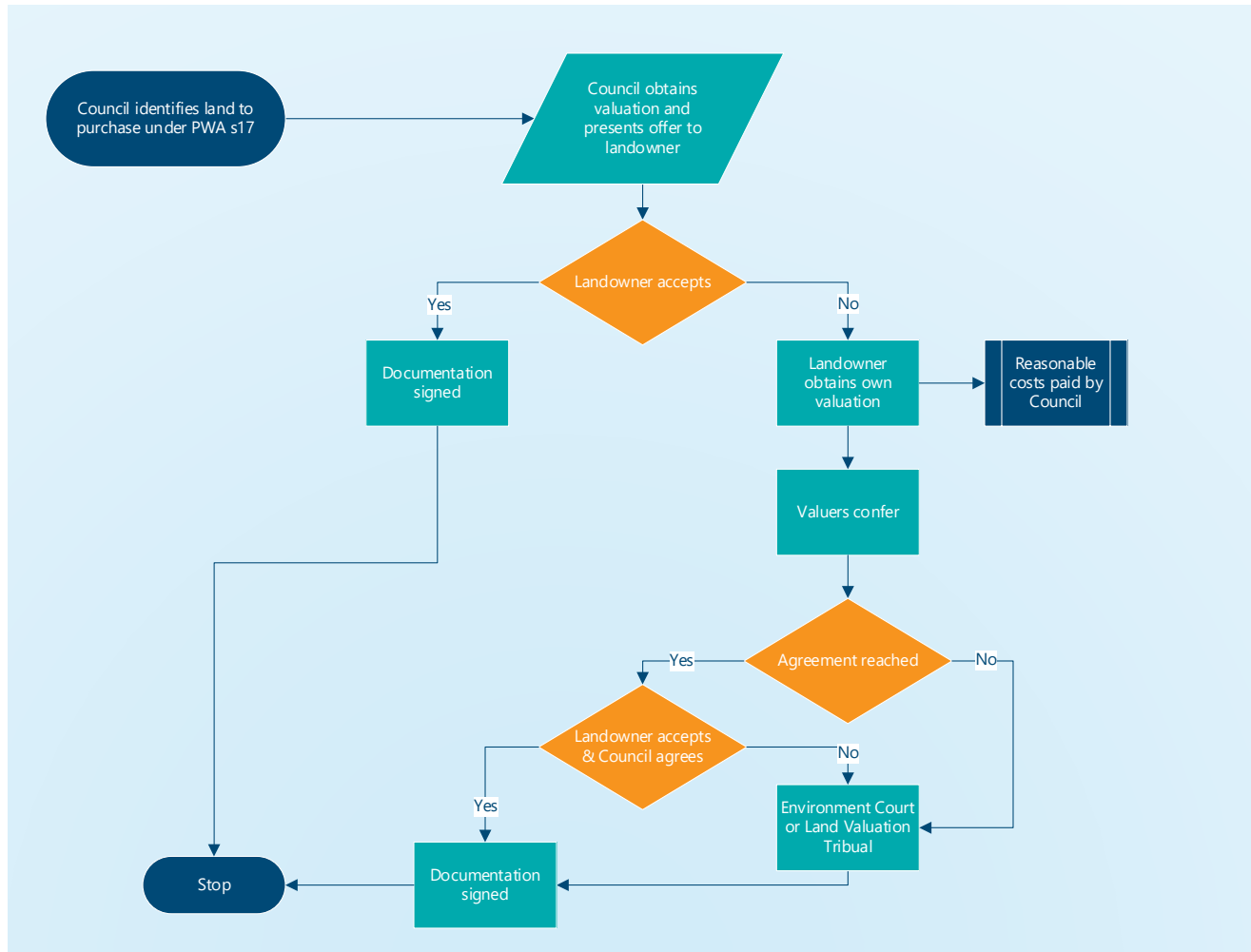


Figure 2: Land acquisition process

## **Deferral of development contributions**

Without limiting Council's discretion to enter into a DA and to agree such terms as it sees fit, a DA may allow the deferral of development contributions in accordance with the general principles below:

For subdivisions  $\geq 10$  lots, or developments with  $\geq 10$  dwellings per title:

- Development contributions for subdivisions may be deferred until individual sections are sold;
- Any such deferral will be subject to a maximum timeframe of 24 months.

For non-residential developments:

- Water and wastewater development contributions may generally only be deferred for 12 months from the occupation of a development. At or after the 12 month anniversary, Council will review the  $m^3$  water use per day, and apply a development contribution assessment based on the average  $m^3$  use per day for the preceding 12-month period.

## **Assessment**

For developments specifically in the Cambridge North and Cambridge West catchments, Council will consider an assessment based on a per hectare rate for comprehensive residential development, compact housing (or similar density residential developments).

## **Goods and services tax**

All assessments are inclusive of GST and do not constitute an invoice for the purposes of the Goods and Services Tax Act 1985.

The time of supply shall be the earlier of:

- a) Council issuing an invoice to the developer; or
- b) The payment of the development contribution in accordance with this policy.

GST will be added to an invoice at the time of supply as required by the Goods and Services Tax Act 1985.

## Schedule to the development contribution policy

The following table sets out how this policy complies with sections 201 and 202 of the LGA.

**Table 124: Compliance with sections 201 and 202 of the LGA**

Section 201 – contents of development contributions policy	Section reference in development contribution policy
<p>(1) If a territorial authority has determined to seek funding for community facilities under this subpart, the policy required by section 102(1) must include, in summary form, in addition to the matters set out in section 106,—</p> <p>(a) an explanation of, and justification for, the way each development contribution in the schedule required by subsection (2) is calculated; and</p> <p>(b) the significant assumptions underlying the calculation of the schedule of development contributions, including an estimate of the potential effects, if there is a significant level of uncertainty as to the scope and nature of the effects; and</p> <p>(c) the conditions and criteria (if any) that will apply in relation to the remission, postponement, or refund of development contributions, or the return of land; and</p> <p>(d) the basis on which the value of additional allotments or land is assessed for the purposes of section 203(1).</p>	<p>Refer to Part 4: Policy Details: clauses 6-7, table 118, and clauses 8-24.</p> <p>Refer to Part 4 Policy Details clause 34 table 119, clause 37 table 120 and Part 5 Development Contributions Assessments clause 12 table 121..</p> <p>Part 7: Reconsiderations of DC, Refund and Postponement: clauses 1-135.</p>

Section 202 – contents of schedule to development contribution policy	Section reference in development contribution policy
<p>1) a) The development contributions payable in each District, calculated, in each case in accordance with the methodology, in respect of-</p> <ul style="list-style-type: none"> <li>i) parks and reserves; and</li> <li>ii) network infrastructure; and</li> <li>iii) community infrastructure</li> </ul>	<p>Refer to table 119, table 125, Appendix 2: Development Contribution Catchment Maps</p>
<p>b) The event that will give rise to a requirement for a development contribution under section 198, whether upon granting:</p> <ul style="list-style-type: none"> <li>i) a resource consent under the Resource Management Act 1991; or</li> <li>ii) a building consent under the Building Act 1991; or</li> <li>iii) an authorisation for a service connection.</li> </ul>	<p>Refer to Part 5: Development Contribution Assessments clauses 1 to 27.</p>
<p>2) If different development contributions are payable in different parts of the District, subsection 1 applies in relation to the parts of the District.</p>	<p>Refer to table 119, table 125, Appendix 2: Development Contribution Catchment Maps</p>
<p>3) The specifications required under subsection (1) or subsection (2) must be given separately in relation to each activity or group of activities for which separate development contributions are required.</p>	<p>Also refer to Appendix 3: Schedule of Assets for which Development Contributions will be used.</p>

## Summary of total cost of capital

The following table summarises the total cost of capital as required by section 106 and schedule 13 of the LGA.

**Table 125: Summary of total cost of capital**

LGA reference	106(2)(a)	106(2)(a)	106(2)(b)(ii)	106(2)(b)(i) (ii) & (iii)	106(2)(d)		
					DCs	FCs	Other
Purpose for which contributions may be required	Capital expenditure expected to be incurred to meet growth demand	Capital expenditure already incurred to meet growth demand	Explanation of capital expenditure	Proportion of capital expenditure for growth that will be funded by DCs or FCs	Total amount of funding during the 10-Year Plan period to be sought from:		
Roading and Transport	\$100,561,508	\$14,083,955	Used to provide capacity within the transport network.	Refer to Appendix 3: Schedule of Assets for which Development Contributions will be used	\$114,645,463	-	Refer to Appendix 3: Schedule of Assets for which Development Contributions will be used
Water supply	\$20,658,312	\$27,855,855	Used to provide capacity within the water supply networks.		\$48,514,167	-	
Wastewater	\$64,647,633	\$26,947,280	Used to provide capacity within the wastewater networks.		\$91,594,913	-	
Stormwater	\$120,708,295	\$25,758,121	Used to provide capacity within the stormwater network at the planned levels of service.		\$146,466,416	-	

LGA reference	106(2)(a)	106(2)(a)	106(2)(b)(ii)	106(2)(b)(i) (ii) & (iii)	106(2)(d)		
Purpose for which contributions may be required	Capital expenditure expected to be incurred to meet growth demand	Capital expenditure already incurred to meet growth demand	Explanation of capital expenditure	Proportion of capital expenditure for growth that will be funded by DCs or FCs	Total amount of funding during the 10-Year Plan period to be sought from:		
					DCs	FCs	Other
Community infrastructure	\$410,000	\$2,567,101	Used to provide new or expanded library, community centres or halls <sup>88</sup> .		\$2,977,101	-	
Parks and reserves	\$22,847,959	\$2,890,861	Used to provide capacity within parks and reserves.		\$25,738,820	-	

### Specific information on calculation methodologies for the activities

The development contributions calculation methodology for all activities is contained in the DC model, which is available from Council on request. Information is also contained in the methodology and options paper<sup>89</sup>.

Compliance with Section 203 – Maximum reserves development contributions not to be exceeded

Section 203(1)(a) of the LGA requires Council to demonstrate for reserve contributions, that it has not exceeded the greater of:

<sup>88</sup> Note: This activity includes historical projects which comply with section 8 of Schedule 1AA (transitional provisions) of the LGA.

<sup>89</sup> The methodology and options paper is available on Council's website. The DC model is available on request as a formula free version.

- a) 7.5 per cent of the value of additional allotments created by a subdivision; and
- b) The value equivalent of 20 square metres of land for each additional household unit or accommodation unit created by the development.

Using a subdivision development in Cambridge North as an example, it is assumed that an allotment would have an average sale price of \$370,000 - \$390,000 (incl. GST). The reserve contribution (Reserves and Ci) per HEU in Cambridge North is \$6,405 (GST inclusive). The following table demonstrates that section 203(1)(a) of the LGA is complied with.

**Table 126: Compliance with Section 203 of the LGA**

Sale price	7.5% of value:	Comment
\$370,000	\$27,750	The reserve contribution per HEU is 1.7% of \$370,000. So much less than 7.5%
\$390,000	\$29,250	The reserve contribution per HEU is 1.6% of \$390,000. So much less than 7.5%

## **Development Contribution Policy Appendices**

Appendix 1: Documents referenced in this policy

Appendix 2: Development contribution catchment maps

Appendix 3: Schedule of assets for which development contributions will be used



## Appendix 1: Documents referenced in this Policy

The following documents are referenced in this policy.

**Table 127**

Document reference	Availability
Methodology for the Development Contribution Policy 2021 (incorporating a review and analysis of options) –February 2021.	Available on Council’s website, and at Council’s offices and libraries. Refer to: <a href="http://www.waipadc.govt.nz/our-services/planning-and-resource-consents/developmentcontributions">www.waipadc.govt.nz/our-services/planning-and-resource-consents/developmentcontributions</a>
Development Contribution Model.	Available from Council on request
2016 update of area unit population, household and Labour Force Projections for the Waikato Region for the period 2013-2061.	Available from Council on request.
Small-area population, household, and labour force projections for the Waikato Region to 2051.	Available from Council on request.
National Institute of Demographic and Economic Analysis, University of Waikato Commissioned Research Report Prepared for Waikato Regional Council, Final Report September 2014.	Available on <a href="#">this website</a> and available from Council on request.
‘Waipa District Business Land Study’ – Property Economics, May 2017.	Available from Council on request.
Report by Gray Matter ‘Growth Component of Transportation Projects’, August 2014.	Available from Council on request.

**Appendix 2: Development Contribution Catchment Maps**

Waipa District ..... 311

Te Awamutu ..... 313

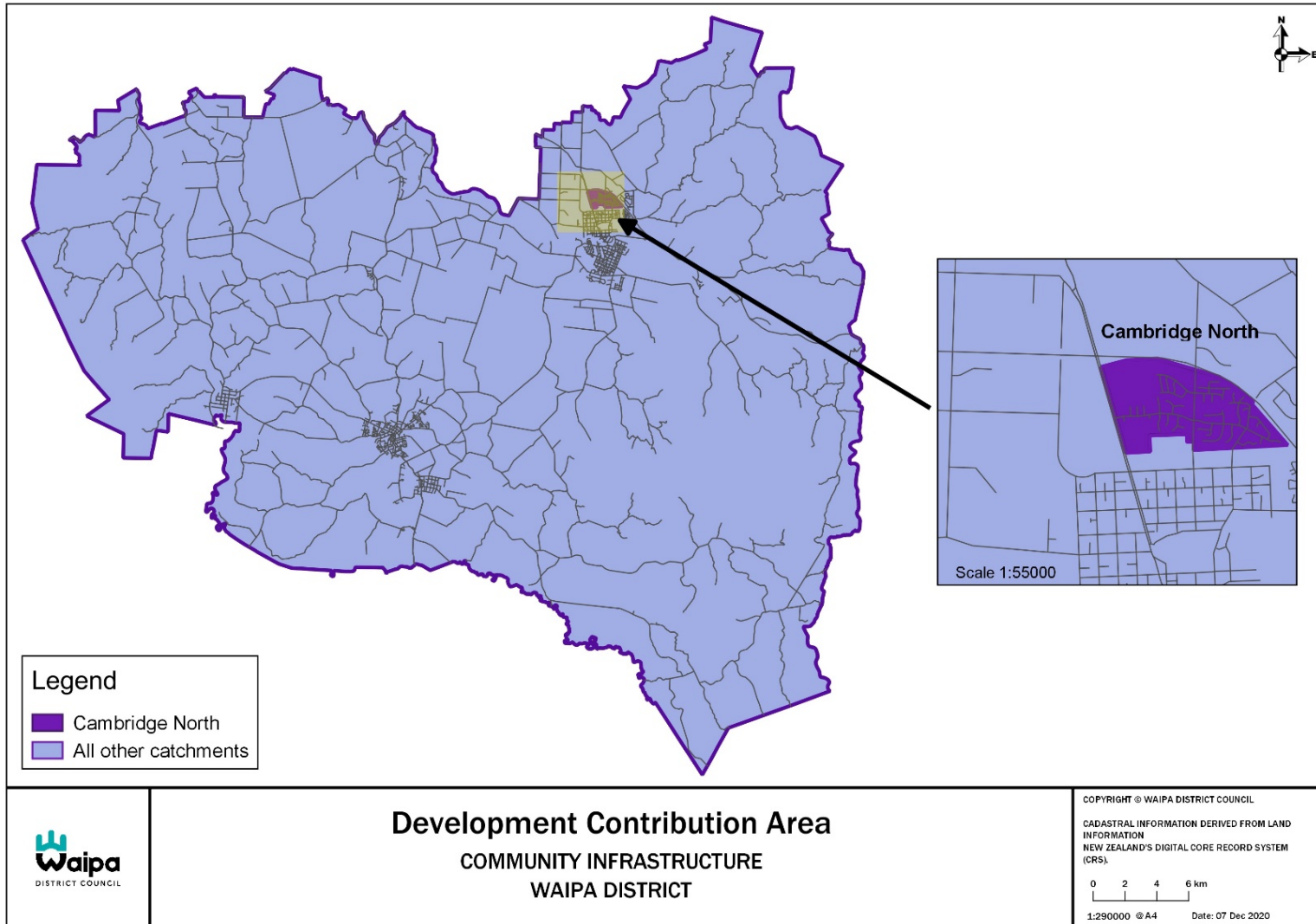
Kihikihi and St Leger (T6) ..... 317

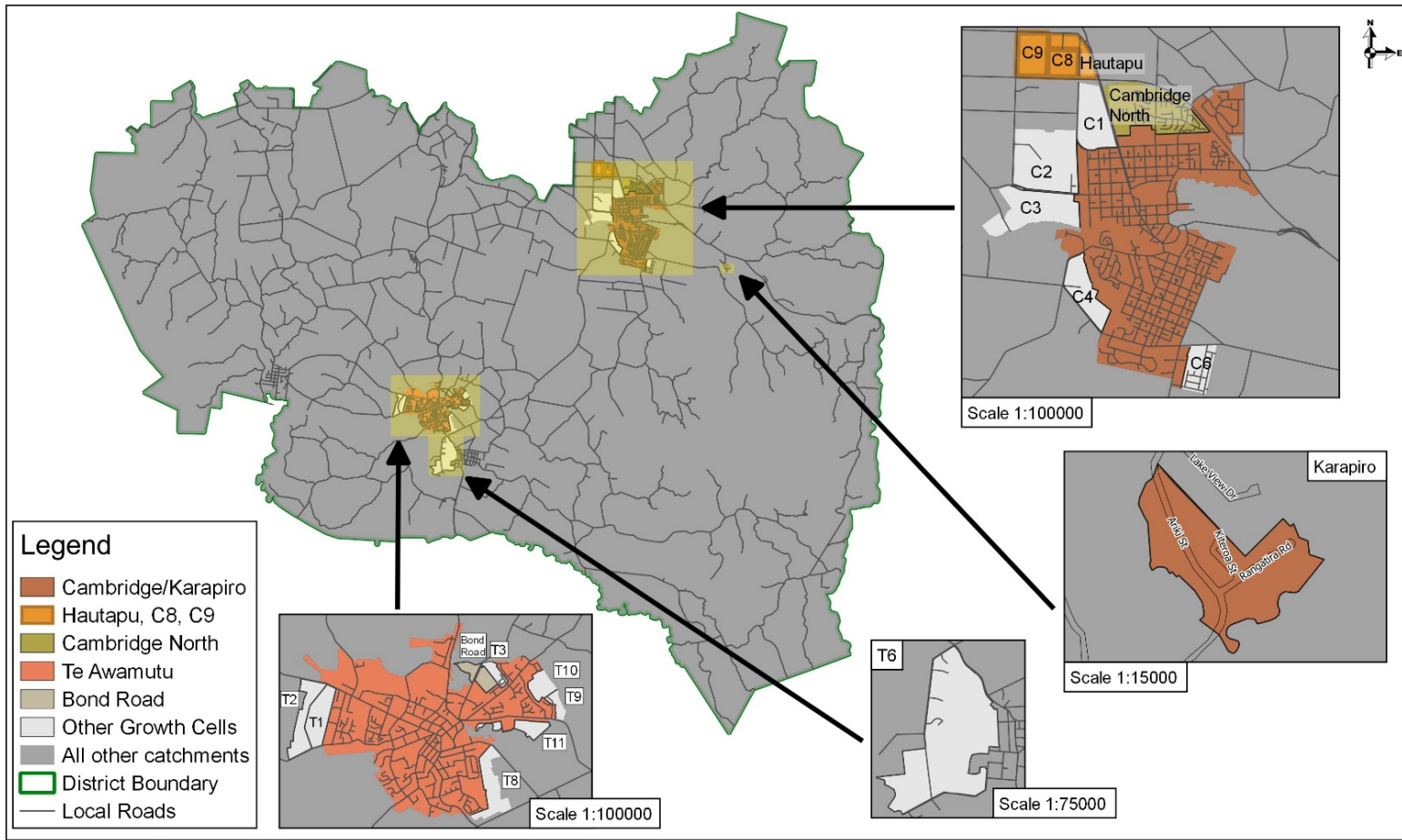
Cambridge and Karāpiro ..... 318

Ōhaupō and Pukerimu ..... 325

Ngāhinapōuri ..... 326

# Waipa District





- Legend**
- Cambridge/Karapiro
  - Hautapu, C8, C9
  - Cambridge North
  - Te Awamutu
  - Bond Road
  - Other Growth Cells
  - All other catchments
  - District Boundary
  - Local Roads

**Development Contribution Area**  
**PARKS AND RESERVES**  
**WAIPA DISTRICT**

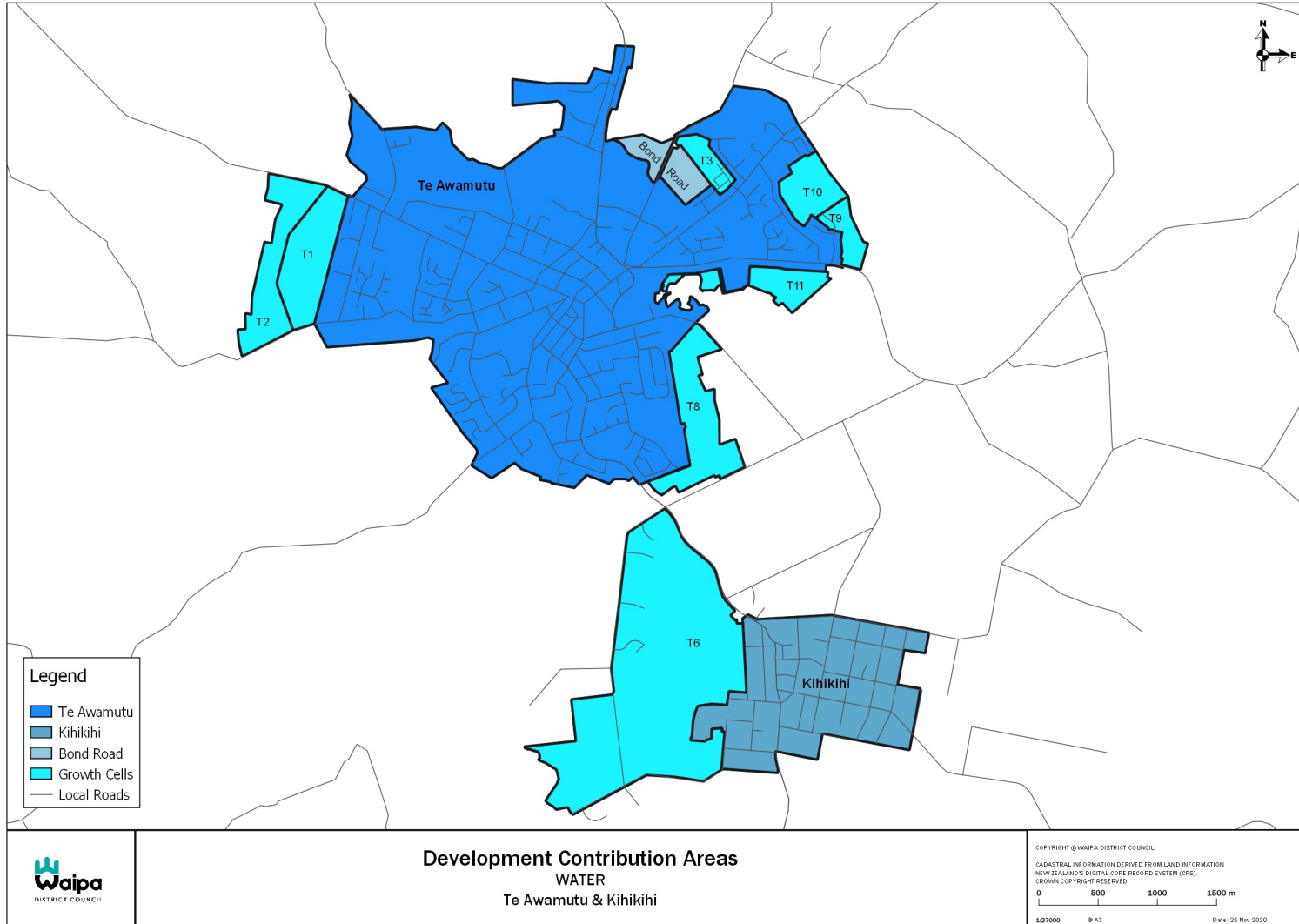


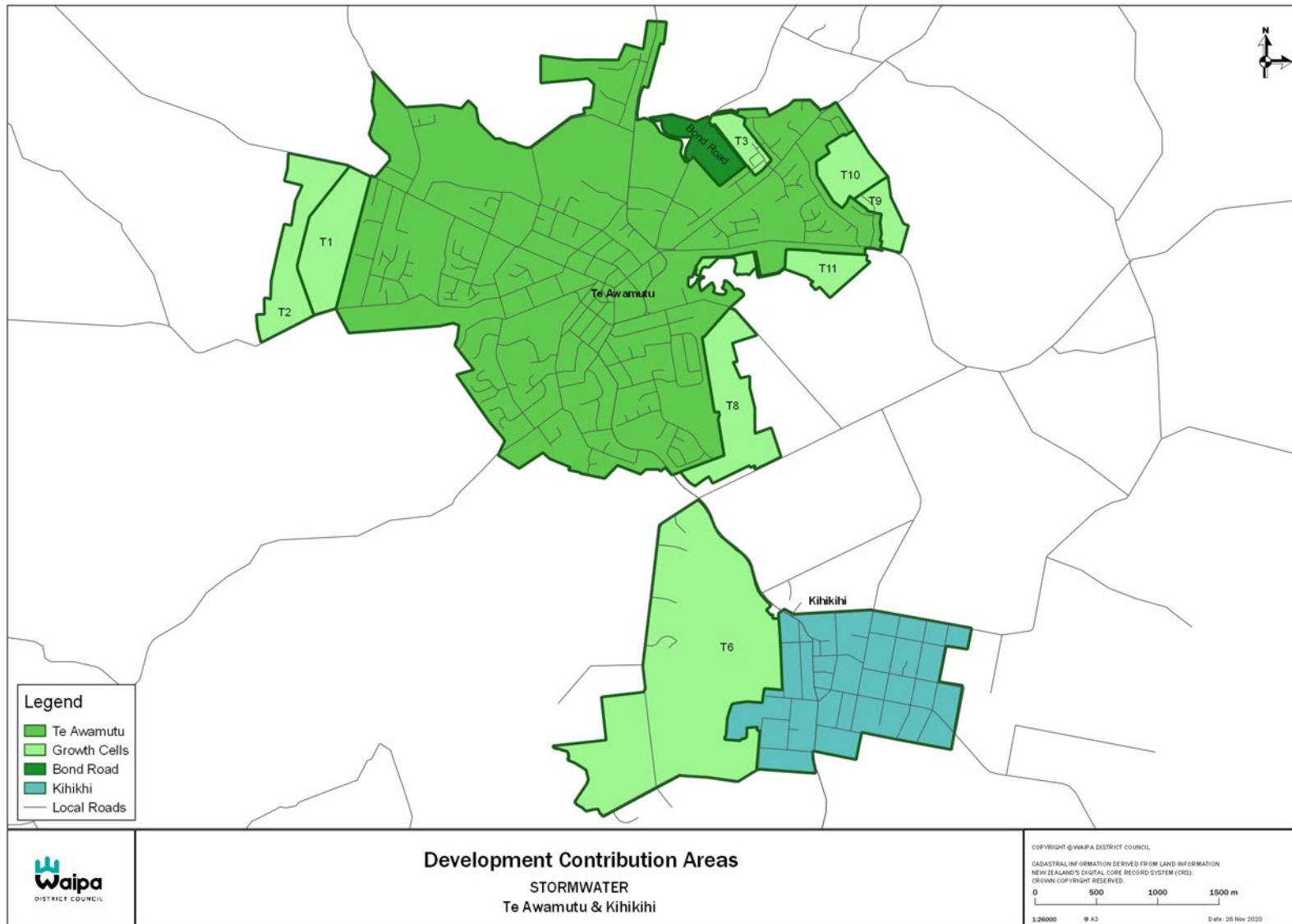
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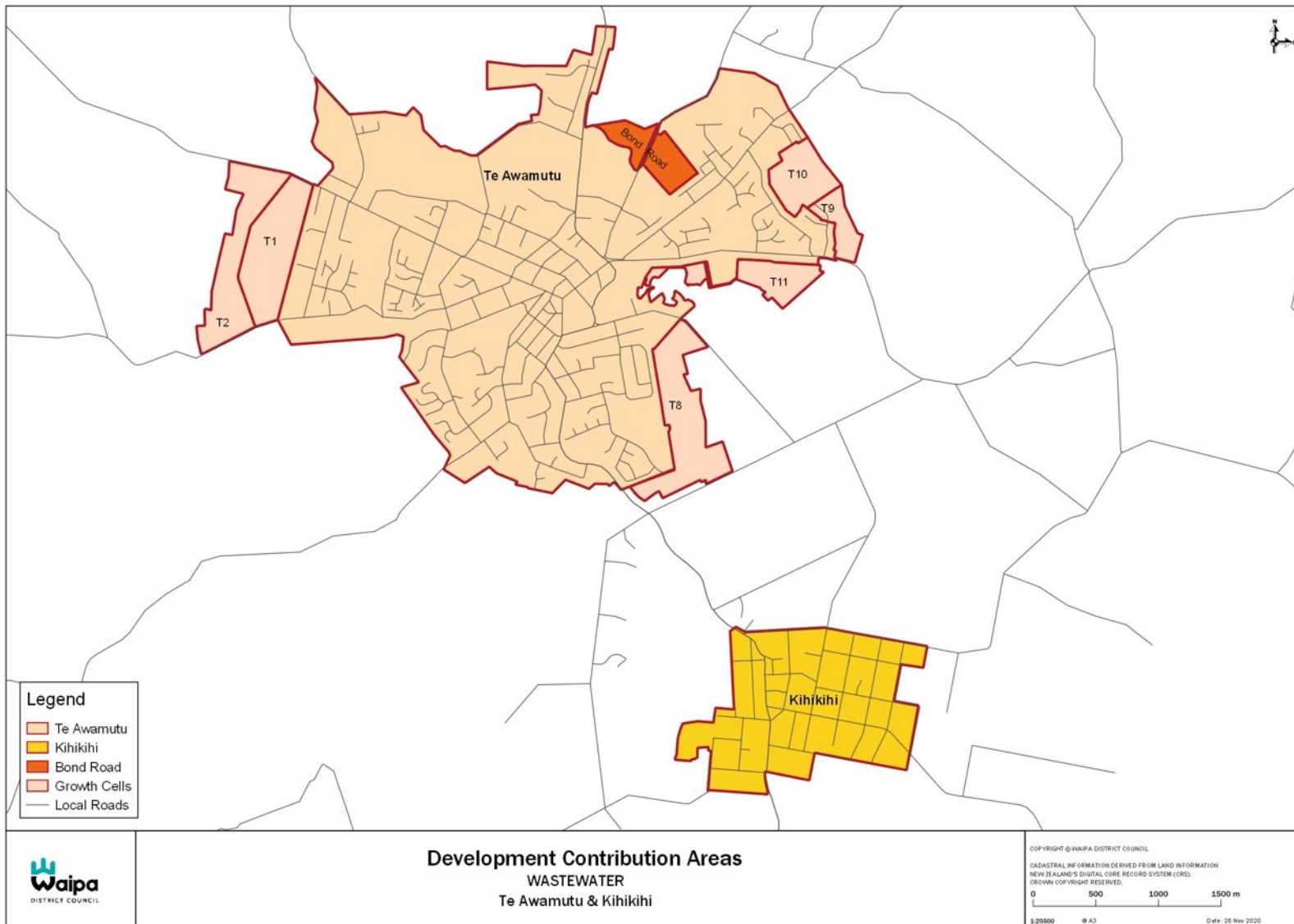
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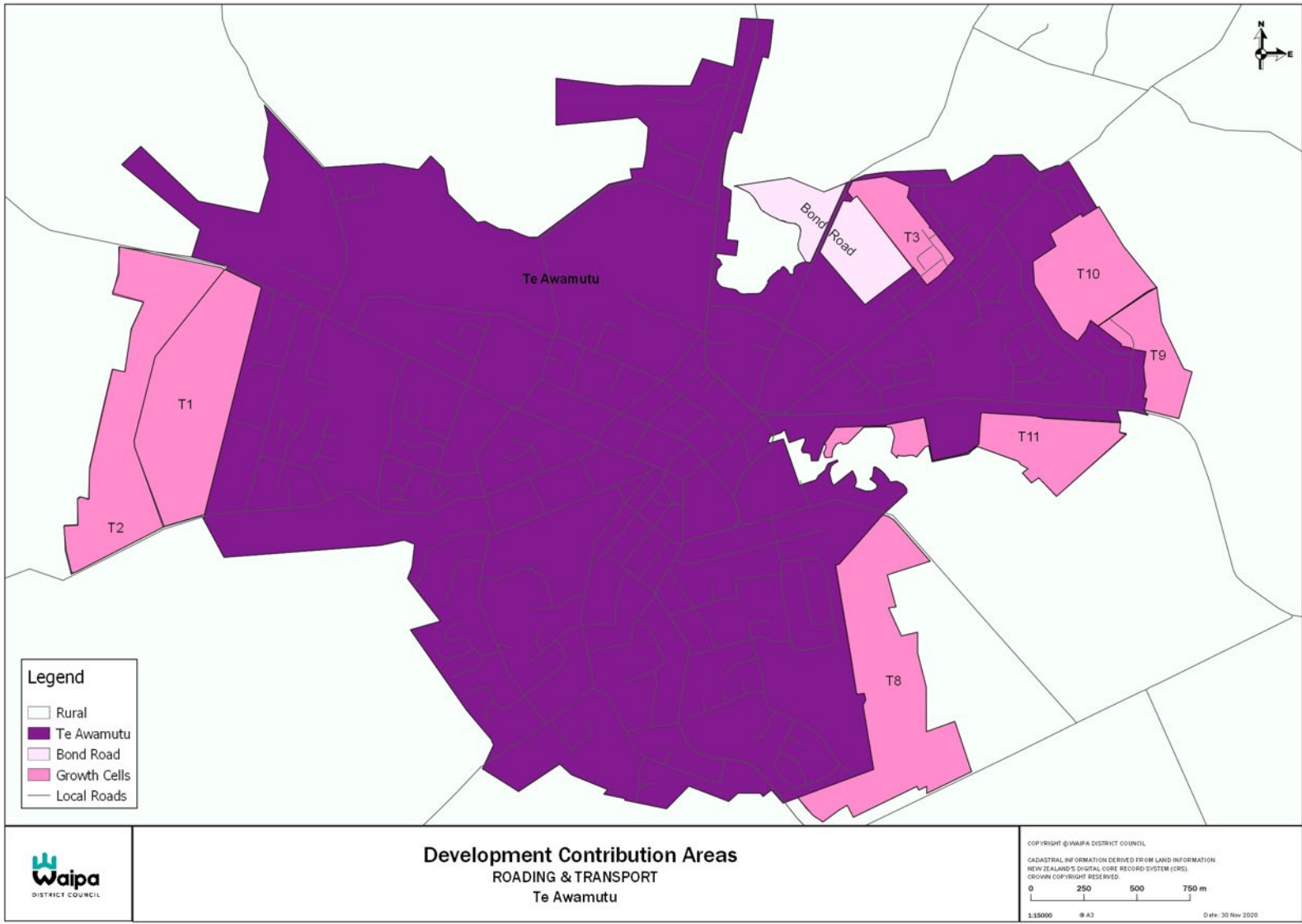
# Te Awamutu





