

PEPAMANA RAPU WHAKAARO

MŌ TE RAUTAKINGA TŪROA 2021-31

CONSULTATION DOCUMENT

LONG TERM PLAN 2021-31



C Y C L E W A Y I B T S R V
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DOGS

BIKE PARK

WATER

DAY SPA

CYCLEWAY

HOUSING

RUBBISH

PLAN

TOWN CENTRES

PLAYGROUNDS

Have your say!

MESSAGE FROM THE MAYOR

We have been working on a plan for the next ten years, taking a hard look at what needs to be done to help our district move forward. There are some exciting things in this plan, and a number of major challenges – and the costs for these add up. The proposed rates increase for this year is 11.85%

This means we would collect 11.85% more from rates than in 2020/21 - but 1.5% of that should be covered by new ratepayers, as our district continues to grow. This means existing ratepayers would fund 10.35% of the total rates increase. How that impacts different properties would vary - some would see an increase of more than 10%, and others would see less.



This Council is committed to engaging with the community so we can make informed decisions. Tell us what you think by 19 April at mpdc.govt.nz

This is a Long Term Plan that is grounded in reality. We're tackling the issues (like escalating rubbish and recycling and compliance costs), but we also have some really exciting proposals included over the next ten years, like revitalising our main streets, and planning ahead for recreation facilities - including an additional indoor stadium for Matamata, the Morrinsville pool, and a new day spa in Te Aroha. Projects that will help make our community a more vibrant, thriving place. We've put a lot of time into evaluating the options and trying to find a balance between these exciting projects, and what is affordable.

In June 2020, in response to Covid-19, Council opted for a zero increase to general rates. That was the right decision at the time, but looking ahead, we have some big challenges that we have to face - like more frequent droughts, changing weather patterns and a reform of our three water activities by Central Government (which you can read more about in this document). We can't put our heads in the sand and keep rates low just to be popular. No one will thank us in the future if we're facing 20-30% rates increases because we weren't brave enough to make tough decisions now.

We know this won't be a popular proposal because no one likes large rate increases – including us. But striking a balance between meeting escalating costs and keeping our community growing and thriving is hard.

This Council is committed to engaging with the community so we can make informed decisions – tell us what you think by 19 April at mpdc.govt.nz. The good, the bad and the ugly. If you don't like the proposed rates increases, tell us what you'd remove – or what other Council services you'd cut. But if you like an idea, make sure you tell us that too. We genuinely read and consider all the submissions we receive before making final decisions, and we want to hear from you.

A handwritten signature in black ink that reads "Ash Tanner".

Ash Tanner
Mayor

WE HAVE A VISION

We want to make our district the 'place of choice - for lifestyle, opportunity, home' - and we are planning ahead to help us get there.

Over the next few years there are things we have to do, and there are lots of things we really want to do – projects that will help make our community a more vibrant, thriving place.

But we are also grounded in reality – we can't do everything.

We have to choose.

We've put a lot of time into evaluating the options and trying to find a balance between these exciting projects, and what is affordable. You can find more information at mpdc.nz/planningahead or visit any Council Office or Library.

Tell us what you think of the priorities we've identified as we plan ahead for the next ten years.



TE TĪMATATANGA THE STARTING POINT

We're keeping things ticking.

Through our consultations last year, and through conversations with people in the community, we hear that you want us to keep delivering our existing services, and you want them managed to at least the same standard, so this is what we are planning.

That doesn't sound like a big deal - but it sets the starting point for all our forward planning. Just like when you set a budget at home, and you start by listing all your regular costs - like groceries, power, internet etc. Our regular costs are things like operating pools, keeping our library books current and relevant, checking playgrounds are safe, providing animal control services and much more. And just like your budget at home has to increase over time as costs like power and insurance go up, our costs to deliver our services increase too.

We're looking after what we've got

We have approximately **\$663 million** invested in our assets - that's our roads, our pipes, our treatment plants, our buildings and more.

We spend almost **\$20 million** each year on maintenance and operations, and **\$13 million** per year (on average) on renewing assets that have reached or are nearing the end of their life.

We're planning to continue with our maintenance and renewals programmes to ensure our assets remain in average to good condition and continue delivering the expected level of service (regardless of who will own or manage those assets into the future).

What is an Infrastructure Strategy?

It sets out how we will manage our assets to ensure they keep delivering the expected services over the next 30 years. There are four main challenges that set the starting point for our infrastructure: growth and demand, resilience, compliance and affordability. This section summarises our Infrastructure Strategy, you can read more at mpdc.nz/planningahead

Everyone knows that their house roof needs replacing roughly every 25 years. If we were smart, we'd put aside a little bit of money every month, so that when the roof needs replacing we have the money there ready to go. That's why we collect rates each year to pay for the future replacement of our assets (called depreciation funding). We have \$663 million worth of assets and property, so collecting money as we go to pay for their future replacement is financially responsible.

36% of total rates collected over the next ten years will be put aside for replacing our existing assets, and over a third of that goes towards our roading network. This allows us to replace our critical assets at the end of their useful lives, without having large spikes in rates.

We're also planning to improve the information we hold on our assets condition and how critical they are. This will help to address another of our key challenges - affordability. Smarter asset management will mean we're optimising our investments, only replacing critical assets, and help us to smooth our costs over time.

We're playing it safe

Just like you need to be prepared for an emergency at home, we also need to ensure our infrastructure can cope with challenges - whether that's drought, changing weather patterns, or natural disasters like an earthquake. This is called 'resilience', and is both a key challenge for us and is a long term strategic issue for New Zealand.

Higher temperatures and less rainfall across New Zealand (and particularly the Waikato Region) means there is likely to be more frequent droughts and water shortages. We have taken this into account when planning and budgeting for our infrastructure. Completing our renewal programme and providing additional infrastructure also helps make our current network more resilient. A more resilient network also supports and improves public health and the environment.

We're planning for growth

Our towns are growing, and are forecast to continue to grow, mostly in urban areas. This growth is great for building thriving communities and it increases the number of ratepayers to split the total rates bill across, but that growth also requires improvements to our infrastructure - like roads, pipes etc.

We are already working on projects to cater for this growth - such as increasing the capacity of the Morrinsville water supply, and upgrades to the Morrinsville and Matamata sewer mains to ensure they have sufficient capacity.

Planning for sustainable growth and managing demand is another one of our key challenges.

We plan to provide additional capital and operational expenditure over the next 30 years to provide for this growth. These projects are must-do's - if we didn't do them, our district wouldn't be able to continue to grow, and in some cases (like Morrinsville's water) the infrastructure already struggles to keep up with demand.

We're planning to spend \$16.1 million on growth related projects over the next ten years. These costs are proposed to be funded by Development Contributions (the fees that developers pay to cover infrastructure costs caused by their developments).

Increasing the capacity of our infrastructure also makes our network more resilient - improving our ability to cope with severe weather events like drought and flooding.

We're doing the work we have to do

We know we talk about compliance a lot - but that's because it comes with a hefty price tag. When central government change the regulations (like they have done with drinking water regulations and the national policy statement for fresh water in recent years), we have to work towards complying. This will be something many farmers can relate to, with the costs associated with complying with tougher environmental standards.

Compliance is another of our key challenges, and putting it simply, it means:

- our water supplies will meet drinking water standards
- our treatment plants will meet resource consent conditions
- we will reduce death and serious injuries on our roads

Over the next ten years we're expecting additional capital spending of \$28.3 million to meet increasing compliance requirements, and an average of around \$1.1 million each year in related increased operating costs.

It's a huge cost, and we have to comply with it, but at the end of the day, it also provides better services to our community.

We're keeping our word

We made a commitment in 2018 to Matamata Futures Trust to provide \$2 million towards a new indoor stadium in Matamata - this funding was part of our last Long Term Plan, which we consulted the community on in 2018. They've been fundraising and planning based on this funding commitment - so we have included this funding in the draft budget for 2023/24. The funding will be provided when construction begins.

What does this all mean?

The costs of delivering our current services, maintaining and renewing our assets, planning for growth, and complying with regulations all add up. On top of just doing the basics however, you've told us you expect and want more.

This document outlines some of the exciting projects we've proposed to deliver on this over the next ten years. These projects come with costs to both deliver the asset or activity, and then the ongoing costs to operate and eventually replace the asset again in the future. These costs have been included in the rates impact throughout the following section.

Below is an overview of what the rates increases look like for two example properties over the next ten years, including all of the work that we consider to be the basics (our starting point), and the projects we have proposed throughout this document.



In the next section you'll see what impact each project has on the rates for these properties.

WHAKATAUNGA NUNUI BIG DECISIONS

We could just stick to the basics – but we want to make our district the place of choice for lifestyle, opportunity, home. And the regular feedback we hear from the community is that you want more, or want things done better, and want our district to grow and thrive.

There are SO many ideas and good projects that we could progress for the community – you just have to read through the 127 great ideas submitted through the Your Voice Your Vision process in 2020 to see some of the ideas and passion people have for the future of our community.

But we can't deliver everything – we can't afford to, we don't have capacity without getting lots of extra staff to deliver everything, and in some cases, we can't get the necessary experts.

So this is where we need your help to make some big decisions for the next ten years. We've outlined some of the key projects, what we're thinking, and what they'd cost (adjusted for inflation). The rate impact of each project includes capital spend and ongoing operating costs throughout this section.

We want to hear whether you agree, or disagree with the priorities we've picked and why.



YEARS 1-3

THINGS WE THINK WE SHOULD FOCUS ON:

- Te Aroha Spa
- Facing the rubbish problem head on
- Additional water sources for Morrinsville
- Revitalising our town centres
- Mountain bike skills and dog park in Te Aroha
- Improving walking and cycling connections
- Dog park in Matamata



THINGS WE WANT TO INVESTIGATE:

Things that we want to do the ground work on over the next few years, so that we can plan the timing and costs well:

- Morrinsville Recreation Master Plan (rec grounds, library, pool)
- Te Aroha civic facilities (library, i-SITE and museum)
- Morrinsville to Te Aroha cycleway
- A stage for the Matamata-Piako Civic and Memorial centre
- Expanding our housing for the elderly



LOOKING FURTHER AHEAD:

Things we really want to do, but have put further out in the plan, because we can't do everything right now.

