

MATAMATA-PIAKO
THE PLACE OF CHOICE

LIFESTYLE OPPORTUNITIES HOME



**CONSULTATION DOCUMENT
FOR THE LONG TERM PLAN 2018-28**

WELCOME

A MESSAGE FROM THE MAYOR



- Mayor Jan Barnes

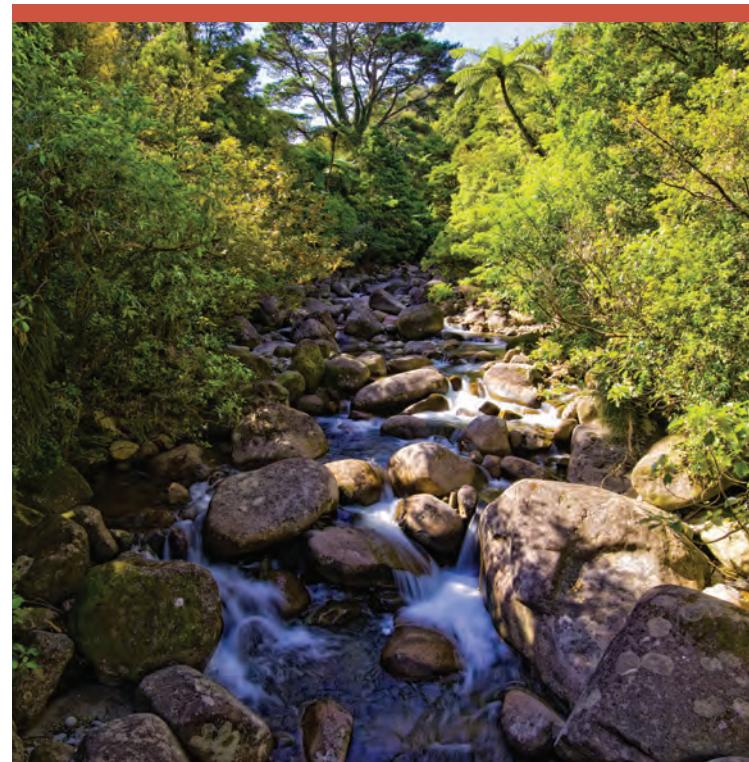
“We have a new vision to make the Matamata-Piako District the ‘place of choice’ for lifestyle, opportunities and home.”

WE HAVE A NEW VISION

We have a new vision to make the Matamata-Piako District the ‘place of choice’ for lifestyle, opportunities and home. This new vision is driving us to make some changes over the next 10 years, with the aim of making our district an even better place to live, visit, and an attractive place to invest.

WE'VE GOT A GOOD HEAD START

Our district is already a good place to live – Council is in a good financial position, the population is predicted to grow steadily over the next 10 years, we have plans and infrastructure to manage that growth, and we don’t have too many major upgrades planned to our core infrastructure. These things, together with the great local people and services, make our district an attractive place to live.



WE ARE PROPOSING TO DO MORE

While the road ahead is looking good, we want to make it even better. We will continue to deliver all our core services (like water, waste and roading), but we're also planning to do more in a number of areas – such as increasing support for economic development, upping our game in waste minimisation, revitalising our town centres and committing money to improving our services.

We're also looking ahead (outside the 10 year timeframe of this Long Term Plan), as decisions need to be made about our infrastructure - most notably the future of bypasses in Morrinsville and Matamata.

You can find out more about these and our other proposals, as well as how they would affect your rates by reading the rest of this booklet. We are proposing these changes because we believe they will help make our district the 'place of choice' – both for current residents and ratepayers, and for anyone looking to move or set up business here.

MAJOR PROPOSALS

We have identified some major proposals for the next 10 years to achieve our vision. You can read more about each of these proposals and make a submission on all or any of them at mpdc.govt.nz or in the submission form at the back of this booklet:

We are in a sound financial position and we would like to keep it that way. As part of our financial strategy we have set a rates limit of a 4% increase each year - however we may need to exceed this in some years of the Plan.

[You can read more in section 1.](#)



We want to do more to support economic development in our region and district.

[You can read more in section 2.](#)



During the life of this plan we need to make some big decisions about the future of the Matamata and Morrinsville bypasses.

[You can read more in section 4.](#)



We are proposing to do things differently to encourage waste minimisation.

[You can read more in section 5.](#)



We plan to allocate new funding to focus on the 'little things' that help make our district a great place to live. There are also plans to develop side trails to the Te Aroha to Matamata cycleway, and extend it to Piarere. We also plan to complete major repairs and maintenance to Headon Stadium, as well as allocate a proposed additional \$2 million for a new indoor sports centre in Matamata.

[You can read more in section 6.](#)

CAN WE AFFORD IT?

All of these improvements come with a price tag – and improvements aren't the only things that drive up our costs. We face a range of external factors that influence our decision making too – like growth and demand (ensuring we meet the needs of our current and future population), compliance (the ongoing need to meet increasing environmental, health, and other standards) and resilience (making sure we are in the best possible position if disaster strikes). Our costs also rise over time because of inflation. These challenges and our planned improvements all need to be balanced against what our community can afford to pay and what we want to achieve. For every decision we make as part of this Long Term Plan, we have to ask "can we all afford to pay for this?" and if we're borrowing money, "is this a prudent level of debt?"

We're proposing a total rate increase for next year of 3.07%, which will allow us to make a good start on achieving our vision. For the next 10 years, we intend to keep total annual rate increases below 4% (including inflation) - depending on what the next 10 years throws at us, this could be challenging.

GET INVOLVED

Throughout this document you'll see your Councillors presenting our new vision, and what we're planning to do to deliver on this vision in the next 10 years. These are big decisions for the future of the community and the more people who tell us what they think, the better we can plan for the future - so tell us what you think by 29 April 2018. You can find out more about what we're planning to do by viewing the Long Term Plan and supporting information at mpdc.govt.nz or at any of our offices or libraries.



TELL US WHAT YOU THINK:

Online at mpdc.govt.nz

Post your submission form
Long Term Plan Submissions
Matamata-Piako District Council
PO Box 266
Te Aroha 3342

In the submission form
at the back of this booklet

Join the Facebook discussion
[facebook.com/
MatamataPiakoDistrictCouncil](https://facebook.com/MatamataPiakoDistrictCouncil)

Drop your submission to:
Te Aroha Office: 35 Kenrick Street,
Te Aroha
Matamata Area Office: Cnr Tainui and
Tui Streets, Matamata
Morrinsville Area Office: 56-62 Canada
Street, Morrinsville

FINANCIALS

"We are in a good financial position and we plan to keep it that way."