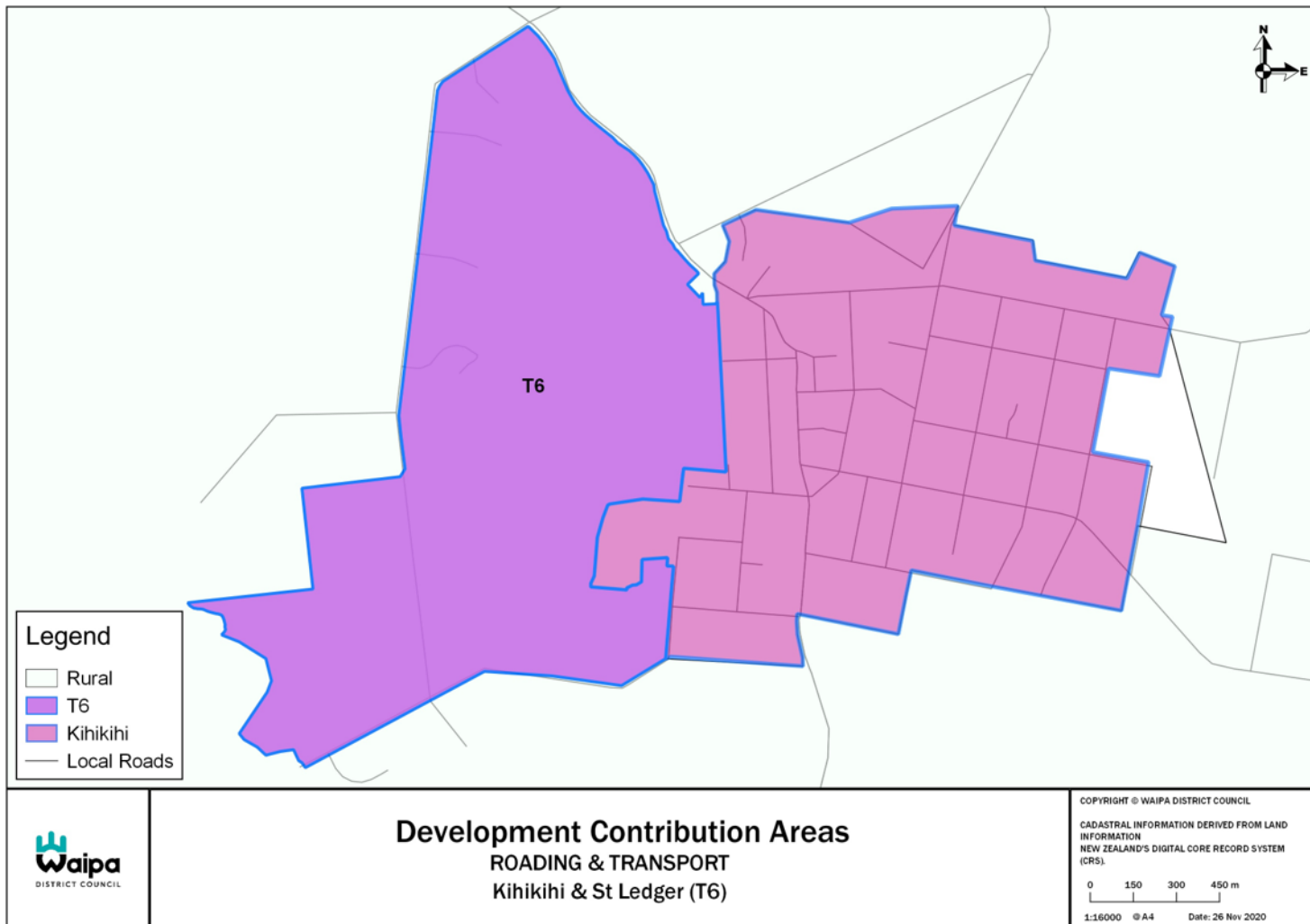




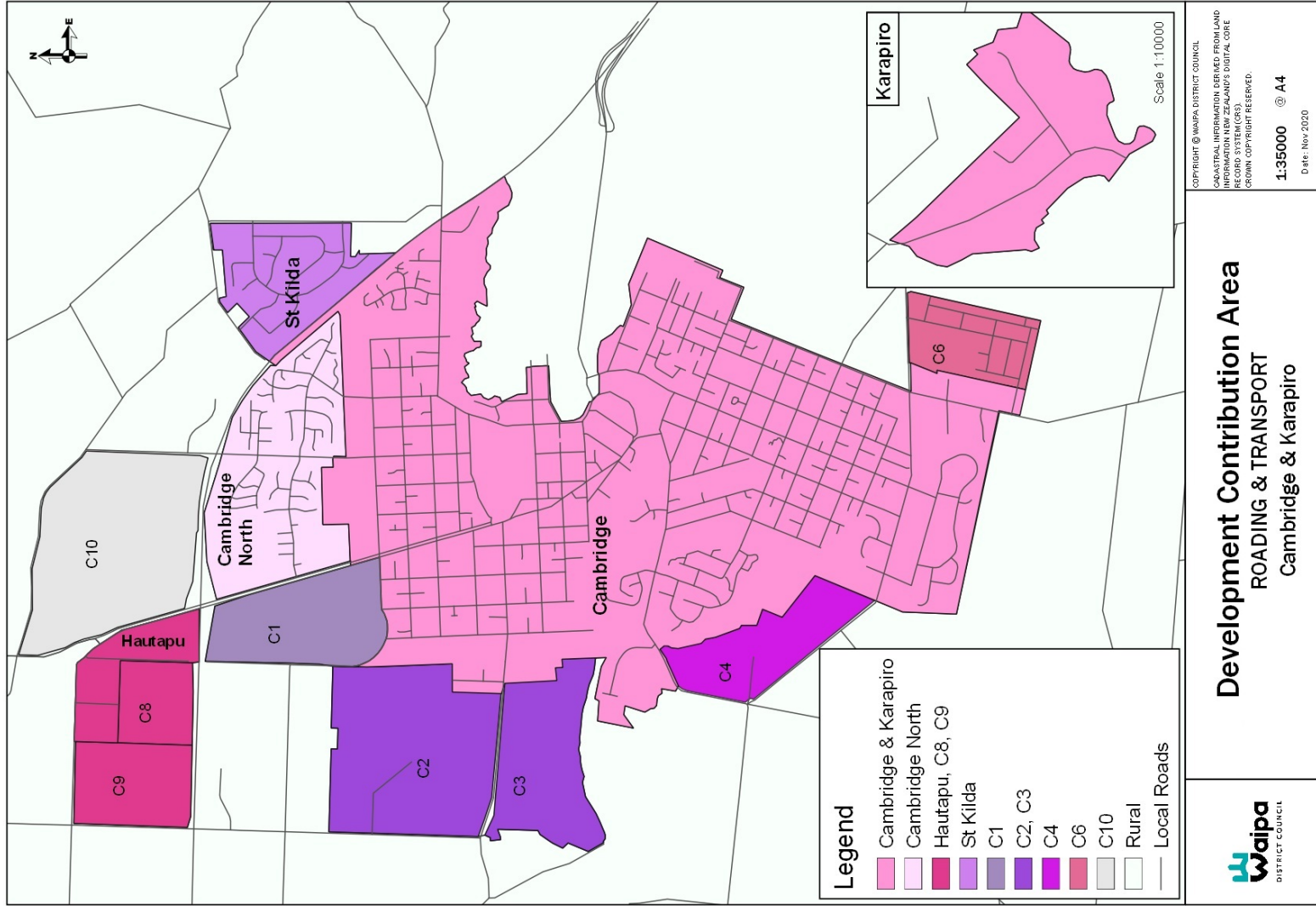


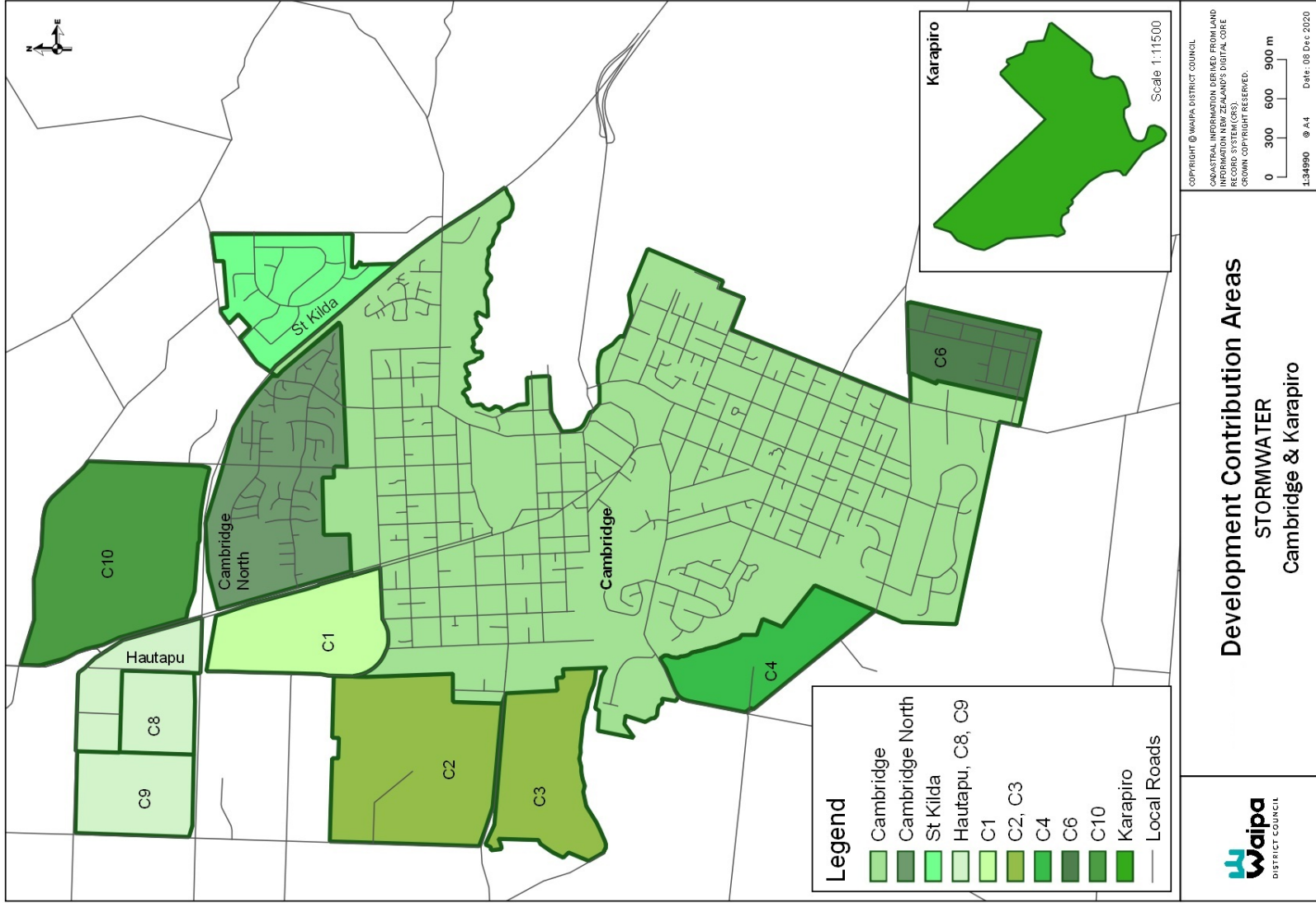


# Kihikihi and St Leger (T6)



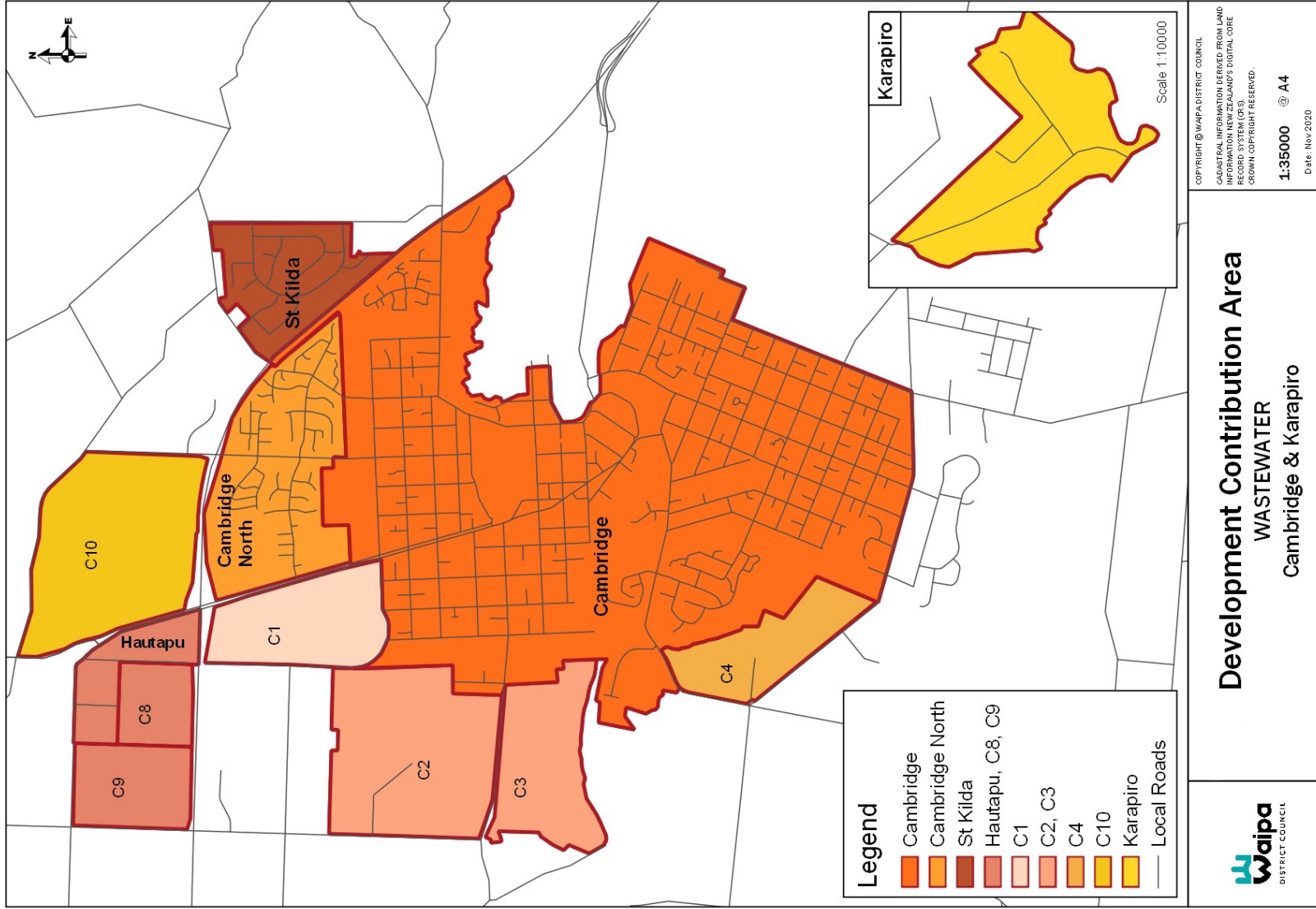
# Cambridge and Karāpiro



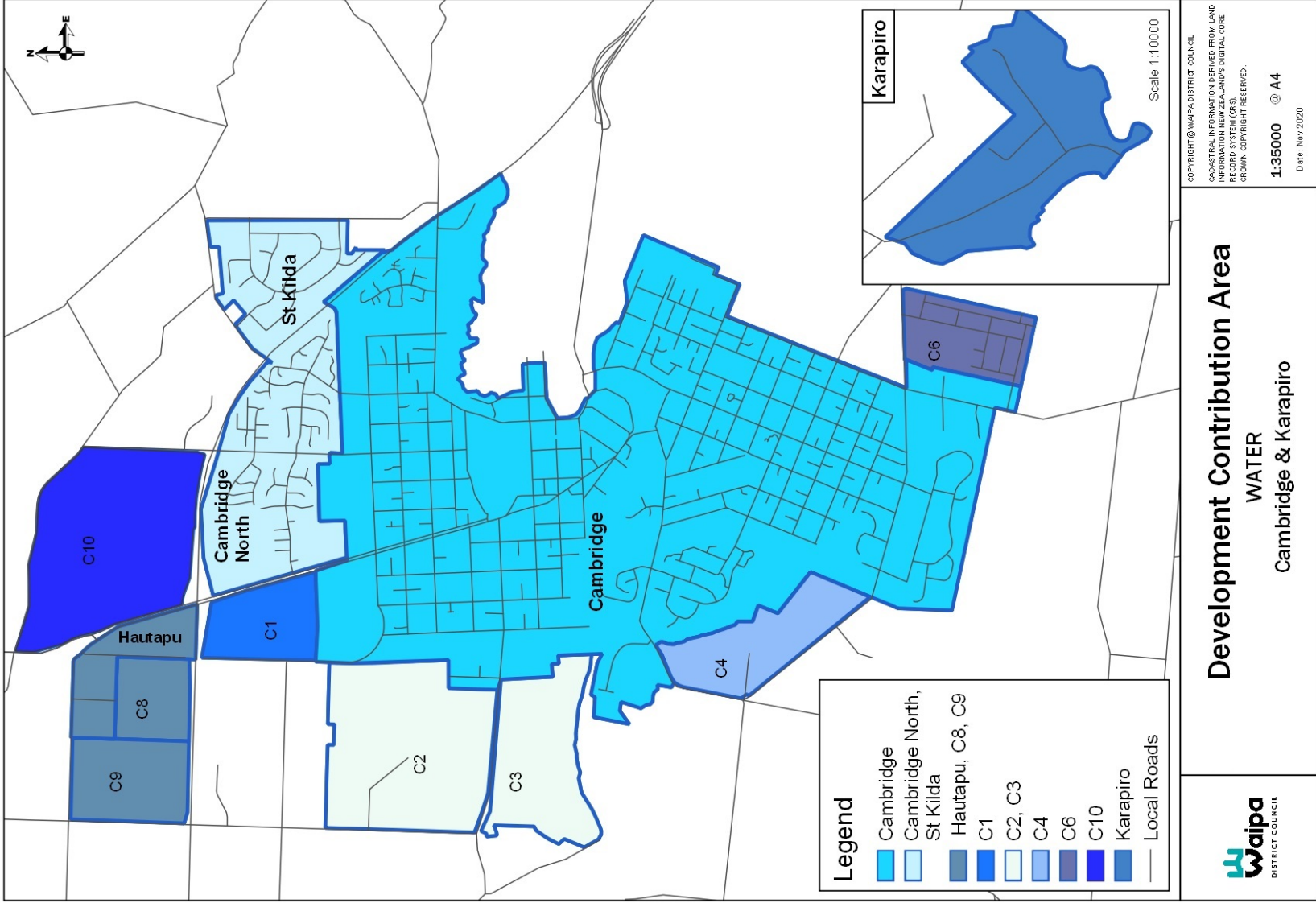


**Development Contribution Areas**  
**STORMWATER**  
 Cambridge & Karapiro

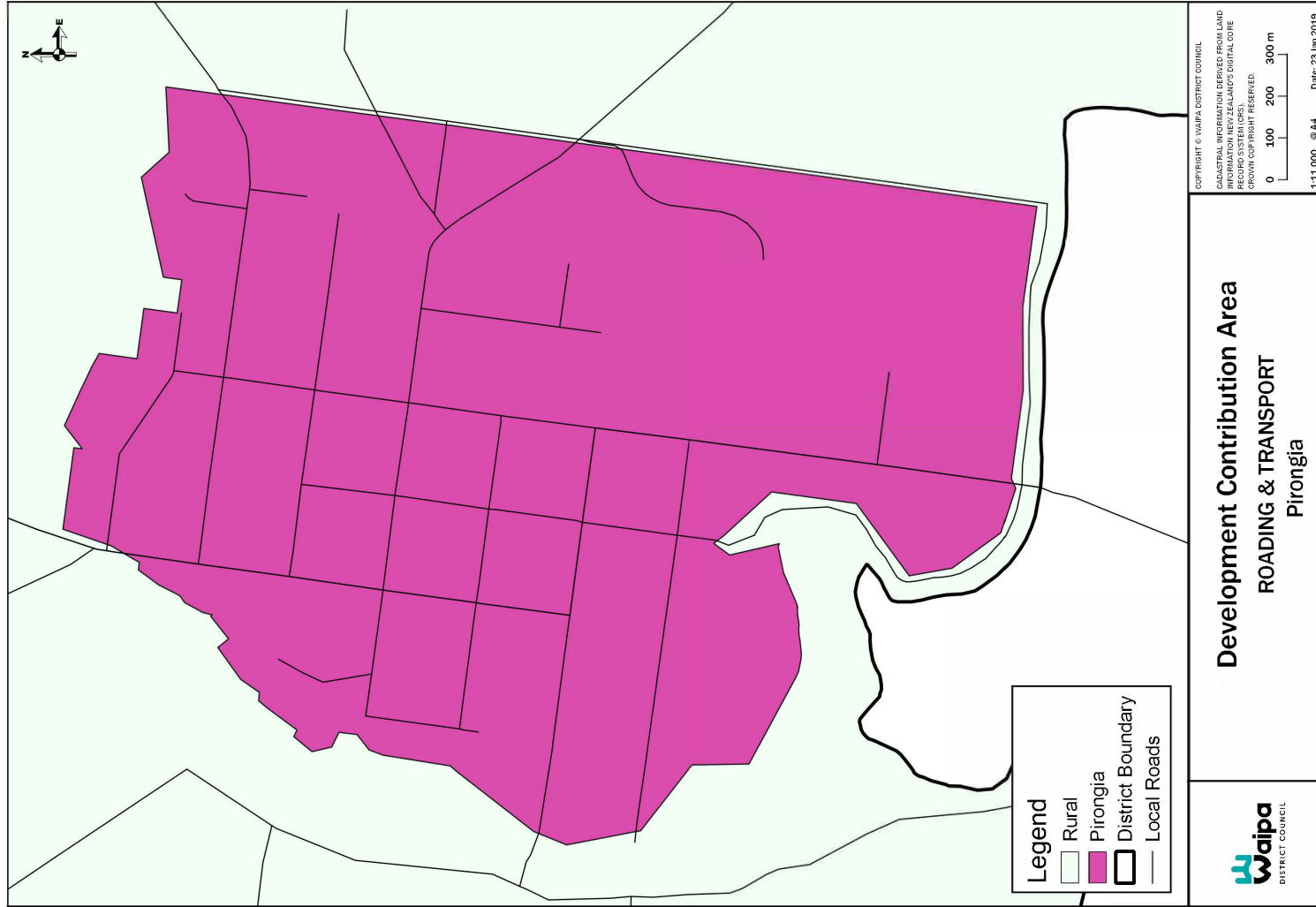


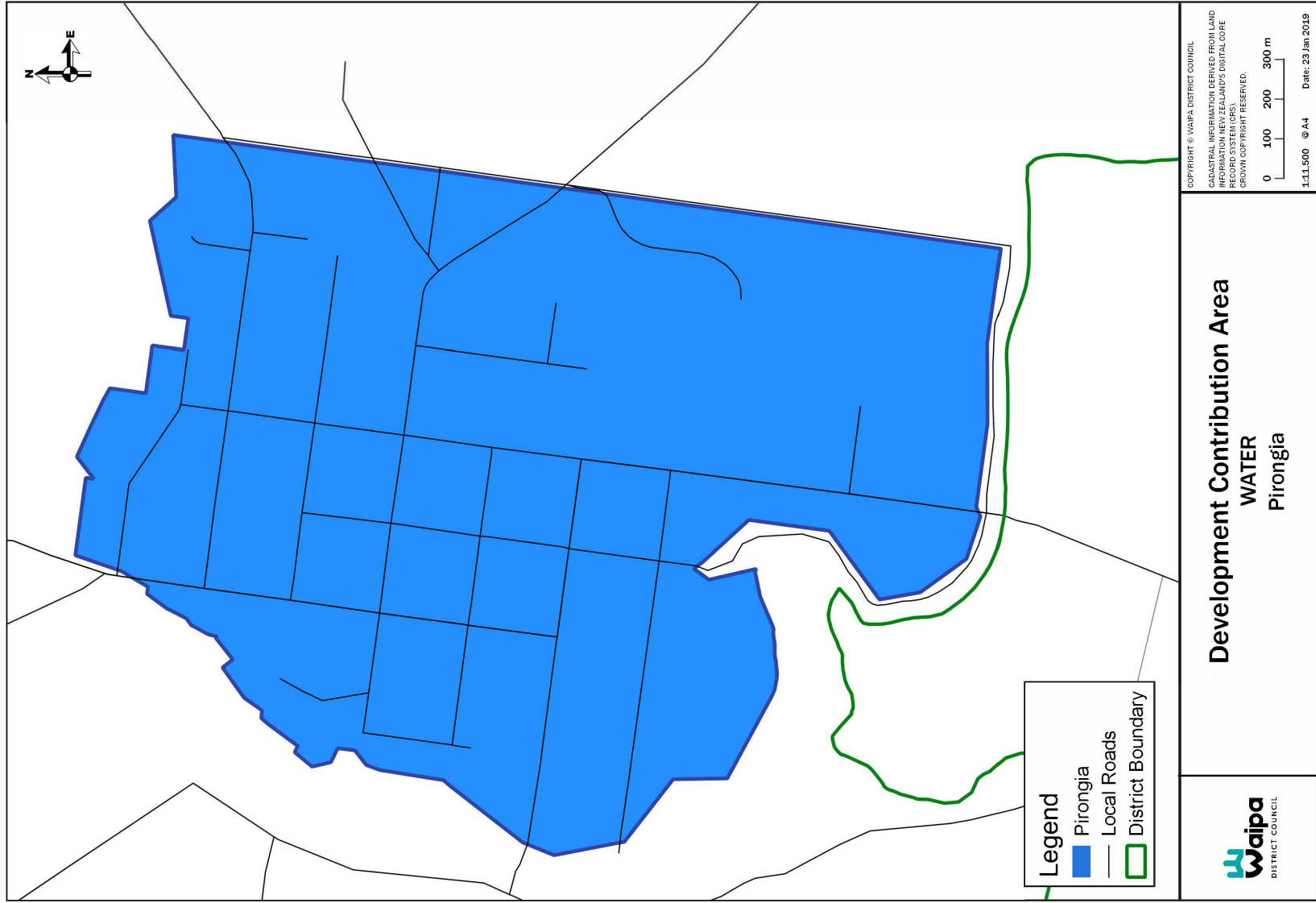






# Pirongia





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**Development Contribution Area**  
**WATER**  
**Pirongia**

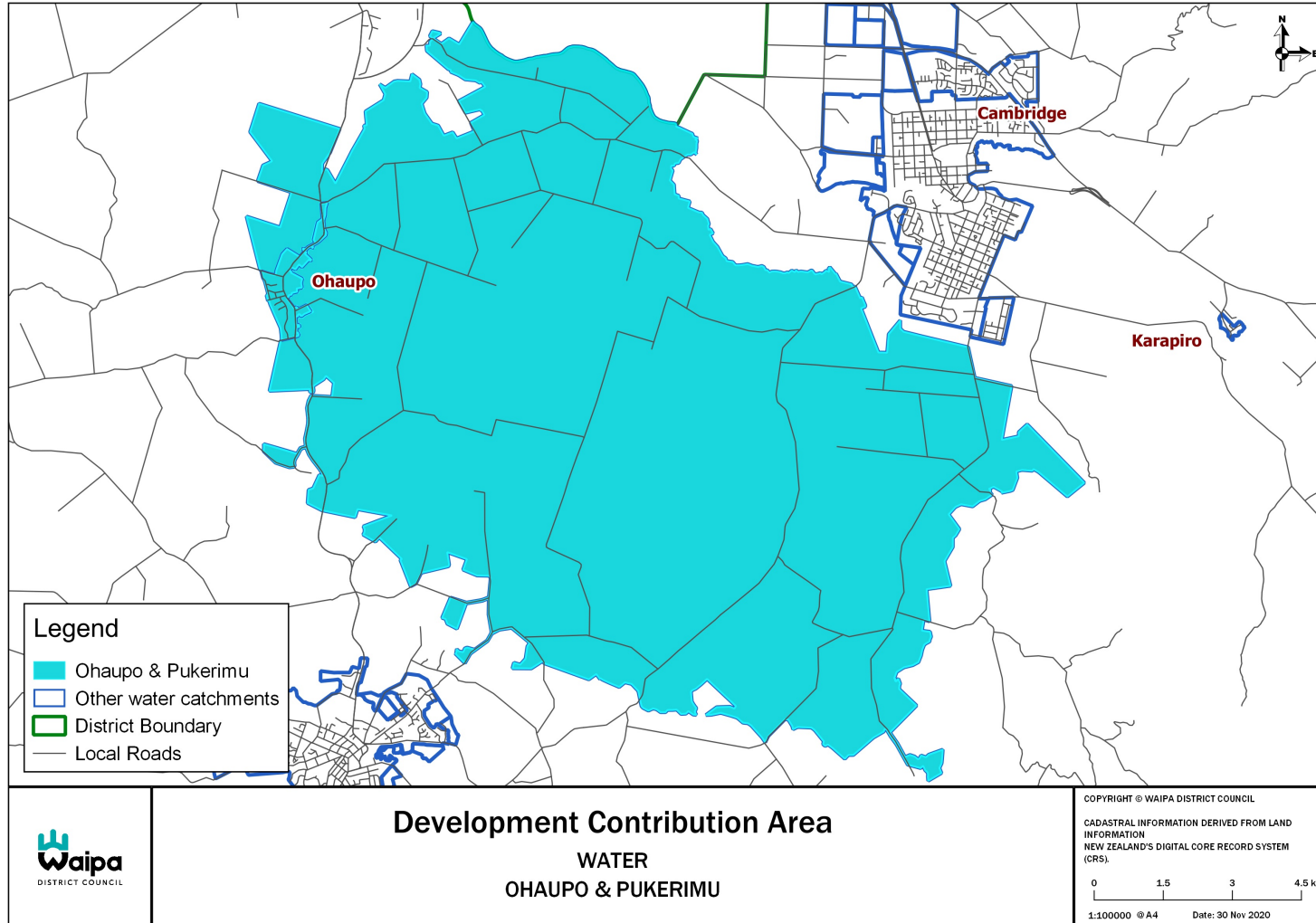


- Legend**
- Pirongia
  - Local Roads
  - District Boundary

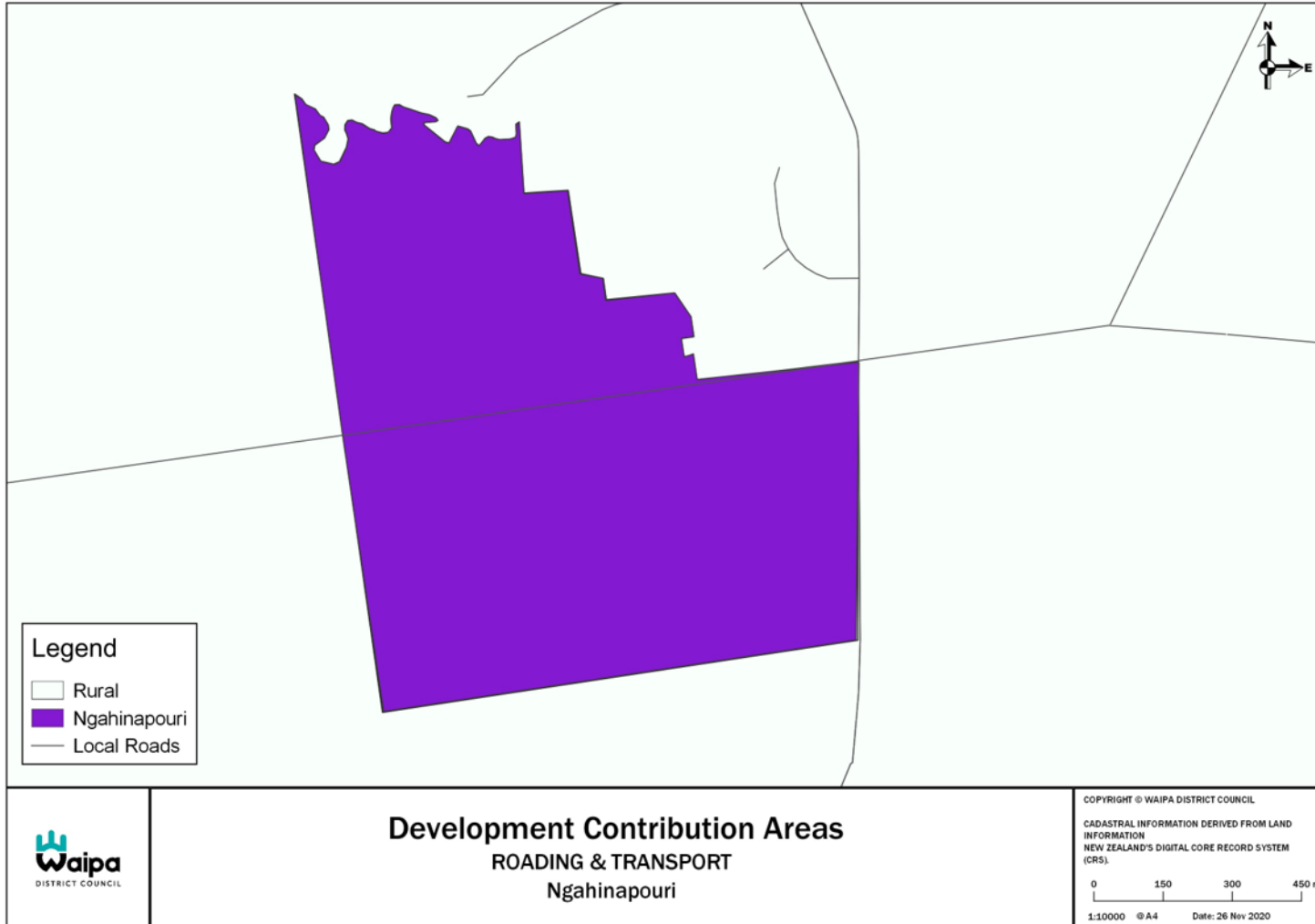




# Ōhaupō and Pukerimu



# Ngāhinapōuri



### Appendix 3: Schedule of Assets for which Development Contributions will be used

The following tables provide a schedule of assets for which development contributions will be used, as required by Section 201A of the Local Government Act 2002, as per the Long Term Plan 2021-2031.

*Note: Projects with a “\*\*” have a capacity life greater than ten years.*

District Wide .....	328
Te Awamutu.....	329
Picquet Hill .....	331
Kihikihi.....	331
Bond Road / T3.....	332
T1 (Growth Cell) .....	333
T6 (Growth Cell) .....	333
T7 (Growth Cell) .....	334
Cambridge/Karāpiro.....	335
Cambridge North .....	337
Hautapu.....	340
C1 (growth cell).....	341
C2 (growth cell).....	342
C3 (growth cell).....	343
C6 (growth cell).....	343
Ngahinapouri .....	344
Pukerimu .....	344

## District Wide

Table 128:

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Transportation</b>						
	repayment of CB Loans for carparks		130,109		35%	65%
	repayment of TAW loans for carparks		34,947		25%	75%
3197	T9/T10 Roothing			477,240	100%	0%
4065	Lake Ngaroto Bridge		1,255,089		8%	92%
<b>Water</b>						
			-			
<b>Wastewater</b>						
2544	District Wide Wastewater Pump Station Upgrades			51,800	60%	40%
<b>Stormwater</b>						
			-			
<b>Community Infrastructure</b>						
1917	TA Library		4,289,838	-	10%	90%
	Karapiro Domain		4,680,000	-	20%	80%
	Cambridge Pool		11,559,147		10%	90%
2115	Library Fitout		251,393		10%	90%
<b>Parks and Reserves</b>						
1224	Buffer Reserve Land Purchase		128,537	-	100%	0%

## Te Awamutu

Table 129:

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Transportation</b>						
1078	Footpaths improvements KK / TA	Bond Rd, Kihikihi, Picquet Hill, T1, T2, T3, T6, T8	135,703	-	13%	87%
<b>Water</b>						
1114	TA Water source & TP upgrd Option 2	Bond Rd, Picquet Hill, Pirongia, T1, T2, T3, T6, T7, T8	302,181	-	100%	0%
1114	TA Water source & TP upgrd Option 2		407,778		27%	73
1456	TA Water Supply - new water source	Bond Rd, Picquet Hill, Pirongia, T1, T2, T3, T6, T7, T8	46,513	-	85%	15%
2022	Parallel Rd Water Treatment Plant Upgrade	Bond Rd, Picquet Hill, Pirongia, T1, T2, T3, T6, T7, T8	21,207,028		23%	77%
2023	Parallel Rd to Taylors Hill Pipeline	Bond Rd, Picquet Hill, Pirongia, T1, T2, T3, T6, T7, T8	13,870,700		23%	77%
2025	TA Active Reticulation Control	Bond Rd, Picquet Hill, Pirongia, T1, T2, T3, T6, T7, T8	575,880		23%	77%
2048T	Standby Generators for Treatment Plants (TAW)	Bond Rd, Picquet Hill, Pirongia, T1, T2, T3, T6, T7, T8	96,670		27%	73%
2546	Te Awamutu Internal CBD Rising Main	T1, T2, T3, T6, T7, T8, Picquet Hill, Pirongia		3,358,485	100%	0%
1841	Te Tahi - UV's etc part of DW Compliance		769,507		20%	80%

## Te Awamutu continued

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Wastewater</b>						
1441	Vaile / Sloane St TA WW Upgrade	Bond Rd, Kihikihi, Picquet Hill, T1, T2, T3, T7, T8	395,215	-	30%	70%
1447	Factory Rd TAW Pipe Upgrade	Bond Rd, Kihikihi, Picquet Hill, T1, T2, T3, T7, T8	1,022,858	-	30%	70%
1806	Te Awamutu 3 Wastewater Treatment Plant Consent & Upgrade	Bond Rd, Kihikihi, Picquet Hill, T1, T2, T3, T7, T8	15,070,999		37%	63%
1806	Te Awamutu Wastewater Treatment Plant Consent & Upgrade	Bond Rd, Kihikihi, Picquet Hill, T1, T2, T3, T7, T8	4,790,679		52%	48%
1806	TAW Wastewater Treatment Plant Consent & Upgrade		431,119		30%	70%
2294	Waikeria Prison Expansion - Waipa DC Upgrades	Bond Rd, Kihikihi, Picquet Hill, T1, T2, T3, T7, T8	4,448,500		50%	50%
2336	Christie Ave Sewer Pump Station	Bond Rd, Kihikihi, Picquet Hill, T1, T2, T3, T7, T8	497,235		100%	0%
2540	TA WWTP Consent & Upgrade	Bond Rd, Kihikihi, Picquet Hill, T1, T2, T3, T7, T8		20,519,250	37%	63%
	TA Sewer Trunk Main Daphne St to WWTP		280,559		20%	80%
<b>Stormwater</b>						
9150	Additional Capacity (pr 9150 & 1731)		187,316		40%	60%
<b>Parks and Reserves</b>						
2538	T8 Land Acquisition and Development: Structure Plan Areas	Picquet Hill, T1, T2, T3, T7, T8		1,185,320	100%	0%

## Picquet Hill

Table 130:

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Transportation</b>						
3041	Picquet Hill Plan Change Rooding			3,500,000	90%	10%
3197	T9/T10 Rooding			8,387,794	93%	7%
<b>Water</b>						
2034	T9 Te Rahu - Picquet Hill Water Reticulation		337,470		100%	0%
<b>Wastewater</b>						
1622	Picquet Hill Plan Change 3 Wastewater		35,416	-	100%	0%
2576	DW WW Pipe Upgrades CB Rd to Christie Ave, Mangapiko			8,701,343	75%	25%
1622	Picquet Hill Plan Change Wastewater		35,416		100%	-
<b>Stormwater</b>						
1912	Picquet Hill Plan Change Stormwater		19,855	-	100%	0%

## Kihikihi

Table 131:

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Transportation</b>						
3171	Kihikihi Brown Field Rooding Works			1,700,100	100%	0%
<b>Water</b>						
1140	KK Reservoir		345,000	-	60%	40%
<b>Wastewater</b>						
				-		
<b>Stormwater</b>						
2409	Kihikihi Brown Field SW Works		122,250		100%	0%
2409	Kihikihi Brown Field SW Works			1,543,642	50%	50%

## Bond Road / T3

Table 132:

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Transportation</b>						
				-		
<b>Water</b>						
2035	Bond Rd/T3-T10 Water Reticulation		795,621		100%	0%
<b>Wastewater</b>						
				-		
<b>Stormwater</b>						
2153	Bond Rd SW Culvert Upgrade		30,432		67%	33%
2405	Bond Rd SW Culvert Upgrade		5,000		67%	33%
2153 / 2405	Bond Rd SW planned for yr 11			2,125,000	19%	81%



## T1 (Growth Cell)<sup>90</sup>

Table 133:

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Transportation</b>						
3143	Frontier Road Plan Change Rooding	T2		1,223,050	100%	0%
<b>Water</b>						
2464	T1 / T2 Water Servicing		16,900	350,000	100%	0%
<b>Wastewater</b>						
2159	T1 Development WW Provision	T2	249,223		100%	0%
<b>Parks and Reserves</b>						
2539	T1 Land Acquisition and Development: Structure Plan Areas	T2		2,391,763	100%	0%

## T6 (Growth Cell)

Table 134:

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Transportation</b>						
3079	T6 St Leger Rd Network Upgrades Rooding Concept Plan		95,746	-	100%	0%

<sup>90</sup> In a previous version of the document water costs for the T1 (Growth Cell) table were displayed in the Te Awamutu table. The T1 (Growth Cell) table has been updated to display the costs. This change has no impact on the development contributions charges and is done for clarity only.