- Destination playgrounds
- Matamata to Piarere cycleway
- Waiorongomai carpark
- Upgrade of the Te Aroha sewer falling main
- Additional water treatment plant in Morrinsville
- Upgrade of our Te Aroha and Matamata wastewater treatment plant

YEARS 4-10



THINGS WE'RE COMPROMISING ON:

Equally as hard as choosing what to prioritise is choosing what isn't a priority right now.

Things that we are not planning in the next ten years:

- Matamata Bypass
- Morrinsville Events Centre
- Morrinsville civic facilities

TELL US WHAT YOU THINK.

Keep reading for more information on each of these topics and tell us what you think using the submission form at the back or at mpdc.nz/planningahead



NGĀ TAKE HEI WHAINGA TUATAHI THINGS WE THINK WE SHOULD FOCUS ON

There are literally hundreds of great ideas and projects we could do, and would like to do – but we have to be realistic. We can't do everything. We have to choose.

In this section, you'll find the projects that we think we should focus on over the next three years, these have been included in the draft budget. We've chosen these ones to focus on first, because they're all things that will help our district grow, thrive, and be an even better place for future generations. They're projects that all contribute to our vision of making our district the place of choice, for lifestyle, opportunities and home.

We want to hear what you think of these projects – do you agree that we should proceed with these things over and above just doing the basics, or do you prefer one of the other options?



WE SHOULD FOCUS ON TE AROHA SPA

Back in 2017 we received funding from the Provincial Growth Fund to investigate Te Aroha’s tourism potential.

The study showed that Te Aroha is well located and has a range of natural, historical and cultural assets with significant tourism potential. The business case stacked up for developing a new spa facility in the Te Aroha Domain, and there was widespread support from sectors of the community, including Mana Whenua during community engagement.

We put forward a proposal to the Provincial Growth Fund for government to invest in the development of this spa, however, unfortunately the application didn’t make the cut due to the number of applications received.

What’s in the draft budget – work towards developing a new destination spa

Even without the government funding, we think we have an exciting opportunity to develop a new day spa, using the geothermal water in the Te Aroha Domain.

A lot of background work has already been done, suggesting that this proposal would have major benefits for the whole district, creating up to 65 jobs and acting as a catalyst for developments and business growth.

Our research indicates there is growing demand for high quality spa and wellness experiences, from both domestic and international tourists. So even with COVID-19 impacts on international travel, we still think there is a good business case for this development.

What will it cost?

The development of the spa is estimated to be up to \$18 million. However, given the current economic uncertainty, we are proposing to stage the work. Initially we’ve budgeted to spend \$5.3 million between 2022/23-2023/24 to get us started.

A revamped facility has the potential to draw in more customers than it has historically. Due to capacity constraints with the current facility, there appears to be significant demand that is not being met and therefore potential customers are being turned away.

The first step will be to develop a comprehensive plan that will allow us to progress the development in a cost effective way so that as stages are completed and up and running, they are paying for themselves as soon as possible.

Over time as demand increases the spa complex could be added onto with more spas and treatment rooms and the domain further developed. Once the detailed planning is complete (which we expect by the end of 2021), we will consult further with the community on this exciting development, with hopes of starting construction in 2022.

We already know we can operate a spa at a profit (based on the Te Aroha Mineral Spas), and the business case supports this. We would continue to operate our existing spas until the new facility opened.

Ratepayers would initially need to contribute to the costs of the loan while the spa is built, but we expect the income from the spa to cover the costs in the long term. We won’t know the ongoing impact on rates until detailed planning is complete, but we believe the spa will be self-funding in the long term.

Rates impact	2022/23	2023/24
\$550,000 urban property	\$0.91	\$3.48
\$8 million rural property	\$13.24	\$50.59
Debt impact - increase by \$5.3 million by 2023/24 including inflation		



Another option - don't do it

We could opt not to proceed with this development or delay it given the current economic climate. We would continue to operate our existing spas, which does already attract tourists to the area, but would not achieve the full potential and district-wide benefits that have been identified by the spa business case.

What would this option cost?

Not proceeding would avoid the costs, rates and debt impact that have been included in the draft budget. It is likely however that the existing spa facilities would need refurbishment at some point in the near future.

Another option - If you're going to do it, do it properly

Instead of staging the development, we could commit to the full \$18 million development up front. This would make the new facility more impressive from the outset, and would mean the benefits (e.g. job opportunities, business growth in the district) come sooner but would cost more.

What would this option cost?

This would cost \$18 million and start impacting rates from 2022/23 (when construction would begin)

The current business case indicates the complex would then be self-funding by 2028.

Rates impact Average per year	2022/23 - 2026/27
\$550,000 urban property	\$32.39
\$8 million rural property	\$471.06

Debt impact - increase of \$18.9 million by 2023/24 including inflation

Turning Te Aroha into a health and wellness hub will take more than just a shiny new day spa – we also need to invest in the surrounding area to make sure it's in tip-top shape and can support more visitors.

So we're also proposing:

\$500,000 in 2023/24 for improvements to Swim Zone Te Aroha.

\$750,000 from 2021/22 to 2025/26 for improvements to the Te Aroha Domain.



What do you think?

Do you agree that the Te Aroha Spa should be a priority for Council to work towards in the next few years, or do you prefer one of the other options?

Go to mpdc.nz/planningahead or fill in the submission form at the back of this booklet to tell us what you think.

WE SHOULD FOCUS ON FACING THE RUBBISH PROBLEM HEAD ON

New Zealand (including our district) is facing some massive challenges with how we manage our rubbish and recycling.

We're getting to a crunch point that is going to mean some big cost increases over the next few years.



This is a massive, complex issue – you can read more about it in our Long Term Plan or on our website, but in a nutshell:

- Offshore markets are no longer accepting recyclables. This means Councils around the country are all facing much higher costs just to deliver our current services.
- Government is working towards a more sustainable future, but they are funding these positive changes by increasing the Waste Disposal Levy (the tax on sending stuff to landfill), and the Emissions Trading Scheme (carbon tax) – these increases are driving up the cost of kerbside collections.
- There is a drive from the waste industry and local government to standardise kerbside collections across the country to simplify collections and processing. This would be an improvement on our existing kerbside collection service – but that improvement comes at a cost.

Like we said, it's complicated. There are lots of factors driving up costs in this space, and some of them, we have little to no control over. But on top of that, we want to do the right thing. We want to be a community that is committed to minimising waste sent to landfill. A community that considers and implements new initiatives and innovative ways to reduce, reuse and recycle waste. And we want to minimise harm to our environment.

What you've already told us

In 2020 we asked for some direction from the community on what the future of our rubbish and recycling services should be.

Rubbish bags

The challenge

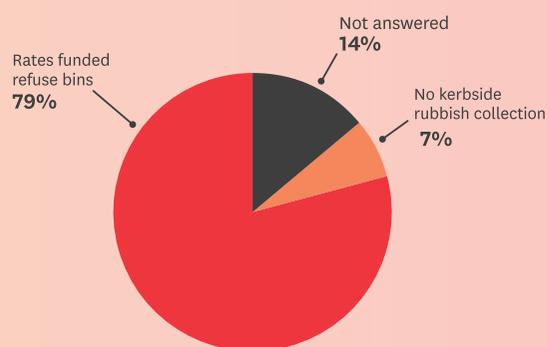
Rubbish bags are no longer a good long term option - there are health and safety issues around the manual handling/weight of bags, they get ripped open by animals; and the bags themselves are another item in landfill.

What we asked

Would you rather have:

- A small (80L) wheelie bin for rubbish, collected weekly. Funded through rates.
- No Council rubbish collection (people take their own rubbish to the transfer station or arrange private collection)

What you told us



Recycling

The challenge

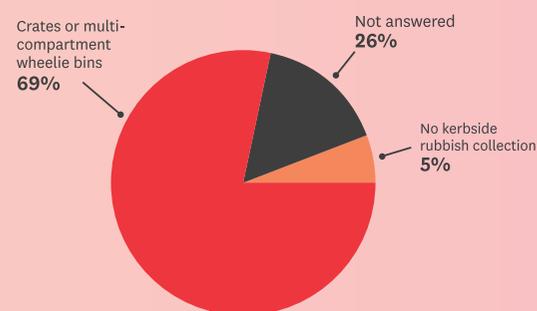
Recycling the way we do now is not working well. We need to make changes to ensure what is collected, is being repurposed and diverted from landfill.

What we asked

Would you rather have:

- Three rates funded collection crates or multi-compartment wheelie bins for cardboard, plastics, tin and glass.
- No Council recycling collection (people take their own recycling to the transfer station or arrange private collection)

What you told us



Transfer stations

The challenge

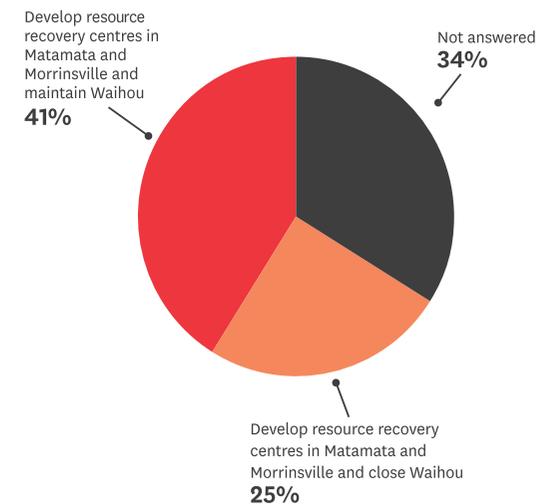
Transfer stations don't encourage rubbish reduction but resource recovery centres do. These centres are community facilities where you can drop off unwanted items and materials for reuse and recycling – diverting them from landfill.