- James Thomas, Deputy Mayor and Morrinsville Councillor

OUR FINANCES

Our finances are in very good shape. We maintain over half a billion dollars worth of assets that are in reasonable to good condition and are delivering the services required. In recent years we've completed significant upgrades to our water and wastewater treatment plants and our pools, and we've built new recreational facilities. We fortunately don't have too many huge renewal or upgrade projects looming.

For a council of our size, we do not have a significant amount of external debt. Independent experts have advised that a debt level of up to 150% of our total revenue would be prudent for a council of our size. Our current Annual Plan puts our external debt at 30 June 2018 at \$40.5 million. Our net debt (taking into account cash and other assets) would be 75% of our total revenue. So we have plenty of headroom.

Overall our rates compare favourably to our neighbouring councils. In recent years, economic conditions including the global financial crisis and the down-turn in the dairy industry have meant that we have strived to keep total rate increases to a minimum in order to avoid extra pressure on our community. While this was practical at the time, in some ways it also limited our ability to move forward.



We want to move forward – we want to do more. To deliver on our vision for our district, we have to make decisions on the services and resources required to get us there.

Our Financial Strategy is a tool to help guide these decisions – to ensure they are prudent, and to ensure that we and the community fully understand the effect of these decisions on our services, our rates and our debt. The full Financial Strategy is set out in the Long Term Plan and the key elements of the strategy are set out in this section.

MAJOR PROPOSALS

Throughout this document you will see we're proposing some improvements over the next 10 years to make Matamata-Piako the place of choice – but these come at a cost. We need to understand whether or not the community supports these improvements, and is prepared to pay for them through rates. Our main financial proposals are:

- maintaining or improving the services we currently provide
- setting prudent limits on our rates and rate increases
- limiting debt to 150% of our annual revenue.

You can tell us whether you agree or disagree with our proposals in the submission form at the back of this booklet.

WE MAY NEED TO EXCEED OUR 4% LIMIT ON RATE INCREASES

We've set a limit on overall annual rate increases at 4%. That 4% includes inflation (at an average of 2.13%), which is outside of our control. We believe that this 4% limit strikes a balance between affordability, while also meeting the demands of things like environmental standards, a growing population, people's expectations and the pressures that tourism puts on our infrastructure. But, if we're going to deliver all the improvements we're proposing in this booklet, we may exceed our 4% limit on rates for three of the 10 years. On average, rates increases would still be below 4% over the 10 years and we would stay within our limit on debt (averaging 93%, compared to our limit of 150% - read more about debt limits on the next page).

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Forecast rates	\$32.9m	\$33.9m	\$35.5m	\$37.0m	\$39.1m	\$40.5m	\$41.3m	\$42.2m	\$42.7m	\$44.1m
Forecast increase in rates	3.07%	3.01%	4.70%	4.25%	5.64%	3.59%	1.91%	2.28%	1.17%	3.42%

WHAT ARE THE OTHER OPTIONS?

- We could smooth the rates increases over time so that we plan to collect the same total amount of rates over 10 years, but collect them later – effectively a buy now, pay later arrangement. Under this option, the forecast rates revenue and rate increases would look like this:

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Forecast rates	\$32.9m	\$33.9m	\$35.2m	\$36.7m	\$38.1m	\$39.6m	\$41.2m	\$42.5m	\$43.7m	\$45.2m
Forecast increase in rates	3.07%	3.01%	4.00%	4.00%	4.00%	4.00%	4.00%	3.00%	3.00%	3.30%

By smoothing the rates collected over the 10 years we would be able to keep rates increases at an affordable level (at or below 4%) and stay well within our limit on debt (averaging 94%).

- Alternatively, we could reduce our overall expenditure to avoid exceeding the limit. For example we could reduce services like mowing the parks less often, we could not make improvements or defer capital work to our facilities, and we could increase fees such as pool entry. No single example would keep the forecast rate increases below 4% in all 10 years of the Long Term Plan, but might change what year we exceed the limit, or mean we only exceed it in one or two years, instead of three.

"We are proposing a total rates increase of 3.07% for 2018/19".

- Brian Hunter Matamata Councillor



WHAT ELSE ARE WE PROPOSING?

1. We will maintain the levels of service we currently provide

We will do this by:

- improving our understanding of the condition of our assets so that our future costs of maintenance and renewal can be planned, and actively minimised
- allocating \$141 million over 2018-2028 to renew existing assets
- smoothing our costs and any anticipated drops in revenue where possible, to minimise the impact on ratepayers
- extending services to provide for new areas of growth (when the time is right) at a forecast cost of \$11.8 million over 2018-2028.

2. We will improve some levels of service to help achieve our vision

We are constantly asked to improve services or do more, but we need to balance this with affordability and the benefits that any investment may bring to the district.

We want to make our district 'the place of choice,' and to achieve this we need to do more in some areas. We have included funding throughout our Long Term Plan budget to deliver on this.

More information about the improvements we're proposing is highlighted throughout this booklet.



3. We will limit our debt to 150% of our annual revenue

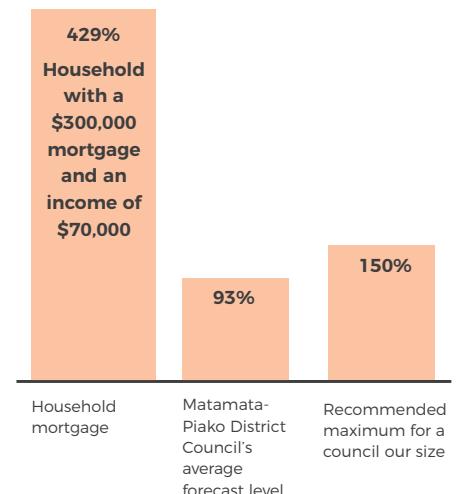
The water, wastewater, roads, and community buildings and facilities that we provide will service the community over a long period of time - sometimes well over 50 years.

Using loans to pay for these kinds of assets means we can recover the costs over the life of the asset, so both current and future ratepayers pay their fair share. Our debt is forecast to peak at \$76 million in 2027/28. In terms of our revenue in the same year, this debt represents 100% of total revenue. If you compare that to a household mortgage and a household income, it is fairly conservative.