**T7 (Growth Cell)**

**Table 135:**

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Transportation</b>						
				-		
<b>Water</b>						
				-		
<b>Wastewater</b>						
1809	Additional capacity upgrades TAW South		1,082,575	-	50%	50%

## Cambridge/Karāpiro

Table 136:

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Transportation</b>						
1079	Footpaths improvements CAM	C4, C5, C6	79,979	-	20%	80%
3072	Swayne Rd Urban Upgrade & Traffic Calming	C4, C5, C6	459,209	-	60%	40%
3082	Laurenson Park Development - Growth Project	C4, C5, C6	18,500	-	100%	0%
3099	Appleby Road Extension - includes Walkway / Cycleway	C4, C5, C6	209,303	-	52%	48%
4053	CB CBD upgrade	C2, C3, C4, C5, C6	4,800,177	-	18%	82%
4250	WDC Contribution Victoria St Interchange	C1, C2, C3, C4, C5, C6, CBN	1,600,000	-	21%	79%
	Maungatautari Rd	C4, C5, C6	31,715		100%	0%
3183	Hanlin Road intersection	C4, C5, C6	4,600,000		100%	0%
4270	Hamilton Intersection (Avantidrome)		1,062,888		10%	90%
4268	Thornton - Albert - Robinson Intersections		19,175		5%	95%
4276	Maungatautari Rd RP6590 - 8070		31,715		100%	-
<b>Water</b>						
1260	Karapiro WTP HL Pump Suction & Del Manifold	C1, C2, C3, C4, C5, C6, CBN, Hautapu	123,097	-	25%	75%
1395	Karapiro Rising Main	CBN, C4, C5, C6	1,081,999	-	90%	10%
2021	Karapiro Water Treatment Plant Upgrade	C1, C2, C3, C4, C5, C6, CBN, Hautapu	6,821,840	-	100%	0%
2029	Cambridge Water Reticulation Active Control	CBN, C4, C5, C6	462,820		88%	12%
2045	Cambridge upgrade Pipe Bridge Water Portion	CBN, C4, C5, C6	200,000	-	50%	50%
9152	Water main from Karapiro to Leamington	CBN, C4, C5, C6	1,679,012	-	50%	50%
1615 /						
9163	Karapiro WTP Upgrade - pr 1615, 9163	C1, C2, C3, C4, C5, C6, CBN, Hautapu	21,379	-	100%	0%
2471	Karapiro Rising Main	CBN, C4, C5, C6	25,569		90%	10%
1395	Karapiro High Lift Rising Main		2,921		50%	50%
2048	Standby Generators for Treatment Plants (CB)		96,670		27%	73%

## Cambridge/Karāpiro continued

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Wastewater</b>						
1436	Cambridge New WW Treatment Plant - Stage 1	C1, C2, C3, C4, C5, CBN, Hautapu	11,440,851		26%	74%
2541	CB WWTP Consent and Upgrades	C1, C2, C3, C4, C5, CBN, Hautapu		100,191,453	33%	67%
2301	C1 wastewater		45,570	900,000	100%	0%
1436	CB WW treatment Plant Pr 1436		824,285		30%	70%
1436	CB WW treatment Plant Pr 1436		374,422		21%	79%
1439	CB Upgrade Pipe Bridge		283,850		60%	40%
2031	Cambridge Wastewater Pipe Upgrades		470,696		16%	84%
2082	Cambridge Wastewater Pipe Upgrades stage 2		406,453		70%	30%
<b>Stormwater</b>						
9150	Additional Capacity (pr 9150 & 1731)		165,564		40%	60%
<b>Parks and Reserves</b>						
1224	Reserve Land Purchase - St Kilda	C4, C5, C6	505,000	-	100%	0%

## Cambridge North

Table 137:

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Transportation</b>						
3071	Victoria/Norfolk Intersection Construction	CB/KP, C4, C5, C6	2,465,534	-	80%	20%
3072	Swayne Rd Tulip Drive Roundabout	CB/KP, C4, C5, C6	496,861	-	100%	0%
3072	Swayne Rd Urban Upgrade & Traffic Calming		932,333	-	60%	40%
3130	Swayne Rd / Rose Leigh Drive Intersection		827,292	-	100%	0%
4096	CBN Deferred Res		602,370	-	51%	49%
3072	Swayne Rd Urban Upgrade & Traffic Calming		25,527		70%	30%
<b>Water</b>						
2011	CB North Deferred Residential Water - Water Pipe		116,570	-	50%	50%
2019	Cambridge North Water Provision		274,544	225,000	100%	0%
2026	Dedicated Cambridge North Water Main		552,091	-	80%	20%
2151	Dedicated Main Leamington to CB North	Hautapu	2,652,565		80%	20%
<b>Wastewater</b>						
1129	CB 3 Wastewater DRZ Rising Main		1,707,071	-	100%	0%
2018	Cambridge North 3 Wastewater Provision		1,300,631		100%	0%
	CB North - JLK, transland & saffron		701,597	-	100%	0%
2552	Cambridge North Wastewater Provision			815,820	100%	0%
1129	CB Wastewater DRZ Rising Main		1,707,071		100%	0%
	CB North - replace historic 2009 with JLK actuals, transland actuals & saffron		701,597		100%	0%

## Cambridge North continued

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Stormwater</b>						
2086	Land Victoria Rd Swale		189,430	-	74%	26%
2087	Norfolk Rd Trunk Reticulation		1,095,316	-	69%	31%
2090	Construct 50% Western Basin		1,493,597		69%	31%
2091	Construct balance of Western Storage Basin		1,362,012		69%	31%
2092	Land Western Swale		310,261		100%	0%
2097	North Eastern Trunk Reticulation		256,295	-	100%	0%
2100	Construct North Eastern Storage (Appleby Pond)		2,674,374		68%	32%
2100	Construct North Eastern Storage (Appleby Pond)		82,193		74%	26%
2104	Land Victoria Rd Swale (part 2)		636,527	250,000	100%	0%
2105	Construct Victoria Rd Swale		815,754		90%	10%
2116	Land Purchase Northwest SW Pond from NZTA		709,255	-	100%	0%
2128	North Western Trunk Reticulation		325,960	-	100%	0%
9149	CB Deferred Residential Works SW (incl 1461)		1,150,884	-	100%	0%
2116	Land Purchase Northwest SW Pond from NZTA		1,863,202	-	70%	30%
2433	Western Catchment Remedial Works		-	400,000	100%	0%
2434	Construct Victoria Rd Swale		36,056	650,000	74%	27%
2435	Construct 50% Western Basin		427,730		69%	31%
2438	Construct Western Swale		659,440		100%	0%
2439	Trunk Reticulation Connector Road		1,153,552	3,339,176	100%	0%
2441	Construct Western Outlet to the Stream		3,350,190	46,875	80%	20%
2445	Construct NE Swale		988,034	591,823	100%	0%
2448	Construct Victoria Rd Swale		78,446	120,000	90%	10%
2452	North Western Trunk Reticulation		169,947		100%	0%
2096	Construct Western Outlet to the Stream		128,222		80%	20%
2101	Land - NE Swale		393,672		100%	0%
2102	Construct NE Swale		942,171		100%	0%
	Cambridge North Deferred Res Zone		1,204,956		100%	0%
2089	Construct NE Swale		397,778		74%	26%

## Cambridge North continued

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Community Infrastructure</b>						
2120	Playground Reserve Land Cambridge North		21,064	410,000	100%	0%
<b>Parks and Reserves</b>						
1224	Reserve Land Purchase - St Kilda		169,000	-	100%	0%
1224	Buffer Reserve Land Purchase - CBN		36,663	-	100%	0%
2528	CB Nth Land Acquisition and Development			3,360,350	33%	67%
2118/2377	Playground Reserve Land Cambridge North		41,000	379,000	68%	32%
2584	CB North Reserve Land			1,049,160	33%	67%
2104	Land Victoria Rd Swale		109,132		74%	26%
2104	Land Victoria Rd Swale (part 2)		109,132		100%	0%

## Hautapu

Table 138:

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Transportation</b>						
3076	Hautapu Structure Plan Roding		1,167,600		85%	15%
3076	Hautapu - Roding		600,000		100%	0%
3170	Hautapu - Cycleway connection Victoria to Hannon		305,940		100%	0%
3192	C8 C9 C10 Hautapu Rd 1st Roundabout at Victoria Rd/			4,149,000	70%	30%
3193	C8 C9 C10 Hautapu Rd - 1st section of Collector Rd			2,789,100	100%	0%
3194	C8 C9 C10 Hautapu & Hannon Rd Urbanisation			4,609,200	60%	40%
3195	C8 C9 C10 Hautapu Rd - 2nd roundabout at Victoria Rd			1,688,400	95%	5%
3199	Hautapu Transportation Land			10,919,416	100%	0%
<b>Water</b>						
2027	Cambridge North to Hautapu Pipeline and C8	Cambridge North	3,457,262		100%	0%
2027	Cambridge North to Hautapu Pipeline and C8			5,272,838	100%	0%
2410	Hautapu East Water Development (C10)		500,000	620,000	100%	0%
<b>Wastewater</b>						
2158	Hautapu Industrial WW Provision		943,200		100%	0%
2332	Hautapu East C10 WW		2,000,000		100%	0%
2551	WW Hautapu Industrial WT Provision C8 & C9			5,236,541	100%	0%
<b>Stormwater</b>						
2454	Hautapu Industrial SW Provision		49,451	145,000	100%	0%
2549	C8 Stormwater Land Purchase			24,511,355	100%	0%
2550	C8 Stormwater Reticulation Provision			14,394,263	100%	0%
2554	Existing Hautapu Industrial Area SW			6,762,000	100%	0%
	Hautapu East C10 SW development		2,355		100%	0%
2156	Hautapu Industrial SW Provision		164,854		100%	0%
<b>Parks and Reserves</b>						
2529	C8 Hautapu Industrial Land Acquisition and Development			2,102,506	100%	0%
2583	C8 Hautapu Industrial reserve land			2,916,000	100%	0%



## C1 (growth cell)<sup>91</sup>

Table 139:

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Transportation</b>						
3117	Cambridge Deferred Residential Collector Road -Norfolk West	C2, C3, C4, C5, C6, CB/KP, CBN	131,380	1,350,000	100%	0%
3151	CB growth construction c1	C2, C3, C4, C5, C6, CB/KP, CBN	182,103	1,300,000	100%	0%
3167	Cambridge Growth Cell Roding Land Purchases C1	C2, C3, C4, C5, C6, CB/KP, CBN	22,000	2,000,000	100%	0%
3185	C1 Norfolk Roding & Victoria Rd Urbanisation			4,949,500	85%	15%
<b>Water</b>						
2303	C1 water		31,793	1,471,446	100%	0%
<b>Wastewater</b>						
2301	C1 3 Wastewater		45,570	900,000	100%	0%
2577	Taylor St PS Capacity (pipes) and Sewer on Vogel St	Hautapu & CBN		4,222,938	75%	25%
2573	Taylor St WW PS Capacity Increase	Hautapu & CBN		2,170,070	100%	0%
<b>Stormwater</b>						
2253	Cambridge Growth Cell SW Development Provision C1	C2, C3	291,035	6,441,539	100%	0%
2269 / 2456	Stormwater Land Purchases - C1	C2, C3	2,707,466	1,931,384	100%	0%
<b>Parks and Reserves</b>						
2268	land to reserves			9,569,912	100%	0%

<sup>91</sup> SW within C1 C2 and C3 cells is treated as one catchment

## C2 (growth cell)<sup>92</sup>

Table 140:

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Transportation</b>						
3169	C2 & C3 Structure Plan Rooding	C3	934,867	32,864,900	100%	0%
3165	Cambridge Road Urbanisation	C3	950,335	1,300,000	100%	0%
3190	C2/C3 Collector Roads and Green Belt Connection - Land	C1, C3		17,240,980	100%	0%
3189	Hamilton Road/Cambridge Road Urbanisation	C1, C3		5,449,150	43%	57%
<b>Water</b>						
2302	Cambridge Water Reticulation Growth- C2 & C3	C3	1,055,000	2,122,680	100%	0%
2046	Cambridge Water Reticulation Growth (C1, C2, C3, C4 & C7)	C1, C3, C4,	543		100%	0%
<b>Wastewater</b>						
2230	Cambridge Growth Cell WW System Development/Provision	C3	2,647,500	5,145,610	100%	0%
<b>Stormwater</b>						
2266	Cambridge Growth Cell SW Development Provision C2 & C3	C1, C3	2,107,638	39,791,689	100%	0%
2270	Stormwater Land Purchases - C2 & C3	C1, C3	54,209		100%	0%

<sup>92</sup> SW within C1 C2 and C3 cells is treated as one catchment

### C3 (growth cell)<sup>93</sup>

Table 141:

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Transportation</b>						
<b>Water</b>						
2020	Alpha St Water Treatment Plant Upgrade	C1, C2, Hautapu		6,300,480	100%	0%
<b>Wastewater</b>						
1439	Cambridge Upgrade Pipe Bridge	C1, C2, Hautapu	8,271,584		10%	90%
<b>Stormwater</b>						
2457	Stormwater Land Purchases - C2 & C3	C1, C2	126,580	20,351,245	100%	0%
<b>Parks and Reserves</b>						
2268	Reserves - C1, C2, C3		620,000	2,969,600	100%	0%

### C6 (growth cell)

Table 142:

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Transportation</b>						
3186	C5, C6 Lamb Street Intersection - Roundabout			1,333,000	40%	60%
3191	C5/C6 Lamb St Intersection	CB, C4, C5		383,100	90%	10%
<b>Water</b>						
<b>Wastewater</b>						
				-		
<b>Stormwater</b>						

<sup>93</sup> SW within C1 C2 and C3 cells is treated as one catchment

## Ngahinapouri

Table 143:

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Transportation</b>						
3188	Ngahinapouri SH39 Intersection & N1/N2 Development			1,835,868	95%	5%
<b>Water</b>						
<b>Wastewater</b>						
<b>Stormwater</b>						
				-		

## Pukerimu

Table 144:

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Transportation</b>						
<b>Water</b>						
2572	Pukerimu Water Supply - Pipework Parallel Rd to Titanium			9,373,835	10%	90%
<b>Wastewater</b>						
<b>Stormwater</b>						
				-		

## Pirongia

Table 145:

Project #	Project Description	Also included in Catchments:	Historical Projects	Est Capital Cost	% DC growth	% Other
<b>Transportation</b>						
	<i>Refer to the district wide transportation catchment projects which are included in this catchment</i>					
<b>Water</b>						
	<i>Refer to the Te Awamutu and district wide water catchment projects which are included in this catchment</i>					
<b>Wastewater</b>						
				-		
<b>Stormwater</b>						

s.201A (1) Assets for which development contributions will be used – growth related expenditure for past community infrastructure projects with residual capacity

Table 146:

Project #	Project Description	Capital expenditure for planned and historic projects	Expenditure from DCs	Expenditure from other sources	Capital expenditure still to be recovered From DCs	Recovery expected to be completed by end of financial year
	Karāpiro Domain Development	\$8,890,000	\$936,000	\$7,954,000	\$115,497	2029/30
	Te Awamutu Library	\$4,541,231	\$454,123	\$4,087,108	\$13,672	2030/31
	Cambridge Pool	\$11,559,147	\$1,155,915	\$10,403,232	\$1,005,915	2031/32

Note: These projects are also included in the 'schedule of assets for which development contributions will be used' (above) for completeness.

# INFRASTRUCTURE STRATEGY

	Reason for Issue	Author	Reviewer	Date
1	Revised issue for Audit	David Totman/Neil Taylor/Dawn Inglis/Kirsty Downey, Peter Thomson		February 2021
2	Amended Issue for Audit	David Totman/Neil Taylor/ Robin Walker/ Brad Ward/ Aimee Turner		June 2021

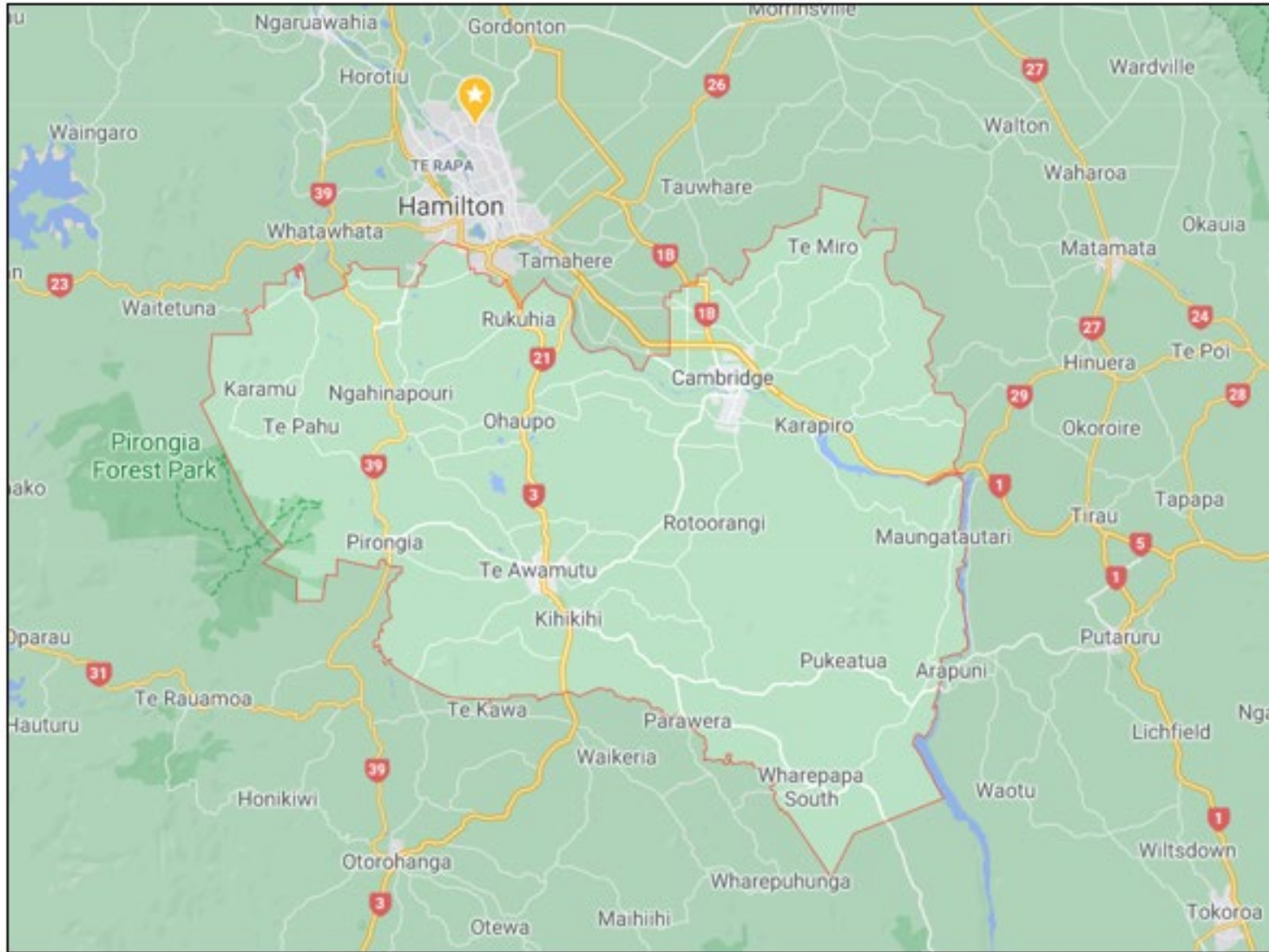
## STRATEGIC CONTEXT

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Waipā is geographically, one of the smaller districts in New Zealand at 1,473square kilometres. Situated immediately south of Hamilton (see map 1 below) on the Waikato floodplain, the district is crossed by both the Waikato and Waipā Rivers and bounded by the remnant volcanic mountains of Pirongia, Maungatautari, Kakepuku, Maungakawa and Te Miro. Situated in the heart of the Waikato and on the boundary with King country, the district has a rich Māori cultural heritage (see Section 1.5.3).

Waipā is fortunate in that 37% of the district comprises high class arable farmland (9% of New Zealand's total). The land supports an exceptionally productive rural dairy sector and a thriving rural and urban population of approximately 56,000 people (2020). While the rural communities are mainly spread across the district, the urban communities are found in one of the districts three towns, Cambridge, Te Awamutu and Kihikihi or its eight villages (see Figure 1).

Figure 1 – Waipā District Context





## **Purpose of the Infrastructure Strategy**

The Waipā Infrastructure Strategy (the Strategy) sets out how the Council intends managing its infrastructure assets and meeting the long-term (30-year) infrastructure needs and challenges to successfully deliver on its strategic community outcomes. The Strategy details what key infrastructure is required, when it is planned to be provided, and how much it is projected to cost.

The infrastructure that this strategy refers to comprises of key public infrastructure and community facilities managed by the Council.

Before detailing the Strategy in Part 3, the rest of this section provides an outline of Waipā's strategic framework, community outcomes, followed by a discussion of identified significant infrastructure challenges and options for addressing these challenges.

## **Council's Strategic Framework**

The strategic framework is guided by Council's overall vision 'Waipā Home of Champions – Building Connected Communities.'

This strategic framework was confirmed by the elected members on 25 August 2020 for directing the Long Term Plan 2021-31. It follows an early round of community and stakeholder engagement carried out during February and March 2020.

The strategic framework is informed by four key community outcomes: socially resilient; cultural champions; environmental champions and economically progressive (see Figure 2).

Figure 2. Community Outcomes



These four outcomes provide strategic direction and context for the Strategy. It is important therefore, that there is good alignment between this outward-facing strategic direction and the internal decisions and investments Council makes regarding its identified infrastructure challenges and priorities. An outline of the linkages between the Community Outcomes and Council’s External Strategic Priorities performance measures is included as an appendix to this strategy.

### Limitations of this Infrastructure Strategy

Noting we are embarking on an organisational improvement plan for 2021-2024 which we expect to significantly improve our next iteration of the Infrastructure Strategy. In the meantime, we are focussed on meeting our minimum requirements given current constraints.

We are investing in learning more about our assets (in particular, our waters and community services assets) and using condition and performance data to inform our renewals programmes, balancing criticality, affordability and acceptable levels of risk such that we are demonstrating our commitment to being good stewards for our current and future communities.

## Infrastructure Challenges and Priorities

Three key infrastructure challenges have been identified by the Council (see Figure 3) These comprise; responding to growth, managing financial risk and delivery of a large capex programme. These three major challenges have been carried over from the Long Term Plan 2018 -28.

Figure 3 – Key Infrastructure Challenges



How these key infrastructure challenges are related to the Council’s strategic direction and priorities is illustrated in Figure 3. The interface between the infrastructure challenges and the aspirational community outcomes is captured in the five strategic priorities of the Council as confirmed in August 2020.

The strategic priorities are an important link between the Council’s vision and community outcomes in the Long Term Plan, and the key infrastructure challenges that need to be addressed in the Strategy. While each of the five strategic priorities links to one or more of the community outcomes, each will also link to one or more of the identified infrastructure challenges that is addressed in the Strategy.

Figure 4 shows the need for connection in the decision-making process for infrastructure investment and the strategic direction and of the Council for the district.

Figure 4 –



Council has a vision for implementing activity management planning at Waipa DC. This is:

*To support Council's purpose of 'working together to achieve our communities' aspirations' through good asset management practices that ensure Council's assets and the services they provide are managed in a coordinated, cost effective, sustainable and well planned manner.*

This vision guides how we strategically manage our infrastructure assets to address our key challenges, while ensuring that the services we deliver to our current and future communities are effective, resilient, and efficiently delivered.

Limitations of this

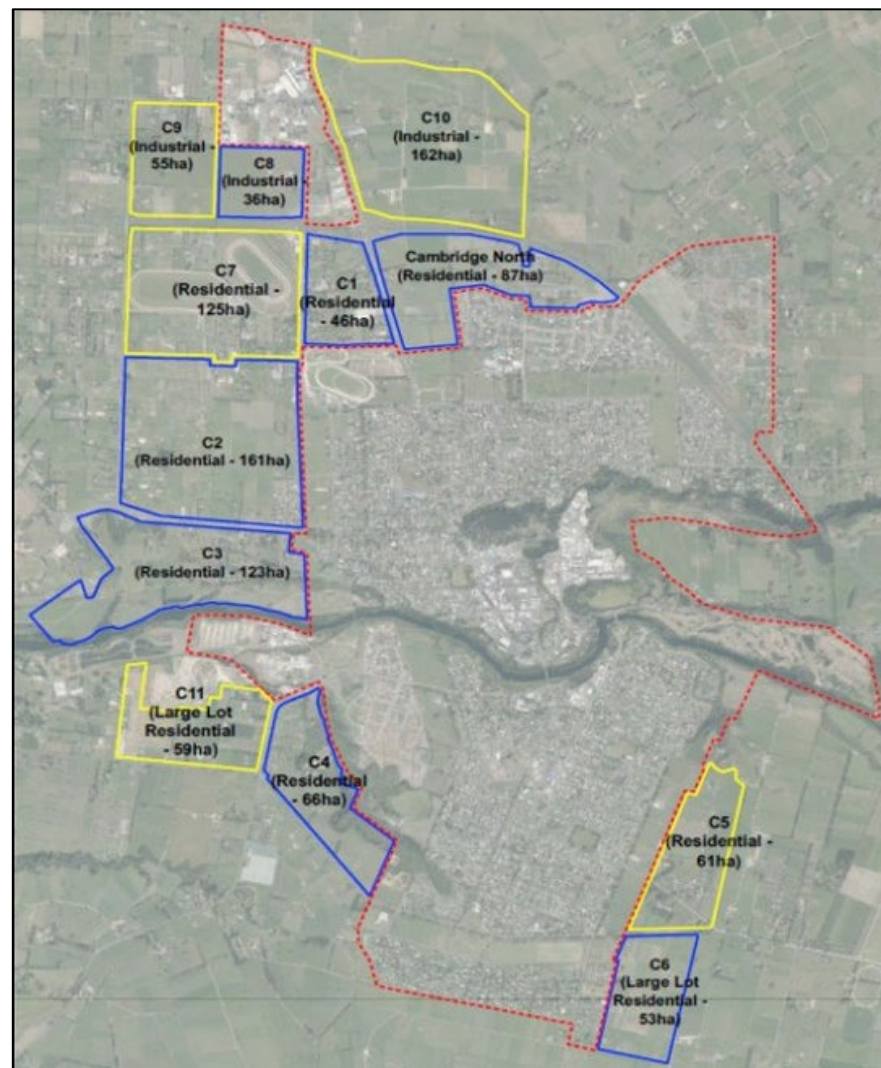
## Responding to Growth

Figure 5. Cambridge Growth cells

At an overall district wide strategic level, the Council is guided by its Waipa 2050 Growth Strategy [Waipa 2050](#) This Growth Strategy was originally prepared in 2009 and updated in 2017. The Growth Strategy is important in providing a guide for the strategy urban development of Waipa, to the preparation of this Infrastructure Strategy, and in providing a level of certainty to residents, landowner and private sector developers.

By way of example, figure 5, shows the strategic growth development map for Cambridge with the growth cells identified for greenfield expansion of the town. These growth cells provide for the future urban development of the town in a planned for and phased manner, while simultaneously protecting the surrounding high-class farmland from ad-hoc development encroachment. The growth strategy has worked well with the district plan in helping the Council manage urban development in a planned for manner co-ordinated with the provision of key supporting infrastructure.

The Growth Strategy is also important in ensuring that the Council is providing sufficient development land capacity in line with the requirements of the National Policy Statement for Urban Development. As an identified high population growth area, the Council works with its Future Proof Partners in jointly ensuring the sub-region has a good strategic platform for meeting the demands of population growth in terms land capacity for urban development along with the required supporting service infrastructure.



## Financial risk

As Waipa DC is a high growth council, balancing our debt to revenue ratio across investment in renewals, level of service and growth projects is an ongoing challenge. Initially post the covid-19 lockdown, the economic forecasts indicated a likely reduction in revenue for council, and an affordability challenge within our communities, such that our investment may need to be further constrained to remove many projects which were considered discretionary. As further forecasts are received, the future appears to be more positive and optimistic, but this will need to be monitored closely.

The robust business cases used to develop project proposals has helped council to balance and prioritise its investment in future infrastructure. Significant assumptions around the Development Contributions revenue expected in the future are such that monitoring the revenue received in coming years will need greater oversight (currently the DC model shows that revenue is assumed to be recovered within ten years of investment in growth infrastructure).

Council is committed to ensuring that Council's services and infrastructure programmes are delivered to the right outcomes (for example treatment standards for waste water discharges which meet all stakeholder expectations) but are financially constrained in our ability to fund these without an excessive financial burden to our ratepayers. Balancing environmental outcomes with community affordability is an ongoing challenge.

Council is currently participating in a sub-regional detailed business case for the investigation of a possible shared waste water treatment plant with Hamilton City Council and Waikato District Council. This business case is using a 100-year horizon to fully assess the economic and environmental benefits, costs and risks to determine what is the most appropriate investment for our communities.

It is noted that the three waters reform agenda being promoted by the Department of Internal Affairs has identified that Water Entities in the future may have a much more enabled balance sheet (increasing the available loan headroom and debt to revenue ratio limits) to allow these challenges to be addressed. Council will again however, have to consider the costs and benefits of this option during upcoming consultation processes.

Notwithstanding this strategic forward planning for urban growth, challenges arise when the preparation of structure plans for the development of growth cells drive up land value expectations. Where council acquires land for required public infrastructure, the final land price paid can be at a much higher cost than was estimated at the outset of the planning process. However, if council acquires the land earlier, when the value may

not be as inflated, there is risk of the development not proceeding on a timely basis or in line with the agreed structure plan. Historically council has worked closely with developers to try and manage this risk, but the rate of property value increasing is exacerbating this challenge. This also impacts on the cost of development contribution levies being applied to the development area, as it is anticipated that at some point these may be a barrier to the take up of development opportunities, and therefore Council's ability to fund the loan repayments from development contributions.

### **Delivering a large Capex programme:**

Council's ability to plan and carry out the proposed programme of infrastructure capital works will impact the overall delivery of infrastructure to maintain levels of service, support growth, and achieve asset renewal and development.

Council understands and appreciates the challenge of completing a large complex capital works programme where there may be capacity constraints on internal and/or external resources, and uncertainties in the delivery supply chain. Risks have been identified with regard to specialist role shortages, capacity gaps and market constraints. Through this Strategy, Council has placed more emphasis on building internal capacity so that appropriate management disciplines and reporting are in place to manage capital programme risks and deliver projects within planned timeframes.

Council will actively plan across financial years to provide greater certainty of resource requirements. Clear capital programme governance structures will be established to support best practice project delivery.

## **External Influences – Uncertainty and Assumptions**

There are a number of external factors that have a substantial effect on the district and the Council's infrastructure assets. For most of these factors, the Council has little influence except in how it responds. This section provides a brief overview of these factors.

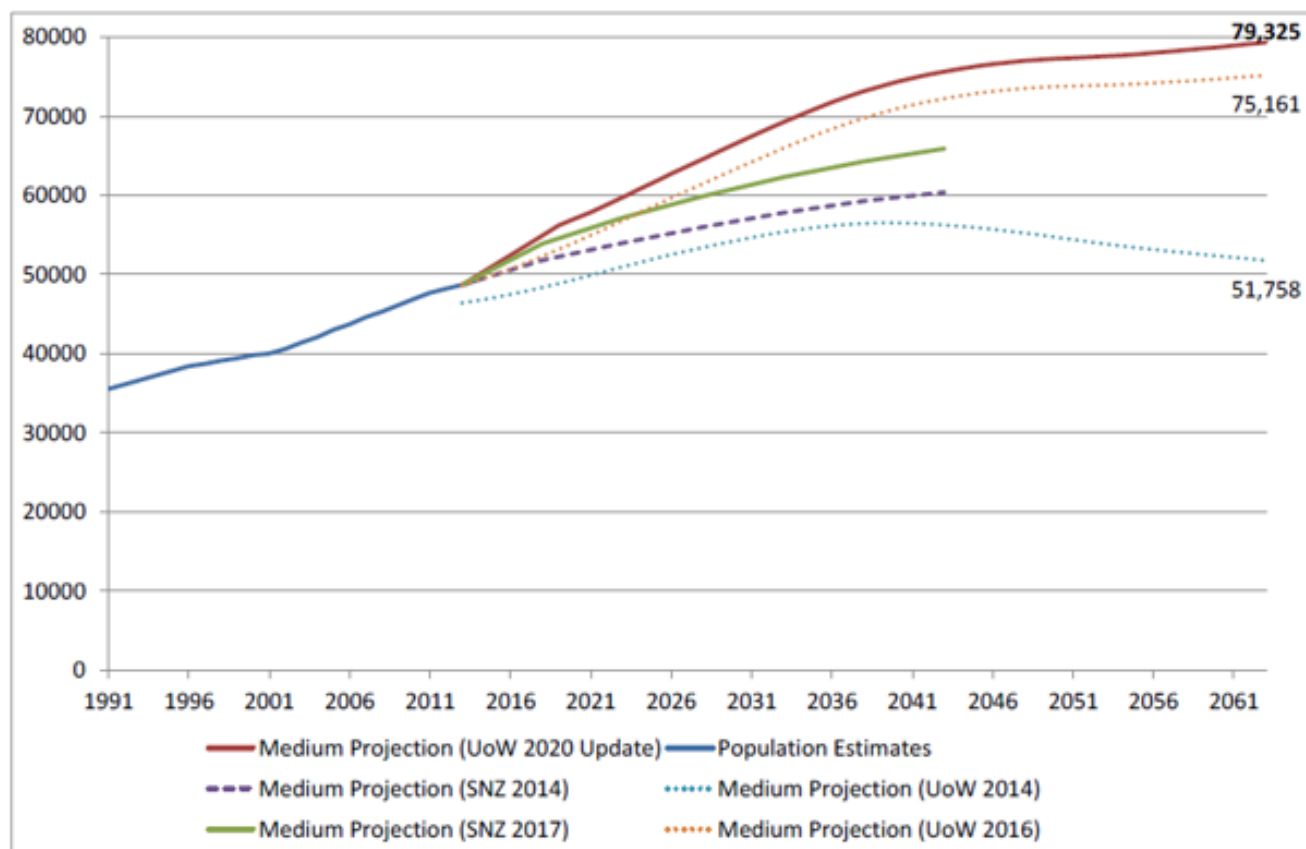
External factors comprise of: population change, climate change, national policy and direction, regional and sub-regional planning, and major global events such as the COVID-19 pandemic.

As there is considerable uncertainty around the impact of these factors, the Council must make a number of assumptions about how it proposes to respond to the anticipated effects.

## Population change

There are two aspects of population change that are anticipated to have long-term effects on the Waipā district and the Council. The first is enduring population growth. Population projections now indicate that the district is likely to continue to experience a net in-migration of people for the next 30 years at least. They also anticipate that the effects of the current COVID-19 pandemic will be short-term and unlikely to have a marked impact on the long-term projected population growth (see graph 10).

