

# MATAMATA PIAKO

MŌHIOHIO ANŌ MŌ TE RAPU WHAKAARO KI TE

RAUTAKINGA TŪROA 2021-2031

UNDERLYING INFORMATION FOR CONSULTATION ON THE

LONG TERM PLAN 2021 - 2031









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# HE KUPU WHAKATAKI

## INTRODUCTION





# WELCOME

## A MESSAGE

## FROM THE MAYOR

Council has been working on a plan for the next 10 years for several months, taking a hard look at what needs to be done to help our district move forward.

Council signed off the LTP and consultation document for public consultation, with a total rates increase in the first year of 11.85%.

This means Council would collect 11.85% more from rates 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. This is a LTP that is grounded in reality.

**We live here too and we don't like large rates increases either, but we are dealing with escalating costs in core areas of our business - like maintaining our roads, rubbish and recycling and complying with drinking water standards. We have no choice but to face these challenges head on.**



We're tackling the issues, but we also have some really exciting proposals included over the next 10 years, like revitalising our main streets, and planning ahead for recreation facilities - including an additional indoor stadium for Matamata and re-development of the Morrinsville pool. Projects that will help make our community a more vibrant, thriving place.

We're also proposing to develop a new day spa in Te Aroha, starting with a plan that will allow us to stage the project in a cost effective way. We expect when the development is up and running it will be self-funding, so there should be little impact on rates, but a significant impact on the district - attracting both domestic and international visitors in time. 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 - which meant farmers had no rates increase at all, while urban properties had a small increase in targeted rates. The flow on effect of this is that higher value farms will see a higher increase in 2021/22 than urban properties.

We kept the increase to general rates at zero this year, but we have some big challenges that we have to face, such as more frequent droughts, changing weather patterns and a reform of our three water activities by Central Government which you can read more about inside this document. Keeping rates low just to be popular puts our district in a dangerous position in years to come - no one will thank us in the future if we're facing 20-30% rates increases because we weren't brave enough to face facts, if we stick to our current limits our community will not be able to move forward towards our vision. Whatever the total draft rates increase is, the community will have their opportunity to have their say on it.

**We know that any rates increase, however big or small, can have a significant impact on some people in the community, and this Council is committed to engaging with the community so we can make informed decisions.**

Council will be consulting on the LTP from 16 March to 19 April 2021. Opportunities to tell us what you think will be widely advertised in local newspapers, Council's Facebook page, and [mpdc.govt.nz](http://mpdc.govt.nz). If you want to be notified directly of the opportunity to have your say, you can sign up for email notifications on Council's website, or download the free Antenna app from Google Play or the App Store.

**Ash Tanner**  
Mayor



# OUR GOVERNANCE

**Council has established the following governance structure:**

## Council

The Matamata-Piako District is divided into three wards: Matamata, Morrinsville and Te Aroha. Our Council consists of 11 Councillors, elected by their respective wards, and the Mayor, elected by all voters throughout the District. The Councillors and Mayor are elected to represent their communities and make decisions for the District. The elected representatives are supported by the Council's Chief Executive Officer and staff who provide advice, implement Council decisions, and look after the District's day to day operations.

## The Corporate and Operations Committee

This committee is made up of the Mayor and all 11 Councillors. Council has delegated all of its responsibilities, duties and powers to the Corporate and Operations Committee, except for the ones it can't delegate under the Local Government Act 2002 (like adopting an Annual Plan or Report), and these delegated to the Hearings Commission

## Te Mana whenua Forum mo Matamata-Piako

The Te Mana whenua Forum mo Matamata-Piako (Forum) is a standing committee of Council who advise on cultural, economic, environmental and social issues of significance to Mana whenua groups. The Forum also provides advice to Council about issues that affect Māori in our District, and provides feedback when we are developing plans and policies, such as the LTP or District Plan. The Forum includes representatives from Council, Ngāti Hauā, Ngāti Rahiri-Tumutumu, Ngāti Maru, Ngāti Whanaunga, Ngāti Paoa and Ngāti Hinerangi. Raukawa and Ngāti Tamatera also have the ability to join.

## The Hearings Commission

The Hearings Commission is responsible for hearing and determining applications for resource consents under the Resource Management Act 1991, granting exemptions to fencing requirements under the Fencing of Swimming Pools Act 1987, and hearing and determining objections under the Dog Control Act 1996. The Hearings Commission is made up of five Councillors, one of which is the chairperson.

## The District Licensing Committee

Council has a District Licensing Committee to consider and determine applications under the Sale and Supply of Alcohol Act 2012. The District Licensing Committee considers and makes decisions on alcohol licences (including club, special, on and off licences and manager's certificates). The District Licensing Committee is chaired by a Councillor. Members of the committee are appointed from a list of appropriately qualified people, which may include Councillors, and two of these members sit on the District Licensing Committee.

## The Audit and Risk Committee

The Audit and Risk Committee ensure we have appropriate risk management and internal and financial control systems. This committee includes an independent chairperson, independent member, the Mayor and five elected members.