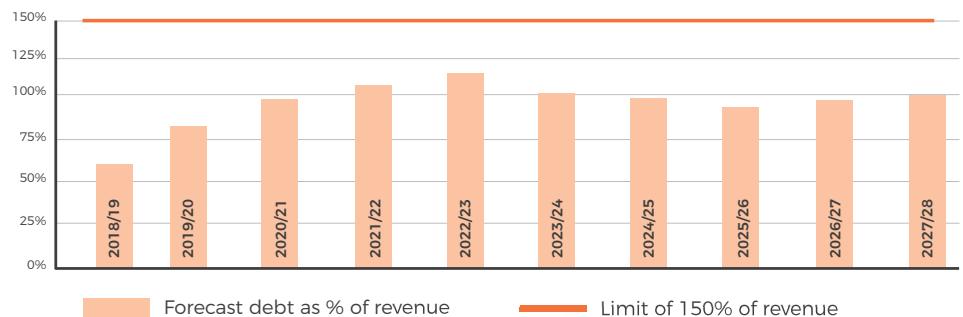
We think a limit on net debt of 150% of revenue is prudent for a council of our size and growth potential, and is in line with limits that other similar sized councils have adopted. 150% is the maximum limit - it is not a target. We expect our debt to be, on average, around 93% of our revenue over the next 10 years.

Our forecasts also show that we can comfortably service this expected level of debt.

Having some debt makes sense, and keeping our debt at a controlled level over the next 10 years means we will have the capacity to take up opportunities as they arise. It also allows us some headroom to recover quickly if disaster strikes (as we have seen in Christchurch and Kaikoura).



Forecast net debt as a percentage of revenue for the next 10 years



"Having debt is one way to make sure both current and future generations pay their fair share."

- Peter Jager Te Aroha Councillor



HOW WILL ALL THIS AFFECT MY RATES?

Below are a range of different property types in our district, and an example of how our proposed budget would affect the rates for those properties next year and an average for the next 10 years. You can see exactly how the proposed changes will affect your rates by searching for your property at mpdc.nz/myrates.

It is important to note that the 4% limit on rates increases applies to the total amount of rates we collect from the whole district - so some properties might see a lower increase, while others have a higher one. How changes in rates affect individual properties depends on a number of factors including the value of your property and the services you receive (e.g. water, wastewater, rubbish collection services etc.).



"Overall our rates compare favourably to our neighbouring councils."

- Paul Cronin Morrinsville Councillor

Proposed rates increase for 2018/19	Average annual rates increase for the next 10 years	Proposed rates increase for 2018/19	Average annual rates increase for the next 10 years	Proposed rates increase for 2018/19	Average annual rates increase for the next 10 years	Proposed rates increase for 2018/19	Average annual rates increase for the next 10 years
	VALUE OF \$350,000		VALUE OF \$550,000		VALUE OF \$300,000		VALUE OF \$700,000
0.77%	3.04%	0.67%	2.98%	2.61%	3.43%	2.24%	3.31%
\$17.20	\$77.00	\$16.59	\$84.30	\$89.57	\$136.57	\$88.34	\$151.17
What's driving the changes?		What's driving the changes?		What's driving the changes?		What's driving the changes?	
<ul style="list-style-type: none"> An \$80.64 increase to the Uniform Annual General Charge (UAGC the flat fee that everybody pays as part of their general rates) to help fund improvements to our services explained throughout this booklet. An increase to targeted rates for water (\$33.74) and wastewater (\$36.11). This is to cover improvements required to renew several of our resource consents and a forecast drop in revenue from commercial water users who are developing their own supplies. A reduction in targeted rates for rubbish and recycling (from \$153 to around \$30). Projected inflation (at an average of 2.13% per year from 2019/20 onwards). 		<ul style="list-style-type: none"> An \$80.64 increase to the UAGC to help fund improvements to our services explained throughout this booklet. An increase to targeted rates for water (\$33.74) and wastewater (\$36.11 per toilet). This is to cover improvements required to renew several of our resource consents and a forecast drop in revenue from commercial water users who are developing their own supplies. Projected inflation (at an average of 2.13% per year from 2019/20 onwards). 		<ul style="list-style-type: none"> An \$80.64 increase to the UAGC to help fund improvements to our services explained throughout this booklet. Rural properties only pay the UAGC and general rates based on their property value, but because their property values are so high, the UAGC only makes up a small portion of their total rates bill, so changes to the UAGC will have a smaller impact on their total rates. Projected inflation (at an average of 2.13% per year from 2019/20 onwards). 			
	VALUE OF \$400,000		VALUE OF \$800,000		VALUE OF \$4 MILLION		VALUE OF \$8 MILLION
7.10%	3.40%	4.78%	3.12%	1.18%	3.10%	0.51%	2.61%
\$79.42	\$44.18	\$78.19	\$58.77	\$68.35	\$175.55	\$56.06	\$321.52
What's driving the changes?		What's driving the changes?		What's driving the changes?		What's driving the changes?	
<ul style="list-style-type: none"> An \$80.64 increase to the UAGC to help fund improvements to our services explained throughout this booklet. Lifestyle properties only pay the UAGC and general rates based on their property value - this means the UAGC makes up a large portion of their rates bill, so changes to the UAGC will have a significant impact on their total rates. Projected inflation (at an average of 2.13% per year from 2019/20 onwards). 		<ul style="list-style-type: none"> An \$80.64 increase to the UAGC to help fund improvements to our services explained throughout this booklet. Rural properties only pay the UAGC and general rates based on their property value, but because their property values are so high, the UAGC only makes up a small portion of their total rates bill, so changes to the UAGC will have a smaller impact on their total rates. Projected inflation (at an average of 2.13% per year from 2019/20 onwards). 		<ul style="list-style-type: none"> An \$80.64 increase to the UAGC to help fund improvements to our services explained throughout this booklet. Rural properties only pay the UAGC and general rates based on their property value, but because their property values are so high, the UAGC only makes up a small portion of their total rates bill, so changes to the UAGC will have a smaller impact on their total rates. Projected inflation (at an average of 2.13% per year from 2019/20 onwards). 			

ECONOMIC OPPORTUNITIES

"We believe we need to "sell" the district - attracting people and business to our area, as visitors, employers and residents."

- Kevin Tappin Matamata Councillor

OUR VISION AND PRIORITIES

- We are a business friendly Council.
- Our future planning enables sustainable growth in our district.
- We provide leadership and advocacy to enable our communities to grow.

One of our strategic priorities for the next year is to support the development and implementation of a regional economic development strategy that encourages and supports economic growth in our district.

WHAT DOES COUNCIL CURRENTLY DO?

We currently run events (such as the business awards, industry training graduation, and business breakfasts) to encourage economic development. We support tourism by operating the Te Aroha Mineral Spas and Te Aroha i-SITE, and providing funding to the local information centres and Hamilton & Waikato Tourism.

We have also recently started building international relationships to help facilitate investment in the district.