**Graph 10: Population Growth Projections for Waipā District (medium rate projection) Source NIDEA University of Waikato 2020**



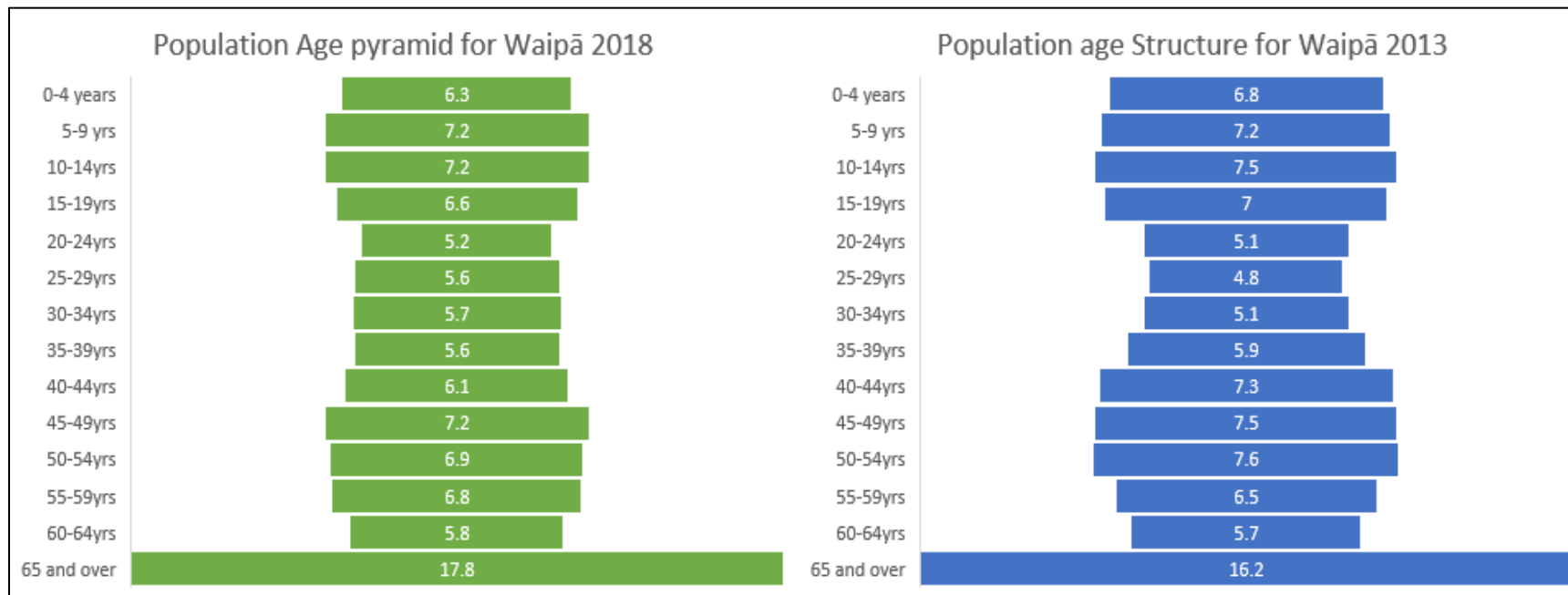


Graph 10 also illustrates how population projections since 2014 have successively elevated the population growth expected in the District.

The other change is population ageing. This trend is widely apparent through the developed world and is already evident in the Waipā district. Ageing is expected to become more evident over time.

The proportion of the district’s population aged 60+ years is anticipated to continue growing the fastest (see Figure 5). As shown in Figure 5, the proportion of the Waipā population aged 60+ years grew from 21.9 per cent in 2013 to 23.6 per cent in 2018. This age group already comprises of almost a quarter of the overall district population.

**Graph 11: The Demographic Structure of Waipā’s Population (source Infometrics 2020 – District Profile)**



The Council commissions regular updates from NIDEA (National Institute of Demographic and Economic Analysis at the University of Waikato) along with its Future Proof partners to maintain a good understanding of population growth and ageing trends and changes due to migration into

and from the Waipā district. More recently, this work also serves to maintain compliance with the information and monitoring requirements of the National Policy Statement on Urban Development (NPS-UD), formerly the National Policy Statement on Urban Development Capacity (NPS-UDC).

Delays in the release of the 2018 Census information by Stats NZ has meant that the Council's current population change projections are still based on the 2013 Census. Once NIDEA has the final 2018 Census information, these projections will be updated.

## Climate Change

Climate change is an ongoing reality and already an important aspect of all infrastructure asset management, planning and design. It is increasingly important in the Three Waters infrastructure area, and in particular with regard to water and stormwater infrastructure resilience and sustainability.

The major identified climate risks for the district are that the district can expect warmer temperatures and more frequent extreme weather events (drought and heavy rainfall) with little change in the average annual rainfall. Greater emphasis is now placed on an integrated approach to planning for, and the provision of, key public infrastructure. There is still a high level of uncertainty around the impacts of climate change, so Council has committed to taking steps to reduce Council's greenhouse gas emissions profile and identify the risks and opportunities arising from climate change; and to continue to ensure, where appropriate, that infrastructure design includes allowance for climate change as required by legislation.

The impacts of climate change which have been considered for Waipa's infrastructure assets include:

- the anticipated increase in deformation of our peat roads (during drought the underlying peat subgrades shrink unevenly causing the road surface to deform) which will drive lower useful lives of these assets (increasing investment need in both capital and operating funding)
- stormwater asset renewals including an allowance for upsizing to cope with increased flows (as design storms include higher intensity/shorter duration events)
- consideration of other alternative measures to address water allocation both within Waipa but also regionally as drought impacts on the availability of water for municipal use
- drought events impacting on the economy of Waipa due to the high level of dairying in our district which could lead to community affordability issues.

Council is updating its information on flooding risks for its urban areas of Te Awamutu, Kihikihi and Cambridge and their future growth areas. This information is important for underpinning Council's planning of future urban development to avoid flood-prone areas.

## **National Policy and Direction**

In recent years, Government has released a considerable volume of policy and directives that all local government must comply with (including national planning standards, urban development, protection of valuable farmland and water management reform). In addition, high-growth areas like Waipā have additional requirements to meet such as assessments of urban development capacity and the monitoring of this capacity and its uptake over time.

In the near future requirements to meet with the impending replacement of the Resource Management Act will exist, with two new pieces of legislation governing resource management (Natural and Built Environments Act), and regionally collaborative strategic planning (Strategic Planning Act), which will complement recent legislation informing climate change adaptation (Climate Change Response Act). Other looming legislation is the three Waters Reform (Taumata Arowai, Water Services Bill, and Water Entity formation) which will significantly impact on Council's activities in delivering waters infrastructure.

For Council there is a significant level of uncertainty regarding the impacts of these new policy and directives on its long-term planning. Notwithstanding this uncertainty, there is generally an acceptance that the changes carry greater costs and resourcing commitments for Council, although the Waters Reform may provide balance sheet head room for greater investment in other community assets; this will need to be assessed against the possible loss of governance in the provision of waters assets for our growing communities.

Over the last decade there has been a move by the Government to allow larger trucks to carry freight more efficiently on the New Zealand transport network. The expectation was that this would in fact reduce the number of trucks on the roads, thereby negating the overall possible increased in accelerated deterioration of the road pavements which could be expected.

It is now evident that the volume of freight being moved is such that we both have greater mass being carried by trucks, and an increase in numbers of trucks. This increase carries the risk of reducing asset expected lives and increasing renewal investment needed. Council has engaged services to monitor road asset condition (pavements and bridges) via a regional collaboration to ensure that the latest technology (cracking of surfacings via automated video capture) is utilised to monitor this.

## Global Events

The COVID-19 pandemic is currently having a profound global impact, resulting in an almost overwhelming level of universal uncertainty as countries like New Zealand grapple with how to manage the ongoing and changing effects of the pandemic on communities, health systems and economies.

The pandemic is widely described as a one-in-100year event that is likely to result in a rewriting of economic understanding, urban and transport planning as well as work and health practices. At a local district level, the current viewpoints of the Council's expert economic advisors (Infometrics) and demographic advisors, (National Institute for Demographic and Economic Analysis of the University of Waikato) are that the impact of the pandemic on the district's economic and population growth projections will be largely short-term. The Council's advisors have drawn comparative evidence from previous global crises such as Financial Crisis of 2008, the Great Depression of the 1930s and the Spanish Flu pandemic of 1919. They anticipate that following two-to-three years of economic recession and limited people migration, there is a strong likelihood that the district will return to projected long-term economic and population growth.

Since the outbreak of the COVID-19 pandemic Council has been able to sustain its momentum procuring and delivering its current large programme of infrastructure capital works. Despite the pandemic impact on the regional economy Council has retained specialist internal resources and maintained access to healthy competitive resources in the supplier market. This has been assisted by Council communicating its "pipeline of work" from the 2018-2028 LTP, and by the stable procurement practices and relationships Council maintains with key suppliers in the district.

Council also has the opportunity and ability to work with and through the Waikato Local Authority Shared Services if supplier resources were more severely constrained by any unforeseen adverse event and threatened the programmed delivery of the capital work programme.

## Natural Disasters

One of council's significant assumptions for the current LTP is that there will be no significant emergency events (natural disasters) affecting our district that cannot be funded out of the budgetary provisions or met by insurance arrangements. For our infrastructure council takes the following actions to mitigate the risk posed if this assumption is incorrect:

- Ensure that we have adequate insurance to cover the district's assets against such events.

- Ensure that the commercial insurances are at a level to cover the district’s assets against such events when taking into consideration central government’s role in disaster recovery and restoration.
- Continue to give focus and attention to our involvement with sub-regional emergency management activities, and local emergency management and business continuity planning. In the event of an emergency, Council’s response will be immediate, with appropriate resources redirected for that purpose.

Additionally, a committed cash advance facility of \$5 million is available to be called upon in the event of a natural disaster, and short-term lending opportunities exist with the Local Government Funding Agency.

## **Water Demand and Revenue**

A key assumption in the supply of water to our communities is that we will be successful in supporting the message that our water is a limited resource, and whilst residents now pay for their water by meter (volumetric charging), this does not remove the need for careful management to ensure we have sufficient water for all. Council does have an active water demand management aimed at reducing the amount of water used per household in Cambridge and Te Awamutu from 250 litres per person per day to 190 litres.

If the water demand objectives are not achieved, the financial implications would result in significant investment in capital works to commence earlier than planned. This will also result in additional depreciation and loan interest costs as a result of bringing forward this capital work.

## **Asset Lifecycle Assumptions**

Council’s current asset management practices includes that the useful lives of assets are revised as part of the cyclical revaluation process for each asset class (where infrastructural assets are normally revalued two-yearly). Council has a medium level of uncertainty for the assumed lives of our underground water supply, wastewater, and storm water infrastructural assets due to the limited extent of the networks covered by condition assessments. For our other infrastructure assets the uncertainty level is low.

## **Key partners**

### **Future Proof**

Waipa District Council is a partner council in the Future Proof alliance along with Hamilton City Council, Waikato District Council, Waikato Regional Council, Iwi and Waka Kotahi NZ Transport Agency. Recently, this alliance has broadened to include key social infrastructure providing agencies such as the Waikato District Health Board and government departments like Ministry of Education and Ministry of Housing and Urban Development. There is also improved liaison with Auckland Council and its agencies regarding cross-boundary planning and infrastructure issues.

Working with these alliance partners since 2008 has led to a more integrated approach to strategic urban settlement planning, major road infrastructure planning and some social infrastructure. More recently, this integrated approach has been widened to include the planning and funding for the provision of major new wastewater and water infrastructure required to support the ongoing population growth and urban development of the sub-region.

### **Government**

Working largely through the Future Proof partnership, central government has worked with the sub-regional councils in delivering major road infrastructure such as the Waikato Expressway and improvements to other state highways in the area. More recently, through initiatives such as Hamilton to Auckland Corridor Plan project and the Hamilton-Waikato Metropolitan Spatial Plan, the scope has widened to include public transport, Three Waters infrastructure, urban form and residential development.

### **Tangata Whenua**

Māori are partners to the Council in decision-making processes under its Treaty of Waitangi obligations, the Local Government Act 2002 and a number of other Acts. Council has entered into Joint Management Agreements (JMAs) with Waikato Tainui, Raukawa and Ngāti Maniapoto. The JMAs outline processes and responsibilities to ensure that Council activities support Te Ture Whaimana, the Vision and Strategy for the Waikato River.

Council also has co-management responsibilities for some reserves with Ngāti Hauā and Ngāti Korokī Kahukura under the Ngāti Hauā Claims Settlement Act 2014 and the Ngāti Korokī Kahukura Claims Settlement Act 2014.

Council seeks to engage iwi at the earliest stages on in its decision-making and policy review processes and prior to general public consultation.

In 2020, the Council added a Māori representative to each of its four key committees. These representatives are known as ‘Te Kanohi’. In addition, the Iwi Consultative Committee, a standing Committee of Council with membership that includes representatives of iwi and Hapū, considers significant matters of Council policy and operations with treaty implications.

Ngā Iwi Toopū O Waipā (NITOW), is an independent body which represents most hapū in Waipā considers resource consents and other issues.

At a sub-regional level, iwi are represented as governance partners on both Future Proof and the Hamilton-Waikato Metropolitan Spatial Plan.

### **Private Developers**

The delivery of most development is done by private developers. They work jointly with the Council and other service providers regarding the provision of the supporting road, Three Waters and community infrastructure. While the Council undertakes the strategic level forward planning of key bulk infrastructure required to support urban development, much of the local-level infrastructure is undertaken by private developers working in partnership under Development Agreements with the Council. The timing of almost all development is driven by private developers.

### **Community and Non-Government Organisations**

Some of the district’s major social infrastructure has been developed through the work of community, specific interest groups and philanthropists in partnership with the Council. The Avantidrome cycling track at St Peters School as well as the Sir Don Rowlands multi-function Centre at Lake Karāpiro, are good examples of this approach.

## MANAGING COUNCIL'S INFRASTRUCTURE

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### Overview

#### Council's assets

Council's assets are its created or purchased resources that have long-term financial value. Typically, they are maintained to ensure they reach or exceed their intended useful life at the end of which they are renewed or replaced.

#### Scope of Strategy

The following infrastructure areas are covered by this strategy:

- Water treatment, reticulation and supply
- Wastewater reticulation, treatment, and disposal
- Stormwater management
- Transportation
- Waste management services
- Community facilities

Under the Local Government Act 2002, flood protection and control works are also considered infrastructure assets. Responsibility for managing flood protection infrastructure generally rests with the Waikato Regional Council (with Council recently taking over responsibility for maintaining some rural drains), therefore this activity is not included in the Strategy.

Council also manages assets associated with the services listed below; those assets are not covered in the Strategy unless they are key to Council managing strategic issues over the next 30 years.

- Mighty River Domain (on Lake Karāpiro)
-



- Museums and heritage
- Community halls
- Housing for the elderly
- Emergency management

Another excluded category are public swimming pools. Although these properties are owned by the Council they are operated and managed by the Waipa Community Facilities Trust on behalf of Council.

## How Council Manages Infrastructure Assets

### Activity Management Plans

Council has 10 principal documents for managing our assets, called Activity Management Plans (AMPs). The AMPs identify the activities, asset development, renewals and upgrades, and how they are delivered to achieve Council's objectives as set in its strategic documents.

### Activity Management Maturity

Council assesses its quality of activity management against the maturity scale set within the IIMM<sup>94</sup> and ISO55000. Our objective is for each service area to reach either the core or intermediate maturity level depending upon the level of risk associated with the service. Currently all areas are operating below the desired level. To reach the desired maturity levels the following is required:

- enhancements in governance effectiveness
- reduction in resource shortages and staff churn
- introduction of a documented asset management framework
- consistency in approach across teams to improve efficiency and effectiveness, and generate consistent outcomes.

In late 2019, KPMG carried out an internal audit of Council's asset management planning frameworks and systems. Overall, Council was rated as "developing". A number of actions were suggested to improve asset management and better embed it into our activities. These include: executive

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<sup>94</sup> International Infrastructure Management Manual 2020

group leadership, a single point of accountability and a documented asset management framework and system. To address the report's findings, an Activity Management Planning: Organisational Improvement Project Control Group (PCG) has been established. The intention it for this PCG to drive necessary improvements.

### **Balancing Maintenance versus Renewal**

Maintenance helps ensure the assets continue to deliver the required Level Of Service (LOS) and reach their expected life. Asset renewals cover the progressive replacement of existing assets as they reach the end of their useful life.

The optimum balance between maintaining and renewing assets varies across assets. For example, to maintain LOS, a highly critical asset will be proactively maintained and then towards the end of its life, renewed before actual failure, whereas a minor asset will be reactively maintained and renewed once it fails.

Overall, the level of maintenance and rate of renewal should maintain the overall condition of the asset system at a standard that ensures the community's investment in infrastructure is maintained. Failure to do so will reduce the ability of the service to deliver the required levels of service and/or increase risk of full service failure.

### **Identifying and Prioritising Asset Renewal Projects**

A mix of the following criteria are used to identify the need for and priority of renewal projects:

- Asset age, condition, performance, and criticality
- Risk of asset failure
- Alignment of renewals with work to increase asset capacity to address pressures from district growth
- Opportunities to align projects from different service areas to:
  - Achieve efficiencies in time and cost
  - Address multiple issues within one project
  - need to for both renewals and increases in asset capacity.

Since 2017 asset condition data has been used in adjusting remaining useful life for a number of asset classes when undertaking asset valuations. Base lives are regularly reviewed for depreciating assets where no condition data is available. These reviews are guiding council's investment in assets condition and performance data sets. Council considers that it's asset knowledge and completeness of data sets to be generally good. Each year there is a reducing amount of "found assets" added to the various inventories.

It is noted that the asset information known about Waters Above Ground Assets is lower than ideal, and collecting this data is a key focus in coming years. Replacement costs for these assets are therefore derived on a more aggregated basis (ie replacement of treatment plant as a whole rather than the components which make up the plant).

### **Unexpected Renewals**

Council may face additional renewal expenditure beyond that which has been allowed for in the Long Term Plan. This may result from condition assessments highlighting previously unidentified issues or early failure of assets. Should this occur, Council will evaluate the options available to continue to manage the asset and maintain service to the community. A combination of strategies is possible based on the following options:

- The first option will be to review planned renewals (initially within the same asset class and then within the same activity) to identify which low criticality/low risk renewals can be deferred so that the funding can be used on unexpected renewals. This is the preferred option as it has the lowest risk of negatively impacting the service levels received by the community.
- Review of the levels of service, particular focus on critical vs. non-critical assets, and possible impacts on the customer through reduced services.
- Increased capital expenditure to accelerate renewals and hence debt servicing costs impact on customers.
- Increase operational costs to defer capital expenditure, and again having a direct impact on the customer.

## Financing assets

Asset renewals are funded from the depreciation reserves. Those reserves are generated from the asset depreciation charge within Council rates. The amount is calculated annually and is based on the value of Council assets and the estimated life left. Fund levels within the depreciation reserves levels are relatively low, with the majority of the annual depreciation charge funding that year's renewals.

Operational expenditure and renewals for roads and cycleways are on average funded 49% by Council and 51% by Waka Kotahi NZ Transport Agency (NZTA). Exceptions are footpaths, bus stops, shelters and carparks, for which no NZTA funding is available.

Council's debt level is set to rise substantially, peaking in year seven (refer to the debt profile in the Finance Strategy) in order to finance the infrastructure development required to enable the forecast residential and industrial growth. The Financial Strategy sets out how debt remains within prudent limits. Debt associated with growth projects is paid down as development contributions are received (including the debt's interest component), so effectively "growth generally pays for growth".

The maximum debt term for capital spend associated with maintaining or improving levels of service is 30 years, the same timescale as the Strategy. This recognises the long-term planning involved and the intergenerational benefits of the assets being created by this debt and the need for all those who benefit from them to contribute to their costs. Council's Financial Strategy provides more details on how Council manages asset finances.

## Service Delivery Approach

Table 128:

Activities	Key Services	Delivery Model
Stormwater	Collection and reticulation, retention, treatment and discharge	<ul style="list-style-type: none"> <li>▪ The service are delivered through a mix of in house, shared services and external contractor resources.</li> <li>▪ Most operational, compliance and project management work is completed in house.</li> <li>▪ Water sampling and laboratory services are carried out by a shared services arrangement with Waikato LASS.</li> <li>▪ External contractors are brought in to fill gaps in expertise or resourcing, and also where physical construction works are outside the capabilities or capacity of our internal crews.</li> </ul>
Wastewater	Collection and reticulation, treatment, and discharge	
Water Supply	Source, treatment and reticulation	
Transportation	Roads, Footpaths, and Cycleways including associated structures and facilities	<ul style="list-style-type: none"> <li>▪ General &amp; specialist maintenance contracts</li> <li>▪ Bridge management professional services and data collection through the Regional Asset Technical Accord (RATA)</li> <li>▪ Specific tendered contracts for major repairs</li> <li>▪ Joint management contract with Waka Kotahi (NZTA), Hamilton and Waikato Councils for signals and separate CCTV management contract.</li> <li>▪ In-house enforcement staff</li> </ul>
	Passenger Transport	<ul style="list-style-type: none"> <li>▪ 9 year bus service contract administered by Waikato Regional Council</li> <li>▪ Taxi provider contracts administered by Waikato Regional Council</li> </ul>
Community Facilities	Libraries	<ul style="list-style-type: none"> <li>▪ Delivered through in-house resources</li> </ul>
	Cemeteries	<ul style="list-style-type: none"> <li>▪ Delivered through in-house resources</li> </ul>
	Public Toilets	<ul style="list-style-type: none"> <li>▪ Public toilets are cleaned and maintained through a contract with an external supplier.</li> <li>▪ Renewals, upgrades and new facilities are identified, programmed and managed inhouse with the physical works are undertaken by external contractors.</li> </ul>
	Parks	<ul style="list-style-type: none"> <li>▪ Urban sites are maintained using in-house resources</li> </ul>

Activities	Key Services	Delivery Model
		<ul style="list-style-type: none"> <li>Rural sites are maintained under an external contract</li> <li>Renewals, upgrades and new facilities are identified, programmed and managed inhouse with the physical works are undertaken by external contractors.</li> <li>Street trees are managed in-house with the physical work undertaken by external contractor</li> </ul>

## Demand Changes and Management Strategies

Table 129:

Activities	Key Demand Changes	Key Demand Driven Issues	Key Demand Management Strategies
Stormwater	<ul style="list-style-type: none"> <li>Population growth leading to housing development and a consequential increase in demands on infrastructure</li> <li>Increasing customer expectations</li> <li>Legislation: tighter regulatory requirements</li> <li>Climate change: increased temperatures, frequency of intense rainfall events</li> <li>Demographic changes: new large industrial areas in Cambridge, Hamilton Airport and Te Awamutu</li> </ul>	<ul style="list-style-type: none"> <li>Growth will require additional infrastructure as well as putting increasing pressure on the existing system</li> <li>The design capacity of stormwater assets may need to be altered</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of on-site disposal and water re-use</li> <li>District Plan: development rules and guidelines</li> <li>Education, awareness and regulation of community responsibilities for stormwater quality</li> </ul>
Wastewater	<ul style="list-style-type: none"> <li>Population growth leading to housing development and a consequential increase in demands on infrastructure</li> <li>Increasing customer expectations</li> <li>Legislation: tighter regulatory requirements</li> </ul>	<ul style="list-style-type: none"> <li>Current network capacity is insufficient to cope with growth, requiring additional infrastructure</li> <li>Current treatment plants are insufficient or inappropriate to ensure compliance with potential changes in Resource Consents conditions</li> </ul>	<ul style="list-style-type: none"> <li>Reduced demand for water should also have a beneficial impact upon demand for wastewater services.</li> <li>Inflow and Infiltration: infiltration reduction programme will help reduce inflow and infiltration allowing capacity for growth</li> </ul>

Activities	Key Demand Changes	Key Demand Driven Issues	Key Demand Management Strategies
	<ul style="list-style-type: none"> <li>▪ Climate change: increased rainfall events which increases the volume of water in the wastewater network and more frequent droughts increase the risk of odour</li> <li>▪ Demographic changes: New large industrial areas in Cambridge, Hamilton Airport and Te Awamutu</li> </ul>		<ul style="list-style-type: none"> <li>▪ Trade Waste: Trade waste customers can have an impact on network condition and compliance of WWTPs discharges, managed via the Trade Waste Bylaw and a proactive management programme for monitoring and managing trade waste discharges.</li> <li>▪ Support education programmes such as 'wet wipes'</li> </ul>
Water Supply	<ul style="list-style-type: none"> <li>▪ Population growth leading to development</li> <li>▪ Increasing customer expectations</li> <li>▪ Legislation: tighter regulatory requirements</li> <li>▪ Climate change: increased temperatures frequency of droughts and intense rainfall events</li> <li>▪ Demographic changes: new large industrial areas in Cambridge, Hamilton Airport and Te Awamutu</li> </ul>	<ul style="list-style-type: none"> <li>▪ Capacity of current infrastructure is insufficient to supply new growth areas and new growth will manifest as reduced LOS in some areas as pressure levels drop.</li> <li>▪ Increased pressure on water resources and stream ecology from very low river and stream flows.</li> <li>▪ Increase in peak demand for stock watering, irrigation and domestic use. Increases in peak demand will bring forward the requirement for more storage capacity.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Water Metering: Universal water metering and volumetric pricing was implemented across the District in 2018 to reduce residential demand across the supply areas.</li> <li>▪ Smart Water: This programme aims to change the way people think and use water</li> <li>▪ Network Leakage reduction: Repair leaks reactively and undertake active leak detection surveys. Leakage reduction is a priority for Cambridge Water Supply Scheme</li> </ul>
Transportation	<ul style="list-style-type: none"> <li>▪ Population Growth</li> <li>▪ Climate Change</li> <li>▪ Employment Growth</li> <li>▪ Demographic Change (particularly an aging population)</li> <li>▪ Customer Expectations</li> <li>▪ State Highway Network Change</li> <li>▪ Mode Change</li> <li>▪ Legislative Change</li> </ul>	<ul style="list-style-type: none"> <li>▪ Higher traffic volumes are creating greater road user risks</li> <li>▪ Employment growth is leading to increased traffic on certain roads.</li> <li>▪ Parking demand is increasing in urban areas</li> <li>▪ Increased demand for passenger transport services</li> <li>▪ Extent of footpath networks in urban areas is below customer expectations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Effective land use planning, growth around existing nodes and towns, structure plans including a range of transport options and town centre plans</li> <li>▪ Provision of transport options to reduce congestion and demand for more infrastructure such as, bike, bus, pedestrian networks, disability access.</li> <li>▪ Network optimisation to make best use of existing infrastructure, safety improvements, optimised service levels</li> </ul>

Activities	Key Demand Changes	Key Demand Driven Issues	Key Demand Management Strategies
		<ul style="list-style-type: none"> <li>▪ Extent to which footpaths connect rural residential streets close to towns is below customer expectations</li> <li>▪ Current culvert sizes may be insufficient to handle higher rainfall intensities</li> <li>▪ Some infrastructure is vulnerable to damage from high intensity rainfall events</li> <li>▪ The footpath network does not provide the required level of smoothness, width and accessibility required for an aging population, and cycle and mobility usage</li> </ul>	<ul style="list-style-type: none"> <li>▪ and protection of transport routes including rail.</li> <li>▪ Provision of additional infrastructure to meet demand</li> </ul>

Activities	Facilities	Key Demand Changes	Key Demand Driven Issues	Key Demand Management Strategies
Community Facilities	Libraries	<ul style="list-style-type: none"> <li>▪ Population Growth</li> <li>▪ Population and social demographics</li> <li>▪ Customer Expectations</li> <li>▪ Legislation</li> <li>▪ Climate Change</li> <li>▪ Technology</li> <li>▪ Affordability</li> </ul>	<ul style="list-style-type: none"> <li>▪ Stock levels insufficient to maintain LOS as population grows</li> <li>▪ Demand for lifelong learning services will exceed capacity</li> <li>▪ Current adult book issues expected to continue to decrease under current fee policy</li> <li>▪ Staffing, space and resources will be insufficient to meet increased demand for increased number and variety of programmes</li> <li>▪ Anticipated increase in demand for eResources and digital services will exceed the ability of current staff and</li> </ul>	<ul style="list-style-type: none"> <li>▪ Given the nature of the library service is to maximise people's use of the library service and its resources demand strategies will need to focus on meeting changing demand while minimising the negative impacts of doing so</li> </ul>



Activities	Facilities	Key Demand Changes	Key Demand Driven Issues	Key Demand Management Strategies
			<p>resource levels to meet the demand.</p> <ul style="list-style-type: none"> <li>▪ Demand for longer hours from customers will exceed the ability of current staffing levels.</li> </ul>	
	Cemeteries	<ul style="list-style-type: none"> <li>▪ Population Growth</li> <li>▪ Climate Change</li> <li>▪ Increasing Customer Expectations</li> <li>▪ Demographic Change</li> <li>▪ Legislation: Tighter Regulator Requirements</li> </ul>	<ul style="list-style-type: none"> <li>▪ Cemeteries in Hautapu and Te Awamutu will reach capacity within 15-20 years</li> <li>▪ The increase in the aged population will use existing capacity quicker.</li> <li>▪ Current resourcing levels are insufficient to cope with an increase in internments.</li> <li>▪ Natural burials, which include trees to be planted on top of the grave, will use up available space quicker than traditional burials.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Possibility of encouraging a trend towards cremation services which would ease congestion in our Cemeteries as cremations take considerably less space than casket burials</li> </ul>
	Public Toilets	<ul style="list-style-type: none"> <li>▪ Population Growth</li> <li>▪ Environmental Impact Requirements</li> <li>▪ Customer Expectations</li> <li>▪ Demographic Change</li> <li>▪ Legislation: Tighter Regulator Requirements</li> <li>▪ Changes to Tourism Industry</li> </ul>	<ul style="list-style-type: none"> <li>▪ Current provision is no longer sufficient, both in capacity and degree of coverage, to meet the increasing usage levels</li> <li>▪ The current provision does not provide adequate coverage of the proposed district cycleway network and to meet increased demand from tourism</li> <li>▪ Current provision does not provide for the specific needs</li> </ul>	<ul style="list-style-type: none"> <li>▪ The only demand driver which could potentially be influenced would be customer expectations, though this would be challenging to influence as customers will typically expect the same standards as neighbouring (and nationwide) councils. At this time Council are not planning any work to attempt to influence expectations.</li> </ul>

Activities	Facilities	Key Demand Changes	Key Demand Driven Issues	Key Demand Management Strategies
			of an aging and ethnically diverse population.	
	Parks	<ul style="list-style-type: none"> <li>▪ Population Growth</li> <li>▪ Demographic Change</li> <li>▪ Increasing Customer Expectations</li> <li>▪ Changes in population ethnicity</li> <li>▪ Legislation</li> <li>▪ Sporting Expectations</li> <li>▪ Climate Change</li> <li>▪ Council Direction and Goals</li> </ul>	<ul style="list-style-type: none"> <li>▪ Asset usage levels are now above intended levels leading to quicker deterioration and early asset failures</li> <li>▪ Residents travelling further to parks</li> <li>▪ New parks in growth areas placing pressure on already stretched maintenance resources</li> <li>▪ Gaps in play provision in certain areas of the district.</li> <li>▪ Sport field provision is insufficient to meet growth in existing sport codes or provide for new sport codes.</li> <li>▪ Access and site facilities at our conservation reserves are insufficient to meet increased demand</li> </ul>	<ul style="list-style-type: none"> <li>▪ The key demand management strategy for Community Services will be focused on encouraging multiple usage of sites to maximise utilisation</li> </ul>

## Responding to Growth

### Staged development of new assets

Council needs to provide additional core infrastructure to enable forecasted growth. Following expansion, a degree of redundancy will exist within a network until growth results in full utilisation of that service. However, enlarging networks too far and too quickly risks the costs of development being incurred many years before those costs can be recovered, leading to issues relating to servicing the debt. Additionally, if the forecast growth fails to materialise, it will leave Council with reduced development contribution revenue to service its debt.

To manage this risk, Council will, wherever possible, try to develop new infrastructure capacity in a staged or modular fashion: adding just enough new capacity to cater for medium-term, rather than long-term growth. This is reasonably straightforward for reticulated systems, but less so for treatment plants or reservoirs where a single upgrade may offer a more efficient solution to frequent modular development.

## **Maintaining and Changing Levels of service**

### **Defining Levels of Service**

Levels of Service (LOS) are the parameters or combination of parameters that reflect social, political, economic and environmental outcomes that the organisation delivers. LOS statements describe the outputs or objectives an organisation or activity intends to deliver to customers. As the LOS statements, measures, and targets for the first 10 years of the Strategy, are covered in detail in the main body of the Long Term Plan, they are not repeated here.

There are no significant changes to LOS currently planned. There will be LOS changes driven by legislative change, however. The full impact of those mandated LOS changes on the service will be determined as and when those legislative changes occur. This does raise the risk of expenditure requirements over and above those currently planned.

### **Challenges to Meeting Levels of Service**

The key factors that will challenge Council's ability to deliver the desired Levels of Service (LOS) while avoiding unsustainable debt and other problems for future ratepayers are:

- a) Population growth – maintaining LOS for all while expanding volume and coverage of services.
- b) Ageing population – understanding and adapting to changing LOS requirements resulting from more people aged 60+ years within the community.
- c) Technology change – digital technology changes faster than the Council can often afford to adopt and adapt to in its LOS.
- d) Consent compliance - compliance needs to be maintained, and in some cases raised, while simultaneously expanding service coverage and associated infrastructure.
- e) Increasingly restrictive consent conditions – consent conditions are expected to become more stringent as environmental standards are raised.

- f) Climate change – how does Council plan for an uncertain size and frequency of weather events and still maintain LOS and cost-effectiveness?
- g) Increasing number of stormwater ponds and swales required as part of Council’s climate change and stormwater management response, more detention ponds and swales require more upkeep to maintain the LOS.
- h) Uncertainty around demand – within the Community Service area, particularly park and reserves, there is limited information to support analysis and forecasting of demand levels and its implications for LOS.

## **Delivery of Capital Expenditure**

Council’s ability to plan and carry out the proposed programme of infrastructure capital works will impact the overall delivery of infrastructure to maintain levels of service, support growth, and achieve asset renewal and development.

Council understands and appreciates the challenge of completing a large complex capital works programme where there may be capacity constraints on internal and/or external resources, and uncertainties in the delivery supply chain. Risks have been identified with specialist role shortages, capacity gaps and market constraints. Through this Strategy Council has placed more emphasis on building internal capacity so that appropriate management disciplines and reporting are in place to manage capital programme risks and deliver projects within planned timeframes.

Council will actively plan across financial years to provide greater certainty of resource requirements. Clear capital programme governance structures will be established to support best practice project delivery.

Council has developed a Project Management Framework which will be implemented across the organisation. This will enable Council to better monitor and support all projects including maintaining financial controls, procurement, asset and risk management, and achieving project objectives. Therefore, Council will have a consistent project management approach across the organisation with clear objectives that:

- projects are effectively managed within the scope, quality, time, budget, risk and benefits;
- appropriate governance and control are established;
- appropriate authorisation and approval are established throughout the life of a project;

- stakeholder communication is inclusive;
- post implementation reviews are conducted and used for continuous improvement; and,
- project deliverables are identified, managed and objectives are met.

Council has recently established a specialised Project Delivery team within its organisation, which is primarily responsible for the planning and execution of the capital works infrastructure programme. This team can be scaled to meet the needs of the Council’s medium and long-term horizon.

Council will also explore regional procurement initiatives or arrangements through the Waikato Local Authority Shared Services (WLASS) for infrastructure services or supplies, such as the recently established Professional Services Panel that assists Council to identify the best cost-effective resources for its programme requirements.