What we asked

Would you rather we:

- Develop resource recovery centres in Matamata and/or Morrinsville, and close the Waihou Transfer Station
- Develop resource recovery centres in Matamata and/or Morrinsville, and maintain the Waihou Transfer Station

What you told us



Food waste

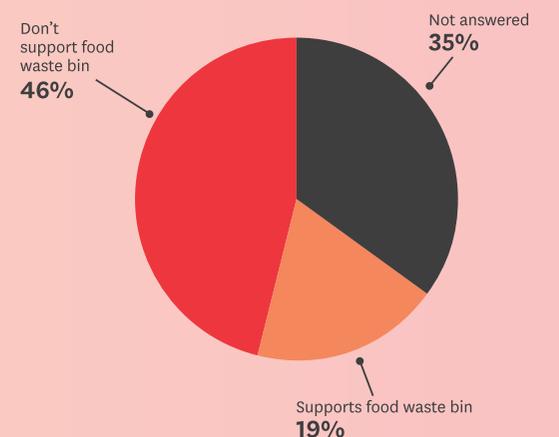
The challenge

Food waste makes up approximately 30% of what is thrown into our rubbish bags and bins - this is waste that could easily be diverted from landfill.

What we asked

Would you support a food scraps bin, collected weekly for fruit, vegetables cooked food, meat, fish and coffee grounds etc.

What you told us



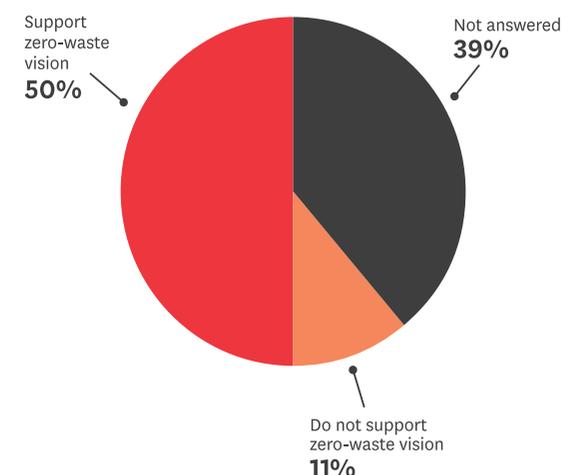
Our zero-waste vision

The challenge

The Tirohia landfill is due to close in 2038.

What we asked

Do you support our vision to become a zero-waste community by 2038 when the Tirohia landfill is due to close?



KERBSIDE COLLECTIONS

What's in the draft budget – changing kerbside collections from 2023

Our rubbish and recycling collection contract comes to an end in 2023. We know we need to make changes to address the challenges above, and to encourage people to reduce their waste.

Based on the community feedback and the challenges we're facing, we think the best option is to change the service in 2023 to:

- wheelie bins for rubbish (collected weekly or fortnightly) – this means everyone who receives the service would pay a fixed amount in their rates, instead of buying rubbish bags
- A recycling wheelie bin or multiple crates (collected weekly or fortnightly)
- A food waste bin (potentially with an option for residents to opt-in to this service)

While a majority of people did not support the option of providing a food waste bin when we sought feedback on this in 2020, 35% of waste sent to landfill in our district is food scraps, and that's a significant amount of waste that could be diverted from landfill.

A food scraps bin is also part of the standardisation of the kerbside service that is being pushed across the country. So even though this option wasn't widely supported, we think it makes sense to include this as part of the review of our contract to divert more from landfill and avoid costly contract variations at a later date.

The exact details of what we would provide (e.g. the number and size of bins, or types of bins, or the collection cycle) would all be determined as part of the tender process to select a new contractor.

The end of the current contract is the best timing to make changes to this service, so we'd like to leave things mostly as they are until then – but we'll still need to cover increasing costs in the meantime.

What will it cost?

Currently those who receive this service pay \$41 in their rates per year, plus \$3 per bag for their rubbish bags (\$156 per year if you buy one bag per week).

We're proposing to increase the targeted rate to \$131 per year in 2021/22 to help cover the increasing costs of this service (see the challenges explained above) and residents would continue to buy rubbish bags. The current rubbish and recycling service would still continue until 2023 – this increase is just to cover the rising costs, so we can pay the bill.

The rubbish and recycling rate would then increase again in 2023 to around \$328 per year to cover the costs of the new service. While this is a big jump, residents would no longer need to buy rubbish bags (\$156 if you buy one bag per week) - so the money you'd usually spend on these at the supermarket would go towards your rates instead. You would also receive a food waste collection.

All households eligible for the kerbside collection service would be charged this targeted rate – regardless of whether or not they choose to use the service. This means anyone using a private collection service may decide not to continue with this, depending on their needs.

We won't be able to confirm the exact costs of this option until we've gone through a tender process for a new contract so we've based our budgeting on similar changes in other areas and expert advice.

These increases are the big drivers behind the 'spikes' in projected rates in years one and three of this plan. See the 'how does it all add up' section for more information.

Rates impact	Kerbside rubbish collection	Kerbside recycling collection	Food waste collection	Annual total
What you currently pay (up to 30 June 2021)	MPDC official rubbish bags, collected weekly \$3 per rubbish bag \$41 targeted rate per year	Wheelie bin + crate, collected fortnightly	Not provided	\$197 Total for rubbish & recycling combined (if using 1 rubbish bag per week)
What you would pay from 1 July 2021 (Year 1 of this plan)	MPDC official rubbish bags, collected weekly (same as above) \$3 per rubbish bag \$131 targeted rate per year	Wheelie bin + crate, collected fortnightly (same as above)	Not provided	\$287 Total for rubbish & recycling combined (if using 1 rubbish bag per week)
Proposed system from 2023 onwards, when new contract starts (Year 3 of this plan)	80L wheelie bin collected weekly \$149 targeted rate per year	3 crates, collected weekly \$107 targeted rate per year	Food waste bin, collected weekly \$74 targeted rate per year	\$330

Debt impact - no impact on our debt



Another option - Dump it all together

We could stop providing kerbside collections, or just provide a very limited service (like recycling only). Given all the challenges we're facing, this is a tempting option – but the easy option is rarely ever the best one:

- People would have to arrange their own private collections, and many private operators don't collect and process recyclables. So this option would likely result in more waste going to landfill. This doesn't help achieve national targets or our own zero waste 2038 goal, if our community indicates they would prefer this option further consultation would be required.
- This option would result in more rubbish trucks, from more providers on the road, increasing carbon emissions.
- Because of the size of the kerbside collection contract, we can get a better rate than most individuals. So it's likely that the proposed rates increase, while a lot, is still less than arranging the same service privately.

What would this option cost?

This option would mean that residents would then need to arrange and pay for their own rubbish collection/disposal. Based on current market prices this would cost around \$342, although prices would vary between waste companies.

We couldn't do this option until year three when our current contract runs out so costs for 2021/22 and 2022/23 would still be the same as the preferred option.

Rates impact	
\$550,000 urban property	\$287 less in rates from 2023/24
\$8 million rural property (not serviced)	No impact
Debt impact - no impact on debt	

Why keeping doing what we're doing isn't an option

- The current system doesn't help people to recycle well or minimise their waste, so doesn't align with national targets or our zero waste for 2038 goal.
- You clearly told us in 2020 that you'd like a better service.
- It's likely our current service won't meet the future national standards for kerbside collection.
- There are health and safety issues associated with manual pick-up of rubbish bags, and they can also contribute to litter on our streets due to high winds or animals.



What do you think?

Do you agree with our plan for tackling kerbside collections in the next few years, or do you prefer another option?

Go to mpdc.nz/planningahead or fill in the submission form at the back of this booklet to tell us what you think.

RESOURCE RECOVERY CENTRES

What's in the draft budget - establish two resource recovery centres

We currently offer drop-off facilities at three Transfer Stations in the district, however, we think these need an overhaul to not just transfer waste from A to B, but to divert waste from landfill. We completed an analysis of what kind of waste is sent to landfills and found that approximately 53% of material could be recycled or reused. So we would like to make improvements to two transfer stations, and build a new, purpose built hub (which also processes waste from the other two locations) to focus on 'Resource Recovery'. This could include services like an op-shop, a rural recycling collection point, or the salvage of clothing, building materials and so on that would otherwise end up in landfill.

Te Aroha - In 2020 we proposed to close the Te Aroha Transfer Station, to be able to invest the money into Matamata and Morrinsville. However, the community clearly told us that you want the transfer station to remain open. So we have budgeted \$528,000 in 2023/24 to upgrade the existing Transfer Station to improve its functionality and meet Health and Safety requirements. Waste from Te Aroha would be transported to Matamata for sorting and resource recovery.

Matamata - We have budgeted \$4.2 million in Matamata in 2023/24, to set up a purpose built 'Resource Recovery Centre.' As well as diverting more waste from landfill, a purpose built facility would also resolve traffic safety concerns and other operational issues at the existing Matamata Transfer station.

Morrinsville - We have budgeted \$2.2 million in 2024/25 to setup a Resource Recovery Centre on a smaller scale where we would offer some of the services that Matamata has, at the existing location

What will it cost?

These proposals would cost \$6.9 million, however, the costs to operate these sites would also increase to around \$1.4 million per year (currently \$1.17 million). This also excludes the cost of disposing of waste to landfill (currently \$569,000 including transport).

The whole community benefits from these facilities, as they are open to everyone - so we are proposing to fund them from general rates and fees and charges (the fees at the gate to drop off rubbish or recycling).

Rates impact Average per year	2023/24 - 2030/31
\$550,000 urban property	\$50.74
\$8 million rural property	\$738.08
Debt impact - increase by \$6.9 million by 2024/25 including inflation	



Another option - Put resource recovery centres in all three towns

Instead of building a 'district hub' for resource recovery, we could make improvements at all three transfer stations so each town has exactly the same services.

While this might be 'fairer', it would be significantly more expensive, and would likely result in the same amount of waste being diverted from landfill (it would just be sorted in three places, instead of one).

What would this option cost?