MAJOR PROPOSALS

In line with our vision, we want to do more to support economic development. So we're proposing the following initiatives - tell us whether you agree or disagree in the submission form at the back of this booklet.

EMPLOYING AN ECONOMIC DEVELOPMENT RESOURCE

We plan to employ someone to facilitate economic development in our district for at least the next three years. This person would be responsible for supporting economic growth in our district. We have identified \$100,000 for this, using existing budgets.

INVESTING IN REGIONAL ECONOMIC DEVELOPMENT

We plan to invest an additional \$30,000 in a regional economic development agency to support a regional economic development strategy. Part of the role outlined above would be participating in regional economic development initiatives.

WHAT ELSE ARE WE PROPOSING?

- Continuing to provide all the economic development services and funding we currently provide.
- Increasing funding to Morrinsville Chamber of Commerce by \$5,000, and Matamata Public Relations Association by \$15,000 to \$75,000 each.
- Marketing and promotion for the Hauraki Rail Trail to encourage increased use of the cycleway and attract visitors.
- Funding the planning of revitalising our town centres.
- Encouraging events in our community by providing funding to support them.

WHAT WILL IT COST?

We are budgeting \$200,000 for economic development - an increase of \$50,000 on previous years. We are also budgeting an additional \$20,000 to increase funding to Morrinsville Chamber of Commerce and Matamata Public Relations Association.

EFFECT ON RATES AND DEBT

For a \$550,000 urban property, this adds \$2.54 to your annual rates bill. For an \$8 million rural property, this adds \$37. These improvements do not affect our debt.

WHAT ARE THE OTHER OPTIONS?

- We could do more in the economic development space. Every \$100,000 spent would add approximately 0.44% to general rates, or alternatively we could reduce services in other areas.
- We could keep funding at the same level and carry on doing what we have been. Because of inflation, the cost to do this would still increase over time, but this would cut around \$50,000 per year from the budget that we have proposed in this Long Term Plan.
- We could do less than we currently do - we could save money by cutting funding to some or all of the initiatives we've identified.



VIBRANT CULTURAL VALUES

“We want a district where everyone feels included, connected and welcome.”

- Ash Tanner Te Aroha Councillor

OUR VISION AND PRIORITIES

- We promote and protect our arts, culture, historic, and natural resources.
- We value and encourage strong relationships with Iwi and other cultures, recognising waahi tapu and taonga/significant and treasured sites and whakapapa/ancestral heritage.
- Tangata Whenua with Manawhenua status (those with authority over the land under Maaori lore) will have meaningful involvement in decision making.

One of our strategic priorities for the next year is building relationships with Iwi and other groups within our community that represent our cultural diversity and advocate for services on behalf of our communities.

WHAT DOES COUNCIL CURRENTLY DO?

We advocate on behalf of our community at a regional and national level. We recognise and value different cultures, involving Iwi and the wider community as part of our decision making processes, and celebrate the joining of cultures by hosting citizenship ceremonies. We also provide funding to a wide range of community groups that help make our community a vibrant place - such as museums, citizen advice bureaus and our community patrols.



MAJOR PROPOSALS

In line with our vision, we want to do more to support our vibrant cultural values. So we're proposing the following initiatives - tell us whether you agree or disagree in the submission form at the back of this booklet.

FUNDING FOR YOUTH

We recognise the importance of hearing the views of younger people in our district to understand issues that impact them. We are proposing to provide \$10,000 each year of new funding to support the Matamata-Piako Volunteer Youth Ambassadors. We will continue to explore partnership opportunities to support our youth.

INCREASES TO GRANTS

We support a wide range of groups in the community through grants to help achieve a variety of outcomes for the district. The funding recipients are listed in the Long Term Plan, including the contestable funds and the increases we are proposing to these budgets.

WORKING WITH IWİ

We are planning to work with individual Iwi to develop relationship agreements on how we will engage with each other. These will sit alongside Treaty of Waitangi Settlement agreements and other committees that Council administers or participates in.



WHAT WILL IT COST?

In total, \$70,000 in additional funding is proposed. This is made up of:

- An additional \$40,000 for community grants (bringing total grants funding to around \$230,000 per year).
- An additional \$20,000 for contestable funds (bringing total funding to \$77,500 per year).
- Additional funding of \$10,000 per year to keep the Volunteer Youth Ambassador programme running.

Engagement with Iwi will be funded through existing budgets.

EFFECT ON RATES AND DEBT

For a \$550,000 urban property, this adds \$3.56 to your annual rates bill. For an \$8 million rural property, this adds \$51.81. These improvements do not affect our debt.

WHAT ARE THE OTHER OPTIONS?

- We could always do more to promote and protect our arts, culture, historic and natural resources than we are currently proposing. Every \$100,000 spent would add approximately 0.44% to general rates, or alternatively we could reduce services in other areas.
- We could keep funding at the same level and carry on doing what we have been. Because of inflation, the cost to do this would still increase over time, but this would cut around \$70,000 per year from the budget we have proposed in this Long Term Plan.
- We could do less than we currently do - we could save money by cutting funding to some or all of the initiatives we've identified.

“We provide funding to a wide range of community groups that help make our community a vibrant place.”

- Teena Cornes Te Aroha Councillor



CONNECTED INFRASTRUCTURE



"We are planning infrastructure for both current and future generations."

- **Neil Goodger** Morrinsville Councillor

OUR VISIONS AND PRIORITIES

- Infrastructure and services are fit for purpose and affordable, now and in the future.
- Quality infrastructure is provided to support community wellbeing.
- We have positive partnerships with external providers of infrastructure to our communities.

One of our strategic priorities is planning for and providing affordable infrastructure that is not a limiting factor in our district's growth.

WHAT DOES COUNCIL CURRENTLY DO?

We provide the 'core infrastructure' necessary for our community to grow and thrive. This includes water, wastewater, roads, footpaths, rubbish and recycling, and urban stormwater.

We have an Infrastructure Strategy that details how we will manage our assets over the next 30 years to ensure that they continue to deliver the level of service our community expects.

The Infrastructure Strategy can be found within our Long Term Plan at mpdc.govt.nz.

MAJOR PROPOSALS

- In line with our vision, we want to do more to support our connected infrastructure. So we're proposing the following initiatives - you can tell us whether you agree or disagree in the submission form at the back of this booklet:
- Progressing the Matamata bypass.
 - Removing the designation for the Morrinsville bypass.