## The Waharoa (Matamata) Aerodrome Committee

The Waharoa (Matamata) Aerodrome Committee is a committee that was established in 2015 by legislation under the Ngāti Hauā Claims Settlement Act 2014. The committee comprises of the Mayor, Deputy Mayor, one Council appointed member and three members appointed by the Ngāti Hauā Iwi Trust Board trustees. The functions of the Waharoa (Matamata) Aerodrome Committee, as set out in the Ngāti Hauā Claims Settlement Act 2014 are to:

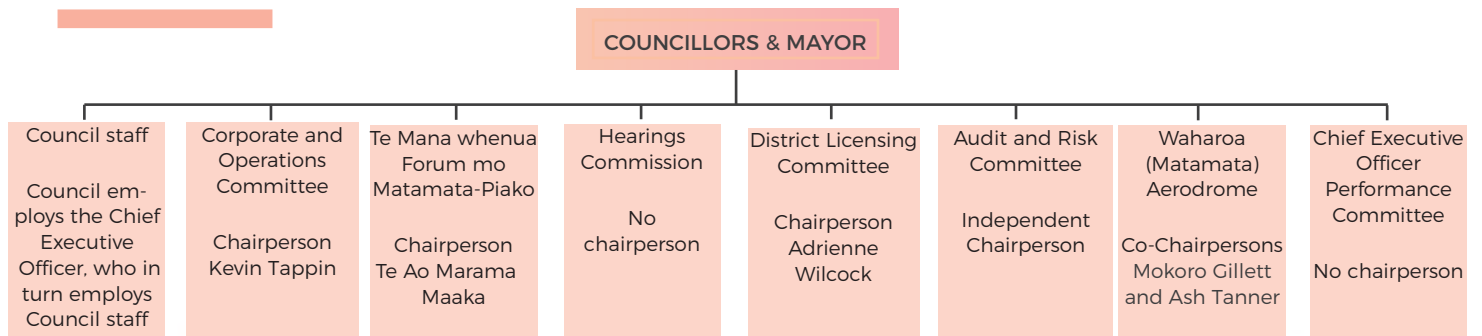
- make recommendations to Council in relation to any aspect of the administration of Waharoa Aerodrome land
- make final decisions on access and parking arrangements for the Waharoa Aerodrome land that affect Raungaiti Marae.
- perform the functions of the administering body under section 41 of the Reserves Act 1977 in relation to any review of the reserve management plan that has been authorised by Council
- perform any other function delegated to the committee by Council.

## Chief Executive Officer Performance Committee

Chief Executive Officer Performance Committee undertakes a review of the performance and remuneration of the Chief Executive Officer on an annual basis in accordance with the Chief Executive Officer's employment agreement. The Committee includes the Mayor, Deputy Mayor and five Councillors.



# COUNCIL



**ASH TANNER**  
MAYOR



**CAITLIN CASEY**



**TEENA CORNES**



**RUSSELL SMITH**



**JAMES SAINSBURY**



**KEVIN TAPPIN**



**SUE WHITING**



**ADRIENNE WILCOCK**



**NEIL GOODGER**  
DEPUTY MAYOR



**BRUCE DEWHURST**



**DONNA ARNOLD**



**JAMES THOMAS**



# YOUR GUIDE

## TO THE LONG TERM PLAN

**The Long Term Plan sets our direction for the next 10 years; outlining our key aims, objectives and priorities for the Matamata-Piako District.**

### This plan

- Describes the type of District our communities have told us they want - our community outcomes.
- Identifies the key projects to take place over the next 10 years.
- Provides an overview of each activity we will carry out and the services we provide for the next 10 years.
- Determines how much this will all cost and how we will fund it.

### Why produce a Long Term Plan?

Under the Local Government Act 2002, we have to set out a LTP for the community. We also do it to give our community the opportunity to have a say on where we are heading and to ensure our planning is robust. In completing the plan we are required to do a number of things, including:

- Take a sustainable development approach to promote community interests.
- Carry out our business in a clear, transparent and accountable manner.
- Operate in an efficient and effective manner, using sound business practices.
- Take into account community views by offering clear information and the opportunity to present views.
- Provide opportunities for Māori to contribute to decision making.
- Collaborate and co-operate with other agencies and councils to achieve desired outcomes.

### Annual Plan

We produce an Annual Plan in the two years that we don't produce a LTP. The Annual Plan highlights any changes or variances from the LTP for the coming year. If the proposed Annual Plan does not include significant differences from the content of the LTP for that year then we are not required to consult the community on it.

### Annual Report

We produce an Annual Report every year. This reviews our performance, letting the community know whether we did what we said we would. It also checks financial performance against the budget and Financial Strategy.








# MATAMATA-PIAKO THE PLACE OF CHOICE

## LIFESTYLE. OPPORTUNITIES. HOME.

### Our vision and community outcomes

Back in 2017 we reviewed our vision and community outcomes for our District. Over the past three years we have made progress towards making Matamata-Piako the place of choice, and we want to continue to build on this to provide lifestyle, opportunities, and home.