We estimate this would cost approximately \$9.5 million, with a third each being spent on Matamata, Morrinsville and Te Aroha.

Rates impact Average per year	2022/23 - 2030/31
\$550,000 urban property	\$77.66
\$8 million rural property	\$1,129.59
Debt impact - increase of \$9.5 million by 2024/25 including inflation	

Another option - Dump the idea

We could keep doing what we're doing – providing a drop off point for rubbish and recycling. This option costs less, but it means lots of waste is going to landfill that could be reused or repurposed.

What would this option cost?

Not proceeding would avoid the costs, rates and debt impact that have been included in the draft budget.

Another option - It's a good idea – just not yet

If you want to see the rates increases lower than our projections, then we could defer this project e.g. push out the timeline by 5 years. This would still be a positive step towards our zero waste 2038 target, but wouldn't address the problems we currently have at our transfer stations (like traffic safety and health and safety), and would also mean lots of unnecessary waste goes to landfill in the meantime. It's also 'kicking the can down the road' – a rates increase in five years' time will still be unappealing.

What would this option cost?

Because of inflation we estimated this to cost \$7.9 million.

Rates impact Average per year	2028/29 - 2030/31
\$550,000 urban property	\$50.42
\$8 million rural property	\$733.32
Debt impact - increase of \$7.9 million by 2030/31 including inflation	



What do you think?

Do you agree that resource recovery centres should be a priority for Council in the next few years, or do you prefer one of the other options?

Go to mpdc.nz/planningahead or fill in the submission form at the back of this booklet to tell us what you think.

WE SHOULD FOCUS ON ADDITIONAL WATER SOURCES FOR MORRINSVILLE

We currently provide clean, healthy drinking water to Matamata, Morrinsville, Te Aroha, Te Poi, Tahuna, Hinuera and Te Aroha West.

As we plan ahead and face challenges such as changing weather patterns and more frequent droughts, we are focusing on maintaining our infrastructure, making improvements to comply with tougher water regulations, and ensuring our infrastructure can cater for growth.

We believe most of our water supplies are sufficient for current and future needs, however, Morrinsville needs improvement to meet growing demand, and ensure there is enough water for essential use (like drinking and hygiene) all year round.



It's important to note that these improvements in Morrinsville (and minor improvements in our other water supplies) won't mean that there aren't water restrictions in summer.

It's easy to take water for granted but it's a precious resource. It's getting harder for us to get consent to take water, and there are limits on how much we can take – so even with increased capacity in the system, it's likely that water restrictions will still be needed in future. We need everyone to work together to use the water we have wisely, all year round.

What's in the draft budget – provide two additional water sources for Morrinsville

In response to the extreme drought in 2020, we brought forward plans for two new water supplies for Morrinsville.

It takes time to get consents, install bores, and water treatment plants to increase our current water supply – but the two new bores for Morrinsville will be complete in 2021/22 (Wisely Park bore) and 2024/25 (Lockerbie bore).

Once the bores are complete, we can access them as an emergency supply (e.g. during a drought).

We then plan to build two additional water treatment plants – one at Lockerbie, from 2021/22–2024/25, costing \$4.7 million, and another at Wisely Park in 2023/24, costing \$1.6 million.

These new plants will treat the water from the new bores, and supply water to the northern side of Morrinsville.

These bores and plants will provide enough water in the future to support the town's growth, and ensure there is enough water for essential use all year round.

Morrinsville currently relies on one water source for the whole town, so these additional supplies will also make the town's water more resilient - for example, if an earthquake damaged the main pipeline, the other supplies would ensure the town still had access to water.

We're also working toward a third additional supply just outside of the ten years (budgeted at \$1.9 million including inflation), because we expect Regional Council to impose tougher limits on how much water we can take from our main water source, and the main pipeline is nearing the end of its life.

What will it cost?

The proposals would cost \$6 million. This project would only impact targeted rates for water – so only people who are connected to the water supply would pay.

Rates impact Average per year	2021/22 - 2030/31
\$550,000 urban property (connected)	\$65.03
\$8 million rural property (not connected)	No impact
Debt impact - increase by \$6.3 million by 2024/25 including inflation	

Another option – provide one additional water source for Morrinsville

We could provide an additional water source for Morrinsville and slightly increase the treatment capacity. This means we would only bring on Wisely Park bore (which is partially complete) and not making further improvements. Due to the water reforms, these assets may not be owned and operated by Council in the future, so we could take a “not our problem” approach, and delay investment in this infrastructure. While this would be an easy option, we don't think it is a responsible idea and would potentially increase water restrictions over summer.

What would this option cost?

Cost would be \$1.6 million.

Rates impact Average per year	2023/24 - 2030/31
\$550,000 urban property (connected)	\$23.49
\$8 million rural property (not connected)	No impact
Debt impact - increase of \$1.6 million by 2023/24 including inflation	

Water Reform

An added challenge in this space is the water reform currently underway in New Zealand. The government proposes to develop a new, regional model delivering water services across the country.

This will possibly mean a new entity will own and operate water, stormwater and wastewater services (not Council).

We have entered into an agreement with the government to participate in this reform process, but we don't know when any of this will happen yet.

What we do know is that our community will always need these services, so regardless of who will own them, we are continuing to plan for future needs, maintaining our assets, and investing in improvements where they are needed.

You can find out more about the water reforms at dia.govt.nz. You can also read more about our approach to these reforms in our significant forecasting assumptions mpdc.nz/planningahead.



For more information on how we plan to manage our water supplies for the next 30 years, see our Infrastructure Strategy at mpdc.nz/planningahead



What do you think?

Do you agree we invest in additional water sources for Morrinsville, or do you think we should just maintain what we have? Go to mpdc.nz/planningahead or fill in the submission form at the back of this booklet to tell us what you think.

WE SHOULD FOCUS ON REVITALISING OUR TOWN CENTRES

Part of making our district ‘the place of choice’ means investing money in making our town centres more people-friendly and welcoming.

We’ve invested in cycleways, and are looking to invest in spas to bring people to town – and we need to make sure our town centres are places people want to stay, enjoy, and spend money.



What’s in the draft budget - improve our town centres

In the last 12 months we’ve received funding from the Waka Kotahi (NZTA) Innovating Streets Programme to test and trial changes that could improve our town centres, making them more inviting and safer for pedestrians – such as the changes to the Hetana St roading layout, currently being trialled in Matamata.

We’d like to continue working with our communities to make improvements to our CBDs, committing funding to both immediate improvements (such as bins and lighting), as well as developing ‘master plans’ for our town centres, to be implemented over the next ten years or more.

These master plans will provide an agreed vision with the community that we can work towards - the changes and improvements won’t be delivered overnight (some might take ten years or more), but each improvement we make will be a step towards achieving the vision set by the community.

What will it cost?

We’re proposing spending \$617,000 on town centre upgrades throughout the district in 2022/23, then \$2.8 million between 2024/25 and 2028/29 to continue to make improvements.

Rates impact Average per year	2022/23 - 2030/31
\$550,000 urban property	\$6.25
\$8 million rural property	\$90.84
Debt impact - increase of \$3.5 million by 2028/29 including inflation	

Another option – do it faster

The development and implementation of master plans for all three towns is a significant project. We have proposed to do this over eight years, because we think that is a realistic timeframe based on the resources that we have (project managers, funding etc).

But if the community sees this as a priority, we could invest more money, earlier in the plan to speed up the delivery of these projects. This option could also add on more costs and will not allow as much planning.

What would this option cost?

This would still cost \$3.2 million but would be completed within the first three years of the plan.

Rates impact Average per year	2021/22 - 2030/31
\$550,000 urban property	\$10.96
\$8 million rural property	\$159.47
Debt impact - increase of \$3.2 million by 2023/24 including inflation	

Another option – don’t do it

Upgrades to our main streets will help make our towns more inviting and vibrant for both visitors and locals – but they’re not essential. If you would prefer Council to focus on keeping rates low, we could opt not to proceed with this project.

What would this option cost?

Not proceeding would avoid the costs, rates and debt impact that have been included in the draft budget.



What do you think?

Do you agree we should invest in revitalising our town centres, or do you prefer one of the other options?

Go to mpdc.nz/planningahead or fill in the submission form at the back of this.

WE SHOULD FOCUS ON MOUNTAIN BIKE SKILLS AND DOG PARK FOR TE AROHA

This was your 'top pick' when we asked the community for ideas in 2020.

Check out mpdc.nz/ideas for more info on the top three and feedback on the other ideas.

In 2020, we asked for people to submit their ideas for our community, asked for people to vote for their favourite ideas – we committed to doing business cases for the three most popular ideas. The idea that received the most votes was the Te Aroha Mountain Bike Club's proposal to redevelop Tui Park into a bike skills park/native reserve area that will cater for beginners to advanced riders.

We also completed investigations into the best location for a dog park in Te Aroha, and identified Tui Park as a suitable location. Dog parks were also a strong theme when we asked the community "what's your vision for the places that you play?" in 2020.

What's in the draft budget - develop mountain bike skills and dog park for Te Aroha

We have prepared an initial business case for a mountain bike skills park in the lower part of Tui Park, and while there are still a lot of unknowns at this stage, we think it could be feasible to develop both a mountain bike skills park, and an adjoining dog park in the land available at Tui Park.

Before this project could proceed, we would need to do a lot more consultation with the community, other park users, Iwi and adjacent land owners.

What will it cost?

This will cost Council \$211,000. The community group driving the bike skills park are planning on raising the funds and completing most of the work themselves. Council will need to fund costs associated with the dog exercise area – such as fencing, parking and signage.

We have allocated \$211,000 in 2023/24 in the draft Long Term Plan budgets for developing Tui Park.