MATAMATA BYPASS

The proposed Matamata bypass would link Waharoa Road East and Tauranga Road and is anticipated to significantly reduce traffic (including heavy vehicles) through Matamata's CBD. It is estimated to cost around \$30 million to build. We plan to fund feasibility studies and purchase land for the Matamata bypass in the next 10 years, with funding for the construction included in the Infrastructure Strategy, but not until 2031 (outside the timeframe of this Long Term Plan).

This option shows that we are planning to build the bypass, but also allows time for us to review this if the Waikato Expressway from Hamilton to Pielerere (expected to be completed in 2024) alleviates pressure on Matamata's roads.

WHAT WILL IT COST?

We propose to fund 10% of the costs through Development Contributions and the remaining 90% through general rates. For the Matamata bypass we have budgeted:

- \$150,000 to undertake a further need analysis and feasibility studies.
- \$1.85 million for the design and the extension of the designation.
- \$1.1 million for the net purchase of land.

EFFECT ON RATES AND DEBT

After 2022 (assuming all budgeted items have been completed), for a \$550,000 urban property, this would have added \$6.34 to the annual rates bill. For an \$8 million rural property, this would have added \$92.23. Our debt would increase by \$3.1 million.

WHAT ARE THE OTHER OPTIONS?

- Remove the designation and all funding from the Long Term Plan. This would remove the future possibility of a bypass. This would reduce capital costs and debt forecast in this Long Term Plan by \$3.1 million.
- Provide funding to extend the designation (\$3.1 million total), but not commit to building the bypass within the next 30 years. This would not have any budget implications for this Long Term Plan.
- Provide for the construction of the bypass within the next 10 years at an estimated cost of \$33.1 million. Assuming the bypass was completed by 2027, this would increase 2028 rates by 8.24% (compared to current rates), plus maintenance costs. Our debt would increase by \$33.1 million, but would remain within our debt limits throughout the 10 years of the Long Term Plan, peaking at 144%.

MORRINSVILLE BYPASS

The proposed Morrinsville bypass would link Kuranui Road to the intersection between Roache Road and State Highway 26. It is estimated to cost in excess of \$40 million to build, which would need to be funded by Council through loans and paid for through rates. Our district can't afford to do both the Matamata and Morrinsville bypasses within the same 30 year timeframe, and we see the Matamata bypass as the higher priority. We plan to remove the designation and allocated funding for land purchase for the Morrinsville bypass purchase from the Long Term Plan and Development Contributions Policy. This would remove the possibility of a town bypass for Morrinsville in the future.

WHAT ARE THE OTHER OPTIONS?

- We could budget to extend the designation (\$4.5 million in total) within the next 10 years, and budget for construction within the next 30 years. Assuming the land purchase, feasibility study and design were completed by 2027, this would increase rates by 1% by 2028, and increase debt by \$4.5 million, but still within our debt limit.
- If the Matamata bypass project was not to go ahead, we could borrow \$44.7 million within the next 10 years to design and build the Morrinsville bypass. Assuming this was completed by 2027, the rates would increase by 11.23% by 2028 (on current rates), exceeding both our limit on rates increase and debt.

WHAT WILL IT COST?

Our proposed option for the Morrinsville bypass doesn't require any funding, so it would have no impact on rates or debt.

WHAT ELSE ARE WE PROPOSING?

The key challenges for our infrastructure network are growth, compliance, resilience and affordability. Below is how we plan to tackle these in the next 10 years and beyond - you can read more about this in our Infrastructure Strategy.

PLANNING FOR GROWTH

Our district continues to grow steadily, with the majority of growth in the main urban centres. We have included infrastructure in this plan to enable and encourage this growth in line with our District Plan and based on our forecast growth projections, including:

- undertaking road widening and upgrades in key growth areas - \$3.9 million over 10 years
- installing stormwater soakage for new roads and increase the Tawari Street retention pond to allow for additional growth areas in Matamata to be developed. This is forecast to cost \$0.4 million over 10 years
- increasing the capacity of our wastewater network - \$4.0 million over 10 years
- increasing the capacity of the district's water network - \$1.7 million over 10 years
- establishing a new water supply in Morrinsville - \$1.7 million over 10 years.

COMPLYING WITH REGULATIONS

We will comply with national standards

We currently hold resource consents for taking water, treating and discharging wastewater, and discharging stormwater. We will comply with the environmental standards of these consents by supporting environmentally friendly practices.

We have included \$15 million (including \$6 million in external funding) to upgrade the Morrinsville Wastewater Treatment Plant in 2026-28.

We will use technology

We will use new technology (as appropriate) to future proof our assets and comply with national and regional requirements.

When investing in infrastructure we will consider the one off cost associated with new technology with potential long term cost savings.

ENSURING OUR NETWORK IS RESILIENT

We will improve the resilience of Morrinsville's water supply

We have included \$400,000 in the 2018/19 budgets for a new 'ring main' in Morrinsville.

This will increase the flow of water into the industrial area off Morrinsville-Walton Road and provide an alternative route for flows into Morrinsville in the event of any problem arising with the pipes between the reservoir and town. We have also included funding in the next 10 years for a new water supply for Morrinsville.

We will protect and support public health benefits

We will continue to provide safe drinking water for our communities, invest in road safety improvements and provide community facilities that support and promote health (such as pools and walking tracks).

We have identified projects to further support public health (including improving our treatment of drinking water following the Havelock North inquiry and road safety improvements), and to promote a healthy lifestyle (including a new cycleway and investment in parks and recreation).

For more information on this please see the Long Term Plan.



Our infrastructure will have minimal impact on the environment

We will continue to work to minimise the impact of our activities on the environment.

We expect that renewing our resource consents will require improvements to how we treat water, improvements to discharges of wastewater and more investigation into stormwater disposal.

We will maintain our current assets to maintain levels of service

We will maintain and renew our existing infrastructure that delivers our core services. Increases in the cost of maintaining our infrastructure are largely driven by inflation and new capital - more detail on this is included in the Infrastructure Strategy.

We will replace critical assets at the end of their useful life

We will continue to take a risk-assessment approach to our asset renewal programme - this involves monitoring condition and performance to enable timely replacement of critical assets (before failure) and letting some of our less critical assets run to failure before being replaced.



KEEPING OUR INFRASTRUCTURE AFFORDABLE

We will optimise our investment and apply asset management practices to our planning

This means that asset renewals, upgrades, and level of service impacts are assessed and optimised to manage the assets in an affordable way.

We will smooth our costs where possible over time

In our Infrastructure Strategy there are peaks and troughs in the timing of funding needed to renew our assets. This happens because assets have different lifecycles, and need to be replaced at different times. Where possible we've smoothed the timing of our reticulation and roading renewals, to minimise the impact on ratepayers.