To make this vision a reality we see ourselves enabling the community in five key areas, with fifteen specific community outcomes we want to achieve outlined below:

Our Community outcomes				
Connected Infrastructure	Economic Opportunities	Healthy Communities	Environmental Sustainability	Vibrant Cultural Values
				
Infrastructure and services are fit for purpose and affordable, now and in the future.	We are a business friendly Council.	Our community is safe, healthy and connected.	We support environmentally friendly practices and technologies.	We promote and protect our arts, culture, historic, and natural resources.
Quality infrastructure is provided to support community wellbeing.	Our future planning enables sustainable growth in our District.	We encourage the use and development of our facilities.	Development occurs in a sustainable and respectful manner considering kawa/protocol and tikanga/customs.	We value and encourage strong relationships with iwi and other cultures, recognising wāhi tapu and taonga/significant and treasured sites and whakapapa/ ancestral heritage.
We have positive partnerships with external providers of infrastructure to our communities.	We provide leadership and advocacy is provided to enable our communities to grow.	We encourage community engagement and provide sound and visionary decision making.	We engage with our regional and national partners to ensure positive environmental outcomes for our community.	Tangata Whenua with Mana whenua status (those with authority over the land under Māori lore) have meaningful involvement in decision making.

You can read more about how each of Council activities contributes to these community outcomes in section 6 of the LTP.

## It's all about balance...

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.

As a community we face a range of external factors that can influence our decision making. As part of our LTP we have identified four main challenges that we must consider as we aim to balance affordability with the resilience, compliance growth and demand. These four challenges have an impact across all of our activities.



**Affordability** – our communities are ageing, which means more people on fixed incomes, there is also a limit as to what our community in general can afford to pay for. This means that with all of the decisions we make as part of this LTP, we have to ask “can we afford to pay for this?”



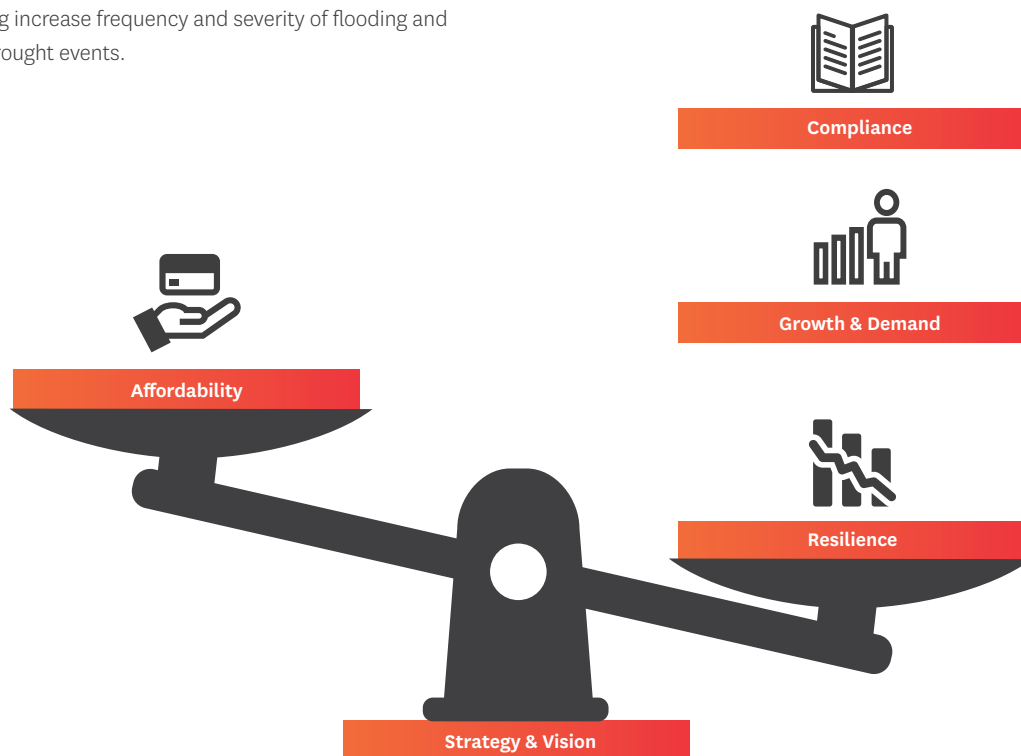
**Growth and demand** – Although our population is ageing, we are also experiencing steady population growth in our urban areas, while rural areas remain static or will decline over time. We also experience demand from industries that want to locate themselves in our District. Our communities also have different priorities and expectations which we need to consider.



**Resilience** – the global Covid-19 pandemic and its impact on the economy is a prime example of why it's important that we plan for emergencies – our strong financial position meant that we were able to keep the general rates increase at zero in 2020/21 during a time of uncertainty, while still driving projects forward. We need to make sure that as an organisation we are in the best position we reasonably can be in case the worst does happen. The same applies to infrastructure resilience, ensuring that our infrastructure assets continue to deliver services to our community amidst our changing environment e.g increase frequency and severity of flooding and drought events.



**Compliance** – we face increasing pressure in the need to comply with increasing environmental, health and other standards. How we meet those standards and the cost of doing so is an ongoing challenge that we have to manage.