## Critical Assets

**Table 130:**

Activity Area	Critical Assets		Condition Knowledge of Higher Criticality Assets
Stormwater	▪ Pipes	▪ 1.2% of network (by length) deemed to be of High or Very High criticality	<ul style="list-style-type: none"> <li>▪ While condition assessment focuses on higher criticality assets not all High or Very High criticality pipes have been assessed.</li> <li>▪ Currently there is limited condition information held for these asset types at all criticality levels</li> <li>▪ The implementation action of performance and condition assessment schedules is planned for 2021/22 and is expected to include inspection of manholes, structures, and more refined inspection of gravity pipes</li> </ul>
	▪ Manholes	▪ Manhole criticality is linked to the pipe assets in most cases.	
	▪ Ponds	<ul style="list-style-type: none"> <li>▪ These structures are all deemed critical as they are required to protect our streams and the Waikato River from the effects of pollution from urbanisation</li> </ul>	
	▪ Wetlands		
	▪ Treatment Devices		

Activity Area	Critical Assets		Condition Knowledge of Higher Criticality Assets
Wastewater	<ul style="list-style-type: none"> <li>Pipes</li> </ul>	<ul style="list-style-type: none"> <li>24% of network (by length) deemed to be of High or Very High criticality</li> </ul>	<ul style="list-style-type: none"> <li>While condition assessment will focus on higher criticality assets not all High or Very High criticality pipes have been assessed.</li> </ul>
	<ul style="list-style-type: none"> <li>Manholes</li> </ul>	<ul style="list-style-type: none"> <li>Manhole criticality is linked to the pipe assets in most cases.</li> </ul>	<ul style="list-style-type: none"> <li>Currently there is limited condition information held for these asset types at all criticality levels</li> <li>The implementation of a condition assessment schedule is planned for 2021/22 and is expected to include inspection of manholes, critical rising mains, structures, plant and PS assets.</li> </ul>
	<ul style="list-style-type: none"> <li>Key Connections</li> </ul>	<ul style="list-style-type: none"> <li>These provide a service to our key customers who provide a district wide service i.e. medical centres, schools</li> </ul>	
	<ul style="list-style-type: none"> <li>Pump Stations</li> </ul>	<ul style="list-style-type: none"> <li>These are considered to be critical as they are located in the low point of our network and therefore are at a high risk of wastewater spills and odour. Currently in the asset information management system, all assets within pump stations are high critical, assignment of different criticality for each component is recommended.</li> </ul>	
	<ul style="list-style-type: none"> <li>Treatment Plants</li> </ul>	<ul style="list-style-type: none"> <li>The wastewater treatment plants are considered to be critical as they are our main form of treatment. Currently in the asset information management system, all assets within treatment plants are high critical, assignment of different criticality for each component is recommended.</li> </ul>	
Water Supply	<ul style="list-style-type: none"> <li>Pipes &amp; valves</li> </ul>	<ul style="list-style-type: none"> <li>Pipes that provide water to significant customers such as medical centres and high use commercial customers are considered to be critical.</li> </ul>	<ul style="list-style-type: none"> <li>While condition assessment will focus on higher criticality assets not all High or Very High criticality pipes have been assessed.</li> </ul>
	<ul style="list-style-type: none"> <li>Trunk mains &amp; valves</li> </ul>	<ul style="list-style-type: none"> <li>Our trunk/bulk and ring main feeds reservoirs and the network, if these were to fail interruptions to supply or reduction in pressure would be felt by customers</li> </ul>	

Activity Area	Critical Assets		Condition Knowledge of Higher Criticality Assets
	<ul style="list-style-type: none"> <li>▪ Treatment Plants</li> </ul>	<ul style="list-style-type: none"> <li>▪ These assets are critical to our ability supply water and to ensuring that water is meeting New Zealand drinking water standards. Currently in the asset information management system, all assets within treatment plants are high critical, assignment of different criticality for each component is recommended.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Currently there is limited condition information held for these asset types at all criticality levels</li> <li>▪ The implementation of a condition assessment schedules is planned for 2021/22 and is expected to include inspection of structures, plant assets, and more proactive inspection of critical pipes</li> </ul>
<ul style="list-style-type: none"> <li>▪ Reservoirs</li> </ul>	<ul style="list-style-type: none"> <li>▪ These assets are critical to our ability supply water and to ensuring that water is meeting New Zealand drinking water standards. Currently in the asset information management system, all assets within reservoirs are high critical, assignment of different criticality for each component is recommended.</li> </ul>		
<ul style="list-style-type: none"> <li>▪ Pumps Stations</li> </ul>	<ul style="list-style-type: none"> <li>▪ These assets are critical as pump failure would be felt by customers through disruption to supply or reduction in pressure</li> </ul>		
<ul style="list-style-type: none"> <li>▪ Fire Hydrants</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fire hydrants must be operational at all times to ensure that they are available for fire fighting</li> </ul>		
Transportation	<ul style="list-style-type: none"> <li>▪ Bridges</li> </ul>	<ul style="list-style-type: none"> <li>▪ Significant detours for local traffic, significant traffic congestion likely, important freight route and supports critical water supply, gas and communication utilities. Important access for emergency services in an event.</li> <li>▪ Supports critical water supply, gas and communication utilities. Important access for emergency services in an event.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Condition assessed 2 yearly at a higher level with detailed assessment every 6-12 years based on risk</li> </ul>

Activity Area	Critical Assets		Condition Knowledge of Higher Criticality Assets
	<ul style="list-style-type: none"> <li>Urban and Rural Arterial Roads (5% of road network)</li> </ul>	<ul style="list-style-type: none"> <li>These roads provide high capacity and connectivity across our district and to the highway network. They are the principal routes used by freight and passenger transport. These routes would be first priority for repair in an emergency response</li> </ul>	<ul style="list-style-type: none"> <li>Condition assessed annually for high volume roads, all others done biannually</li> </ul>
Community Facilities	<ul style="list-style-type: none"> <li>Parks</li> </ul>	<ul style="list-style-type: none"> <li>Structures</li> <li>Playground Equipment</li> </ul>	<ul style="list-style-type: none"> <li>All Parks, Playground and Walking/Cycling Assets were condition assessed in 2019.</li> </ul>
	<ul style="list-style-type: none"> <li>Cemeteries</li> </ul>	<ul style="list-style-type: none"> <li>Structures</li> </ul>	<ul style="list-style-type: none"> <li>All Cemetery assets were conditioned assessed in 2019</li> </ul>
	<ul style="list-style-type: none"> <li>Public Toilets</li> </ul>	<ul style="list-style-type: none"> <li>All public toilets are deemed to be highly critical</li> </ul>	<ul style="list-style-type: none"> <li>Public Toilets have not been recently condition assessed, what data is held from ad-hoc staff feedback.</li> <li>Development and implement an appropriate methodology for capturing appropriate levels of condition data for public toilets schedules is planned for 2021/22.</li> </ul>
	<ul style="list-style-type: none"> <li>Libraries</li> </ul>	<ul style="list-style-type: none"> <li>Library buildings</li> </ul>	<ul style="list-style-type: none"> <li>Limited condition data is currently held on the buildings. Property have identified actions to deliver a more structured approach to assessing and recording building condition</li> </ul>

## Resilience of Critical Infrastructure Assets to Natural Hazards

### Physical Resilience

Where physically and financially practicable Council's infrastructure networks are designed to ensure a degree of resilience to natural events.



## **Transportation**

For almost all properties there is a secondary route should a bridge on the primary route become compromised.

## **Wastewater Reticulation, Treatment, and Disposal**

The wastewater networks have some built-in operational flexibility and ability to respond to natural hazards. Planned network resilience improvements include additional storage at key pump stations, replacement of pipes with more resilient materials. The overall resilience of the wastewater treatment plants will be increased during planned upgrades.

## **Water Treatment and Supply**

The water supply networks are configured to utilise multiple sources. In 2021, the Te Awamutu water supply will be connected to the Pukerimu water supply. There is also potential for the Pukerimu water supply to be connected to service Cambridge in the future. An earthquake resilience study of the existing reservoirs has found that seismic strengthening (or renewal) is required. Additional storage of treated water is also proposed. Several treatment plants have been recently upgraded which have incorporated increased resilience to natural hazards.

## **Stormwater Management**

There is currently little understanding of the seismic resilience of critical stormwater assets, work is planned to address this.

## **Waste management services**

The resilience of this service is directly linked to the resilience of Council's roading network; isolation of part(s) of the district due to road network failures will significantly impact this service.

## **Community Facilities**

Unlike lifeline services such as roads and Three Waters, community facilities (except those identified welfare facilities needed in an emergency) are not as critical. There is therefore, a reduced urgency to reinstate services following a significant event compared to lifelines services. They do however provide a sense of 'normality' meaning services do need to be restored. At this time, most community facility assets have not been assessed for resilience.

## **Financial Resilience**

For smaller events, the assumption is that costs will be met by existing budgetary provisions or through insurance arrangements. For significant events the assumption is that 60 per cent of the costs associated with damage to Councils underground infrastructure assets will be provided by the government for the portion of the cost exceeding \$10 million.

## **Three Waters Review**

The Government is reviewing how to improve the regulation and supply arrangements of drinking water, wastewater and stormwater (Three Waters) to better support New Zealand's prosperity, health, safety and environment. Most Three Waters assets and services, but not all, are owned and delivered by local councils.

The Three Waters Reform is a cross-agency initiative led by the Minister of Local Government. Other involved agencies and portfolios include: Health, Environment, Finance, Business Innovation and Employment, Commerce and Consumer Affairs, Primary Industries, Climate Change, Infrastructure, Civil Defence and Emergency Management, Housing and Urban Development, Transport, Conservation, and Rural Communities.

As of July 2020, the Government approved a suite of regulatory reforms to help ensure safe drinking water, and deliver improved environmental outcomes from New Zealand's wastewater and stormwater systems.

A new dedicated water regulator (Taumata Arowai) has been established to oversee the regulatory regime (Taumata Arowai—the Water Services Regulator Act 2020 enacted 22 July 2020). The regulator has a range of responsibilities and functions, including sector leadership; standards setting; compliance, monitoring and enforcement; capability building; information, advice and education; and performance reporting.

The Water Services Bill is a companion piece of legislation to the Taumata Arowai—the Water Services Regulator Act. It was first introduced to Parliament in July 2020 and it proposes to provide the tools and framework for Taumata Arowai to operate. At this stage the Bill applies to drinking water rather than stormwater and wastewater.

In July 2020, the Government announced a funding package to support the delivery of Three Waters Services in response to the COVID-19 pandemic and also plans to transform the industry to large scale service providers over the next three years.

It is likely that the delivery of water and wastewater services (stormwater services are to be confirmed) will be transferred from Council to a new larger utility (covering a wider geographical area) in the next three years. For the purpose of the Strategy, projects and costs are based on the current delivery mechanism.

## **Other Significant Infrastructure Challenges**

Aside from growth planning, council is facing two significant infrastructure challenges in responding to community, stakeholder, and iwi expectations. These are described below:

### **Cambridge Waste Water Treatment Plant (WWTP)**

Council is currently participating in a sub-regional detailed business case for the investigation of a possible shared waste water treatment plant with Hamilton City Council and Waikato District Council near the Airport. This business case is using a 100-year horizon to fully assess the economic and environmental benefits, costs and risks to determine what is the most appropriate investment for our communities.

Council and the community need to assess the benefits arising from a new sub-regional plant (a larger scale plant provides resource recovery opportunities and the ability to support “wet-industry”) against the much higher cost for this option (including an approximate \$50M conveyancing cost to take effluent from Cambridge to the airport location).

Council has included the costs associated with a major upgrade to the current WWTP on its current site, in the current LTP. This investment (\$100.2M in the LTP) will need to be assessed against what investment the Council and our sub-regional business case partners, would need to make in the next 30 to 100 years for a new large sub-regional plant near the airport. A decision on this is likely to be made in 2021.

### **Cambridge River Crossings**

There is currently a level of concern within the community that insufficient planning has been undertaken in providing sufficient river crossing capacity in Cambridge given the town’s recent high growth in population. A review of Council’s integrated transport strategy is currently underway which will provide technical evidence as to what transport network is needed for Cambridge, and when further river crossing capacity is required.

It is also noted that the Government direction for transport is to further encourage a move away from the use of private cars, and instead greater use of public transport, walking and cycling (including scooters etc). There is

### **Te Awamutu Western Arterial**

Council current has a designation in place for a ring road to the west of Te Awamutu. This designation has required council to acquire land holdings affected by the designation as the property owners wished to sell. In the transport strategy review currently underway the form and function of designated western arterial will be reconsidered and it is considered that the future cost of construction could be significantly reduced (2012 estimate \$38M).

### **Provision, Maintenance and Management of Future Stormwater Infrastructure**

In 2022/23 Council will be seeking a new comprehensive stormwater discharge consent for Waipa's urban stormwater system management. It is anticipated that this will drive a much higher level of discharge quality requirements, and require higher levels of capital and operating investment. As these impacts are not yet fully understood, no provision for this investment has yet been included in this strategy, beyond what is required to cater for growth areas where individual consents provide clear guidance on what is needed.

### **Three Waters Master Plan**

Council has prepared a master plan for its water, wastewater and stormwater (Three Waters) activities to inform the 2021 Activity Management Plans (AMPs), Long Term Plan (LTP) and the Strategy. The master plan considers projected growth, resilience, levels of service (LOS) and key influences affecting these activities.

The master plan reviews the current and future technical performance requirements of Three Waters activities and provides a 30-year programme to maintain LOS. The recommended master plan approach to achieve this is outlined below:

 <b>Water</b>	 <b>Wastewater</b>	 <b>Stormwater</b>
<ul style="list-style-type: none"> <li>• Continue to plan for reduction in Te Tahī water take from 2030 and additional water allocation required post 2040</li> <li>• Implement network upgrades so new developments do not impact current water supply pressure and flow for existing areas. Address areas with poor water pressure by 2050</li> <li>• Protect public health by providing additional reservoir storage to meet 24hrs storage of peak day demand; and renew existing reservoirs in poor condition or with seismic performance by 2050</li> <li>• Investigate a pipeline from Parallel Rd Water Treatment Plant to Cambridge to increase resilience and optimise number of WTPs</li> <li>• Provide improved water quality at Kihikihi</li> <li>• Provide staged additional water treatment plant capacity for Te Awamutu and Cambridge to meet growth needs</li> <li>• Continue metering, targeted leak detection and education to manage demand.</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare for and obtain long term consent for Cambridge treated wastewater discharge</li> <li>• Implement network upgrades so new developments do not cause increased overflows and the network has capacity to convey wet weather flows</li> <li>• Target areas with high infiltration in pipe renewals programme</li> <li>• Maximise emergency storage available at pump stations to protect public health by improving resilience and reducing overflows</li> <li>• Upgrade capacity of wastewater treatment plants to meet growth and improve quality of treated wastewater discharged to the environment</li> <li>• Investigate long term sludge / biosolids strategy to improve sustainability</li> <li>• Consider flexibility to provide future wastewater services to the airport, Ohaupo and Pirongia.</li> </ul>	<ul style="list-style-type: none"> <li>• Prepare for and obtain renewal of stormwater comprehensive consent in 2022</li> <li>• Continue to develop models and catchment management plans to better understand risks of development, climate change and environmental effects</li> <li>• Implement measures to control the sources of contaminants entering the stormwater network</li> <li>• Upgrade the pipe network to avoid floodable habitable floors by 2050</li> <li>• Improve understanding of water quality impacts and improve water quality in targeted existing catchments where there is low compliance with WRC guidelines</li> <li>• Continue to implement the WRC stormwater guidelines for new developments.</li> </ul>

During consideration of the master plan it was determined that the full renewals sum required (\$144M between 2021 and 2031) was unaffordable. The sum was significantly higher than the depreciation revenue expected for that period (approx. \$89M) and the residual value would need to be loan funded. This additional loan funding would have required Council to exceed its debt to revenue ratio.

A review of the assumptions in the programme (reducing the contingency risk values and reducing renewal investment on low risk asset categories) meant that the revised investment in three waters renewals for the 10-year LTP period was \$85M (un-inflated value). This compares with the investment in the 2018-2028 LTP of \$59M (un-inflated value) being signalled.

This strategic response in balancing asset risk with affordability will require a strong monitoring framework to ensure that it does not impact on the resulting levels of service delivered to our community. Another risk management response is to continue to invest in asset condition and performance data to understand asset criticality better, since this was used as a key criteria in the decision to reduce the renewal investment levels.

### Consenting considerations

The Three Waters Masterplan takes into account the water take and water discharge consenting requirements of the Waikato Regional Council. This consenting regime has been mapped into the future planning for the Council’s three waters along with assumptions regarding meeting more stringent environmental standards for waste water and storm water discharges.

### Key Assumptions

The following are considered key assumptions and uncertainties identified and considered in delivering the Infrastructure Strategy.

**Table 131: Key Assumptions**

Assumption	Uncertainty	Significance & Mitigation
Climate Change will impact the district through more severe storm events and more frequent droughts.	High	High significance. Storms and droughts could have a very significant impact on the district’s infrastructure and its failure to meet the need of residents. Council has an ongoing programme of work to improve the resilience and its water supplies, waste water treatment plants, reticulation networks as well stormwater capacity and road

Assumption	Uncertainty	Significance & Mitigation
		surfacing. It is also improving network resilience through establishing alternative water supply connections as well as having alternative road and bridge transport routes
Population growth of the district's towns will continue to be high.	Medium	High significance. Growth and development capacity will monitored annually and be assessed every three years. Key supporting infrastructure is required to support future development. Council is preparing a strategic spatial plan to better coordinate forward planning of growth and the infrastructure required to support it.
Government legislative and policy requirements	Medium	High significance. Recent national policy statements have added a significant compliance and cost burden on local authorities, particularly those like Waipa that are identified being in high growth areas. It is expected that quality requirements for the provision of water and treatment and discharge of treated wastewater will continue to be raised. Council has prepared a three waters masterplan to guide its decision making for water infrastructure.
Economic change	medium	High significance. The economy of the district is directly affected by the economic wellbeing of New Zealand and more immediately by Waikato and Auckland and Hamilton. It is also impacted by agricultural wellbeing. A growing local economy underpins population growth, construction and the need for growth related infrastructure to be provided. Similarly, any downturn in the economy reduces the need for expanding support infrastructure. The Council has regular economic monitoring done and commissions economic outlook forecasts to guide its forward planning.
Consenting requirements		It is expected that consenting requirements for the provision and treatment of water as well as the discharge of treated wastewater will become more stringent over time. Council has prepared its three waters masterplan to guide its decision making for water infrastructure.

New building standards in relation to earthquake protection will have a financial implication on above ground assets, such as treatment plant buildings, reservoirs etc. in order to meet standards Assessment on earthquake resilience for current assets yet to be complete. Level of uncertainty = High Legislation requires 'priority' Council buildings to be brought up to earthquake standard by 2029 and other buildings by 2041. There is time to allocate funding as part of the next 10-Year plan in 2021 once assessment has been complete. Projected debt levels will allow room to fund once quantum is assessed. Potential Impact = Medium

## **WATER TREATMENT AND SUPPLY**

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### **Overview of the Water Treatment and Supply Service**

#### **What council does**

- a) Collection, treatment, and supply of potable water
  - ii. Collection and treatment (bores, river intake, treatment plants)
  - iii. Storage and distribution (reservoirs, pump stations, pipelines)
- b) Encourage water use efficiency through water meters, leak reduction and public awareness and support.
- c) Provide water supply through four schemes: Cambridge (includes Leamington, Karāpiro and Maungatautari), Te Awamutu & Pirongia, Kihikihi and Pukerimu.

#### **The Water Schemes**

- d) Cambridge
  - iv. Three main networks; Karāpiro Village, Cambridge North and Cambridge South.
  - v. Water is supplied on an unrestricted basis to the urban residential areas of Cambridge and Karāpiro Village.
  - vi. Sourced from: Lake Karāpiro and Waikato River
  - vii. Treatment: Karāpiro Water Treatment Plant (WTP) and Alpha St WTP



a) Te Awamutu and Pirongia

- viii. Two reticulation zones; Te Awamutu and Pirongia
- ix. Sourced from: Mangauika Stream and Frontier Road Bore
- x. Treatment: Te Tahi WTP and Frontier Road WTP

b) Kihikihi

- xi. Consists only of the Kihikihi township
- xii. Sourced from: Hall St and Church St bores
- xiii. Treatment: Rolleston St WTP

c) Pukerimu

- xiv. Services the Ōhaupō township and the Pukerimu rural area
- xv. Unrestricted to Ōhaupō
- xvi. Restricted basis to rural properties, boundary of Mystery Creek events centre, and Hamilton Airport
- xvii. Sourced from: Waikato River
- xviii. Treatment: Parallel Road WTP

## Overview of assets

**Table 132: Summary of Water Treatment & Supply Assets (30 June 2019)**

Type of Water Supply Asset	Quantity	Gross Replacement Cost	Optimised Depreciated Replacement Cost
Treatment Plants	6	\$37,919,575	\$22,050,060
Reservoirs	17	\$16,246,471	\$10,150,034
Watermains	607km	\$139,816,879	\$75,394,858
Valves and Hydrants	6,101	\$12,612,873	\$6,086,046
Number of Connections	15,586	\$22,635,012	\$15,081,804
<b>Totals</b>		<b>\$229,230,810</b>	<b>\$128,762,802</b>

## Challenges and Proposed Actions

### Current and Future Issues

Storage - sufficient reservoir capacity is currently available. Reservoir condition or performance is poor for some assets, with risks identified with respect to contamination, seismic resilience and operability. Insufficient future capacity is forecast as a result of growth in demand.

Treatment capacity - there is sufficient water treatment capacity available within each scheme once the Parallel Road WTP upgrade and pipeline to Te Awamutu is commissioned (mid 2021). Further treatment capacity is required for all schemes to service growth over the next 30 years.

Water quality – Kihikihi experiences issues with aesthetic water quality related to manganese in the groundwater source. During summer algal blooms can cause taste and odour issues in the Te Tahi supply (although this supply will be significantly reduced from mid-2021).

Climate change - the potential implications of climate change on the supply/ demand balance are not well understood. Potential future effects include increased demand due to warmer weather and population growth, combined with reduced water availability as a result of source restrictions.

Energy efficiency - energy efficiency/carbon footprint of new treatment plants and pump stations are and will be considered for improved sustainability.

Consent allocation - the reduction in the Te Tahī consent from 2030 will reduce the amount of water allocation available for Te Awamutu and Pirongia. However this is offset by the transfer of water from Parallel Rd WTP (which will be completed in mid-2021). Additional water supply is likely to be required around 2040.

Pressure - some areas of Cambridge and Te Awamutu currently suffer from low pressure which could be exacerbated with future population growth.

### **Projects 2021 to 2051**

These projects have been included in the Infrastructure Strategy due to their significant level of investment and community impact if they are not implemented.

Note: where no alternative to the most likely scenario has been provided, the only other option so far identified is to do nothing and retain the status quo. In all cases this is likely to result in failure to comply with regulatory requirements, and/or loss of water supplies, hindered growth and reduced LOS to current and new customers, or maintained LOS at a higher cost or longer timescale.

<b>Project WS1: Alpha Street Water Treatment Plant</b>		<b>Area:</b> Cambridge
<p><b>Most likely scenario:</b> Upgrade the Alpha Street water treatment plant to meet drinking-water standards, levels of service and comply with resource consent conditions providing increased connectivity between water supply schemes across the district.</p> <p>This will increase the capacity of the Alpha Street treatment plant (currently 2.8ML/d) up to current abstraction consent levels (6.5ML/d) to help meet water demand projections.</p>		
<p><b>Alternative scenario 1:</b> Address local water supply issues locally with no connectivity between schemes. Upgrades to water sources and treatment plants occur in isolation.</p>		
<p><b>Alternative scenario 2:</b> Connectivity between schemes with all upgrades concentrated at Parallel Road; able to meet growth in demand across the district from this additional supply.</p>		
<p><b>Anticipated project date:</b></p> <p>2023 to 2027</p>	<p><b>Estimated costs (including inflation):</b></p> <p>\$6.3 million</p>	<p><b>Funding Source</b></p> <p>Growth</p>
<b>Project WS2: District-wide Reservoir Renewals and Capacity Upgrades</b>		<b>Area:</b> District
<p><b>Most likely scenario:</b> Provide asset renewals for existing assets with capacity upgrades to meet growth demand. There are 17 reservoirs across the district providing approx. 24hrs storage. Four reservoirs require short term repairs and strengthening to achieve their asset life. Nine reservoirs have reached their useful asset life (during the LTP term) and require complete renewals with some increase in capacity for growth.</p> <p>To meet current water-use rates and projected population increases as well as increasing the availability of water for major emergencies.</p>		
<p><b>Anticipated project date:</b></p> <p>2021 to 2031</p> <p>2031 to 2051</p>	<p><b>Estimated costs (including inflation):</b></p> <p>\$33 million</p> <p>\$7.1 million</p>	<p><b>Funding Source</b></p> <p>Growth, Levels of Service and Renewal</p>

**Project WS3: Reticulation expansion and upgrades for Growth in Cambridge and surrounds****Area:** Cambridge

**Most likely scenario:** Provide water to Cambridge growth cells: C1, C2, C3, C4, Cambridge North to Hautapu pipeline & C10. Beyond 2031, as per Waipa 2050 Growth Strategy.

Significant current and future growth will place significant stress on existing water assets. New and upgraded infrastructure is also needed to support new developments.

**Project date:**

2021 to 2031

**Estimated costs (including inflation):**

\$9.5 million

**Funding Source**

Growth, Levels of Service and Renewal

**Project WS4: District-wide Water main and Meter Renewals****Area:** District

**Most likely scenario:** Replacement and prioritised renewal of water supply pipelines and pump stations and associated assets i.e. mains, valves, hydrants, connections, rider mains and water meters, predicted for renewal within the Asset Management System

**Alternative scenario:** Do less resulting in fewer renewals. This increases the risk of asset failure. No renewal and capital development will result in loss of supply, hindered growth. LOS will not be met.

**Project date:**

2021 to 2031

2031 to 2051

**Estimated costs (including inflation):**

\$33.8 million

\$79.2 million

**Funding Source**

Renewals

**Project WS6: Pukerimu Water upgrade to Airport and Ōhaupō**

**Area:** Pukerimu, Ōhaupō, and Airport

**Most likely scenario:** Current and future growth will place significant stress on existing water assets. This project will ensure a consistent, safe and adequate water supply to our communities, meet our LOS agreements, reduce disruption from unplanned service outages and promote community development.

**Anticipated project date:**

2023 to 2031

**Estimated costs (including inflation):**

\$13.7 million

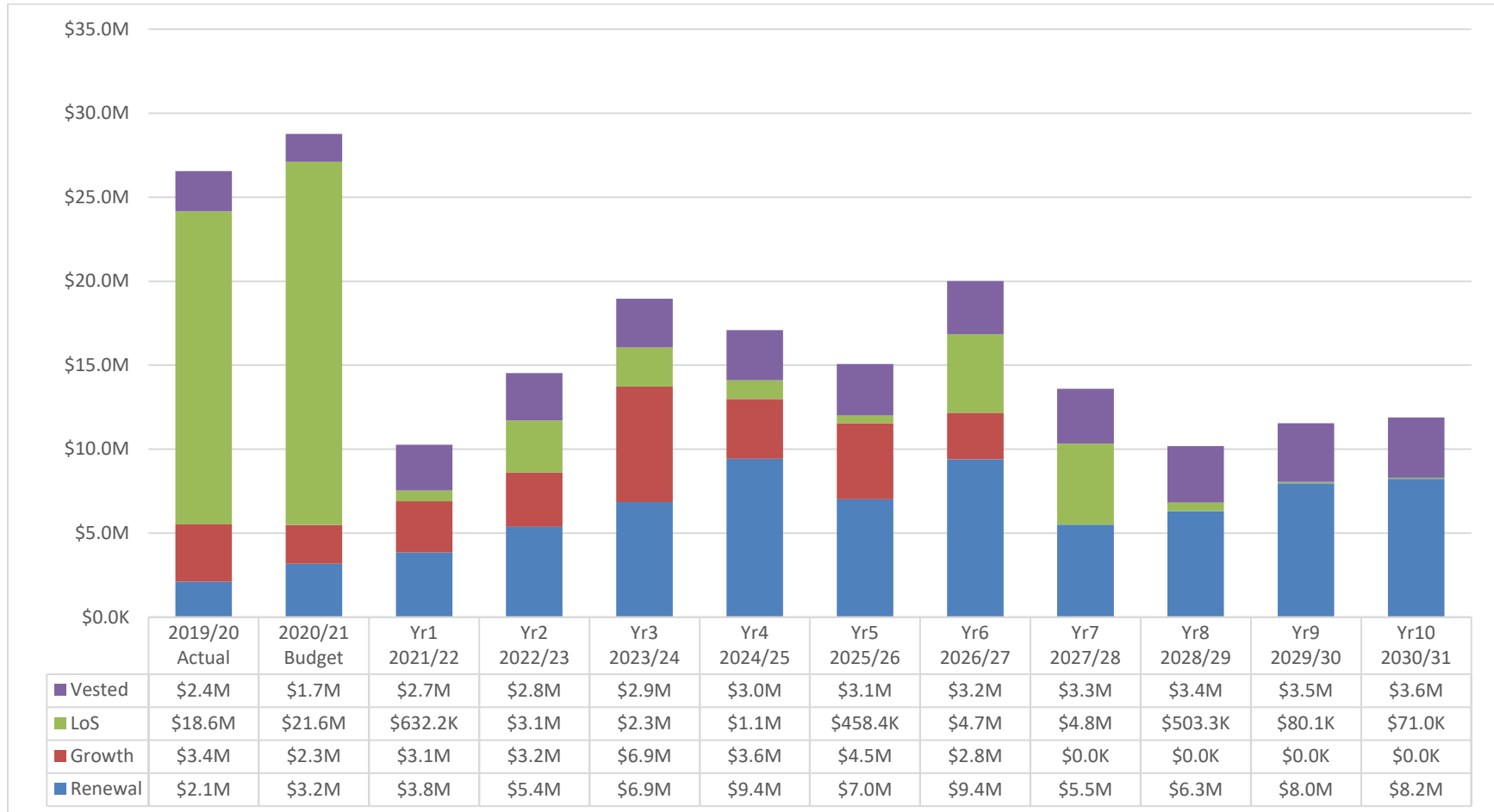
**Funding Source**

Growth and Levels of Service

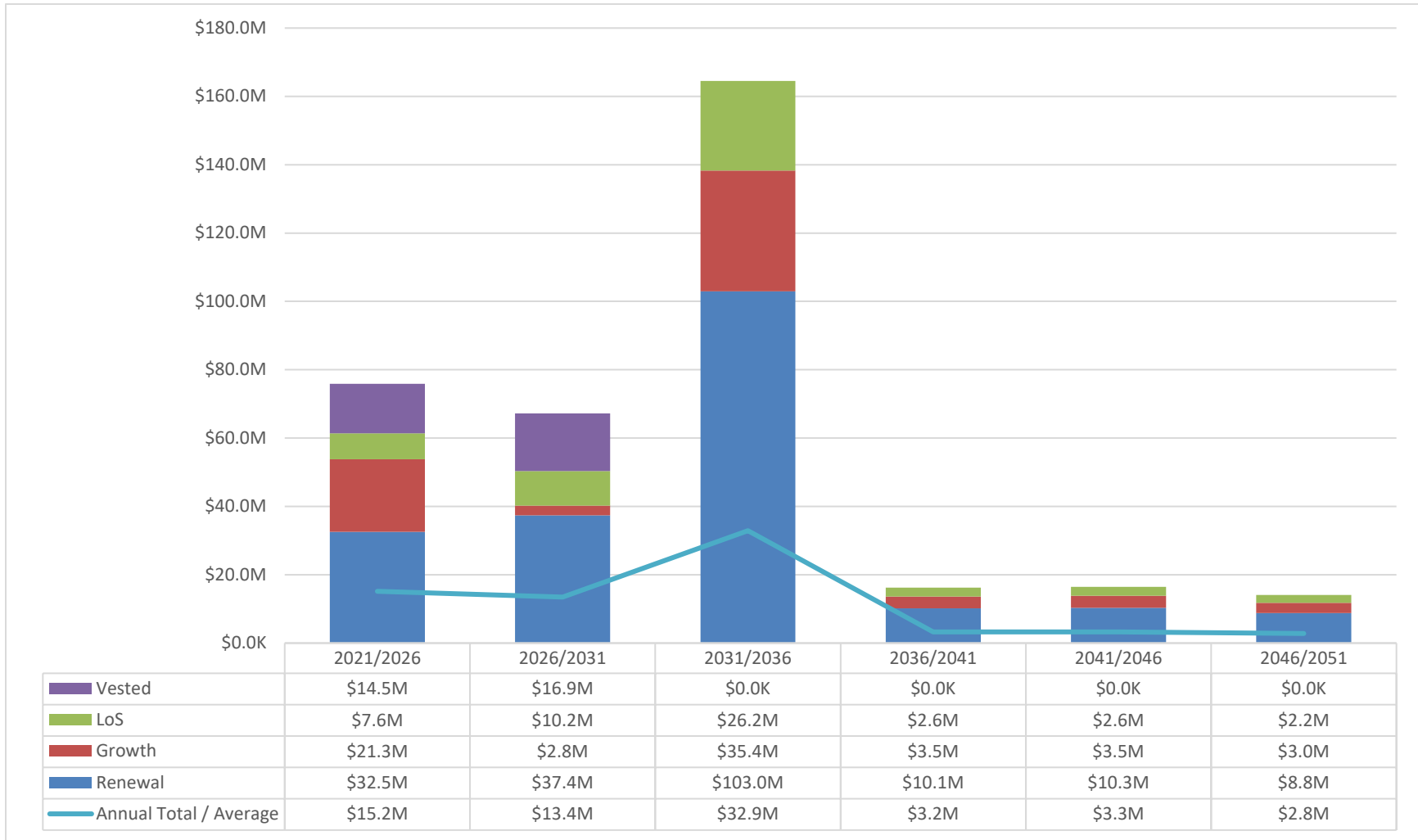
## Financial analysis

### Capital works programme 1 to 10 Years

Graph 128:

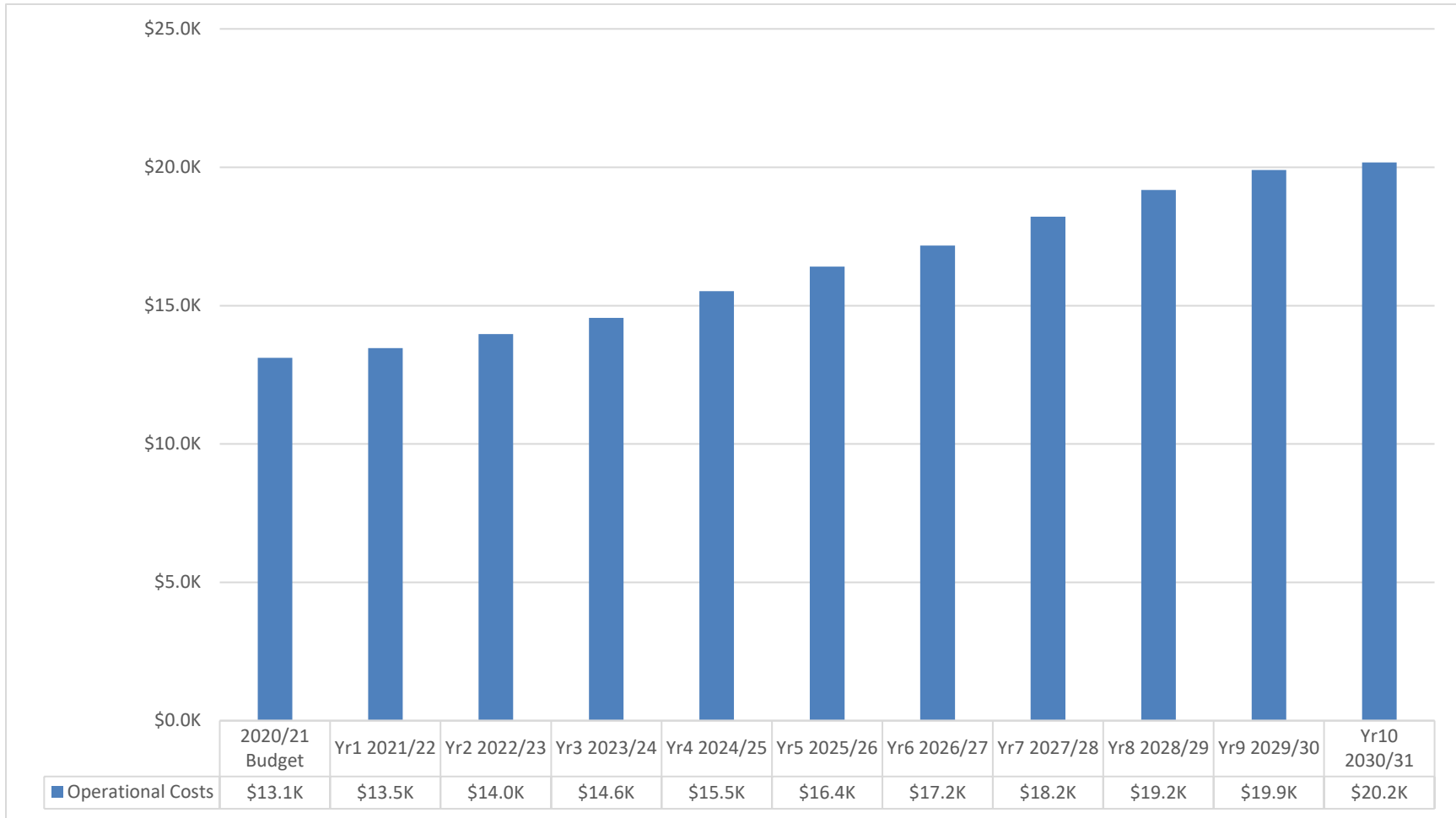


Capital works programme years 1 to 30





Operational works programme years 1 to 10



Operational works programme 1 to 30 years



## **WASTEWATER RETICULATION, TREATMENT, AND DISPOSAL**

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### **Overview of Wastewater Reticulation, Treatment, and Disposal**

#### **What council does**

- a) Collection, treatment, and disposal of sewage
- b) Collection (pipelines and pump stations)
- c) Treatment and disposal (wastewater treatment plants)

#### **The Wastewater Schemes**

- a) Cambridge and Karāpiro
  - i. Treatment: Cambridge Wastewater Treatment Plant (WWTP)
  - ii. Significant level of trade waste (>20% by flow)
  - iii. The Cambridge WWTP does not meet all resource consent requirements
- b) Te Awamutu and Kihikihi
  - i. Treatment: Te Awamutu WWTP
  - ii. Current trade waste levels (<5% by flow) will increase significantly with the inclusion of Waikeria Prison flows in 2021

## Overview of assets

### Summary of Wastewater Treatment & Disposal Assets (30 June 2019)

Type of Wastewater Asset	Quantity	Gross Replacement Cost	Optimised Depreciated Replacement Cost
Number of Connections	16,387	\$36,240,246	\$24,826,258
Wastewater Pipes	272.4km	\$97,106,548	\$56,776,598
Manholes	4,831	\$29,604,228	\$17,021,943
Pumping Stations	60	\$10,972,633	\$6,279,049
Treatment Plants	2	\$29,411,594	\$18,985,526
<b>Totals</b>		<b>\$203,335,249</b>	<b>\$123,889,374</b>

## Challenges and Proposed Actions

### Current and Future Issues

- a) Network issues - there are some capacity restrictions due to infiltration/inflow. This is expected to increase with the impacts of climate change and future growth.
- b) WWTPs – a new Cambridge WWTP and consent is needed to meet growth requirements and improve treated wastewater quality. Te Awamutu WWTP capacity increases currently planned are likely to meet growth requirements. Future biosolids management and disposal regime is to be investigated.
- c) Energy efficiency - energy efficiency/carbon footprint of new treatment plants and major pump stations should be considered to improve sustainability.
- d) Unserviced areas - flexibility to provide for currently unserviced areas such as the area near the airport, Ōhaupō and Pirongia is required.