The demand and requirement for community facilities and property assets will be reviewed

Many of our community facilities were built to meet the needs of the community at the time. Changing recreation and leisure trends mean demand for some of these facilities have changed. As these assets come to the end of their useful life we will review the demand for them, and assess whether or not to replace or repurpose the facilities to meet the needs of our community today and in the future.



"Infrastructure is expensive, so we are always planning for at least the next 30 years."

- **Donna Arnold** Morrinsville Councillor

ENVIRONMENTAL SUSTAINABILITY



"We are focusing on waste reduction because small changes in our everyday lives can make a powerful difference to our environment."

- James Sainsbury Matamata Councillor

OUR VISION AND PRIORITIES

- We support environmentally friendly practices and technologies.
- Development occurs in a sustainable and respectful manner considering kawa/protocol and tikanga/customs.
- We engage with our regional and national partners to ensure positive environmental outcomes for our community and district.

One of our strategic priorities is to support environmentally friendly practices and technologies. Ultimately we are aiming for a zero-waste target in 2045.

WHAT DOES COUNCIL CURRENTLY DO?

We are responsible for activities that can both support or degrade environmental sustainability in our community, including:

- managing how and where people can develop land through our District Plan
- managing rubbish and recycling in the district
- managing stormwater from developments in urban areas
- ensuring we have sustainable sources of drinking water, and wastewater is properly treated.

MAJOR PROPOSALS

In line with our vision, we want to do more to support environmental sustainability. So we're proposing the following initiatives - tell us whether you agree or disagree in the submission form at the back of this booklet.

TRANSFER STATION FEES

We plan to increase the fees at the transfer stations to recover an additional \$100,000 from this service (currently subsidised by rates). Increasing the fees will help cover more of the costs of the facilities, and encourage people to reduce their waste.

WASTE MANAGEMENT/REDUCTION POSITION

We plan to develop a business case for a joint waste minimisation position within the Eastern Waikato (Matamata-Piako, Thames-Coromandel and Hauraki District Councils). The focus of this role would be to develop and implement a waste minimisation programme and engaging the community on initiatives that have been successful in minimising waste.

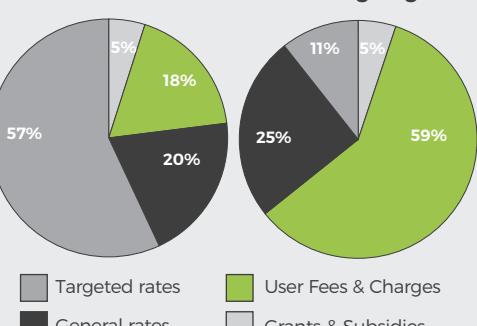
WHAT ELSE ARE WE PROPOSING?

- We plan to improve the recycling facilities at all three transfer stations (total \$1.8 million).
- We are working with a community group to determine whether a resource recovery facility could be viable in our district.
- We propose to increase funding to the Enviroschools programme to include more schools in the district - supporting young people to implement sustainability actions that are important to them.

CHANGES TO HOW WE FUND RUBBISH AND RECYCLING

From 1 July 2018 we're changing how we fund rubbish and recycling to make the system more 'user pays', encouraging people to reduce their waste. We'll still be collecting the same amount of money in total - just 'slicing the pie' in the different way.

How we fund it now How we're going to fund it



WHAT WILL IT COST?

In the Long Term Plan 2018-28 we are proposing to:

- allocate \$600,000 each year in the first three years to upgrade each of the transfer stations and to encourage more recycling
- increase funding to the Enviroschools programme by \$1,000 a year for the first three years of this plan (we have currently allocated \$10,000 per year)
- fully utilise existing waste minimisation funding from central government to undertake our initiatives for waste minimisation.

EFFECT ON RATES AND DEBT

Excluding the effect of changes to rubbish bags (which is explained below) by 2022, for a \$550,000 urban property, this would add \$10.55 to the annual rates bill. For an \$8 million rural property, this would add \$153.47. Our debt would increase by \$1.8 million dollars.

WHAT ARE THE OTHER OPTIONS?

- Do more than we are currently proposing. Every \$100,000 spent would add approximately 0.44% to general rates, or 40% if funded by targeted rates.
- Keep funding levels the same – but change our priorities. Because of inflation, the cost to do this would still increase over time, but this would cut approximately \$207,000 per year from the budget proposed in this Long Term Plan.
- Do less than we currently do – we could save money by cutting funding to some of the initiatives we've identified. The effect of this would depend on where funding cuts were applied.

The key changes include

- selling rubbish bags at Council offices and other retailers for \$2 per bag, instead of through targeted rates. Targeted rates will go down significantly (from \$153 to around \$30). This means if you only buy 52 rubbish bags (the same number you were previously allocated), you will be paying less overall for rubbish and recycling services.
- increasing the transfer station fees (as outlined above).
- adding a small portion of rubbish costs into General Rates (because everyone benefits from rubbish collections in the parks and CBDs, so everyone should pay a portion).

HEALTHY COMMUNITIES



"Open spaces and recreational facilities encourage healthy communities, but also bring visitors to our district."

- Adrienne Wilcock Matamata Councillor

OUR VISION AND PRIORITIES

- Our community is safe, healthy and connected.
- We encourage the use and development of our facilities.
- We encourage community engagement and provide sound and visionary decision making.

Our strategic priority for healthy communities is to review the provision and suitability of sporting and recreational facilities in the district.

WHAT DOES COUNCIL CURRENTLY DO?

We support and enable healthy communities by providing parks and recreation facilities that encourage an active lifestyle. We manage three pools, Te Aroha Mineral Spas, three sports centres, several walking tracks, community halls, three libraries and numerous other buildings and facilities that provide places for people to meet and connect.

We are also a partner to the Hauraki Rail Trail, which provides a grade 1 (very easy) cycleway from Paeroa to Te Aroha, and is currently being extended through to Matamata.

MAJOR PROPOSALS

In line with our vision, we want to do more to support healthy communities. So we're proposing the following initiatives:

- Focusing on the little things (see explanation further on).
- Extending the cycleway to points of interest, then from Matamata to Piarere.
- Completing major renewals to Headon Stadium and a further \$2 million for an indoor sports stadium for Matamata.

You can read more about each of these proposals in this section, and tell us whether you agree or disagree in the submission form at the back of this booklet.

WHAT ELSE ARE WE PROPOSING?