## The road ahead – how are going to get there?

The Financial Strategy (Section 2) and Infrastructure Strategy (Section 3) are two of our key strategies that aim to ensure we can provide quality infrastructure while maintaining a healthy financial position well into the future. It's important that these strategies align with our vision, our priorities and what we are trying to achieve for our community. The below table shows the relationship between these two key strategies, and how they address our future challenges.

CHALLENGE	FINANCIAL STRATEGY RESPONSE	INFRASTRUCTURE STRATEGY RESPONSE
<b>Affordability</b>	Sets rates limits	Flat lining renewal programme
	Revenue and Financing Policy including use of Development Contributions to pay for growth	Risk based prioritisation of new capital works
	Sets debt limits	Optimised asset management (efficient operations and maintenance to ensure optimised life expectancy, and timely replacement to prevent asset failure)
	Funding of depreciation to replace assets	Timely development of new infrastructure (aligned with when growth happens)
<b>Resilience</b>	Debt limits and allow headroom to respond to unforeseen circumstances (such as Covid-19)	Optimised asset management
	High ratio of rates income minimises risk of revenue loss	Stringent maintenance of critical infrastructure
<b>Growth &amp; Demand</b>	Using Development Contributions	Timely investment in growth infrastructure
<b>Compliance</b>	Taking a “whole of life” approach to decision making on investments	Our water supplies will meet drinking water standards
	A greater proportion of costs can be recovered from exacerbaters through the use of water meters, trade waste agreements and pan charges	Our water and wastewater treatment plants will meet resource consent conditions
		We will reduce death and serious injuries on our roading network

# RAUTAKI Ā-PŪTEA

## FINANCIAL STRATEGY





# FINANCIAL STRATEGY

## Matamata-Piako – The Place of Choice. Lifestyle. Opportunities. Home.

To deliver on this vision for our District, it's our role 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.

Our key Financial Strategy goals that will ensure we can deliver on our vision are set out, along with the key actions in the LTP that are required to achieve these goals.

Our Financial Strategy provides an understanding of our current financial health – where we are now, where we want to be, and what are the key things that are driving our direction – the challenges and opportunities we expect will have a significant impact over the 10 years of this LTP and our responses to address these.

Our Financial Strategy has been prepared based on the Assumptions described in Section 4 of the LTP, and should be read in conjunction with the Infrastructure Strategy in Section 3. At the end of each financial year we will report on our performance against the key financial strategy goals in our Annual Report, and in the Pre-Election Report in the run up to the local government elections.

## Our Financial Strategy - What's changed this time round?

### We have some unavoidable cost pressures ahead

- We've had to prioritise our spending, potentially accepting some risk in service delivery
- We've had to be realistic about what we can deliver with the resources that we have
- At the same time, we don't want our District to get left behind – we want to offer more, but we can't do everything.
- We've kept rate increases low in the past, but this is not sustainable
- We're planning to increase debt, but very conservatively

### In our Financial Strategy of three years ago, we set the following financial goals for the next 10 years:

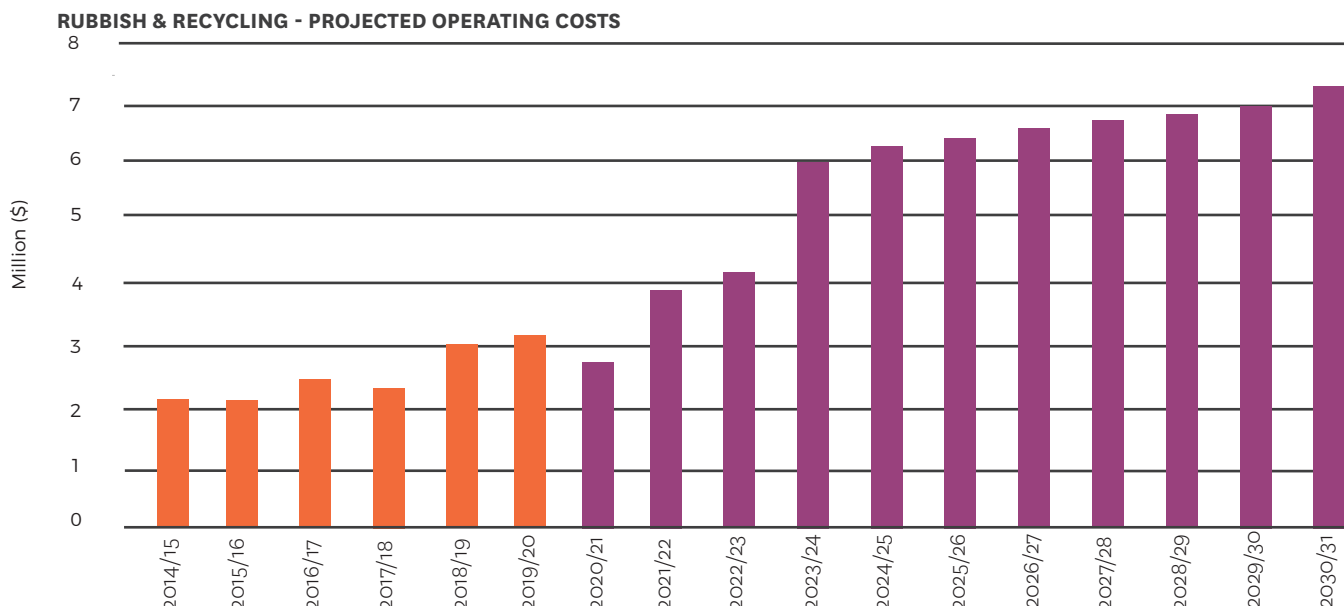
- To maintain the current levels of service we provide
- To improve levels of service where this complements our vision
- To keep our rates at an affordable level
- To ensure our debt is manageable and that we allow ourselves some headroom to respond to emergencies or opportunities that may arise.