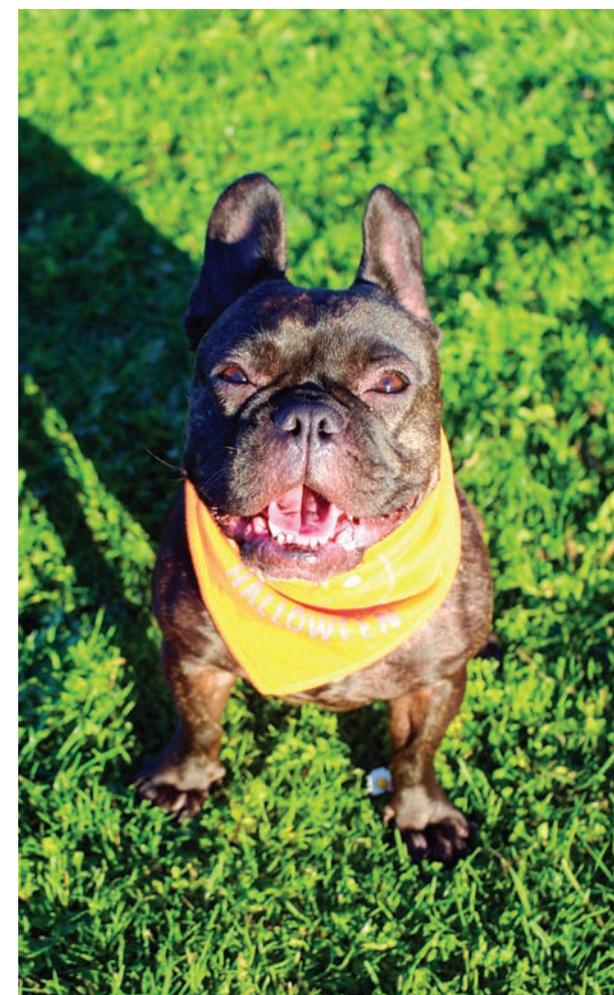
If the project costs exceed this once we have detailed plans, then the Te Aroha Mountain Bike Club (or other community groups) would need to fundraise for the balance for the project to proceed.

Another option – don't do it

Both the mountain bike skills park and the dog park would be great additions to the Te Aroha community, for both visitors and locals. But neither of them are essential. If you would prefer Council to focus on keeping rates low, we could opt not to proceed with this project.

What would this option cost?

If we didn't proceed, this would avoid the costs, rates and debt impact that have been included in the draft budget.



Rates impact Average per year	2023/24 - 2030/31
\$550,000 urban property	\$1.39
\$8 million rural property	\$20.28
Debt impact - increase of \$211,000 by 2023/24 including inflation	



What do you think?

Do you agree we should develop the mountain bike skills park and dog park, or do you think it's not a priority?

Go to mpdc.nz/planningahead or fill in the submission form at the back of this booklet to tell us what you think.

WE SHOULD FOCUS ON IMPROVING WALKING AND CYCLING CONNECTIONS

As our towns grow, it's also important that our transport network can cater for the additional vehicles, as well as people walking and cycling.

When we asked the community about your vision for “the places that you play”, you also told us that having safe walkways and cycleways to get around our towns is important to you. We have incorporated that feedback into our both our 30 year Infrastructure Strategy (which helps us plan for our roading networks and infrastructure), and our draft Parks and Open Spaces Strategy (which guides how parks, tracks and other open spaces will be developed and managed).

What's in the draft budget – improving walking and cycling connections

We agree that better walking and cycling connections will help to make our towns a great place to live and visit.

It also makes sense when we've invested in cycleways to get people to our towns, that we need to make them easy to bike and walk around. We think over the next few years we should prioritise:

- Completing the work we have already started to create 'inner' and 'outer' walkways around Matamata, connecting the existing walkways. We are planning to spend \$425,000 in 2021/22 and \$379,000 in 2024/25 to complete this work.
- Completing the work we have already started to link parks and walkways in Morrinsville. We are planning to spend \$278,000 in 2022/23 and \$346,000 in 2024/25 to complete this work.

- Focusing on widening existing footpaths within our towns to create shared pathways for safe walking and cycling. This will be completed as part of our footpath renewals programme, which costs on average \$226,000 per year, with 51% of the funding coming from Waka Kotahi (NZTA).
- Building a shared pathway from Matamata to Waharoa in 2021/22, costing \$700,000.

When these are complete, we would look to expand this even further, guided by the Parks and Open Spaces Strategy and our Infrastructure Strategy at mpdc.nz/planningahead.

What will it cost?

This would cost \$4.4 million including inflation. \$1.15 million of this would be funded by Waka Kotahi subsidies.

Rates impact Average per year	2021/22 - 2030/31
\$550,000 urban property	\$3.08
\$8 million rural property	\$44.85
Debt impact - increase of \$3.2 million by 2030/31 including inflation	

Another option – slow but steady

We could take a “slow but steady” approach to improving connectivity, and spread out the projects we've prioritised by a period of three years. This would also mean pushing out future walkway projects. This would have a lesser impact on rates, and mean that the connectivity is still improved – just over a longer time period.

What would this option cost?

This would cost \$3.2 million including inflation and \$836,000 would be funded by Waka Kotahi subsidies.

Rates impact Average per year	2024/25 - 2030/31
\$550,000 urban property	\$2.78
\$8 million rural property	\$40.38
Debt impact - increase of \$2.4 million by 2030/31 including inflation	



What do you think?

Do you agree we should improve our walking and cycling connections, or do you prefer one of the other options? Go to mpdc.nz/planningahead or fill in the submission form at the back of this booklet to tell us what you think.

Creating shared pathways for cyclists and walkers is also about making our roads safer for all road users.

For more information on our priorities for road safety over the next 30 years, check out the Infrastructure Strategy at mpdc.nz/planningahead

Another option – don't do it

Walkways and cycleways provide opportunities for people to get outdoors, and can provide safe routes for people to get to work or school.

They're important, and help make a community a great place to live or visit, but they're not essential.

If you would prefer Council to focus on keeping rates low, we could stop working on improving connectivity in existing areas, and make it a requirement for future development – this would mean any new subdivisions would have good walking and cycling connections, but the rest of town wouldn't.

If this is the preference of the community, we'd also need to change our priorities in the Parks and Open Spaces Strategy.

What would this option cost?

If we didn't proceed, this would avoid the costs, rates and debt impact that have been included in the draft budget.

WE SHOULD FOCUS ON DOG PARK IN MATAMATA

This was one of your 'top picks' when we asked the community for ideas in 2020.

Check out mpdc.nz/ideas for more info on the top three and feedback on the other ideas.

In 2020, we asked for people to submit their ideas for our community, asked for people to vote for their favourite ideas – we committed to doing business cases for the three most popular ideas. One of the top three ideas was a dog park in Swap Park, Matamata.

What's in the draft budget – create a dog park at Swap Park

We've done the business case and adding a dedicated dog area to Swap Park stacks up. There are a few things we'd need to do first, like consulting with neighbours and making changes to the Dog Control Bylaw. We'd like to get these things underway in 2021/22, and have the dog park up and running by 2022/23

What will it cost?

This option is expected to have no impact on rates. The community group driving this idea are planning on completing most of the work themselves. Council could contribute to costs like signage and rubbish bins from existing budgets.

Rates impact

\$550,000 urban property	\$0
\$8 million rural property	\$0

Debt impact - no impact on debt

Another option – don't do it

The dog park would be a great addition for Matamata locals and their four-legged friends – but it's not essential. If you don't think a dog park is required, or you would prefer this space to be used for something else, we could opt not to proceed with this project.

What would this option cost?

If we didn't proceed, there would be no costs, rates or debt impact.



What do you think?

Do you agree we should proceed with the dog park for Matamata, or hold fire for now?

Go to mpdc.nz/planningahead or fill in the submission form at the back of this booklet to tell us what you think.



NGĀ TAKE HEI TIROHANGA MĀ TĀTOU THINGS WE WANT TO INVESTIGATE

On top of the projects we've already covered, there are some other big projects on the horizon.

These projects won't happen in the next three years, but we need to do some serious ground work to determine if or when they should proceed, and what the likely costs are.

We've included some rough figures in our draft budget for these projects to show that we are committed to delivering them if the business cases stack up – but before any of these proceed, we would bring more detailed costs and options back to the community for feedback.

THINGS WE WANT TO INVESTIGATE

MORRINSVILLE RECREATION MASTER PLAN

We heard some great ideas for Morrinsville as part of the ‘Your Voice Your Vision’ consultation in 2020. We also know by the time we get to the end of this ten year plan, the Morrinsville pools will be reaching the end of their life, and a few years later the events centre will also be due for renewal.

So instead of just replacing facilities when they come to the end of their asset life, we think we should take a more strategic approach and look at all of Morrinsville’s recreation facilities – so we can make sure that whatever we do over the next ten to 30 years is well planned, something we can afford and is what the community needs both now, and in the future.

What’s in the draft budget

Rough figures included in the budget:

- Improvements to the Morrinsville Recreation Ground - \$257,000 in 2022/23, then \$1.2 million split over seven years, from 2024/25
- Morrinsville pool redevelopment - \$12.3 million from 2028/29 to 2030/31
- While Morrinsville Events Centre would be included in the strategic review, no funding has been earmarked in the next ten years for changes or redevelopment

Rates impact Average per year	2022/23 - 2030/31
\$550,000 urban property	\$7.48
\$8 million rural property	\$108.78
Debt impact - increase of \$13.7 million by 2030/31 including inflation	

While this is a ten year plan, we actually plan 30 years ahead for our community facilities and our infrastructure (like pipes and roads).

You can view our 30 year Infrastructure Strategy at mpdc.nz/planningahead.



THINGS WE WANT TO INVESTIGATE

TE AROHA CIVIC FACILITIES

(LIBRARY, I-SITE AND MUSEUM)

The Te Aroha Library is a beautiful historic building – but it also needs earthquake strengthening and is not particularly fit for purpose. At the same time, the new day spa we’re proposing could impact on the existing facilities operating out of the Te Aroha Domain (such as the i-SITE and Museum).

Like the master plan proposal for Morrinsville, we think that instead of looking at each of these issues when they arise, we should be more strategic and review our library, community spaces, public meeting spaces and office space at the same time, then come back to the community with some options and costs.