There are several more projects in the draft Long Term Plan, including:

- continuing with extensions to our walkways, which we proposed as part of the 2015-25 Long Term Plan. The budget for this work is \$1.9 million
- revitalising our CBDs – we have \$1.75 million allocated for our towns in the first three years of the plan to complete this work
- securing further land for the Piako Cemetery (\$350,000) and the expansion of the Te Aroha Cemetery (\$200,000) in 2018/19
- reviewing our corporate property (offices and work yards) \$450,000 in 2018/19
- adding splash pads to our pool facilities (\$210,000 in 2020/21)
- replacing the Waharoa public toilets (\$200,000 in 2019/20)
- improving the Te Aroha Domain (\$500,000 in 2020/21).



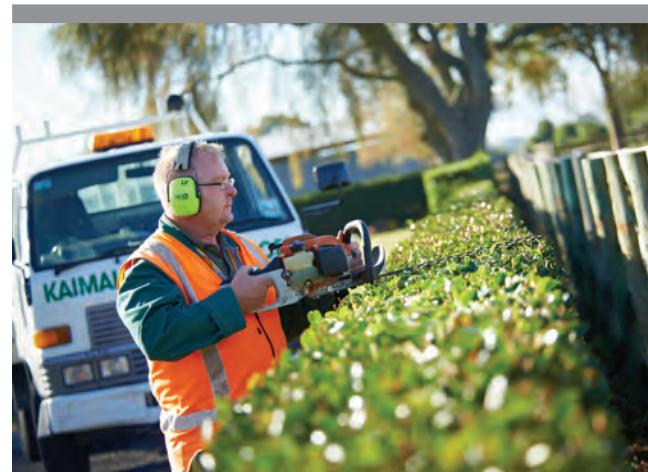
FOCUSING ON THE LITTLE THINGS

Sometimes we need a moment to step away from the "big picture" and focus on the little things (which many people would say are the important things) that need our attention.

We get feedback (both good and bad) about how things look around the district, how quickly we get things fixed, how often we empty rubbish bins, how clean the toilets are, how good the gardens look, how clean the footpaths and gutters are, etc. If we want something done more often, or to a higher standard, at the end of the day we need more resources.

WHAT WILL IT COST?

We are proposing to increase funding by \$320,000 funded through general rates, to make improvements to the look and feel of a whole range of things in our communities.



EFFECT ON RATES AND DEBT

For a \$550,000 urban property, this adds \$16.28 to the annual rates bill. For an \$8 million rural property, this adds \$236.83. There is no effect on our debt.

WHAT ARE THE OTHER OPTIONS FOR THE LITTLE THINGS?

- Keep doing what we're doing. Because of inflation, the cost to do this would still increase over time, but this would cut around \$320,000 per year from the budget we have proposed in this Long Term Plan.
- Lower our levels of service – the effect of this and any savings would depend on what services we cut.
- Increase our levels of service further – this might mean increasing the \$320,000 to a larger amount, or looking at putting further funding increases in alternate years of the Long Term Plan.



CYCLEWAY EXTENSIONS

The Hauraki Rail Trail is part of the Nga Haerenga New Zealand Cycle Trail network. The trail currently links Te Aroha to Paeroa (in the Hauraki District), with an extension from Te Aroha to Matamata planned to open in 2019.

We're proposing to develop side trails from the new trail to points of interest such as Wairere Falls and Waiorongomai.

Once these sections have been completed we plan to extend the cycleway from Matamata through Hinuera and to Piarere, to link up with the Waikato River Trail and Te Awa Cycleway (which currently runs from Hamilton to Taupo).

WHAT WILL IT COST?

The development of the Hauraki Rail Trail attracted funding from external partners like the Nga Haerenga Cycle Trail fund and other government grants.

Further development and extensions to the cycleway could also attract external funding. We are proposing to:

- Provide funding of \$750,000 over three years from general rates to develop side trails to the existing trail.
- Provide part funding of \$1.5 million for the extension through to Piarere. This section would not be built unless external funding can be secured for the balance of the cost.



EFFECT ON RATES AND DEBT

Assuming all projects are completed by 2021, for a \$550,000 urban property, this would add \$13.76 to the annual rates bill. For an \$8 million rural property, this would add \$200.14. Our debt will increase by \$1.43 million.

WHAT ARE THE OTHER OPTIONS FOR THE CYCLEWAY?

- Don't invest in further cycleway extensions and remove funding from Long Term Plan. This would reduce the annual budgeted cost by around \$270,000 per annum.
- Focus on the side trails to the existing trail to encourage cycleway users to spend more time in our district, but don't fund the extension to Piarere. This would reduce the annual budgeted costs by around \$170,000 per year.
- Extend the cycleway to Piarere, but don't worry about the side trails. This would reduce the annual budgeted costs by around \$107,000 per year.

MATAMATA INDOOR SPORTS STADIUM

Headon Stadium is Council's only indoor sports facility in Matamata. It has one court and was built in 1974. We are currently planning some major repair and renewal work for the stadium in 2018/19. But this does not include any major upgrade or expansion of the current facility.

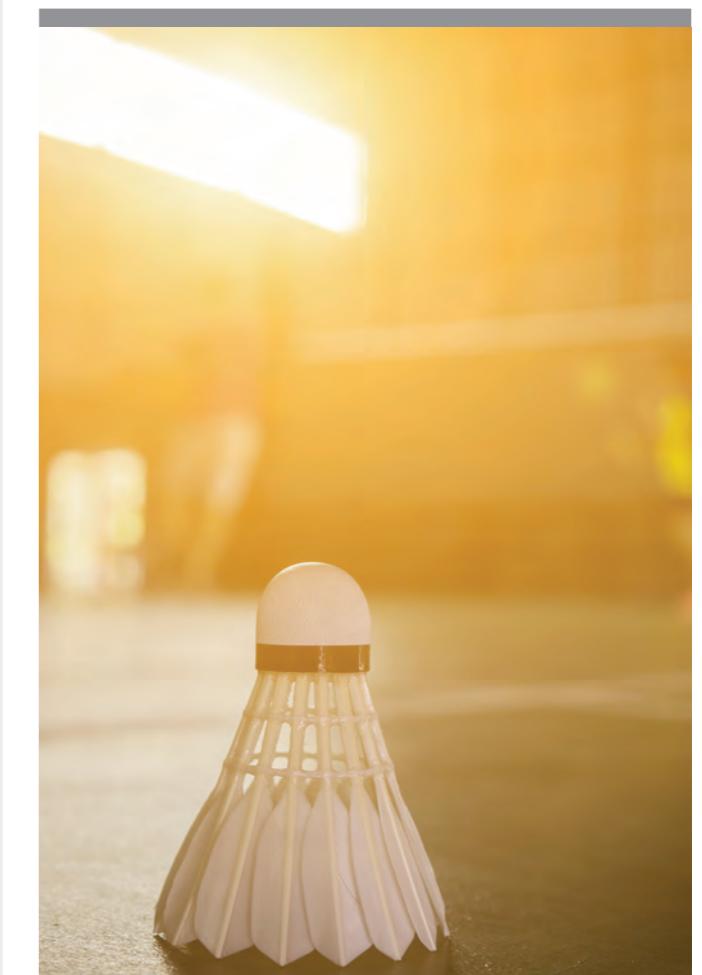
The 2009 Community Leisure Provision Strategy identified that Matamata could potentially support an additional facility. However, we believe a comprehensive feasibility study should be completed first.