Three years on, while some aspects of the environment we operate within have changed dramatically, our financial goals for the next ten years remain the same.

## We have some unavoidable cost pressures ahead

We are facing some significant areas of growing cost pressure, particularly;

- For our Water, Wastewater and Stormwater services, the cost to provide a network that complies with increasing legislative and environmental standards is growing significantly, requiring on-going capital investment and increased operating costs in order to meet minimum standards. Over the next 10 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. As well as growing compliance costs, the major growth from subdivisions and development in our District in the past and future leads to the need to build larger networks (these are funded by Development contributions), but thereafter these networks need to be maintained and eventually replaced (we rate for depreciation each year to fund their eventual replacement). Additional capital spending of \$16.1 million is projected for projects to cater for growth, and ongoing related operating costs over the 10 years averaging at \$922,000 per annum.
- Solid waste management is becoming increasingly complex and costly. Worldwide solid waste is a huge issue. Across New Zealand it is an issue too. And here in the Matamata-Piako - we are not unique. Markets for our waste products have changed and many countries have found they are unable to export recyclables to traditional markets. China has closed their doors completely and many other countries have followed suit, or have signalled they will do so. Council, including many others around NZ, have already stopped collecting 3-7 plastics and now only collect plastic grades coded 1 and 2 (mostly bottles). Plastics 1, 2, and 5 can be recycled within New Zealand and the Government is continuing to invest in infrastructure to recycle more materials onshore. This may provide opportunities for us in the future. Many of our neighbours in the Waikato Region are reviewing their services or implementing changes. Council wants to provide its urban community with an efficient, consistent and safe kerbside service that encourages people to minimise the rubbish that ends up in landfill and maximise the material diverted away from landfill; while keeping cost to users and ratepayers affordable. We also want to support our rural community with good recycling and waste management options. We have budgeted \$6.9 million over the next 10 years to upgrade our transfer station facilities. 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. These combined are projected to increase funding requirements as follows:



## We've had to prioritise our spending and we've had to be realistic about what we can deliver with the resources that we have

On top of these cost pressures, our District has a growing population of people on fixed incomes, so affordability is a key consideration in our decision making. Overall our District seems to have rebounded well from the initial shock of the Covid-19 lockdowns, however there are pockets within the community that have been hit harder than others. We plan ahead knowing that the risk of future lockdowns and further financial pressure is real. As part of our emergency preparedness planning, we have ear-marked \$700,000 of our Reserve funding to Covid-19 relief.



In planning for the LTP, our community, staff and Council have put forward a wealth of great ideas for new assets and projects that could really add to our District.

In the initial cut of the LTP budget we made the assumption we'd deliver all growth projects based on growth projections, that we'd do all the projects that would substantially eliminate or reduce risk, and would be fully compliant with all environmental standards and regulations. This culminated in a capital spend averaging \$35 million in each of the five years.

This initial cut of the LTP budget confirmed the reality that our District can neither afford to fund this level of investment, nor do we have the resources available to deliver to this level. Historically, we have achieved an average capital spend of \$18.7 million per year (in today's dollars) at maximum capacity. Planning to achieve anything significantly more than this level would be unrealistic, especially in the current climate where resources, particularly people on the ground to design, manage and build these assets, are in huge demand across the country.

So in the development of our LTP, we've had to make some tough decisions. We needed a more realistic project delivery forecast, and we needed to smooth out the delivery so to avoid peaks in our borrowing, and the consequential increases in operating costs. To achieve this, we've reflected on the timing of priority projects and where this did not cause an unacceptable level of risk, we have moved them to later years. We've broken projects into various components and looked to progress them over time. And we've taken out projects that were not considered essential or highly beneficial for the District at this time. These decisions made on the projects are discussed further in the infrastructure strategy.