What’s in the draft budget

Rough figures included in the budget: \$4.6 million over 2026/27 and 2027/28 including inflation.

Rates impact Average per year	2026/27 - 2030/31
\$550,000 urban property	\$8.52
\$8 million rural property	\$123.97
Debt impact - increase of \$4.6 million by 2027/28 including inflation	



THINGS WE WANT TO INVESTIGATE

MORRINSVILLE TO TE AROHA CYCLEWAY

The Hauraki Rail Trail has been bringing economic benefits to Te Aroha since it was opened in 2015, and Matamata is also starting to see similar results, with the extension to the trail attracting domestic visitors from all around the country.

We plan to investigate developing a cycleway from Morrinsville to Te Aroha to create a multi-day ride within the district, keeping visitors here overnight and contributing to the economy of all three of our main centres.

What's in the draft budget

Rough figures included in the budget: \$53,000 in 2023/24 for investigations into this project, and \$6.3 million in 2031-2036 for construction if the business case stacks up.

Rates impact (one off)	2023/24
\$550,000 urban property	\$2.13
\$8 million rural property	\$30.91
Debt impact - no impact on debt	



THINGS WE WANT TO INVESTIGATE

EXPANDING OUR HOUSING FOR THE ELDERLY

One service we provide that many people don't even know about is social housing for elderly people. We currently own and manage 109 units in Matamata, Morrinsville and Te Aroha, located over 12 complexes, providing residents with privacy, independence, security and affordability. Many have special features such as disabled access showers, safety rails and ramps. The units are reasonably priced, below the market average for the area – however, most of the housing units are old with the first built in 1959 and the newest built in 1985.

We think it's important that elderly people in our community have access to affordable, safe housing - particularly given the current housing crisis in New Zealand. There has been a waiting list for these houses for many years. Based on this, we want to investigate expanding our housing, and building new units that are modern, fit for purpose and meet the needs of tenants.

What's in the draft budget

Elderly Person's Housing is entirely self-funding – this means that the rent covers all the costs of management and maintenance, and does not cost ratepayers anything. This also applies to renewal (building new houses), so any expansion of this service would have no impact on rates.

Rough figures included in the budget: \$617,000 in 2022/23 and \$1.6 million in 2024/25, which will have no impact on rates.

Rates impact	
\$550,000 urban property	\$0
\$8 million rural property	\$0
Debt impact - no impact on debt	



THINGS WE WANT TO INVESTIGATE

A STAGE FOR THE MATAMATA-PIAKO CIVIC AND MEMORIAL CENTRE

A stage, green room and dressing rooms were costed as part of the original design of the Matamata-Piako Civic and Memorial Centre in 2015/16, however, they were not included in the final design in order to keep the project within budget.

Ground preparation, potential power, water and wastewater connections were all factored into the build, as well as a proscenium arch within the back wall, to enable a stage to be built at a later date.

Based on community feedback, we think we should complete a business plan to get more detailed costs and see if building a stage stacks up. If it does, we'd look to provide seed funding to get the project started – with the Matamata community needing to get behind the project and raise the additional funds to complete the project in order for it to go ahead.

What's in the draft budget

Rough figures included in the budget:
\$200,000 in 2023/24 as seed funding for the stage

Rates impact		2023/24 - 2030/31
Average per year		
\$550,000 urban property		\$0.59
\$8 million rural property		\$8.52
Debt impact - increase of \$211,000 by 2023/24		

This was one of your 'top picks' when we asked the community for ideas in 2020.

Check out mpdc.nz/ideas for more info on the top three and feedback on the other ideas.





TE TITIRO WHAKAMUA LOOKING FURTHER AHEAD

There are lots more ideas we really want to do (or in some cases, need to do to cater for growth) but we can't do everything at once. So these are the projects that we think are important, and we're planning to progress them within the next four to ten years. Our community will have another opportunity to comment on these closer to the time.

FUTURE PROJECTS - WHAT'S INCLUDED IN THE DRAFT BUDGET

Waiorongomai carpark

\$281,000

Upgrading the carpark at Waiorongomai to meet increasing demand

Rates impact Average per year		24/25 - 30/31
\$550,000 urban property		\$0.56
\$8 million rural property		\$8.17
Debt impact - increase of \$281,000 by 2024/25 including inflation		

Destination playgrounds

\$3.3 million

Destination playgrounds were a common theme in our consultations in 2020, but they don't come cheap – Hare Puke Park in Hamilton cost over \$1 million to build, and Anderson Park in Napier was over \$2.5 million. We plan to look at building at least one destination playground - possibly more, with the ideal scenario being one in each main town, depending on cost.

Rates impact Average per year		24/25 - 30/31
\$550,000 urban property		\$15.40
\$8 million rural property		\$224.07
Debt impact - increase of \$3.3 million by 2026/27 including inflation		

Upgrade wastewater treatment plants

\$24.2 million

Our wastewater treatment plants are generally meeting current consent conditions, except at Waihou, where we need to complete some upgrades. However, our wastewater treatment plant consents in Morrinsville and Matamata need to be renewed in 2024/25, and upgrade works are likely to be required to meet new legislation. Improvements will also be required at the Te Aroha plant.

Rates impact Average per year		25/26 - 30/31
\$550,000 urban property (connected)		\$140.07
\$8 million rural property (not connected)		No impact
Debt impact - increase of \$24.2 million by 2030/31 including inflation		

2024/25

2025/26

2026/27

2027/28

2028/29

Upgrade Te Aroha sewer falling main

\$3.2 million

The sewer main for Te Aroha is reaching the end of its life. While replacing this, we plan to upgrade the size to increase capacity, allowing for growth.

Rates impact Average per year		24/25 - 30/31
\$550,000 urban property (connected)		\$6.49
\$8 million rural property (not connected)		No impact
Debt impact - increase of \$3.2 million by 2024/25 including inflation		

Treated water storage for Matamata

\$1.1 million

Matamata is continuing to grow. To ensure we can continue to provide enough water, we need to build additional water storage for the town.

Rates impact Average per year		23/24 - 30/31
\$550,000 urban property (connected)		\$3.91
\$8 million rural property (not connected)		No impact
Debt impact - increase of \$1.1 million by 2024/25 including inflation		

Tower Road pump station and rising main

\$3.6 million

We need to extend our wastewater infrastructure in Matamata to ensure it can cater for growth. The majority of the costs of this work would be funded by development contributions (the fees that developers pay to cover infrastructure costs caused by their developments).

Rates impact Average per year		25/26 - 30/31
\$550,000 urban property (connected)		\$8.24
\$8 million rural property (not connected)		No impact
Debt impact - increase of \$3.6 million by 2025/26 including inflation		

Matamata to Piarere cycleway

\$2.2 million

We believe it is important to continue extending the cycleways that we already have, attracting both domestic and international visitors, and contributing to building the New Zealand cycle trail (Nga Haerenga). Extending the trail to Hinuera and on to Piarere to connect with the Waikato River Trail could attract more overnight visitors. We hope to be able to partner with central government to reduce the costs of this trail.

Rates impact Average per year		25/26 - 30/31
\$550,000 urban property		\$2.86
\$8 million rural property		\$34.58
Debt impact - increase of \$2.2 million by 2025/26 including inflation		

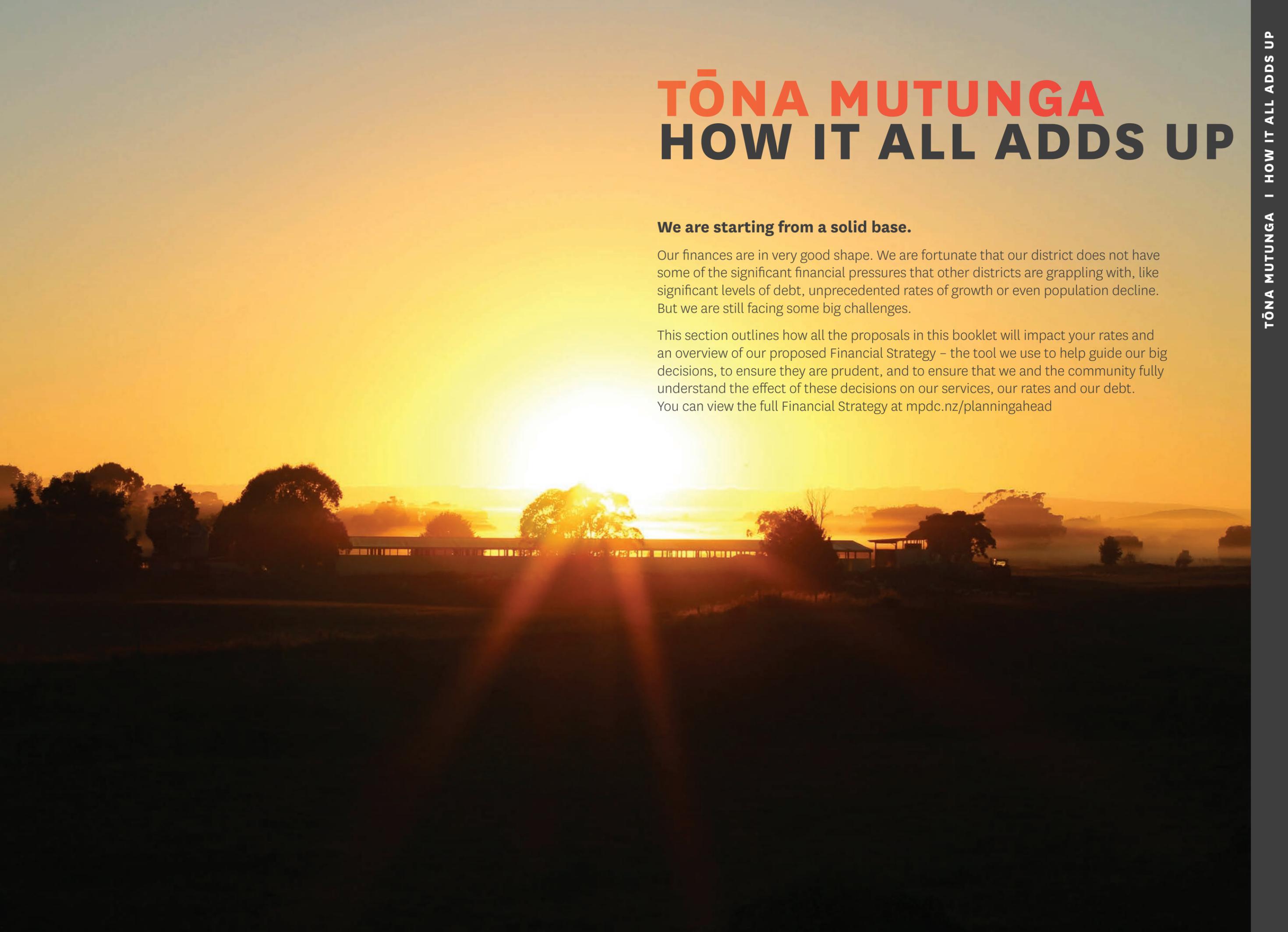


NGĀ TAKE KUA WHAKAREKĒHIA WHAT WE'RE COMPROMISING ON

Equally as hard as choosing what to prioritise is choosing what isn't a priority right now. We have prioritised the projects that we think the community needs (e.g. catering for growth) and those that we think will have the biggest benefits, to make Matamata-Piako the place of choice.