## Projects 2021 to 2051

These projects have been included in the Infrastructure Strategy due to their significant level of investment and community impact if they are not implemented.

Note: where no alternative to the most likely scenario has been provided, the only other option so far identified is to do nothing and retain the status quo. In all cases this is likely to result in failure to comply with regulatory requirements, and/or hindered growth and reduced LOS to current and new customers, or maintained LOS at a higher cost or longer timescale.

<b>Project WW1: Cambridge Wastewater Treatment Plant upgrade</b>		<b>Area:</b> Cambridge
<b>Most likely scenario:</b> In the short term, upgrade the Cambridge wastewater treatment plant process. In the longer term, contribute to and implement the subregional wastewater treatment plant and operations for Cambridge.		
<b>Alternative scenario 1:</b> Off-site mitigation of environmental effects requiring no upgrade at the treatment plant; includes a complete review of the current resource consent. In reality this is a 'do nothing' alternative.		
<b>Alternative scenario 2:</b> Upgrade of Cambridge WWTP and additional offsetting measures.		
<b>Project date:</b> 2021 to 2030	<b>Estimated costs (including inflation):</b> \$100.2 million	<b>Funding Source</b> Growth, LOS and Renewals

<b>Project WW2: Te Awamutu Wastewater Treatment Plant Upgrade</b>		<b>Area:</b> Te Awamutu
<b>Most likely scenario:</b> Upgrade of Te Awamutu WWTP to achieve full compliance on all regulatory consent conditions to meet the future needs of the Waipā district and align with Waipa 2050 Growth Strategy.		
<b>Project date:</b> 2021 to 2031	<b>Estimated costs (including inflation):</b> \$20.5 million	<b>Funding Source</b> Growth, LOS and Renewals
2031 to 2050	\$25 million	

**Project WW3: Reticulation and sewer provision for District growth and levels of service****Area:** District

**Most likely scenario:** Provide wastewater reticulation to growth cells and upgrade of wastewater pipes and pump stations to meet levels of service and growth.

Significant current and future growth will place significant stress on existing wastewater assets. New and upgraded infrastructure is also needed to support new developments.

**Anticipated project date:**

2021 to 2031

**Estimated costs (including inflation):**

\$48.0 million

**Funding Source**

Growth and LOS

**Project WW4: Wastewater system renewals programme****Area:** District

**Most likely scenario:** Renew the wastewater pipes, pump stations.

A number of wastewater assets have either reached, exceeded or are approaching their useful life and are either causing a reduction in current levels of service or pose a high level of risk to the organisation if not acted-on.

Ensure effective asset management principles meeting wastewater LOS district-wide.

Reduce overloading on the infrastructure.

**Alternative scenario:** Do less resulting in fewer renewals. This increases the risk of asset failure. LOS may not be met.

**Anticipated project date:**

2021 to 2031

**Estimated costs (including inflation):**

\$10.9 million

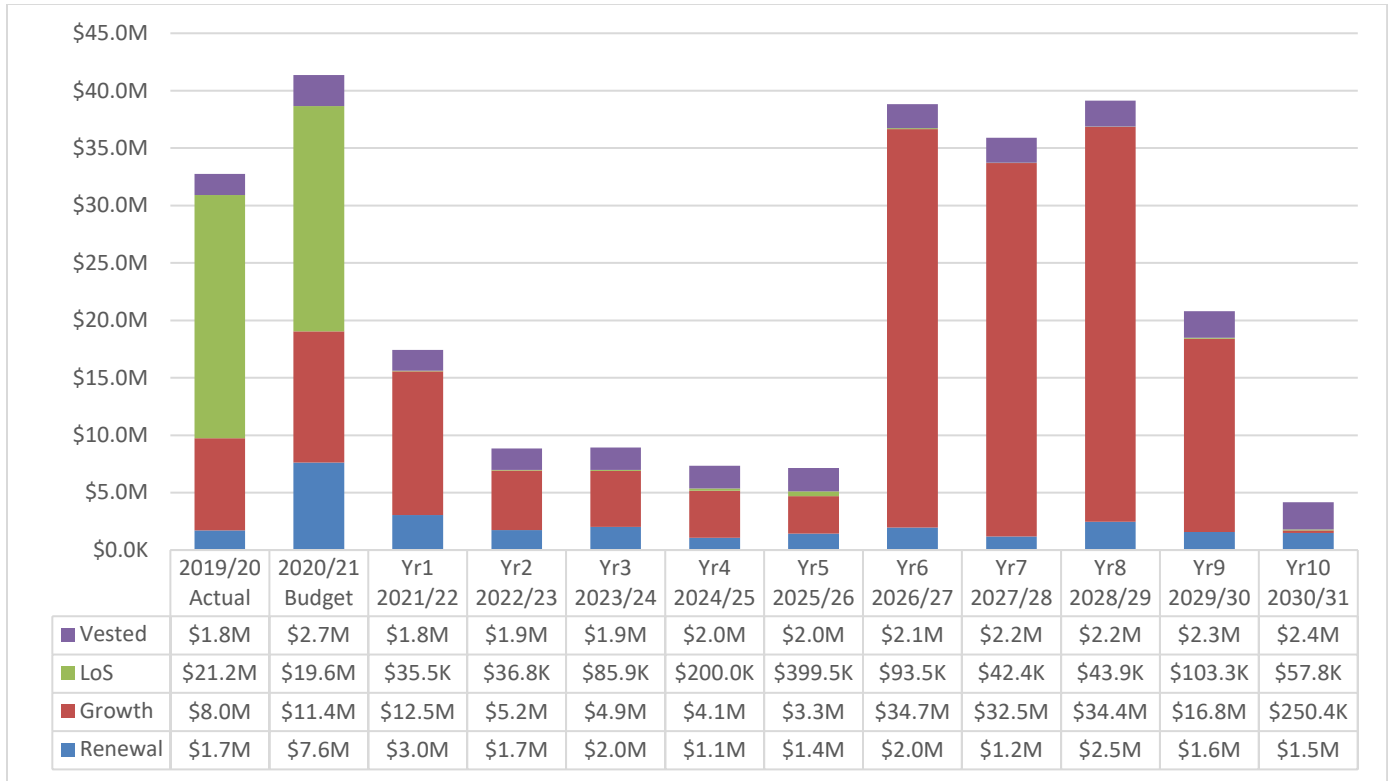
**Funding Source**

Renewals

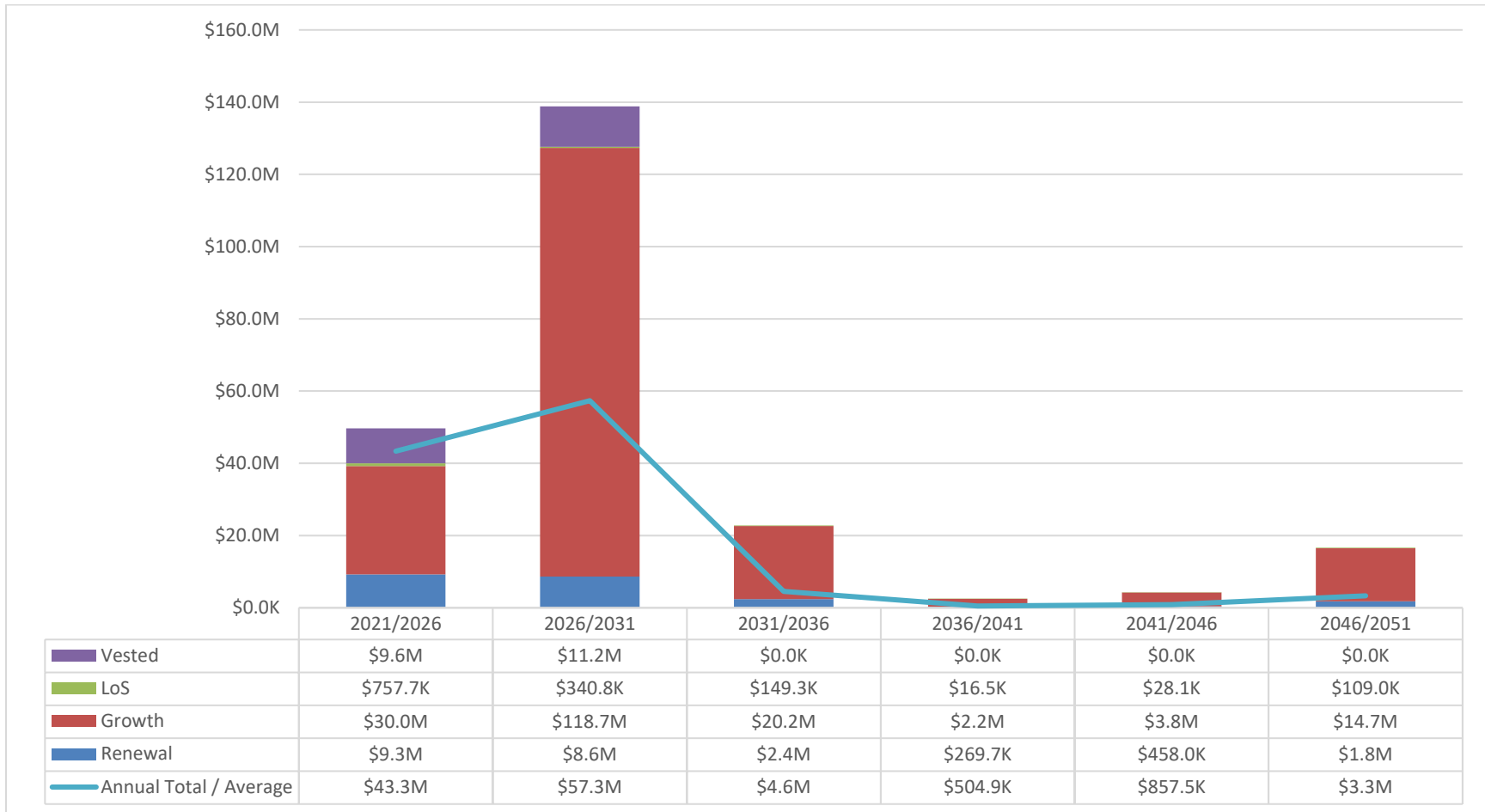
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**Financial analysis**

Capital works programme 1 to 10 Years

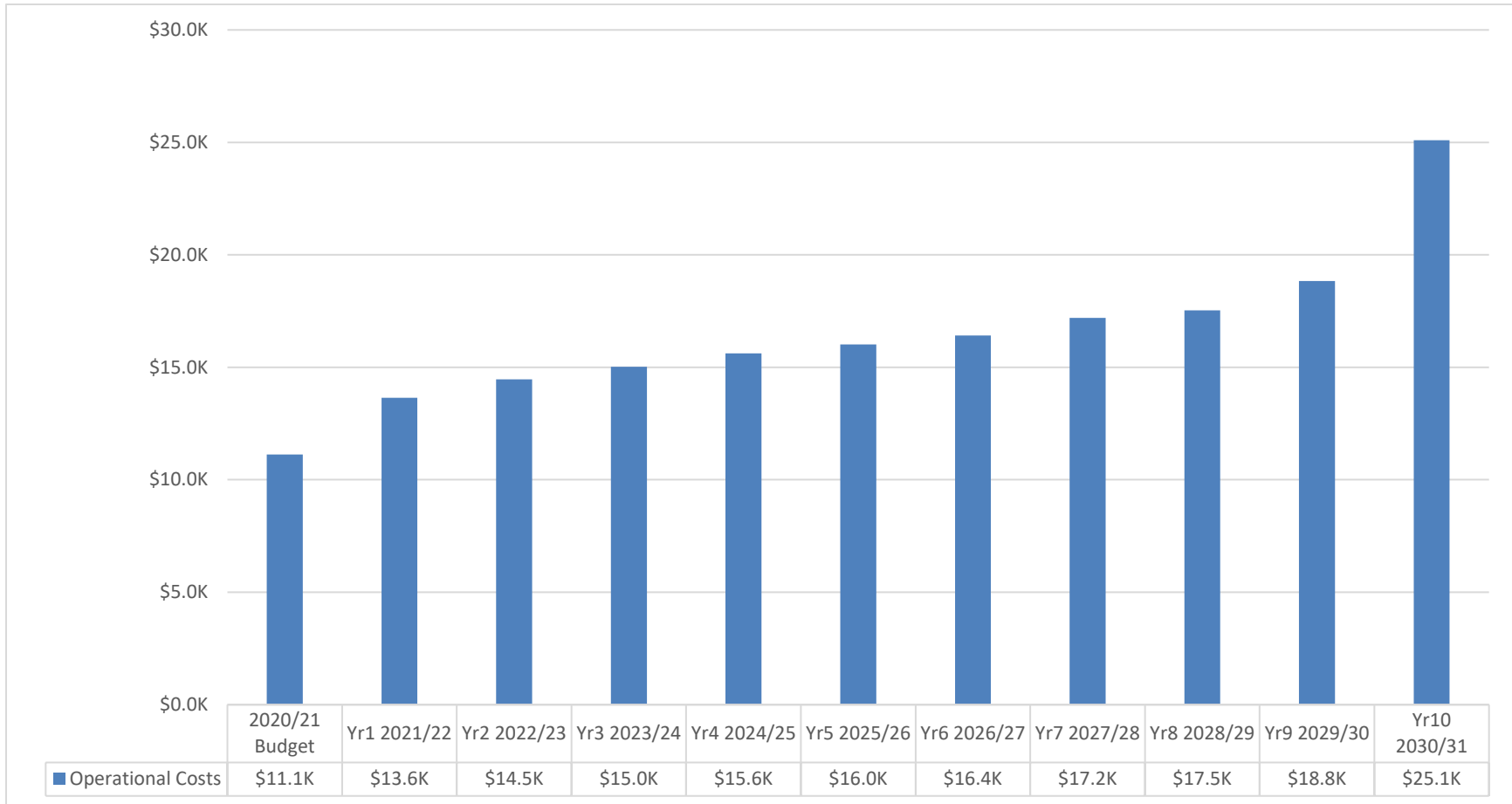


Capital works programme 1 to 30 years

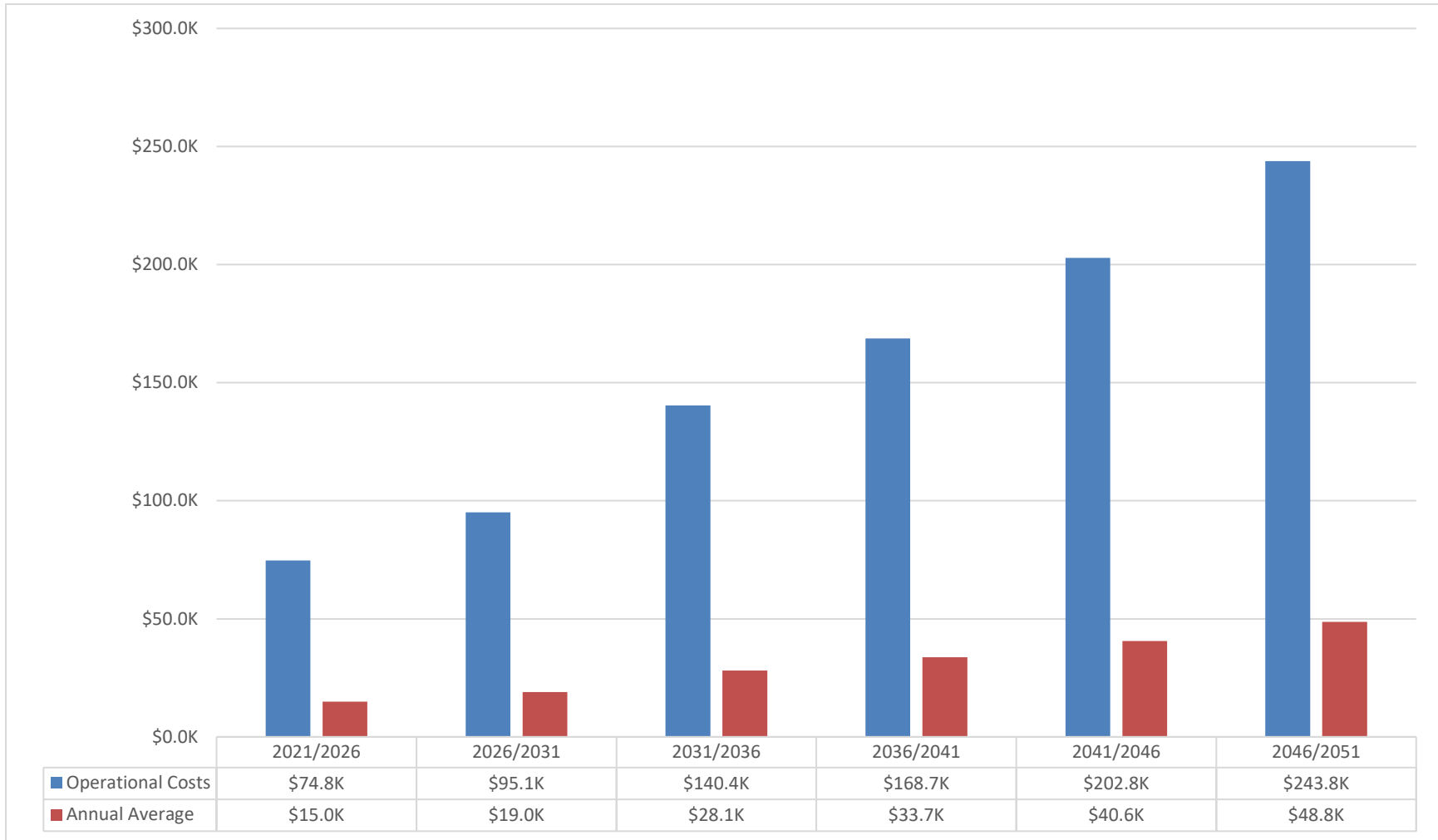




Operational works programme 1 to 10 years



Operational works programme 1 to 30 years



## STORMWATER MANAGEMENT

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### Overview of Stormwater Management

#### What council does

- a) Urban Drainage; within defined areas:
  - i. collection and control of stormwater within existing and new land developments together with drainage from the entire catchment upstream of the network.
  - ii. Regulation of runoff to the extent that the effect of stormwater on the environment, property and people is contained within acceptable limits.
- b) Rural Drainage
  - i. The management of the land drainage system to ensure effective and efficient land drainage throughout the district.

#### The Stormwater Schemes

- a) Urban Stormwater Networks
  - i. Cambridge
  - ii. Te Awamutu
  - iii. Karāpiro
  - iv. Kihikihi

#### Ōhaupō and Pirongia

- b) Rural Drainage
  - i. 222km of rural drains which were vested to Council from the drainage boards

## Overview of assets

### Summary of Stormwater Drainage Assets (30 June 2019)

Type of Stormwater Asset	Quantity	Gross Replacement Cost	Optimised Depreciated Replacement Cost
Connections	1,375	\$2,017,557	\$1,761,909
Manholes	3,141	\$19,830,128	\$12,675,070
Pipes	174km	\$103,606,332	\$71,597,688
Inlets/outlets, trenches, soak holes, silt traps	846	\$13,161,656	\$11,397,210
Rural Drains	222km	\$7,910,546	\$7,910,546
<b>Totals</b>		<b>\$146,526,219</b>	<b>\$105,342,423</b>

## Challenges and Proposed Actions

### Current and Future Issues

- a) Flood hazard – outcomes of modelling need reviewing in line with existing levels of service (LOS). Further investigation of LOS and subsequent community impacts are required, incorporating future developments which may have higher levels of stormwater runoff.
- b) Environmental effects – most catchments in Cambridge and Te Awamutu that have been developed prior to the Waikato Regional Council (WRC) Stormwater Guidelines for new developments do not have specific devices for the management of stormwater quality. Preparation for the renewal of the stormwater comprehensive consent in 2022 is underway.
- c) Climate change - climate change is expected to result in a drop in LOS over time due to more extreme rainfall events.
- d) Stormwater quality – council needs to improve understanding of water quality impacts and improve water quality in targeted existing catchments where there are compliance matters to address to meet WRC guidelines.

## Projects 2021 to 2051

These projects have been included in the Infrastructure Strategy due to their significant level of investment and community impact if they are not implemented.

Note: where no alternative to the most likely scenario has been provided, the only other option so far identified is to do nothing and retain the status quo. In all cases this is likely to result in failure to comply with regulatory requirements, and/or hindered growth and reduced LOS to current and new customers, or maintained LOS at a higher cost or longer timescale.

<b>Project SW1: Cambridge stormwater reticulation</b>		<b>Area:</b> Cambridge
<b>Most likely scenario:</b> Provide stormwater reticulation to growth cells C1, C2, C3, C4, and C8 to meet future growth needs and LOS. Significant current and future growth will place stress on existing stormwater assets. New and upgraded infrastructure is needed to support the new development. This project will facilitate growth in Cambridge whilst ensuring LOS are maintained for present and future customers.		
<b>Project date:</b> 2021 to 2031	<b>Estimated costs (including inflation):</b> \$ 68.7 million	<b>Funding Source</b> Growth and LOS

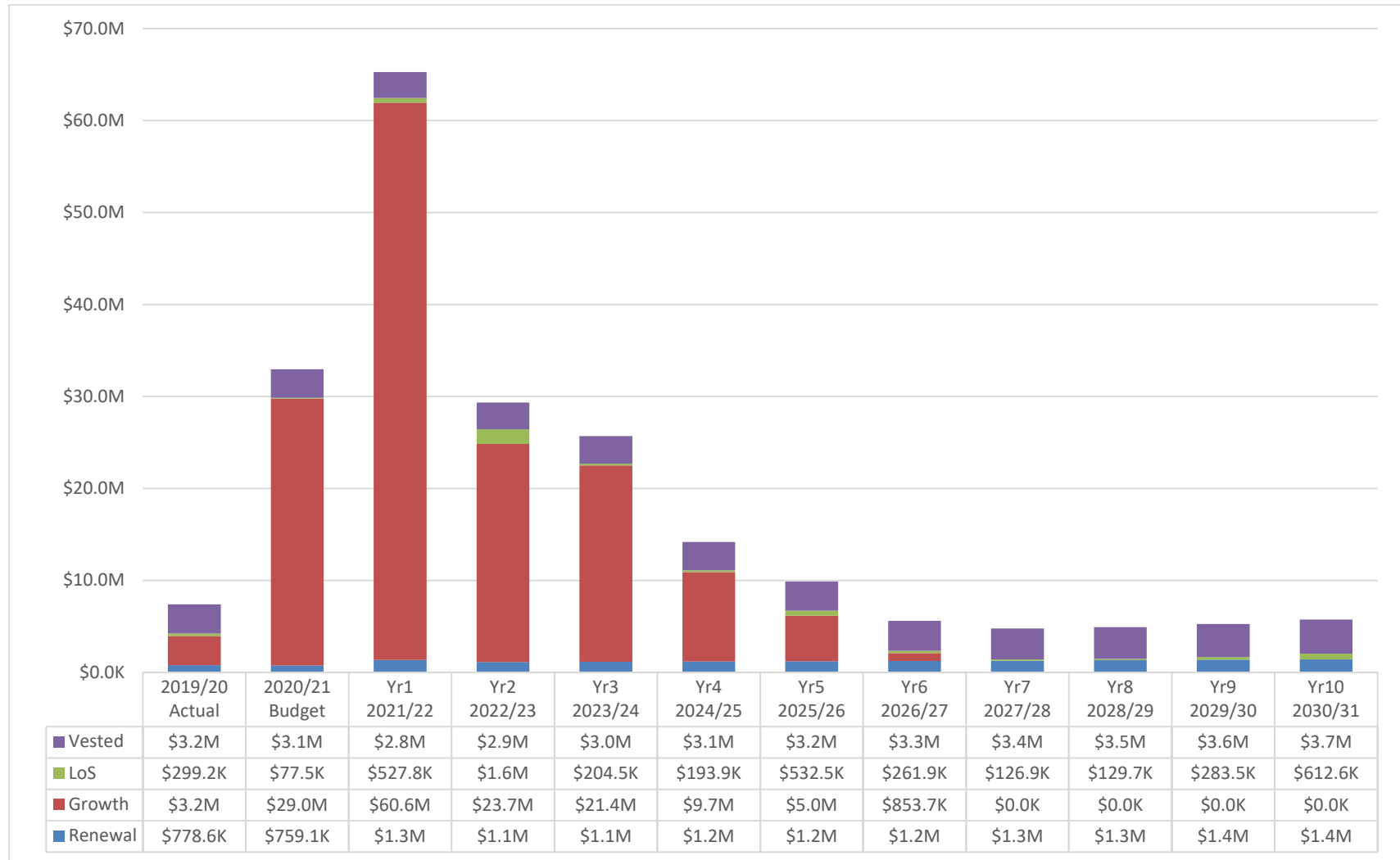
<b>Project SW2: Hautapu industrial stormwater provision</b>		<b>Area:</b> Cambridge
<b>Most likely scenario:</b> Provide the extra reticulation capacity to support industrial growth in Hautapu. Planned growth in the Hautapu industrial area will place significant stress on existing stormwater infrastructure. New and upgraded stormwater infrastructure is therefore needed to support the new development. Additionally, the upgrade of Hautapu and Hannon Roads will include managing stormwater.		
<b>Project date:</b> 2021 to 2024	<b>Estimated costs (including inflation):</b> \$6.8 million	<b>Funding Source</b> Growth

<b>Project SW3: Stormwater infrastructure renewals programme</b>		<b>Area:</b> District
<p><b>Most likely scenario:</b> Renew the stormwater network assets.</p> <p>A number of stormwater assets have either reached, exceeded or are approaching their useful life and are either causing detriment to current LOS or pose high risk to the organisation if not acted-on.</p>		
<p><b>Alternative scenario:</b> Do less resulting in fewer renewals. This increases the risk of asset failure. No capital development will result in hindered growth. LOS will not be met.</p>		
<p><b>Anticipated project date:</b></p> <p>Annually 2021 to 2031</p>	<p><b>Estimated costs (including inflation):</b></p> <p>\$6.6 million</p>	<p><b>Funding Source</b></p> <p>Renewals</p>

<b>Project SW4: Stormwater network upgrades</b>		<b>Area:</b> District
<p><b>Most likely scenario:</b> Upgrade the stormwater network assets.</p> <p>Implement the LOS upgrade work to alleviate identified surface water issues and achieve current LOS. Capacity issues pose a risk to the organisation in flooding events should they not be resolved.</p>		
<p><b>Alternative scenario:</b> Do less resulting in fewer renewals. This increases the risk of asset failure. LOS will not be met.</p>		
<p><b>Anticipated project date:</b></p> <p>2021 to 2031</p>	<p><b>Estimated costs (including inflation):</b></p> <p>\$9.0 million</p>	<p><b>Funding Source</b></p> <p>Renewals</p>

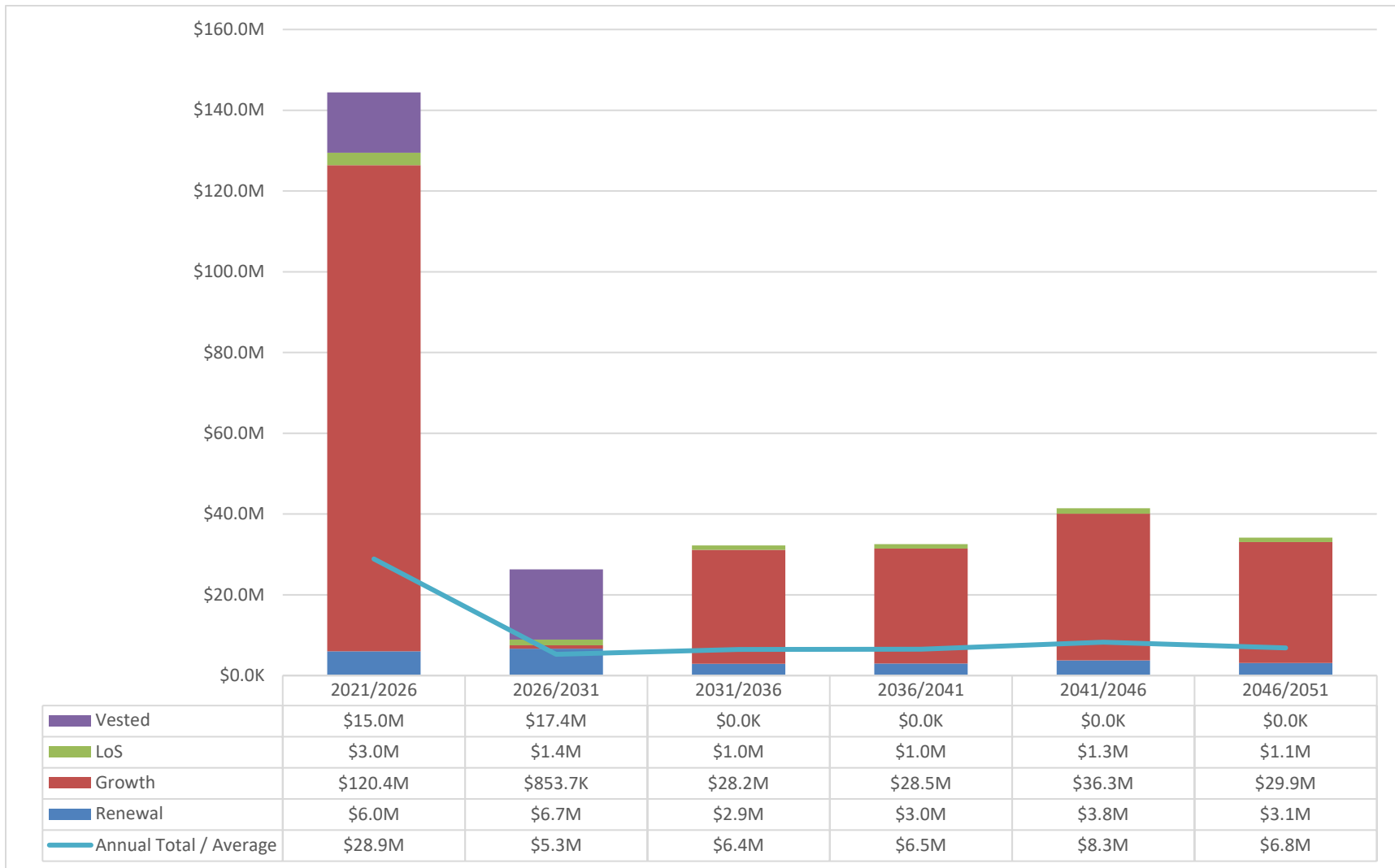
## Financial analysis

### Capital works programme 1 to 10 years

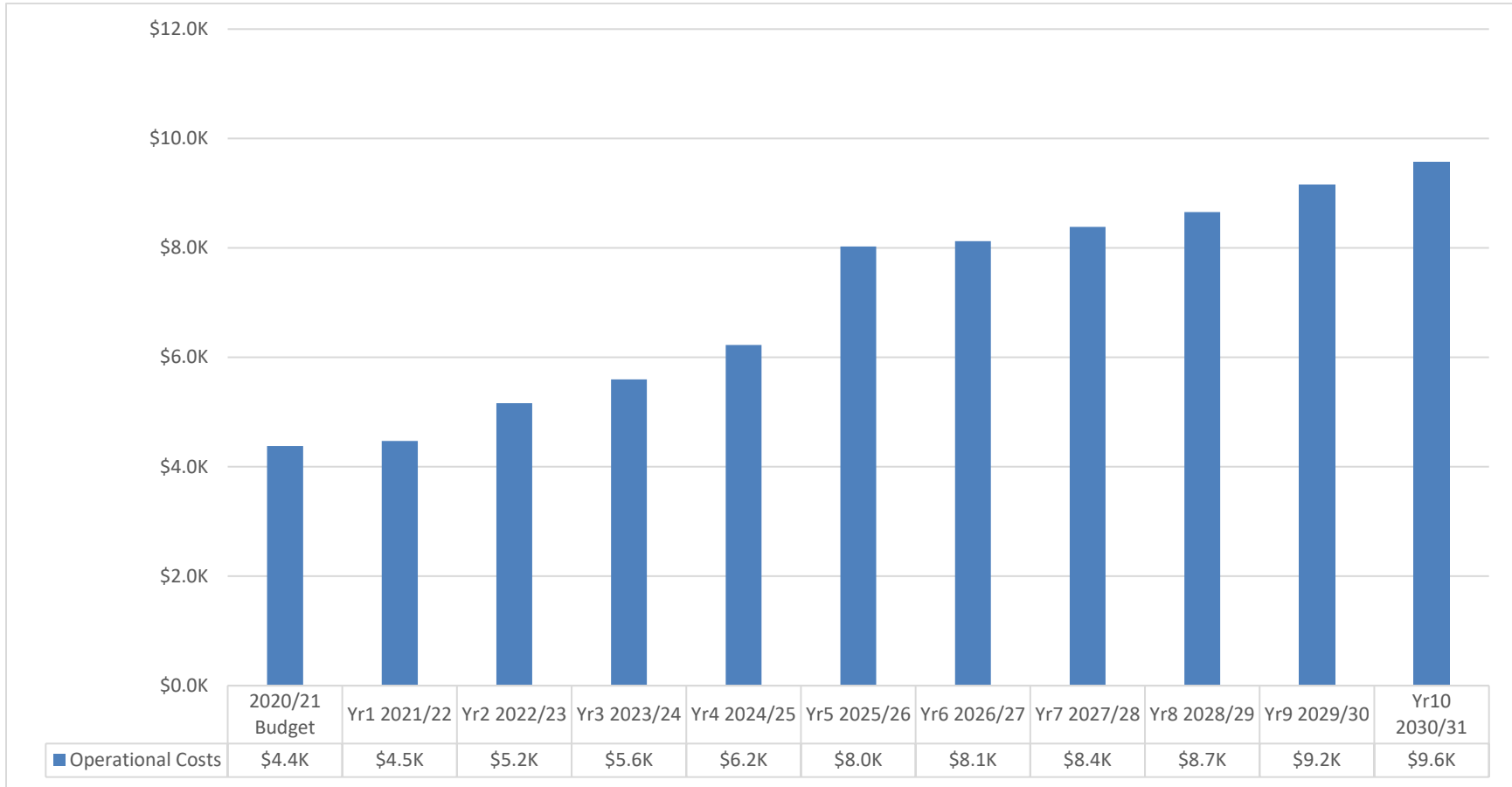




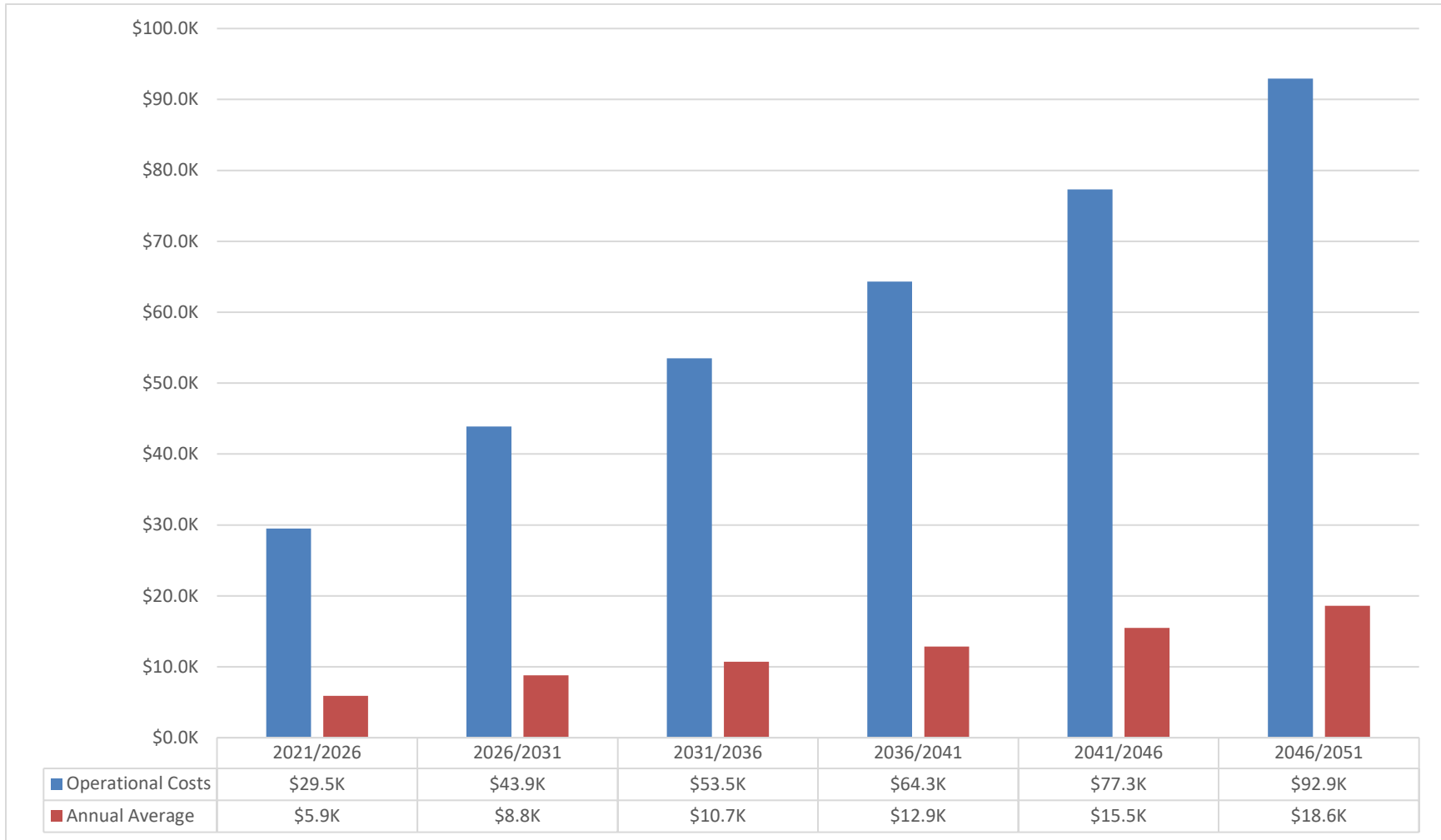
Capital works programme 1 to 30 years



Operational works programme 1 to 10 years



Operational works programme 1 to 30 years



## TRANSPORTATION

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### Overview of Transportation

#### What council does

In keeping with local government purpose, council provides transport infrastructure, public services and regulatory functions. In practice this means council;

- e) Monitors the condition of roads, bridges, footpaths and clean, repair and renew them when required.
- f) Ensures there is signage to guide users to their destination, warn of hazards or implement regulatory controls.
- g) Provides amenity services such as lighting, vegetation control and parking areas.
- h) Monitors the safety performance of the network and intervene to minimise harm.
- i) Works with Waikato Regional Council and Waka Kotahi NZ Transport Agency to provide passenger transport services and infrastructure such as current bus services and subsidised taxi services.
- j) Plans ahead and implement improvements to services such as sealing gravel roads, increasing road capacity and providing more paths.
- k) Manages how users access the network through control of vehicle entrances, use of road space for business purposes and utility access for power, gas, water etc.