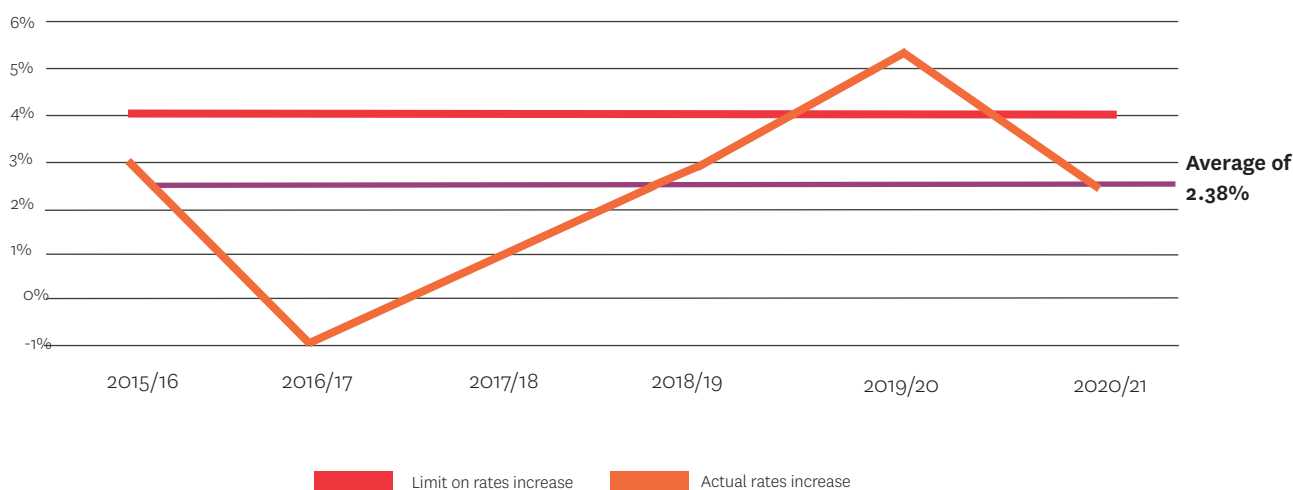
## At the same time, we don't want our District to get left behind - we want to offer more, but we can't do everything

We have a clear vision for our District, and to deliver on this we need do more. Decisions on improving the services or facilities we offer need to be balanced with affordability. Because of other the cost pressures we are facing with our core infrastructure, we've planned to focus on just a handful of other projects. These projects have been prioritised based on their potential to improve the economic or social aspects of our District, or where potential co-funding arrangements may make them more affordable. They include the Te Aroha Spa development, revitalising our main town centres, Te Aroha Tui Park redevelopment, improving walking and cycling connections and increasing the stock of Elderly Person's Housing.

## We've kept rate increases low in the past, but this is not sustainable

Over the last two LTP's (or six years), Council's average rate increase has been 2.38%, well below our self-imposed limit of 4%. Noticeably over the last two years however, our cost pressures due to compliance and growth in the Water, Wastewater and Stormwater activities and the Rubbish and Recycling activity 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 the year after. Both activities received additional funding from rates for the 2020/21 financial year, but not to the level required to cover the on-going cost pressures. And 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.

Rate increases over last six years



## Keeping our rates at this lower 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 the increase is proposed at 10.20%.

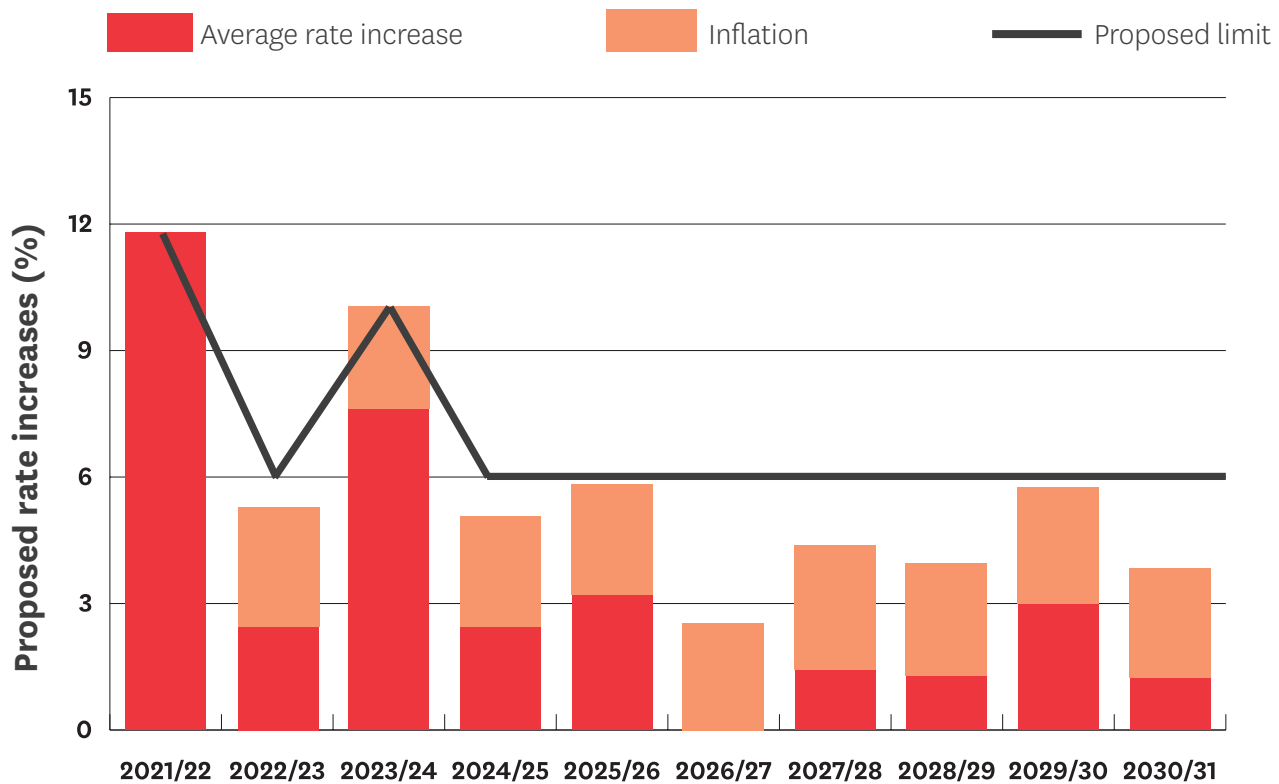
We also want to achieve more for our District – this requires funding beyond just the business as usual, but it still has to be affordable. This is what Council will seek the Community's feedback on during the consultation on the LTP. These are the projects that Council proposed to focus on, that are expected to drive improvements in the social, cultural and economic outcomes for our District over the term of this 10 year plan. On balance, Council believes it can deliver these projects of focus, on top of the 'business as usual' projects, and at the same time maintain average rate increases of less than 6% each year. There are 2 unavoidable exceptions however – the initial 'catch-up' phase in year 1 (due to underfunding in prior years and continuing costs pressures, and, in year 3, we will have to face the full impact of our rising costs to collect and dispose of our rubbish and recycling.