The following projects are some high profile projects we have chosen not to include in the next ten years:

- **Matamata Bypass** – our research indicates that once the Waikato Expressway is complete, truck use through the Matamata town centre will drop by 20-30%. Council does not believe there will be enough traffic through Matamata in future to warrant a \$40-\$50 million bypass, and the land that was designated for the bypass is also not fit for purpose. Based on this information Council has opted to let the designation lapse and dispose of the industrial zoned land that was purchased for the bypass. While this means there will not be a bypass in Matamata in the next ten years, it doesn't mean a bypass can't happen in the future. We would need to reassess the demand and choose a new route that is more suitable.
- **Morrinsville Events Centre** – upgrading the Morrinsville Events Centre will be addressed in the Morrinsville Recreation master plan, however, actual work/progress on this project is not budgeted to proceed within the next ten years.
- **Morrinsville Civic Facilities** – the Morrinsville Library and Council office need some work. Looking ahead, we know we will need to plan for improvements to these facilities, but think we should focus on the recreation facilities for Morrinsville first.



TŌNA MUTUNGA HOW IT ALL ADDS UP

We are starting from a solid base.

Our finances are in very good shape. We are fortunate that our district does not have some of the significant financial pressures that other districts are grappling with, like significant levels of debt, unprecedented rates of growth or even population decline. But we are still facing some big challenges.

This section outlines how all the proposals in this booklet will impact your rates and an overview of our proposed Financial Strategy – the tool we use to help guide our big 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. You can view the full Financial Strategy at mpdc.nz/planningahead

OUR FINANCIAL GOALS

Maintain the levels of service we currently provide

You've told us that you want us to keep delivering our existing services, and you want them managed to at least the same standard – so that has been the starting point for our forward planning.

To ensure we're doing this in the most cost effective way, we plan to:

- improve our understanding of the condition of our assets so that our future costs of maintenance and renewal can be planned, and actively minimised.
- look after what we've got – allocating \$149 million over the next ten years to renew existing assets.
- smooth our costs, such as maintenance and renewal of assets, where possible to minimise the impact on ratepayers
- extend services to cater for growth – at a forecast cost of \$16.1 million over the next ten years

Improve some levels of service

You've told us that you want Matamata-Piako to become the place of choice. To work towards this we are planning to improve some services that we think the community would like or that you have already told us you need such as those identified throughout this booklet.

Things such as additional water sources for Morrinsville, improvements to our rubbish and recycling services, revitalising town centres, walking and cycling connections and various new or upgraded facilities.

We have allocated \$119 million over 2021-2031 to improve some levels of service.

Set prudent limits on rate increases

We previously set a limit on annual rate increases at 4%. Over the last two Long Term Plans (or six years), Council's average rate increase has been 2.52% – well below that limit. But over the last two years, our cost pressures due to compliance and growth – particularly for water and wastewater, roading and rubbish and recycling have left these areas underfunded.

In 2018/19 we incurred a deficit of \$1.46 million in our water, wastewater and stormwater activities, and a deficit of \$2.1 million in 2019/20. Similarly for rubbish and recycling, we saw a deficit of \$1.09 million in 2018/19, and \$1.18 million in 2019/20.

Both activities received additional funding from rates for the 2020/21 financial year, but not to the level required to cover the ongoing cost pressures. On top of this, all other rates for 2020/21 were held at their 2019/20 level in response to the COVID-19 situation that unfolded as the budgets were being set.

Keeping our rates at this low level, at a time when our costs have continued to increase is no longer sustainable.

There is a large catch-up required to get our rates to the level that is required just to keep us ticking. This catch-up will result in a proposed increase in total rates of 11.85% for next year. For the other years of the plan, we propose to set a limit on rate increases at 6%, with the exception of 2023/24, when we are proposing a 10.20% increase. This increase is largely impacted by the proposed change to the way we collect rubbish and recycling (explained earlier in this document).

Set prudent limits on debt

What we asked

In 2020 we asked the community whether we should take on more external debt to be to get some of the 'nice to have' projects underway sooner.

What you told us

The clear consensus was that the community preferred our current, more conservative approach to debt – that we should only borrow money to fund capital spending on our core assets.

What we're planning

We're planning to increase debt, but very conservatively. For a council of our size we do not have a significant amount of external debt.

Independent experts have advised that a debt level up to 150% of our total revenue would be prudent for a council of our size. In our last Annual Report at 30 June 2020, our external debt was \$26.5 million.

Our net debt (taking into account cash and other assets) would be 42% of our total revenue. So we have plenty of headroom.

We currently borrow money to pay for assets – for water, wastewater, roads and community buildings and facilities that will service the community over a long period of time.

Using loans to pay for these kinds of assets means we can recover the costs over time, so that both current and future ratepayers pay their fair share. Our debt is forecast to peak at \$110 million in 2028/29.

In terms of our revenue (income) in the same year, this debt represents 126% of total revenue. For a number of years, we've had a limit on net debt set at 150% of annual revenue.

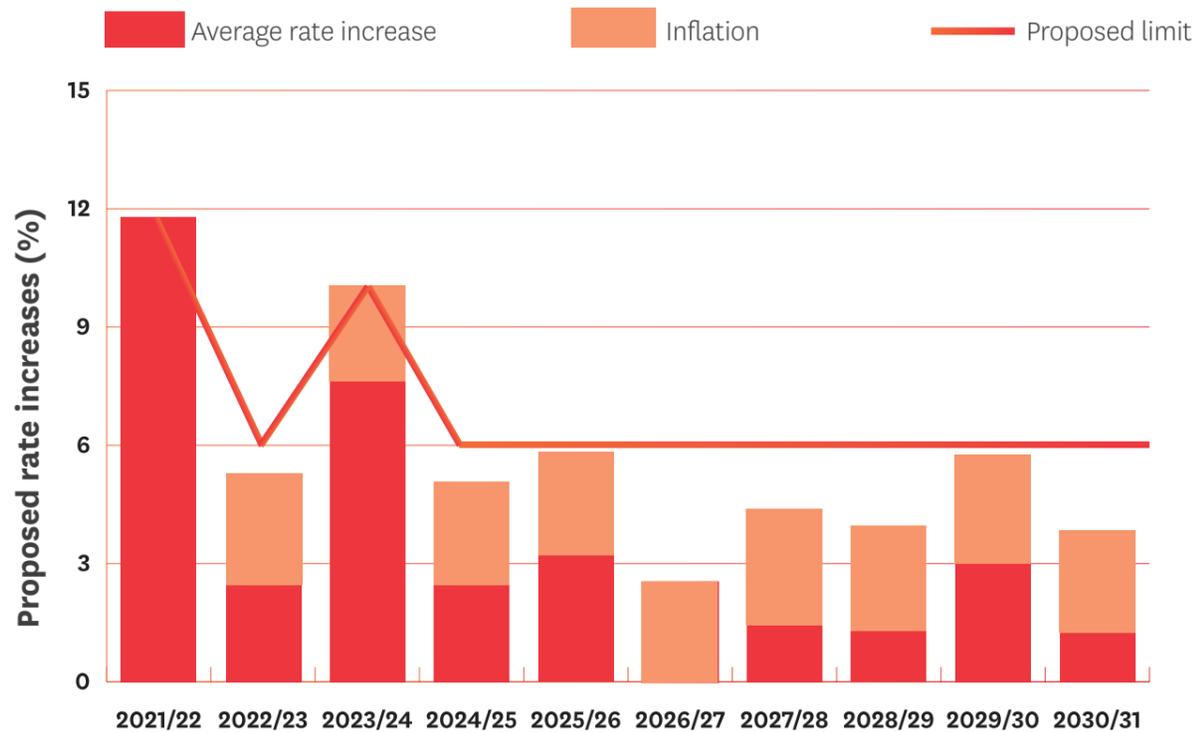
We feel this limit is still appropriate, and we treat the limit as exactly that, a limit not a target. We expect our debt to be on average around 102% of our revenue over the next ten years. Our forecasts show that we can comfortably service this level of debt.

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



Our draft budget - projected rates increases for the next ten years

Annual rate increases will not be more than 6%, except for years one and three. The proposed rates limit for year one is 11.85% and year three is 10.20%. The average increase over the next ten years is proposed to be 5.93% per year. This includes all projects we have outlined in this document.



What's driving the 11.85% increase?

In 2021/22 we are proposing to collect an additional 11.85% in rates compared to the current year. 1.5% of that should be covered by new ratepayers as our district continues to grow. This is the largest single increase in rates our Council has had in many years.