#### Transportation network

With a large rural area and principal towns of Te Awamutu and, Cambridge, and villages of Pirongia and Kihikihi, the road network length is 1,103km long, of which 219km are urban roads and 884km are rural roads.

## Overview of assets

### Summary of Road Corridor Assets

Type of Transportation Asset	Quantity	Gross Replacement Cost	Optimised Depreciated Replacement Cost
Roads and Structures	▪ 1103km of roads and streets	\$722,546,481	\$626,185,105
	▪ 7.46 million square metres of road surface	\$67,977,900	\$37,028,258
	▪ 184 bridges	\$86,336,269	\$34,718,077
	▪ 37,834m of culvert pipes	\$31,074,457	\$15,221,933
Signs and Traffic Facilities	▪ 12,145 traffic signs of all types	\$361,499	\$198,217
	▪ 238 traffic islands	\$4,177,738	\$3,812,939
	▪ 16,611m of railings	\$4,686,557	\$3,042,273
	▪ 2 traffic signal installations	\$471,644	\$429,091
Street Lighting	▪ 4,810 lights	\$10,031,360	\$7,930,062
Footpaths	▪ 256km of path	\$51,545,072	\$33,162,603
Passenger Transport	▪ 15 bus shelters	\$113,991	\$63,039
<b>Totals</b>		<b>\$979,322,968</b>	<b>\$761,791,597</b>

## Challenges and Proposed Actions

### Current and Future Issues

- l) Death and serious injury crashes on the network and particularly the rural network where speeds are higher and crashes are typically more severe. There is opportunity for improvement through a targeted and government subsidised programme of speed management, road improvement and education. (Safe Network Programme methodology and community education programme in coordination with Waka Kotahi )
- m) Increase the use of passenger transport services through planning with Waikato Regional Council and Hamilton City. There is opportunity to action this within the next long term bus contract in 2021.
- n) Increase the uptake of walking and cycling through an urban mobility plan and programme of path provision and education. Government change to mobility device and path use regulations may assist this goal.
- o) Need to improve parking management.
- p) Covid-19 potential economic impacts affecting funding of transportation services. There may also be opportunity to invest differently given increased awareness of the benefits of less traffic on streets providing a more pleasant environment for walking and cycling.
- q) Growth planning and infrastructure building for an increased urban population at a greater scale than previous in the district is putting a strain on staff and contractor resources. However this also creates opportunities for improved planning and infrastructure that reduces demand for private car use and creates safe new streets for walking and cycling.
- r) Climate change and global warming impacts which may include more drought and increased rainfall intensity. There is opportunity to use asset renewal programmes to make infrastructure more resilient.
- s) Population growth may create more transport movements on key routes leading to congestion or safety issues. Greater population density provides opportunities to transition to transport modes other than private cars. The Hamilton to Auckland passenger train service is one such opportunity.
- t) Introduction of new services and technology provides opportunities to increase access to transport and reduce cost or environmental impacts. E.g. Car-share schemes, electric vehicles, e-scooters, e-bikes, app-driven car hire schemes like Uber.
- u) Autonomous vehicles may require a change to road or delineation standards.
- v) Increasing traffic volumes on SH3 and SH39 create community separation and environmental impacts in Te Awamutu, Kihikihi, Ōhaupō and Pirongia. There is opportunity to work with Waka Kotahi to plan for improvements that will reduce this impact.

- w) The two bridges linking Cambridge and Leamington may become congested by 2041. There is opportunity to plan and take interim steps to manage bridge use.
- x) The concrete deck on the Victoria Street bridge may need to be replaced in future which would create significant disruption if additional across river traffic capacity is not first available. There is opportunity to plan for this well in advance and minimise disruption.
- y) The radial pattern of existing streets in Te Awamutu brings all heavy traffic through residential streets and the CBD creating negative amenity impacts. There is opportunity to develop a western ring route to reduce these impacts, although the benefit to cost ratio for the construction of this route indicates it will not be constructed for many years. A review of the proposed route is planned in 2021/22.

### Projects 2021 to 2051

These projects have been included in the Infrastructure Strategy due to their significant level of investment and community impact if they are not implemented.

Note: where no alternative to the most likely scenario has been provided, the only other option so far identified is to do nothing and retain the status quo. In all of those projects this is likely to result in failure to comply with regulatory requirements, and/or hindered growth and reduced LOS to current and new customers, or maintained LOS at a higher cost or longer timescale.

<b>Project T1: meeting growth needs in Cambridge north and west</b>		<b>Area:</b> Cambridge
<p><b>Most likely scenario:</b> Cambridge growth cell related projects to plan and install roads and footpaths to meet long term future housing needs, levels of service and road safety targets.</p> <p>Structure plans for these areas identify urbanisation of existing roads and development of primary collector routes. There will be projects required to meet expected growth beyond the 2018-2028 10-Year Plan. Timing will be dependent on development impetus around Cambridge</p>		
<b>Project dates:</b> 2021 to 2051	<b>Estimated costs (including inflation):</b> \$64.9 million	<b>Funding Source</b> Growth and LOS

**Project T2: Enabling industrial growth in Cambridge****Area:** Cambridge

**Most likely scenario:** Construct roads and intersection improvements in the industrial growth cells on Hautapu and Victoria Roads including C8, C9 & C10 to safely accommodate increased traffic.

The structure plan prepared for the area's development includes existing road upgrades to make the area suitable for increased volumes and turning traffic.

**Anticipated Project dates:**

2021 to 2031

**Estimated costs (including inflation):**

\$22.1 million (across all decisions)

**Funding Source**

Growth

**Project T3: Urban growth projects – Te Awamutu (long term)****Area:** Te Awamutu

**Most likely scenario:** New roads are planned and developed including T9 & T10 to meet growing housing needs, levels of service and safety targets in towns outside Cambridge. Precise projects, costs and timescales will be responsive to events and cannot be determined at this time. Some level of project planning and implementation is likely to be continuous across a range of projects.

Provides for housing growth around Te Awamutu and Kihikihi. The timing of projects will be subject to development progress.

**Project dates:**

2021 to 2051

**Estimated costs (including inflation):**

\$14.2 million

**Funding Source**

Growth



**Project T4: Tourism provision****Area:** District

**Most likely scenario:** Airport and urban transport improvements to cater for increased visitor numbers such as improved passenger transport connections to Hamilton Airport and urban centres, visitor parking and amenities.

Precise projects, costs and timescales will be responsive to events and cannot be determined at this time. Some level of project planning and implementation is likely to be continuous across a range of projects.

**Project dates:**

2021 to 2051

**Estimated costs (including inflation):**

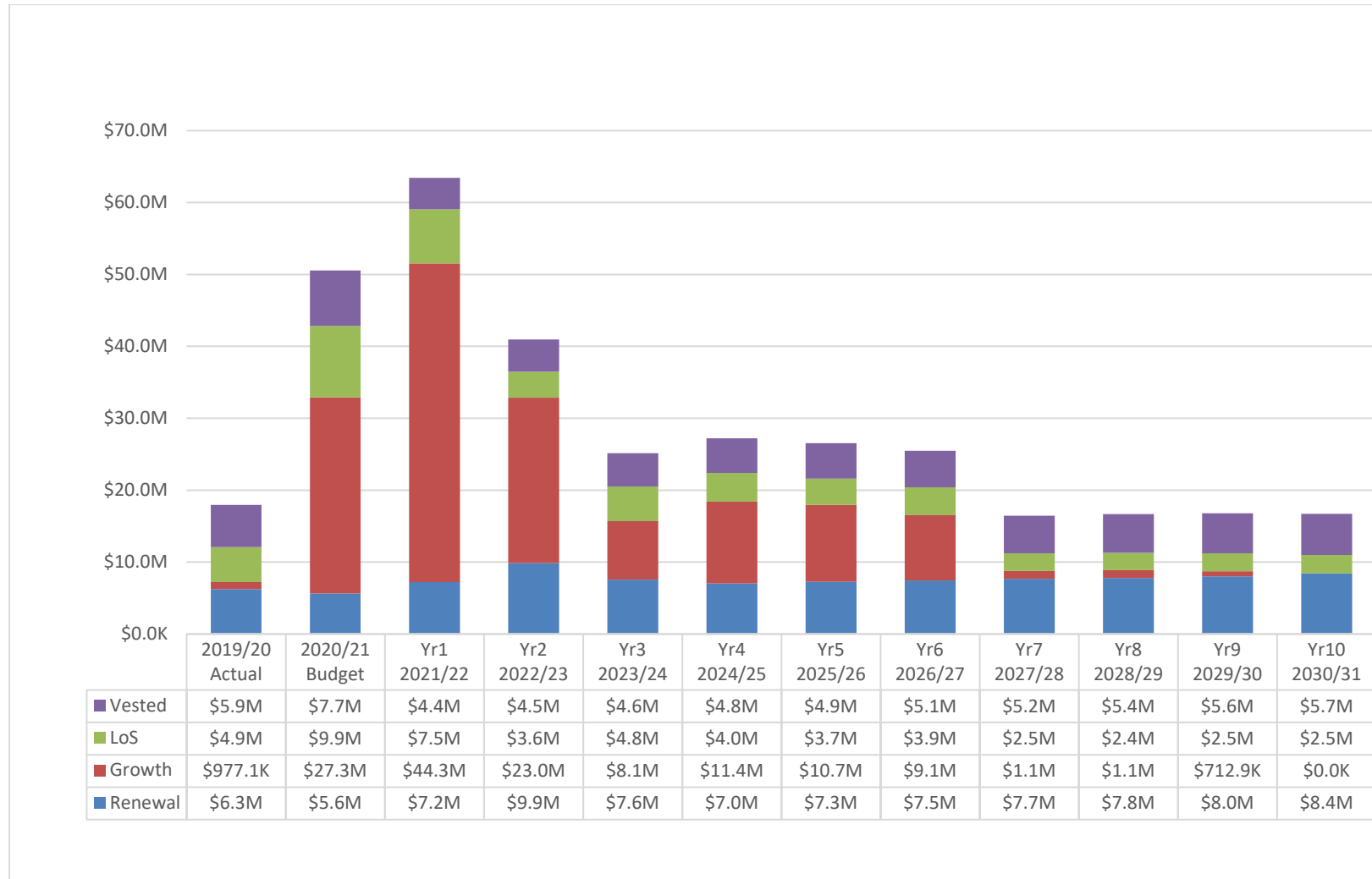
\$6.0 million

**Funding Source**

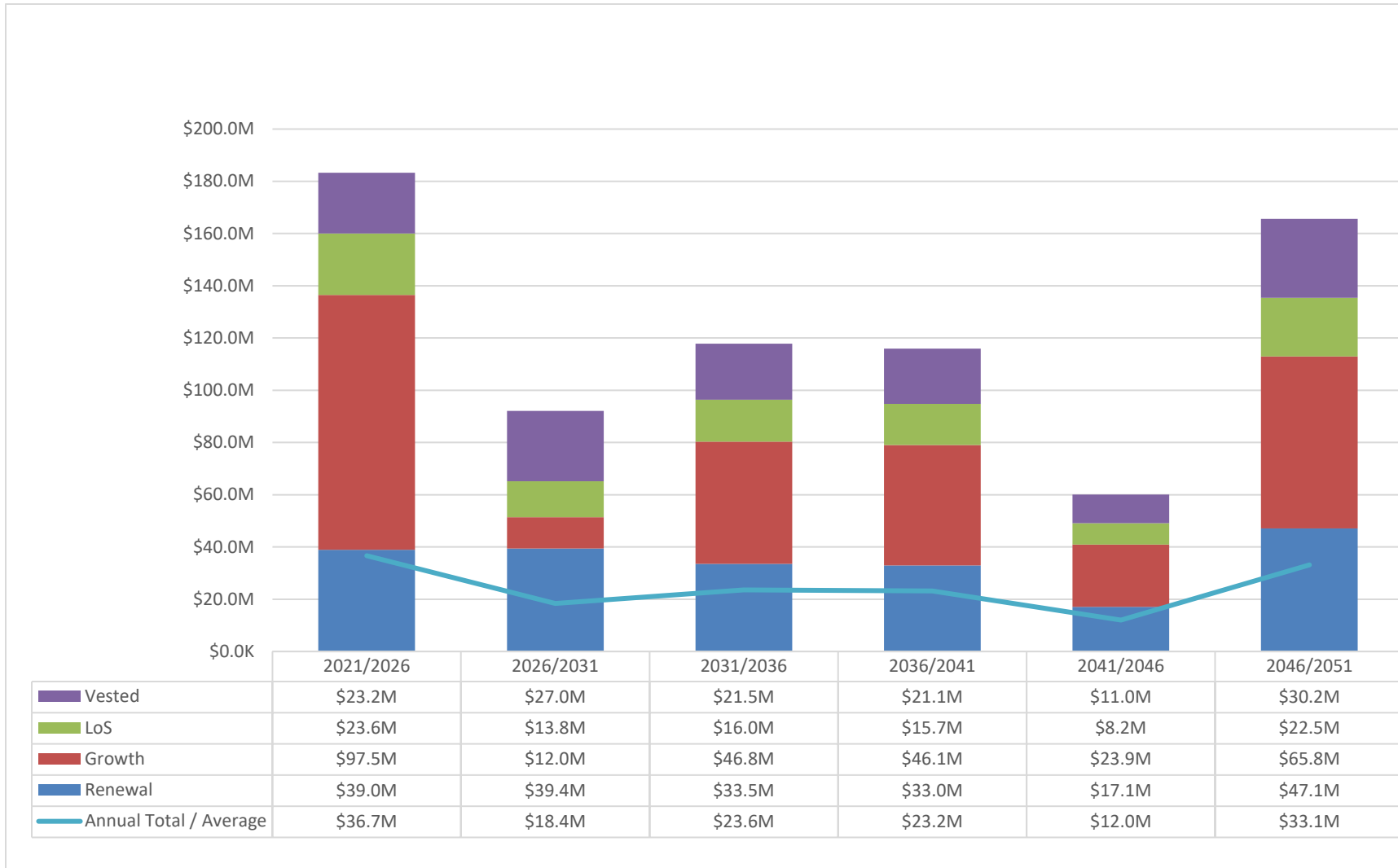
Growth

## Financial analysis

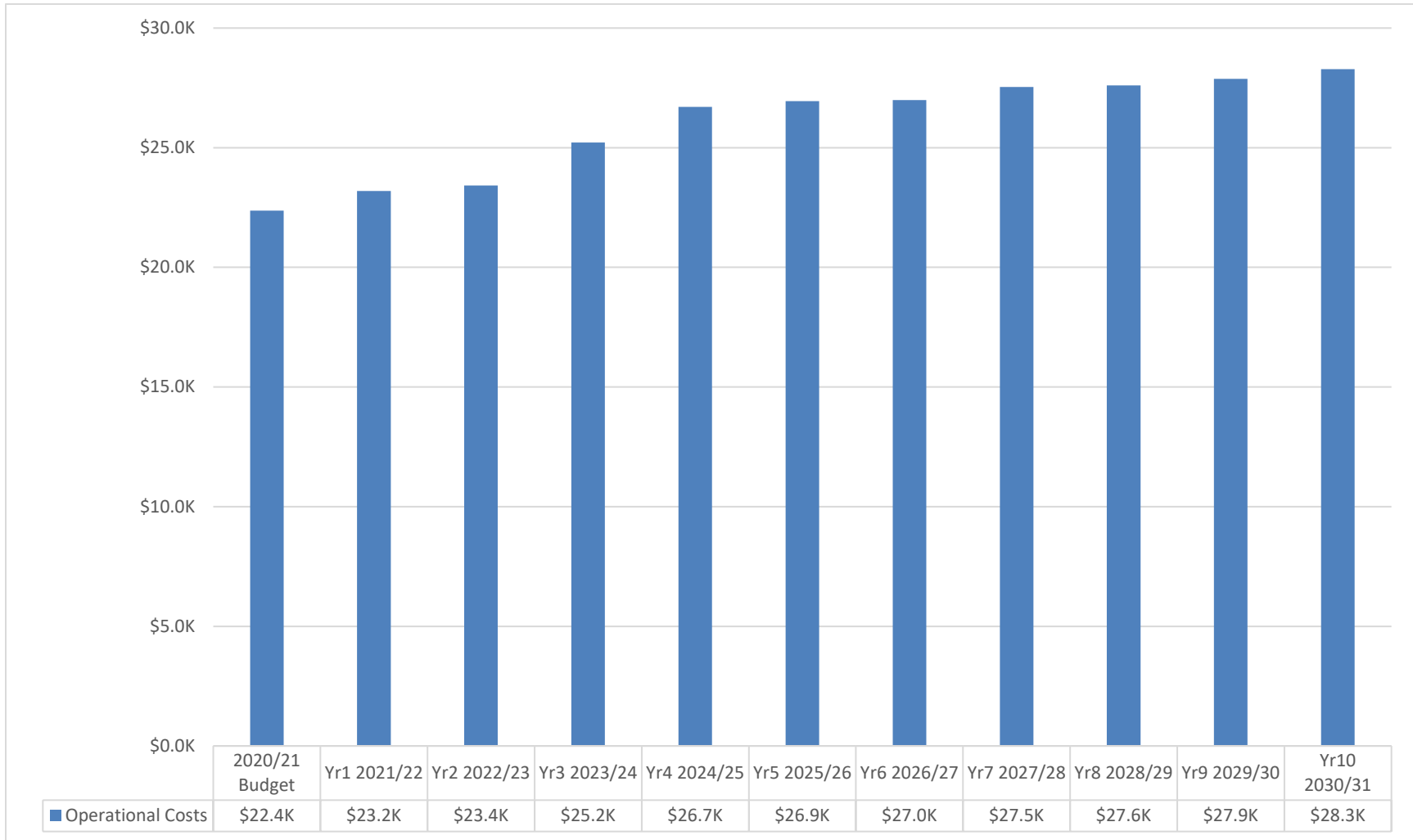
### Capital works programme 1 to 10 years



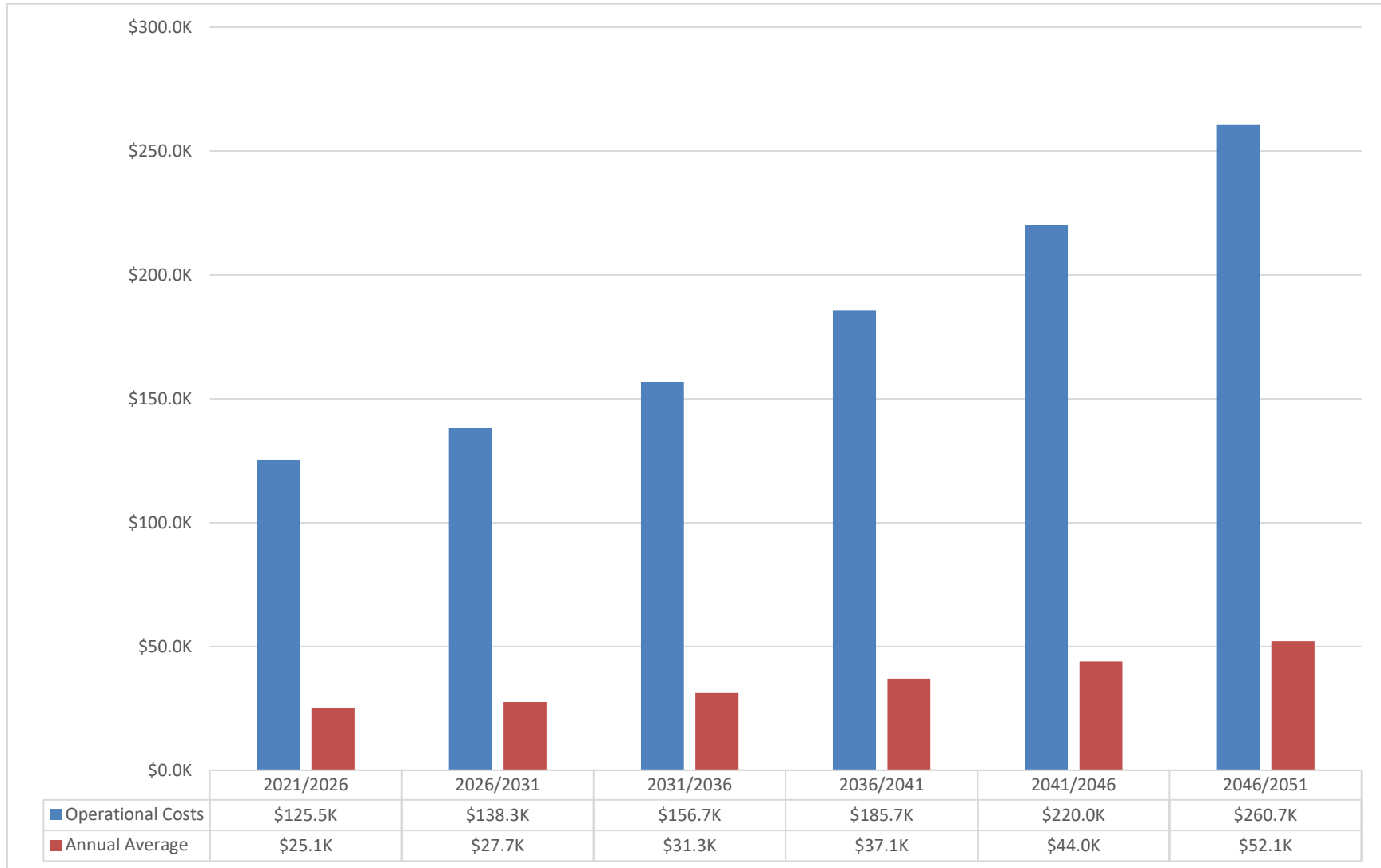
Capital works programme 1 to 30 years



Operational works programme 1 to 10 years



Operational works programme 1 to 30 years



### **Service delivery mechanisms**

There are a number of shared services initiatives between Waikato roading authorities, including in the area of transportation asset management, bridge management professional services, and regional traffic modelling. These are all managed under the Waikato Local Authority Shared Services delivery mechanism.

## **WASTE MANAGEMENT**

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### **Overview of Waste Management**

#### **What council does:**

Through the engagement of an external contractor we deliver a kerbside recycling wheelie bin service for all residential dwellings in both rural and urban areas. Service includes glass, tin & aluminium cans, plastics 1, 2 and 5, cardboard and paper.

Encouraging waste minimisation through education, community initiatives, and recycling.

#### **Our waste management scheme**

Typically each residential dwellings is provided:

one large 240L wheelie bin for accepted household plastics, tins, cans, paper and cardboard, collected fortnightly, and

one smaller 140L wheelie bin for glass bottles and jars, collected monthly.

Each household recycles approximately 195kgs per year.

#### **Overview of assets**

Since divesting solid waste management, Council does not own any transfer stations, landfills or run any refuse removal services. Council contracts a service to operate a recycling collection from all properties in the district, but does not own any assets for this service.

## Challenges and Proposed Actions

### Current and Future Issues

There are small privately owned and operated refuse transfer stations in Te Awamutu and Cambridge. These facilities have had minimal investment in the last 25 years. There is a risk that they may be closed by the operators and the district would have to rely on the nearest transfer station owned by Hamilton City Council and operated under contract.

### Projects 2021 to 2051

<b>Project WM1: Expanding waste recovery facilities</b>		<b>Area:</b> Cambridge and Te Awamutu
<p><b>Most likely scenario</b> Develop a community led RRC on a site with existing building, fencing and concreting. Services provided are staged and grown over several years.</p> <p>Cambridge is currently served by a basic refuse transfer station with limited waste recovery.</p> <p>Te Awamutu/ Kihikihi/ Pirongia/ Ōhaupō is currently served by a basic refuse transfer station with limited waste recovery.</p> <p>Neither transfer station is a fit-for-purpose service in the long term.</p>		
<p><b>Alternative scenario:</b> Do nothing - not an option as there is a legislative requirement and increasing expectation from the community for options. Private resource recovery centres may operate if sufficient volume and revenue is available and public/ private delivery is possible.</p>		
<p><b>Anticipated project dates:</b></p> <p>2023 to 2025</p>	<p><b>Estimated costs (including inflation):</b></p> <p>\$ 2.1 million total</p>	<p><b>Funding Source</b></p> <p>LOS</p>

## COMMUNITY FACILITIES

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### Overview of Community Facilities

#### What council does

- z) Open Space management planning, provision and servicing of a network of;
    - ii. formal and informal open spaces in both urban, rural and conservation areas
    - iii. structures associated within the open space network
    - iv. playgrounds
    - v. walkways and cycleways
    - vi. street and park trees
  - aa) Library services involving;
    - vii. lending of books and other media
    - viii. provision of facilities
    - ix. access to electronic resources
    - x. literacy and lifelong learning support
  - bb) The provision of public toilets within high use parks, reserves and commercial areas
  - cc) Cemetery provision and servicing of;
    - xi. burials and internments
    - xii. cemetery maintenance
    - xiii. cemetery data & mapping
    - xiv. customer support
  - dd) Heritage provision and servicing through;
    - xv. the Te Awamutu Museum
    - xvi. heritage interpretation
    - xvii. Council collections
    - xviii. the Waipa Heritage Fund
-



ee) Provide support to;

- xix. Waipa Community Facilities Trust
- xx. Maungatautari Ecological Island Trust
- xxi. Ngaa Pae Whenua
- xxii. Pukemako Joint Management Body

### **The community services networks**

Providing district-wide assets and services, and including the principal towns of Te Awamutu, Cambridge, and villages of Pirongia, Ōhaupō and Kihikihi, with:

- Over 4,000 hectares of open space consisting of 356 parks, esplanades and reserves with 3,564 assets/site improvements, 27 playgrounds, 31km of shared walkways and cycleways and 6,257 street trees;
- Two libraries (Cambridge and Te Awamutu), providing the lending of 152,054 books and other media, the provision of a community space, access to 3,893 electronic resources (e-books and e-audiobooks) and multiple literacy and lifelong learning support programmes;
- 50 public toilets within high-use parks, reserves and commercial areas;
- 10 cemeteries located in Hautapu, Leamington, Pukerimu, Pukeatua, Te Awamutu, Kihikihi, Pirongia, Ōhaupō, Puahue and Paterangi with a combined 232 assets/site improvements;
- The housing of the heritage collection through the Te Awamutu Museum with approximately 23,000 items (circa 51 per cent in archives and photographic material, 36 per cent social history, 8 per cent Maori Taonga, 4 per cent natural history and 1 per cent world ethnology);
- Support to the Waipa Community Facilities Trust (operating the Te Awamutu Events Centre and the Cambridge Pools), Maungatautari Ecological Island Trust, Ngaa Pae Whenua and the Pukemako Joint Management Body.

## Overview of Assets

Type of Transportation Asset	Quantity	Gross Replacement Cost	Optimised Depreciated Replacement Cost
Open Spaces Network	▪ 4,123.9ha of opens space land	-	-
	▪ 3,564 assets in open space	\$23,926,070	\$12,955,299
	▪ 6,257 street trees	-	-
Libraries	▪ 2 libraries	\$51,728,018	\$10,049,719
Public Toilets	▪ 50	\$3,541,018	\$2,065,389
Cemeteries	▪ 23.0ha	-	-
	▪ 232 assets in cemeteries	\$887,662	\$296,240
Heritage	▪ 309 Heritage interpretation and art collection items	-	-
	▪ Unknown quantity for archaeology collection and museum exhibition equipment	-	-
<b>Totals</b>		<b>\$80,082,768</b>	<b>\$25,366,647</b>

## Challenges and Proposed Actions

### Current and Future Issues

- a) Increase in population – population growth leads to development which has a significant impact on the demand and provision of existing assets and services.
- b) Changing customer expectations –migration from other districts in New Zealand and rapid changes in digital technology can lead to changes in demand and expectations of more interactive recreation and desired levels of service.
- c) Demographic changes – any change in the demographic makeup of the population, particularly in the relative size of the age groups can have a significant impact. Each age group will have specific requirements around what they need from the service.
- d) Legislation – requirements to restore, protect and minimise impacts on the natural environment are increasing through provisions such as the Healthy Waterways Package, Climate Change Response (Zero Carbon) Amendment Act and the Aotearoa New Zealand Biodiversity Strategy 2020. The subsequent legislative requirements are already guiding activities throughout New Zealand to mitigate environmental impacts and introduce controls on some high risk activities.
- e) Climate Change - The increased frequency of heavy rainfall or drought events is changing the conditions under which the service has to operate and what assets are required to mitigate the effects of climate change
- f) Council direction and goals – The impacts of significant events or decisions that affect the financial position of Council tend to have a direct impact on community services. As it is not necessarily considered core infrastructure such as Three Waters or roading, community services are often the first developments and services to be removed from Annual Plan or Long Term Plan budgets.

## Projects 2021 to 2051

<b>Project CS1: Cycling Te Awamutu/Ngaroto/Pirongia Connection</b>		<b>Area:</b> Te Awamutu/Pirongia
<p><b>Most likely scenario:</b> An off-road cycleway from Te Awamutu to Pirongia, via Lake Ngaroto to provide connection to natural environments, key cultural and heritage features and connect communities.</p> <p>The connection to Lake Ngaroto provides a future link to Ōhaupō and Mystery Creek, for which separate Network Plans have been identified to meet future growth needs and LOS.</p>		
<b>Project date:</b> 2021-2024	<b>Estimated costs (including inflation):</b> \$9.5 million	<b>Funding Source</b> Level of Service

<b>Project CS2: Cemetery land acquisition</b>		<b>Area:</b> Cambridge and Te Awamutu
<p><b>Most likely scenario:</b> The acquisition of appropriate land to allow for the future provision of cemetery land for the deceased residents of the district.</p> <p>Council has a statutory requirement under the Burials and Cremations Act 1964 to ensure that sufficient burial space is planned and provided across the region. Both the Te Awamutu and Hautapu cemeteries have only 10-15 years provision until they reach capacity and it is considered a new cemetery takes approximately ten years to develop.</p> <p>The Cemeteries Provision Plan developed in 2020 will inform land identification, valuations, negotiations, subdivision/SO process.</p>		
<b>Project date:</b> 2025-2028	<b>Estimated costs (including inflation):</b> \$14.6 million	<b>Funding Source</b> Growth and Level of Service

**Project CS3: Lake Te Koo Utu and Memorial Park Development****Area:** Cambridge and Te Awamutu**Most likely scenario:** Implementation of community aspirations for premier reserves Lake Te Koo Utu and Memorial Park (Te Awamutu)

The projects will deliver improved water and habitat quality, improved visitor experiences, acknowledgement of significance of the reserves to mana whenua and acknowledgment of the importance of the premier reserves as a central recreation hub for the community and beyond.

**Project date:**

2021-2031

**Estimated costs (including inflation):**

\$8.6 million

**Funding Source**

Level of Service

**Project CS4: Te Ara Wai Marketing Resource, Te Ara Wai Collection Move and Te Ara Wai Exhibition Development****Area:** Te Awamutu**Most likely scenario:** A new museum located in the centre of Te Awamutu to provide appropriate space to share the districts rich history, display museum collections and provide educational experiences to meet future growth needs and LOS.

The existing Te Awamutu Museum is not big enough or functional to carry out all the desired services. New infrastructure is required to support the activity. These projects and estimated costs exclude the construction of the building.