The 6% increase is in relation to the total rates collected by Council – how this impacts on individual property rates may vary with some paying more than 6% and some paying less depending on the services you receive. As we continue to experience strong growth in our District, there will gradually be more ratepayers to split the increasing costs across. For 2021/22, we've assumed a 1.5% growth in the rating base, and 0.5% per year after that.



## 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.*



### Whats 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 continue to progress our digital strategy.

### What's causing the spike in rates in year 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 spike s 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.

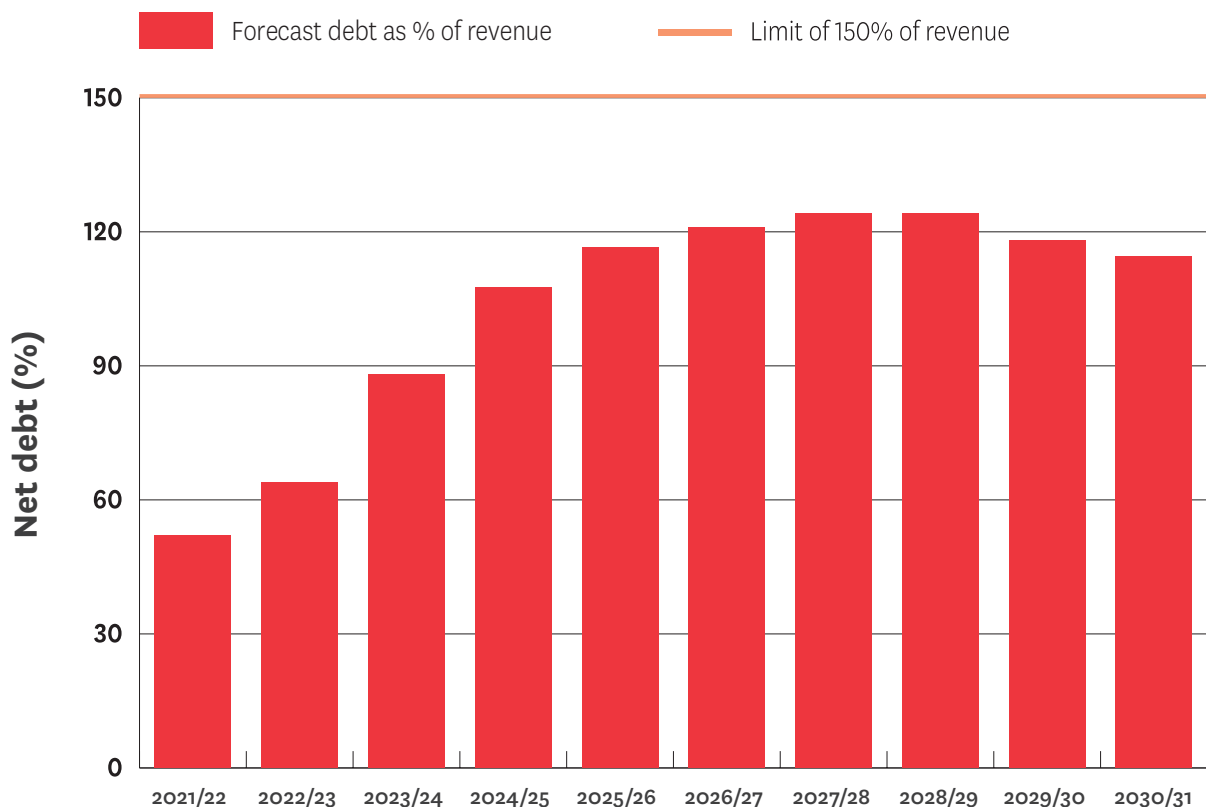
Annual rate increases will not be more than 6%, except for years 1 and 3. Rates will average at 5.93% per year over this ten year plan.