The Regional Sports Facility Plan 2014 did not identify a sub-regional need for a new sports facility in Matamata but recommended that we optimise existing assets before we invest in new ones.

We are going to proceed with the major renewals and maintenance works to Headon Stadium (up to \$1.5 million) in 2018/19. Our preferred option is to then allocate a further \$2 million in 2019/20 to either expand Headon Stadium or contribute to building a new indoor facility in Matamata (depending on the results of the feasibility study).

WHAT WILL IT COST?

We have allocated a budget of \$1.5 million in 2018/19 to complete major renewals and maintenance to the existing Headon Stadium, and \$2 million in 2019/20 for the stadium project in Matamata.



EFFECT ON RATES AND DEBT

Assuming both projects are completed, for a \$550,000 urban property, this would add \$10.58 to the annual rates bill. For an \$8 million rural property, this would add \$153.87. Our debt would increase by \$3.5 million.



WHAT ARE THE OTHER OPTIONS FOR THE MATAMATA INDOOR STADIUM?

Our other options for the \$2 million are:

- Once renewals and maintenance are completed, retain Headon Stadium as the only single court facility in Matamata. This would reduce the annual budgeted cost by \$149,000 per year.
- Build an additional sports facility in Matamata. We could contribute a further \$500,000 (on top of the proposed \$2 million) towards a new two court facility at the Matamata Domain. This option would depend on third party funding of up to \$4-6 million, and would mean Matamata would have two indoor sports facilities. Because external funding would be sought, the only cost increase would be the additional operating costs of a larger facility, plus depreciation of approximately \$16,000 per year.
- Renew and upgrade Headon Stadium to a two court facility at a cost of \$3.5 million. The budget impact would be similar to our proposed option above.

AUDIT OPINION

INDEPENDENT AUDITOR'S REPORT ON MATAMATA-PIAKO DISTRICT COUNCIL'S CONSULTATION DOCUMENT FOR ITS PROPOSED 2018-28 LONG-TERM PLAN

I am the Auditor-General's appointed auditor for Matamata-Piako District Council (the Council). Section 93C of the Local Government Act 2002 (the Act) requires an audit report on the Council's consultation document. We have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 7 March 2018.

OPINION

In my opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2018-28 long-term plan, because it:
 - fairly represents the matters proposed for inclusion in the long-term plan; and
 - identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

BASIS OF OPINION

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

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

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

RESPONSIBILITIES OF THE COUNCIL AND AUDITOR

The Council is responsible for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document and long-term plan, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document and long-term plan that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

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

INDEPENDENCE

In carrying out our work, we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 (Revised); and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended).

In addition to this report on the Council's consultation document and all legally required external audits, we have provided an assurance report on certain matters in respect of the Council's Debenture Trust Deed. These assignments are compatible with those independence requirements. Other than these assignments, we have no relationship with or interests in the Council or any of its subsidiaries.


B H HALFORD
Audit New Zealand
On behalf of the Auditor-General,
Tauranga, New Zealand

SUBMISSION FORM

NAME: _____

BUSINESS/ORGANISATION: _____

PHONE (DAYTIME): _____ EMAIL: _____

ADDRESS: _____

AGE GROUP: UNDER 25 25-35 36-50 51-65 66+
 RATEPAYER NON-RATEPAYER

Note: Submissions are public information. Your feedback will be used for purposes such as reports to Councillors, which are made available to the public and media.

WOULD YOU LIKE TO SPEAK ABOUT YOUR SUBMISSION AT A COUNCIL HEARING? YES NO

A hearing will be held on 16 May 2018 (and 17 May 2018 if required) for the draft Long Term Plan, and the other documents we are consulting on. If you do not tick a box we will assume that you do not wish to be heard; if you have ticked yes, please let us know if you are unavailable for either of the days or at any certain time.

HAVE YOUR SAY!

FINANCIALS (Section 1)

Do you agree with our proposed limits on rates and debt, including our proposal to potentially exceed our 4% limit on rates increases for three years of the 10 year plan?

YES NO OTHER

ECONOMIC OPPORTUNITIES (Section 2)

Do you agree with our plans to increase support for economic development in our community?

YES NO OTHER

VIBRANT CULTURAL VALUES (Section 3)

Do you agree with our plans to increase support for youth and community groups and work closer with Iwi?

YES NO OTHER

CONNECTED INFRASTRUCTURE (Section 4)

Do you think we've made the right choices for the bypasses?

YES NO OTHER

ENVIRONMENTAL SUSTAINABILITY (Section 5)

Do you agree with our proposal to up our game in waste minimisation and increase our transfer station fees?

YES NO OTHER

HEALTHY COMMUNITIES (Section 6)

Do you think we've made the right choices to extend the cycleway, put funding in place for sports facilities in Matamata and focus on improving the little things in our district?

YES NO OTHER

Submissions must be received no later than 5pm, 29 April 2018. Please complete this form and tear along the perforated edge, fold and seal all edges with glue or tape, and post. The use of staples to seal this form will result in non-delivery from NZ Post.

OFFICE USE ONLY

TI: _____ TA: _____ File No. 16/2921

FURTHER COMMENTS: (PLEASE FEEL FREE TO ATTACH ADDITIONAL PAGES IF REQUIRED).

Fold

Fold this form, seal all edges with glue or tape, and post. Using staples to seal the edges will result in non-delivery from NZ Post.

TELL US WHAT YOU THINK:

-  Online at mpdc.govt.nz
 -  In the submission form in this booklet
 -  Join the Facebook discussion at facebook.com/MatamataPiakoDistrictCouncil
 -  Post your submission form
Long Term Plan Submissions
Matamata-Piako District Council
PO Box 266
Te Aroha 3342
 -  Drop your submission to:
Te Aroha Office: 35 Kenrick Street,
Te Aroha
Matamata Area Office: Cnr Tainui and
Tui Streets, Matamata
Morrinsville Area Office: 56-62 Canada
Street, Morrinsville

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