You may see a similar level of increase at other councils around New Zealand, especially where they have maintained lower rate increases in recent years, and had low/zero increases last year due to COVID-19 as we did. That is because a significant portion of the increased costs is being driven by external factors affecting the very core areas of our business – it's the escalating cost of collecting and disposing of our rubbish and recycling, and the cost of complying with increasing standards for the supply of drinking water (both of which have been underfunded in the past few years).

It's also the costs of complying with increased environmental standards for the discharge of storm and wastewater, and increasing contract costs to maintain our roads. We are also committing to some new staff positions to improve engagement with community and iwi, and continuing to progress our digital strategy.

What's causing the spike in rates in 2023/24?

Our current contract for waste services (kerbside collections of rubbish and recycling, and transfer station operation) ends in 2023 and we anticipate that the contract rates that we have been paying for the collection service in the past will not be sustainable – we've projected a significant increase in costs from 2023 onwards. We are also proposing a move away from rubbish bags, to using a wheelie bin instead. So while targeted rates would increase to pay for the wheelie bin collection, you would no longer have the cost of purchasing rubbish bags.

Why not smooth out these large spikes in rates?

In year one and three of this plan - the jump in costs is considerable, and to try and smooth these costs over the following years would be "kicking the can down the road" - we feel we need to face these head on and catch up. Smoothing is part of our strategy once we are back on an even keel.

ADDING IT UP

HOW WILL THIS AFFECT YOU?

The increases we propose are in relation to the total rates collected by Council. This means Council would collect 11.85% more from rates in 2021/22 than in 2020/21 – but 1.5% of that is expected to be covered by new ratepayers, as the district is continuing to experience strong growth.

This means existing ratepayers would fund 10.35% of the total rates increase. How that impacts different properties would vary - some would see an increase of more than 10%, and others would see less depending on the value of the property and the services they receive. The table below shows some examples of how different types of properties will be affected.

You can view the impact of the proposed increase on your own property at mpdc.nz/ratessearch

	Property value	Rates bill 2020/21	Proposed increase for 2021/22	Average annual increase for next ten years
Urban property connected to services 	\$350,000	\$2,285	\$200 (8.7%)	\$173 (5.8%)
	\$550,000	\$2,516	\$235 (9.3%)	\$188 (5.8%)
	\$850,000	\$2,862	\$288 (10.1%)	\$211 (5.7%)
Rural Lifestyle property not connected to services 	\$600,000	\$1,423	\$124 (8.7%)	\$74 (4.3%)
	\$1 million	\$1,885	\$195 (10.3%)	\$105 (4.5%)
Commercial property connected with two toilets 	\$500,000	\$3,755	\$230 (6.1%)	\$294 (6.0%)
	\$800,000	\$4,101	\$283 (6.9%)	\$317 (5.9%)
Rural property not connected to services 	\$5 million	\$6,502	\$903 (13.9%)	\$405 (5.0%)
	\$8 million	\$9,965	\$1,434 (14.4%)	\$631 (5.1%)

To the reader:
**INDEPENDENT AUDITOR'S REPORT ON MATAMATA-PIAKO DISTRICT COUNCIL'S
CONSULTATION DOCUMENT FOR ITS PROPOSED 2021-2031 LONG-TERM PLAN**

I am the Auditor-General's appointed auditor for Matamata-Piako District Council (the Council). The Local Government Act 2002 (the Act) requires the Council to prepare a consultation document when developing its long-term plan. Section 93C of the Act sets out the content requirements of the consultation document and requires an audit report on the consultation document. I have done the work for this report using the staff and resources of Audit New Zealand. We completed our report on 10 March 2021.

Opinion

In our opinion:

- the consultation document provides an effective basis for public participation in the Council's decisions about the proposed content of its 2021-2031 long-term plan, because it:
 - fairly represents the matters proposed for inclusion in the long-term plan; and
 - identifies and explains the main issues and choices facing the Council and district, and the consequences of those choices; and
- the information and assumptions underlying the information in the consultation document are reasonable.

**Emphasis of Matter -
Uncertainty over three
waters reforms**

Without modifying our opinion, we draw attention to the disclosure on page 29, 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 consultation document was prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the consultation document has been based.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand)

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

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

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

**Responsibilities of the
Council and auditor**

The Council is responsible for:

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

practice in New Zealand.

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

**Independence and quality
control**

We have complied with the Auditor-General's:

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

In addition to this audit and our report on the Council's 2019/20 annual report, we have carried out a limited assurance engagement related to the Council's debenture trust deed, which is compatible with those independence requirements. Other than these engagements we have no relationship with or interests in the Council or any of its subsidiaries.



Lauren Clark
Audit New Zealand

*On behalf of the Auditor-General,
Auckland, New Zealand*

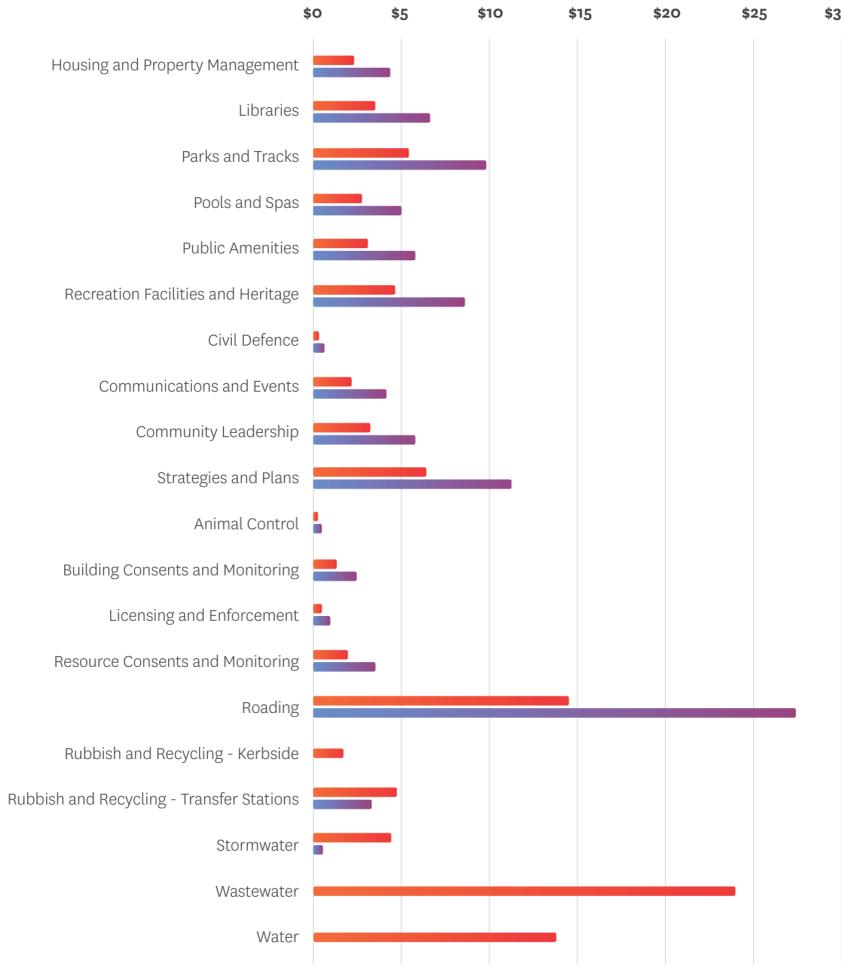
**UNDERSTANDING RATES: WHERE IS EVERY
\$100 OF YOUR RATES SPENT?**



\$550,000 urban property
Connected to services (e.g. water, wastewater, rubbish collection)



\$8 million rural property
Not connected to services



**TE TĀPEATANGA
SUBMISSION FORM**

Name: _____

Business/organisation (if applicable): _____

Phone (daytime): _____ Email: _____

Address: _____

Ratepayer: Yes No

Age group: Under 25 25-34 35-44 45-54 55-64 65+

Would you like to speak about your submissions at a Council Hearing? Yes No

A hearing will be held on 12 May 2021 (and 13 May 2021 if required). 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: _____

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. For further information on how your information will be used please view our privacy statement available at Council Offices or on our website.

Tell us what you think - Things we think we should focus on...

Te Aroha Spa

- Work towards developing a new destination spa
- Don't do it
- If you're going to do it, do it properly

Additional water sources for Morrinsville

- Provide two additional water sources for Morrinsville
- Provide one additional water source for Morrinsville

Facing the rubbish problem head on

Kerbside collections

- Changing kerbside collections from 2023
- Dump it altogether

Resource recovery centres

- Establish two resource recovery centres
- Put resource recovery centres in all three towns
- It's a good idea – just not yet
- Dump the idea

Revitalising our town centres

- Improve our town centres
- Do it faster
- Don't do it

**Mountain bike skills and dog park
for Te Aroha**

- Develop mountain bike skills and dog park for Te Aroha
- Don't do it

**Improving walking and
cycling connections**

- Improving walking and cycling connections
- Slow but steady
- Don't do it

Dog park in Matamata

- Create a dog park at Swap Park
- Don't do it

**Things we want
to investigate:**

- Morrinsville Recreation Master Plan (rec grounds, library, pool)
- Te Aroha civic facilities (library, i-SITE, museum)
- Morrinsville to Te Aroha cycleway
- A stage for the Matamata-Piako Civic and Memorial Centre
- Expanding our housing for the elderly

**Looking further ahead
(years 4-10):**

- Waiorongomai carpark
- Destination playgrounds
- Upgrade of the Te Aroha sewer falling main
- Treated water storage in Matamata
- Upgrade wastewater treatment plants
- Matamata to Piarere cycleway
- Tower Road pump station and rising main

**Things we're
compromising on:**

- Matamata Bypass
- Morrinsville civic facilities
- Morrinsville Office and Library

**What do you think about our
plans for our other projects?**

**What do you think about our
proposed limits for rates and debt?**

OFFICE USE ONLY

_____ TI: _____ TA: _____ File No: 18/12245

Comments

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 seal this form will result in non-delivery from NZ Post.

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.

Fold

Fold

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