**Project date:**

2022-2025

**Estimated costs (including inflation):**

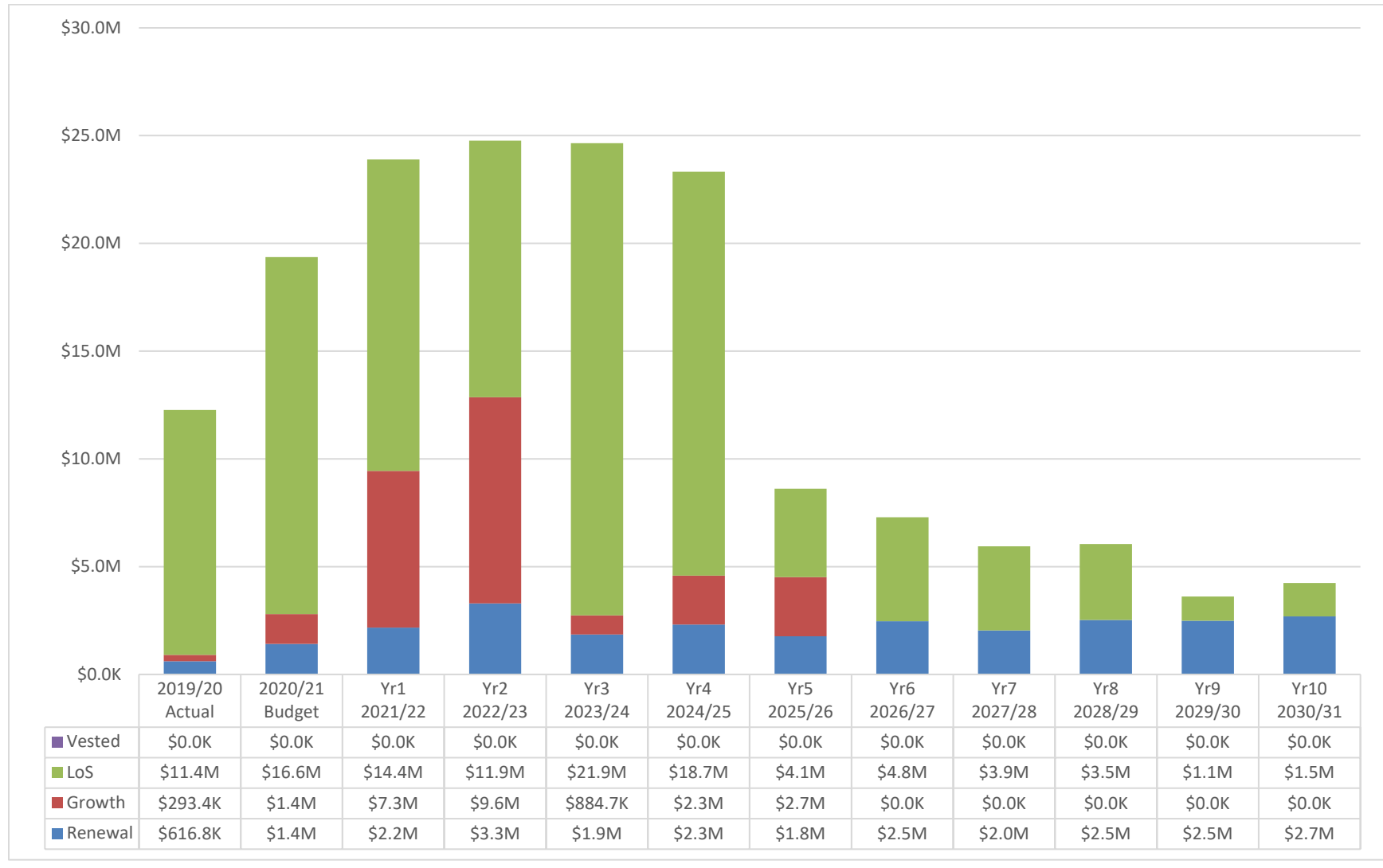
\$20.5 million

**Funding Source**

LOS

## Financial analysis

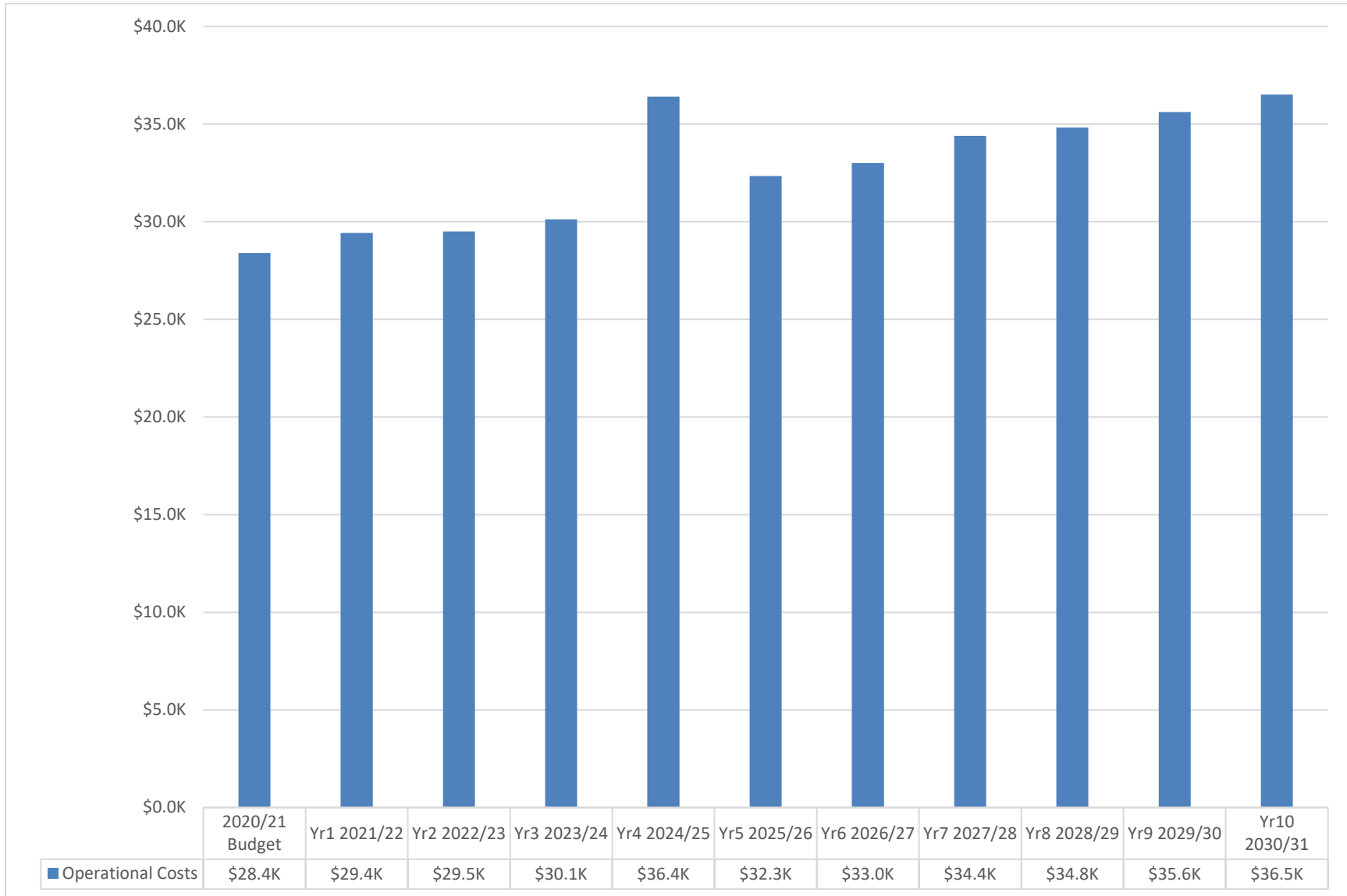
### Capital works programme 1 to 10 years



Capital works programme 1 to 30 years

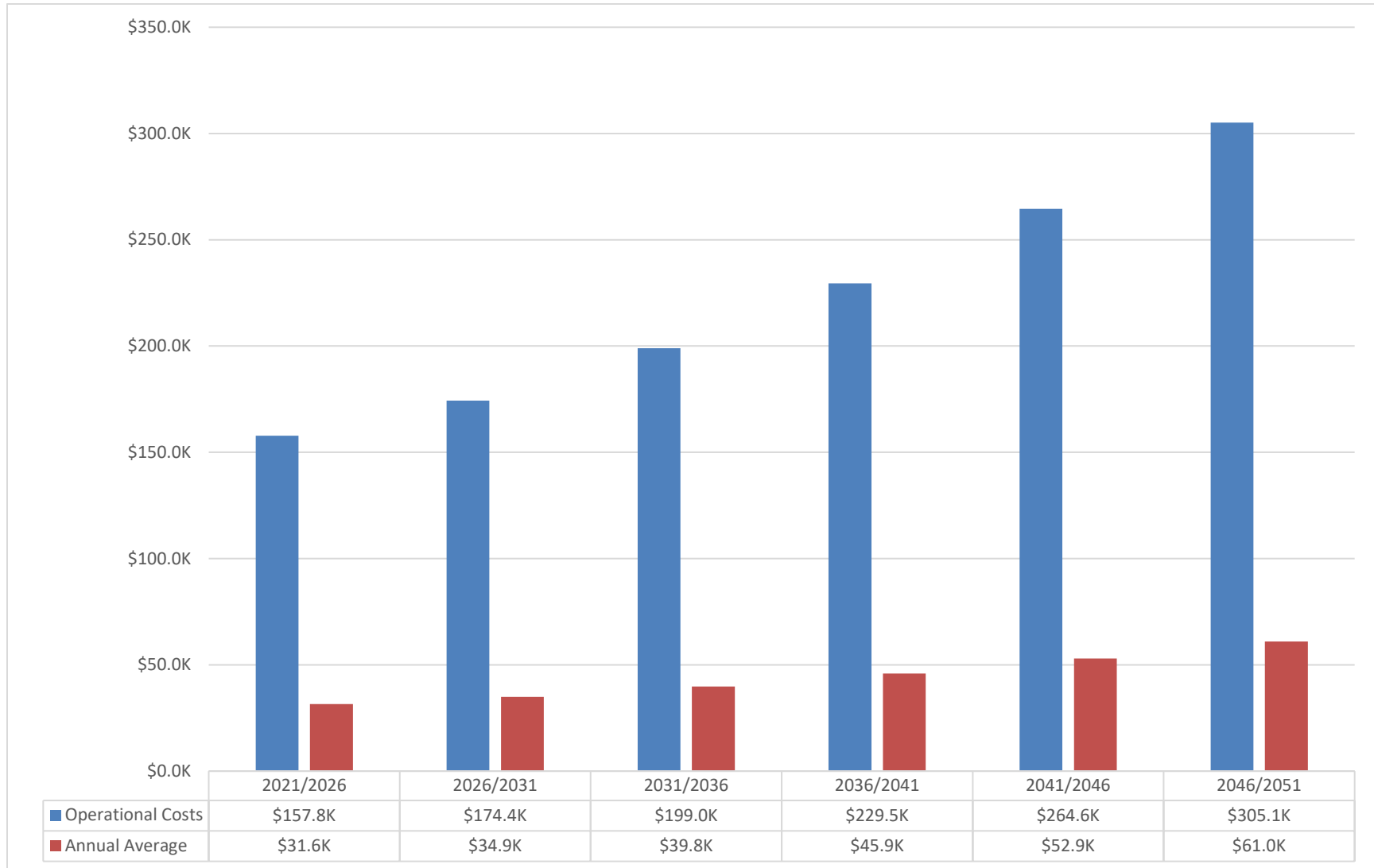


Operational works programme 1 to 10 years





### Operational works programme 1 to 30 years



## Service delivery mechanisms

Service Area	Delivery Model
Neighbourhood and Amenity Parks	<ul style="list-style-type: none"> <li>In-house</li> </ul>
Sports Parks	<ul style="list-style-type: none"> <li>In-house</li> </ul>
Premier Reserves	<ul style="list-style-type: none"> <li>In-house</li> </ul>
Conservation Parks	<ul style="list-style-type: none"> <li>In-house</li> </ul>
Site Improvements	<ul style="list-style-type: none"> <li>In-house – management</li> <li>External – construction</li> </ul>
Playgrounds	<ul style="list-style-type: none"> <li>In-house – management</li> <li>External – construction</li> </ul>
Walkways and Cycleways	<ul style="list-style-type: none"> <li>In-house</li> </ul>
Maintenance of park land and site improvements	<ul style="list-style-type: none"> <li>Both</li> </ul>
Co-Managed sites	<ul style="list-style-type: none"> <li>In-house (Council element)</li> </ul>
Street Trees	<ul style="list-style-type: none"> <li>In-house – management</li> <li>External – maintenance</li> </ul>
Protected Trees Advisory Service	<ul style="list-style-type: none"> <li>In-house</li> </ul>
Customer service	<ul style="list-style-type: none"> <li>In-house</li> </ul>
Planning	<ul style="list-style-type: none"> <li>In-house</li> </ul>

All Park Renewals are currently delivered through the Project Delivery Team within Council.

## APPENDIX 1 – LTP PERFORMANCE FRAMEWORK – COMMUNITY OUTCOMES AND EXTERNAL STRATEGIC PRIORITIES

### COMMUNITY OUTCOMES & KEY EXTERNAL PRIORITIES

Community Outcome	Description Statement	Draft measure and desired trend	Source	Direct connection to Infrastructure Planning	Description of Connection
Socially resilient - He aha te mea nui o te ao? Māku e kī atu he tangata, he tangata, he tangata! – it's all about people	Waipā is a great place to live, work, play and invest	Resident survey response to: How would you rate Waipā as a district that is a great place to live, learn, work and play?  Te Waka survey response to: How confident are you in the future success of your business?	Resident Perception Survey – Existing question.  Te Waka Business Sentiment Survey – Existing question	Yes	Feedback from this survey informs whether council is delivering our agreed levels of service or if these levels are requiring amendment to meet community expectations or aspirations
	We invest in hauora and support the great work community groups do	Procurement measures considering local contribution through contracts.	Procurement strategy monitoring	No	
	Waipā provides a high quality of life for current and future generations	Proportion of the population aged 15 years or more who agree that they experience a sense of community with others in their neighbourhood.	Existing vital signs survey	No	
Cultural champions - Promoting our culture and heritage	We champion the unique history of Waipā	Number of annual visitors to key heritage sites (Te Awamutu Museum, Pirongia Visitor Centre, Cambridge Museum, and Lake Ngā Roto).	2021-31 LTP level of service measure  2021-31 LTP level of service measure	Yes	Our infrastructure supports the delivery of these services and will reflect the level of attractiveness of these visits and levels of engagement

Community Outcome	Description Statement	Draft measure and desired trend	Source	Direct connection to Infrastructure Planning	Description of Connection
		Usage of Te Ara Wai Journeys website – target as per LTP.			
	We have a high level of cultural awareness	Percentage of staff who have attended cultural awareness training - tikanga training.  Resident survey response to: Do you think that culture and heritage are promoted in Waipā District?	Internal performance measure.  New resident perception survey question.	No	Whilst not a direct connection, this measure will inform whether the decision-making frameworks within our Activity Management Plans are appropriate and achieving our community outcome expectations
	We partner with tangata whenua	New targeted survey to tangata whenua partners.	New survey to be developed.	Yes	We are committed to meeting our Treaty obligations and achieving our partnership with iwi. Our decision-making frameworks will reflect this; for example through consent processes for wastewater treatment plants
	We respect the cultural diversity in our district	Resident survey response to: As a local resident, how accepting and welcoming is the district to newcomers and respecting towards the cultural diversity (recent migrants, international students, former refugees)?	New resident perception survey question.	No	
Environmental champions - Protecting and sustaining our environment	Environmental awareness and responsibility is promoted within the community	Annual average quantity (kg) of recycled material per household.	2021-31 LTP level of service measure.  Internal Performance Measure	No	Whilst not a direct connection, we are committed to reducing our waste in our activities and looking for opportunities to incorporate recycled materials where this is appropriate and cost effective

Community Outcome	Description Statement	Draft measure and desired trend	Source	Direct connection to Infrastructure Planning	Description of Connection
		Council-led volunteer activities - facilitate at least four conservation volunteer days per annum.			
	We support programmes that promote environmental sustainability	Percentage schools in Waipā with Enviroschools subscription.  Number of face-to-face participants in the waste minimisation education programme.	Internal Performance Measure  2021-31 LTP level of service measure.	No	
	We are responsive to climate change	Council's carbon footprint.	New reporting being developed.	Yes	Council is committed to reducing our carbon footprint, although this is an emerging work stream so will be a part of council's improvement programme for our 2024 AMP's
Economically progressive - Supporting a thriving, sustainable economy	We have financially sustainable decision-making and work programmes	Resident survey response to: How would you rate Council overall for its financial management?  Actual opex1 and capex2 spend against the Annual Plan budget.	Existing Resident Perception Survey question.  Internal performance measure.	No  Yes	This is managed as a key KPI for the organisation to ensure that our optimised programmes are delivered
	We provide new infrastructure as an economic stimulus for our district	Compliance with National Policy Statement - Urban Development 2020 conditions.	Through future proof monitoring.	Yes	Compliance with this requirement means that council needs to fully understand the infrastructure investment need to support the commitment to availability of land. As a high

Community Outcome	Description Statement	Draft measure and desired trend	Source	Direct connection to Infrastructure Planning	Description of Connection
					growth Council this is an ongoing challenge as the market and land development sector can be unpredictable
	Our services provide excellent value for money	Resident survey response to: Overall how satisfied are you that you receive good value for the money you spend in rates and other fees?	Existing Resident Perception Survey question.	Yes	Feedback from this survey informs whether council is delivering our agreed levels of service or if these levels are requiring amendment to meet community expectations or aspirations
	We actively promote our district to enable development, employment and business opportunities	Annual tourism expenditure in the District	Infometric economic reporting	No	
	Waipā is a great place to invest and do business	GDP (this indicator measures the level of productive activity undertaken in Waipā),  Money spent locally in the district.	SOLGM wellbeing indicator.  Te Waka Monthly update. Infometrics economic reporting (Quarterly Economic Monitor)	No	

## EXTERNAL STRATEGIC PRIORITIES – DRAFT MEASURES

Strategic Priority	Description	Draft measure and desired trend	Source	Direct connection to Infrastructure Planning	Description of Connection
Creating vibrant communities	We celebrate all the things residents love about Waipā and foster connections with people and places.	Resident survey response to: How proud do you feel to say that you live in this district?	Existing Resident Survey question.	Yes	Feedback from this survey informs whether council is delivering our agreed levels of service or if these levels are requiring amendment to meet community expectations or aspirations

Strategic Priority	Description	Draft measure and desired trend	Source	Direct connection to Infrastructure Planning	Description of Connection
		Resident survey response to: Waipā has a great sense of community spirit (a sense of togetherness and good atmosphere among people)?	New resident perception survey question.		
Nurturing and respecting our unique culture and heritage	In partnership with tangata whenua, we increase our communities' awareness, understanding and appreciation of the district's history and significant sites.	Number of annual visitors to key heritage sites (Te Awamutu Museum, Pirongia Visitor Centre, Cambridge Museum, and Lake Ngā Roto).  Usage of Te Ara Wai Journeys website.	2021-31 LTP level of service measure.  2021-31 LTP level of service measure.	No	
Effectively planning and providing for growing communities	Our population is increasing because Waipā is a highly desirable place to live, work, play and invest.  Growth is forecasted to continue, and we need robust planning and infrastructure to create liveable communities.	Resident survey response to: How satisfied are you with the way your town is developing in terms of look and feel?  Compliance with National Policy Statement - Urban Development 2020 conditions.	Existing Resident Perception Survey question.  Future proof	Yes	Feedback from this survey informs whether council is delivering our agreed levels of service or if these levels are requiring amendment to meet community expectations or aspirations
Preparing for climate change	We are experiencing the impacts of climate change in Waipā and must actively respond to ensure we have resilient communities.	Real water loss and water consumption quantities.	2021-31 LTP level of service measure.	Yes	Ensuring we are delivery an efficient water supply network is a key focus for council. Projects to address this will be developed in response to the outcomes from the measure
Leading the recovery of Waipā	In partnership with iwi, we lead the community in the economic and social recovery of the district in	Procurement measures considering local contribution through contracts.	WDC Procurement strategy monitoring.	No	

Strategic Priority	Description	Draft measure and desired trend	Source	Direct connection to Infrastructure Planning	Description of Connection
	<p>response to the global COVID-19 pandemic.</p> <p>We enhance our communities' resilience for the future.</p>	<p>How would you rate Council playing a positive role in the social, environmental, economic and cultural recovery for our district?</p>	<p>New resident perception survey question.</p>		



# RELATED POLICIES

## **VARIATION FROM THE ASSESSMENT OF WATER AND SANITARY SERVICES & THE WASTE MANAGEMENT AND MINIMISATION PLAN**

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Section 6, Schedule 10 of the Local Government Act 2002 states that the long-term plan for a territorial authority must identify and explain any significant variation between the proposals outlined in the long-term plan and the territorial authority's —

- a) assessment of water and other sanitary services under section 125:
- b) waste management and minimisation plans adopted under section 43 of the Waste Minimisation Act 2008.

### **Assessment of Water and Sanitary Services**

Part 7 Section 125 of the Local Government Act 2002 states that a territorial authority must, from time to time, assess the provision within its district of Water treatment and supply and other sanitary services. The purpose of such an assessment is to assess, from a public health perspective, the adequacy of water and other sanitary services available to communities within a territorial authority's district, in light of:

- c) the health risks to communities arising from any absence of, or deficiency in, water or other sanitary services; and
- d) the quality of services currently available to communities within the district; and
- e) the current and estimated future demands for such services; and
- f) the extent to which drinking water provided by water supply services meets applicable regulatory standards; and
- g) the actual or potential consequences of stormwater and sewage discharges within the district.

### **Variation from Assessment of Water treatment and supply - 2004**

There are three significant variations between the assessment and the Long Term Plan 2021-2031 as listed below;

- The Te Rore rural water supply scheme has been transferred to the Te Rore Rural Water Supply Group who now operate and maintain the scheme as a private water supply.
- Council has completed the process of supplying the Hicks Road water supply scheme via the newly upgraded Karāpiro Water Treatment Plant to meet the Drinking Water Standards for New Zealand. Council will seek to transfer the water allocation at Hicks Springs to the Karāpiro water supply take.
- Council is upgrading the Parallel Road water treatment plant and installing a pipeline from the treatment plant to the Taylors Hill reservoir to feed Te Awamutu. This is due to a consent condition reducing the water take from the Mangauika Stream commencing in 2030.

The 2021 – 2031 LTP reflects the current District Wide Water Supply Strategy adopted by Council in 2014.

As per the assessment, Council intends to continue to monitor water supply and sewage disposal across the district to ensure that all residents have access to an appropriate level of service to ensure their health and wellbeing is maintained.

### **Variation from Sanitary Services Assessment (Cemeteries) - 2004**

There is no significant change from the assessment intended as part of the 2021-2031 Long Term Plan. Council will continue to operate and manage the current facilities which remain adequate for predicted demand.

## Variation from Sanitary Services Assessment (Public Toilets) - 2008

The following items list the most significant variances from the last assessment:

- There is no longer a major issue at Ngā Roto due to the water supply issues. Apart from large events which affect all existing provisions, the three vaulted toilets at the carpark entrance meet the demands of the community.
- There has been an increase from 31 to 50 toilets. The toilets are open from a range of times depending on their location and primary user group.

Council will continue to operate and manage a network of public toilets to meet the needs of residents and visitors using parks, reserves, shopping centres and other key leisure destinations in the district.

As per the assessment, Council intends to ensure that demonstrated needs for public toilets within the district are met. That need will be confirmed by a needs analysis and the timing determined as part of the Council's project prioritisation process.

## Waste Management and Minimisation Plan – 2017

The Waste Management and Minimisation Plan 2017-2023 details the activities to be undertaken towards the Council's vision of building zero waste and sustainable communities. Those activities are focussed on meeting the first four goals of the Waste Strategy, they are:

- Reduced waste and increased resource recovery
- Collect waste information for informed decision making, in line with the National Waste Data Framework
- Connect with our community by developing collaborative and enduring partnerships with key stakeholders
- Progressive and effective waste minimisation and management services and facilities, without unreasonably burdening future ratepayers

## Variation from Waste Management and Minimisation Plan– 2017

The 2021-2031 Long Term Plan reflects the current Waste Management and Minimisation Plan which was adopted by Council during 2017.

# COUNCIL CONTROLLED ORGANISATIONS

## INTRODUCTION

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The Local Government Act 2002 requires Council to include in the Long Term Plan information on Council-controlled organisations (CCOs) in which it is a stakeholder. In particular, Council must include:

- Its significant policies and objectives regarding ownership and control of the organisation.
- The nature and scope of the activities to be provided by the organisation.
- The key performance targets and other measures by which performance may be judged.

Council is a shareholder in three organisations that are classified as council controlled organisations as defined by the Local Government Act 2002. The organisations are:

- Waikato Regional Airport Limited, also known as Hamilton International Airport.
- Local Government Funding Agency Limited.
- Local Authority Shared Services Limited.

The Finance and Corporate Committee monitors Council's interests in our CCOs including reviewing and approving Statements of Intent, receiving reports and authorising the signing of shareholder documents.

## WAIKATO REGIONAL AIRPORT LIMITED

Waikato Regional Airport Limited (Hamilton International Airport) is jointly owned by five local authorities – Hamilton City, Waipa District, Waikato District, Matamata-Piako District and Otorohanga District Councils. Hamilton & Waikato Tourism Limited (HWT) and Titanium Park Limited (TPL) are fully owned subsidiaries. Waipa District Council’s shareholding is 15.625% and equity securities are listed as a strategic asset as defined by the Local Government Act.

### Core Purpose

- Enabler of air services to the region.
- Operate a first class, safe, sustainable and compliant airport.
- Strategic positioning of the business to enhance capital value.

**Table 133 : Waikato Regional Airport Limited Key Performance Target**

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### PERFORMANCE TARGETS





*The following annual performance targets are proposed for the Waikato Regional Airport Limited in relation to its core purpose and key objectives.*

### Nature and scope of activities

- a) Operate an efficient, compliant and resilient airport.
- b) Enhance the traveller experience.
- c) Maintain a viable aeronautical business.
- d) Maximise revenue diversification through non-aeronautical business opportunities.
- e) Develop and optimise the land holdings of the Group to generate a long-term property income from a diversified property portfolio.
- f) Operate the airport hotel to meet or exceed its investment business case growth targets and customer satisfaction targets and deliver synergies to conferencing and food & beverage around the wider airport precinct.
- g) Marketing the Hamilton & Waikato region as a visitor destination to domestic visitors.
- h) Grow the visitor economy through tourism development and destination management.

Based on Company forecasts	YEAR ENDING 30 JUNE		
	2022	2023	2024
EBITDA excluding land sales	\$3.6m	\$4.0m	\$4.2m
EBITDA including land sales	\$5.7m	\$6.1m	\$5.5m
Net profit after tax <i>no less than</i>	\$1.9m	\$2.0m	\$2.3m
Net operating cash flow (excluding land sales)	\$4.2m	\$5.2m	\$5.2m
Total debt <i>not exceeding</i>	\$29.0m	\$29.0m	\$29.0m
Percentage of non-landing charges revenue <i>at least</i>	60%	60%	60%
Land sales	\$3.7m	\$3.8m	\$2.8m
Interest cover <i>at least</i>	4.0x	4.0x	4.0x

## NON-FINANCIAL PERFORMANCE TARGETS

	<b>Health, safety and well-being</b>
	Facilitate Health & Safety meetings every two months with representatives from each entity in the Group
	Zero Work Safe notifiable accidents/injuries
	Independently review and audit the Health & Safety system each year
	<b>Operational compliance</b>
	To achieve the Airport Certification Standards as required by the Civil Aviation Authority and as evidenced by Civil Aviation Authority audit reports.
	Ensure airport is operationally available for all scheduled passenger services (except for uncontrollable events)
	Monitor aeronautical noise and facilitate noise management meetings every four months in accordance with the Noise Management Plan.
	<b>Property (Titanium Park Limited)</b>
	Complete construction of the 5th Stage of Titanium Park's Central Precinct.
	Prepare a private plan change submission to Waipa District Council in relation to the future Northern Precinct Development.
	<b>Hotel operation</b>
	Implement a recovery plan to enable a steady return from a Managed Isolation Facility to normal trading as a hotel and achieve pre-COVID metrics such as occupancy, room rates and customer satisfaction in line with the expectations underlying the achievement of a Qualmark 4 Star rating.

**Table 134: Waikato Regional Airport Limited non-financial performance targets**



## NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED

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The Local Government Funding Agency Limited (LGFA) has been established by the local government sector and the Crown to enable local authorities to borrow at lower interest margins than would otherwise be available. Waipa District Council's shareholding is 0.4%.

### Principal objectives

- Achieve the shareholder-agreed objectives and performance targets specified in their Statement of Intent;
- Be a good employer;
- Demonstrate social and environmental responsibility;
- Maintain strong and sound corporate governance;
- Set and model high standards of ethical behaviour; and
- Operate in accordance with sound business practice.

### Nature and scope of activities

LGFA will optimise the debt funding terms and conditions for Participating Borrowers. Among other things, this includes:

- Providing interest cost savings relative to alternative sources of financing;
- Offering flexible short and long-term lending products that meet Participating Borrowers' borrowing requirements;
- Delivering operational best practice and efficiency for its lending services;
- Ensuring certainty of access to debt markets, subject always to operating in accordance with sound business practice.

LGFA will ensure its asset book remains at a high standard by ensuring it understands each Participating Borrower's financial position, as well as general issues confronting the Local Government sector. Amongst other things, LGFA will:

- Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies;
- Analyse finances at the Council group level where appropriate and report to shareholders;
- Endeavour to meet each Participating Borrower annually, including meeting with elected officials as required, or if requested; and

- Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.

## Key Performance Targets

The LGFA has the following performance targets:

- LGFA's net interest income for the period to:
  - 30 June 2022 will be greater than \$18.7 million.
  - 30 June 2023 will be greater than \$24.2 million.
  - 30 June 2024 will be greater than \$27.6 million.
- LGFA's annual issuance and operating expenses (excluding AIL) for the period to:
  - 30 June 2022 will be less than \$7.0 million.
  - 30 June 2023 will be less than \$7.2 million.
  - 30 June 2024 will be less than \$7.4 million.
- Total lending to Participating Borrowers at:
  - 30 June 2022 will be at least \$12,874 million.
  - 30 June 2023 will be at least \$13,291 million.
  - 30 June 2024 will be at least \$13,578 million
- Conduct an annual survey of Participating Borrowers who borrow from LGFA and achieve at least an 85% satisfaction score as to the value added by LGFA to the borrowing activities
- Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.
- Achieve 75% market share of all council borrowing in New Zealand
- Review each Participating Borrower's financial position, its headroom under LGFA policies and arrange to meet each Participating Borrower at least annually.
- No breaches of Treasury Policy, any regulatory or legislative requirements including the Health and Safety at Work Act 2015.
- Successfully refinance of existing loans to councils and LGFA bond maturities as they fall due.
- Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating agency.

## WAIKATO LOCAL AUTHORITY SHARED SERVICES LIMITED

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Established in 2005, the Waikato Local Authority Shared Services Limited (WLASS) is jointly owned by 12 local authorities to provide a co-ordinated approach to the provision of services, and improvements to quality of services at reduced costs. It achieves economies of scale resulting from a single entity representing all Councils and leveraging procurement opportunities.

## **Council policies and objectives relating to Council controlled organisations**

The Constitution of Local Authorities Shared Services Limited sets out the principles and expectations around how the company will be governed and operated. While Council has no formal policies and objectives, it has become a shareholder on the basis that the Local Authority Shared Services Limited will develop products and services of significant benefit to Waipā residents and ratepayers.

## **Company objectives**

The objective of the Local Authority Shared Services Limited is to provide Waikato region's local authorities with a vehicle to procure shared services. It provides a mechanism for the development of new services which are available to any shareholder that chooses to join. It also provides those councils that wish to develop new services with a company structure under which they can develop and promote services to other local authorities.

## **Nature and scope of activities**

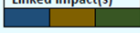
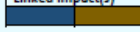
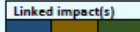


The company continues to deliver value to its shareholding councils through enabling:

- Improved levels and quality of service;
- A more co-ordinated approach to the provision of services;
- Reductions in the cost of services (meeting Council's LGA obligation);
- The development of new initiatives;
- Standardisation of service levels;
- Opportunities for all Councils, irrespective of location or size, to benefit from joint initiatives; and
- Economies of scale resulting from a single entity representing all Councils and leveraging procurement opportunities.

## Key Performance Targets

Table 135: Waikato Local Authority

### Shared Services Limited key performance targets

Priority	Performance measure	Target
<p>Prioritise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or more of our objectives</p> <p>Linked impact(s)</p> 	<ul style="list-style-type: none"> <li>Business cases will include measurable benefits linked to one or more of the outcomes sought</li> <li>Businesses cases are supported by councils (evidenced by take up of the opportunity)</li> </ul>	<p>Projected savings/increased revenue to councils of at least \$300k</p> <p>75% of councils</p>
<p>Develop opportunities and deliver projects within agreed budgets and timelines<sup>1</sup></p> <p>Linked impact(s)</p> 	<ul style="list-style-type: none"> <li>Opportunities / projects are developed / delivered within agreed timelines</li> <li>Opportunities / projects are developed / delivered, within approved budget</li> <li>Overall, Company Management / Support functions will be undertaken within budget, unless additional expenditure has board pre-approval</li> </ul>	<p>80%<sup>2</sup></p> <p>90%<sup>2</sup></p>
<p>Ensure projects realise their expected benefits</p> <p>Linked impact(s)</p> 	<ul style="list-style-type: none"> <li>Measurable benefits are actively monitored and reported against</li> <li>Audit &amp; Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised)</li> </ul>	<p>Six-monthly</p> <p>For \$200k+ Projects (based on cost of opportunity development and ongoing investment)</p> <p>Within 15 months</p> <p>90% of projected quantifiable benefits are realised</p>
<p>Ensure existing services are meeting the needs of councils</p> <p>Linked impact(s)</p> 	<ul style="list-style-type: none"> <li>The services we provide (below) are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey): <ul style="list-style-type: none"> <li>RATA – roading &amp; waters</li> <li>Waikato Building Cluster</li> <li>Regional Infrastructure Technical Specifications</li> <li>Energy &amp; Carbon Management</li> <li>Professional Services Panel</li> <li>Health &amp; Safety pre-qualification</li> </ul> </li> </ul>	<p>80% of councils</p>
<p>Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice</p> <p>Linked impact(s)</p> 	<ul style="list-style-type: none"> <li>Across these groups, ideas for future consideration and/or initiatives are identified each year</li> </ul>	<p>Four per annum</p>

1 Budgets and timelines for opportunity development will be those established following discovery and/or opportunity assessment. A business case will refine these parameters with respect to project delivery.

2 Time and cost targets for the development of opportunities and delivery of projects have been initially set based on what, in practical terms, are consider stretch goals, but achievable. However, we aspire to always better, or at least meet, timetables and budgets.

The targets noted above are for the three-year forecast period. They will form the baseline from which we will seek to continually improve.

# COMMUNITY ENGAGEMENT

## DEVELOPMENT OF MĀORI CAPACITY TO CONTRIBUTE TO DECISION-MAKING PROCESSES

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Council is committed to the ongoing development of opportunities and the capacity of Māori to contribute to Council's decision-making processes as per sections 4 and 81 of the Local Government Act 2002. This is reflected in the Policy on Liaison with Māori and Joint Management Agreements published in Council's Governance Statement 2020. This means that Council decision-making processes are robust, effective, transparent, and as reflective of the community as possible.

The present arrangements for Māori contributions are through specific Council committees:

- a) The Iwi Consultative Committee considers all matters impacting on the interests of Tangata Whenua including but not limited to historical, cultural, recreational, health, housing, environmental and resource management. The Committee advises Council and the various iwi on Treaty of Waitangi implications for policies and activities of Council.
- b) Ngā iwi Toopū o Waipā (NITOW), translated as The Assembled People of Waipā, is an independent group that represents the majority of hapū in the Waipā District. They meet monthly and consider resource consent applications and other resource management policy issues. They also consider other issues that are brought directly to iwi by Council for consultation and consideration. NITOW also nominates members on to the Iwi Consultative Committee.
- c) The appointment of Te Kānohi members to the Strategic Planning and Policy, Regulatory, Service Delivery, and Finance and Corporate Committees of Council.

Council also participates in and supports the national Tuia Programme through the Mayors' Taskforce for Jobs, a nationwide network of mayors focusing on youth employment and engagement in local communities.

### Steps to foster the development of Māori capacity to contribute to decision making

The Council intends to undertake the following steps to foster the development of Māori capacity to contribute to its decision-making processes:

- Supporting the Te Kānohi members of Council's Committees
- Reconsidering the role and structure of Ngā iwi Toopū o Waipā and the Iwi Consultative Committee
- Engaging with mana whenua at the earliest stages of key projects of significance, for example through the Kaitiaki groups established under consents for our major waste-water discharges
- Reviewing Council's wider partnership with tangata whenua
- Provide for a Maori Ward in future local government elections for Waipa District
- Consider how Māori might contribute to specific programmes or project management where appropriate
- Working in partnership with local iwi and Māori Trust Boards to develop a programme of work that supports recovery for the District from COVID-19
- Developing a strategic partnership framework using co-design principles

- Gathering information on Māori perspectives about Council activities
- Developing a work programme to progress these steps and progress the work programme as staff time and funding allows.

## **SIGNIFICANCE AND ENGAGEMENT POLICY SUMMARY**

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Our significance and engagement policy outlines how we determine degrees of significance and decide how best to engage with people in district on specific matters. Made under the Local Government Act 2002, our full Significance and Engagement Policy is available on Council's website or from Council offices and libraries. The below is a summary of the policy for information purposes.

### **TE ARONGA ME TE WHĀNUITANGA | PURPOSE AND SCOPE**

- a) To enable Council, Māori and communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities.
- b) To provide clarity about how and when communities can expect to be engaged in decisions made by Council.
- c) To inform Council from the beginning of a decision-making process about the extent, form and type of engagement required.

### **HE KAUPAPA-HERE | POLICY**

- a) Engagement with the community is critical to understand the needs, views, opinions and preferences of people likely to be affected by or interested in a proposal or decision. Council is committed to the inclusion of Māori in decision-making processes.
- a) The Council must have regard to the principles of Te Tiriti o Waitangi, the Treaty of Waitangi and recognise and provide for the special relationship between Māori, their culture, traditions, land and taonga.
- b) An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will be considered in the early stages of a proposal.
- c) The Council will take into account the following matters when assessing the degree of significance of proposals and decisions, and the appropriate level of engagement:
  - i. Whether the proposal has an impact on the interests, values and aspirations of Māori in the district.
  - ii. The likely impact on Māori values, including their relationship with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.
  - iii. Whether there is a legal requirement to engage with the community.
  - iv. The degree to which the proposal or decision may impact current and future community well-being.
  - v. The level of financial impact of the proposal or decision.
  - vi. Whether the proposal or decision will impact a large portion of the community.
  - vii. The level of likely impact on present and future interests of the community.

- viii. Whether the proposal affects the level of service of a significant activity.
  - ix. Whether community interest is high.
  - x. Whether the likely consequences are controversial.
  - xi. Whether community views are already known, including the community's preferences about the form of engagement.
  - xii. The form of engagement used in the past for similar proposals and decisions.
- d) Council will take into account the degree to which the issue has a financial impact on the Council or the rating levels of its communities, using the following thresholds:
- i. Unbudgeted operating expenditure greater than 7.5 per cent of total operating expenditure in that year; or
  - ii. Unbudgeted capital expenditure greater than 2.5 per cent of the total value of Council's assets.
- e) If a proposal or decision is affected by a number of the above considerations, it is more likely to have a higher degree of significance.
- f) In general, the more significant an issue, the greater the level of community engagement.
- g) The Council will apply a consistent and transparent approach to engagement.
- h) Council is required to undertake a special consultative procedure as set out in Section 83 of the Local Government Act 2002, or to carry out consultation in accordance with or giving effect to Section 82 of the Local Government Act 2002.
- i) For all other issues requiring a decision, Council will use the policy and schedule two to determine the appropriate level of engagement on a case-by-case basis.
- j) The Community Engagement Guide (attached to the policy) identifies the form of engagement Council may use to respond to some specific issues.
- k) Joint Management Agreements, Memoranda of Understanding or any other formal agreements with Māori, will be considered as part of this process.
- l) When Council makes a decision that is significantly inconsistent with this policy, the steps identified in Section 80 of the Local Government Act 2002 will be undertaken.

## **NGĀ RAWA TĀPUA | STRATEGIC ASSETS**

Our strategic assets or groups of assets are those physical assets vital for delivering services to Waipā and/or are important to achieve or promote any outcome that is important to the current or future wellbeing of our community.

Council's strategic assets are:

- Housing for the elderly stock as a whole.
- Equity securities in the Waikato Regional Airport Ltd.
- Water supply network infrastructure as a whole.
- Stormwater network infrastructure as a whole.



- Wastewater network infrastructure as a whole.
- District roading infrastructure as a whole.
- District Libraries.

# AUDITOR'S REPORT

## To the reader:

### Independent Auditor's report on Waipā District Council's 2021-31 long-term plan

I am the Auditor-General's appointed auditor for Waipā District Council (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 29 June 2021.

### Opinion

In our opinion:

- the plan provides a reasonable basis for:
  - long-term, integrated decision-making and co-ordination of the Council's resources; and
  - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 54 to 60 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

### Uncertainty over three waters reforms

Without modifying our opinion, we draw attention to the disclosure on pages 358 and 381 outlining 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 plan 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 plan has been based.

## 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 plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

## **Responsibilities of the Council and auditor**

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.

## **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 and our report on the disclosure requirements, we have carried out a limited assurance engagement related to the District Council's debenture trust deed, 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 and controlled entities.



Leon Pieterse  
Audit New Zealand

On behalf of the Auditor-General, Tauranga, New Zealand



 /WaipaDistrictCouncil

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