### We're planning to increase debt, but very conservatively

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.

In 2020 we asked the community about their appetite to potentially take on more external debt in order to get some projects underway sooner than we may otherwise be able to. The clear consensus however was that the community preferred the existing more conservative approach to debt – that we should only borrow money to fund capital spending on our core assets. So we're planning to stick with this approach and maintain our current limit on net debt at 150% of revenue. We expect our net debt to average around 102% over the next 10 years. Our projections show that we can comfortably service this level of debt, and this will leave us plenty of headroom.

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



## What's the plan to achieve our financial goals?

Financial goals	Key actions
Maintain the levels of service we currently provide.	<ul style="list-style-type: none"> <li>Optimised planning and asset management – improve our understanding of the condition of our assets so that our future costs of maintenance and renewal can be planned, and actively minimised.</li> <li>Allocate \$149 million over 2021-2031 to renew existing assets.</li> <li>Smooth our costs and any anticipated drops in revenue where possible, to minimise the impact on ratepayers.</li> <li>When the time is right, extend services to provide to new areas of growth at a forecast cost of \$16.1 million over 2021-2031.</li> </ul>
Improve some levels of service where this complements our vision.	<ul style="list-style-type: none"> <li>Give priority to service level improvements that align with Council's vision</li> <li>Allocate \$119 million over 2021-2031 to improve levels of service.</li> </ul>
Set prudent limits on rates and rate increases.	<ul style="list-style-type: none"> <li>Annual rates will not increase by more than 6%, except for unavoidable increases beyond this level in years 1 and 3.</li> <li>Leverage other funding opportunities where possible</li> </ul>
Set prudent limits on debt.	<ul style="list-style-type: none"> <li>Limit debt to 150% of annual revenue.</li> </ul>





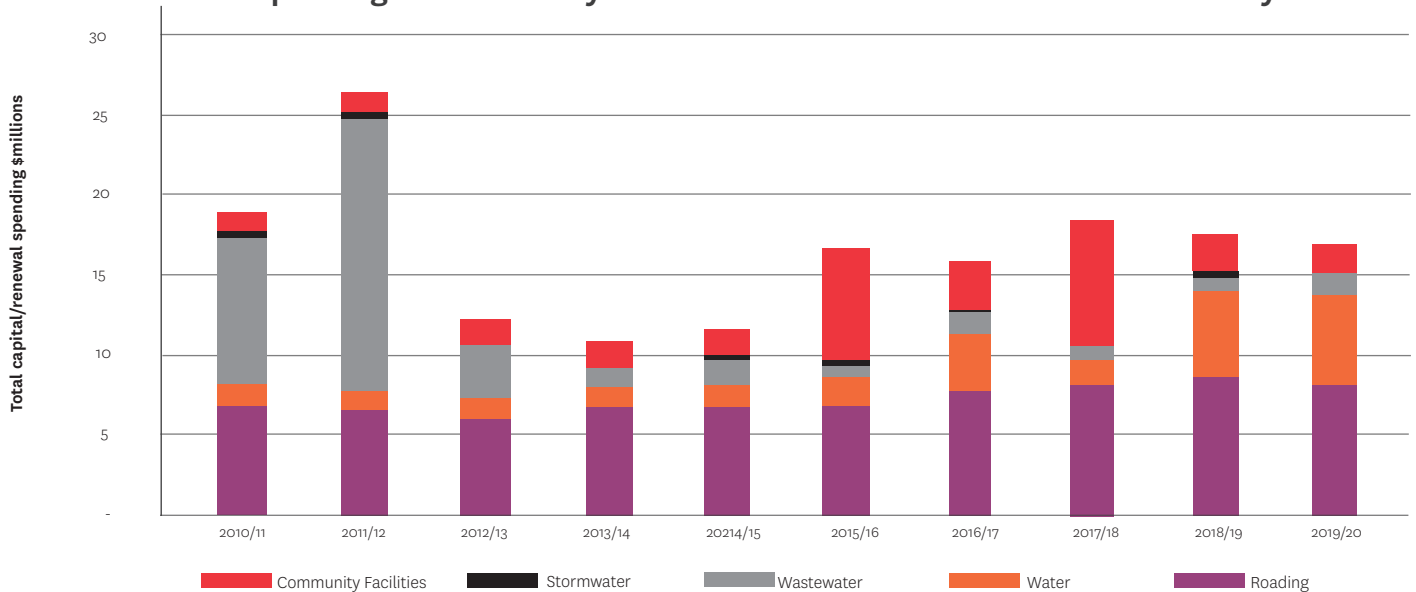
## Matamata-Piako - Where are we today?

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 rapid growth or population decline. But we are still facing some big challenges.

### Our Assets

We maintain over half a billion dollars worth of infrastructure assets. Overall these assets are in reasonable to good condition and are delivering the expected levels of service required. As the graph below shows, in recent years we have completed significant upgrades to our utility systems (water and wastewater), as well as our aquatic facilities (pools) and new recreational facilities (the Silver Fern Farms Events Centre and the Matamata-Piako Civic and Memorial Centre).

**Spending on community infrastructure and facilities over last next 10 years**

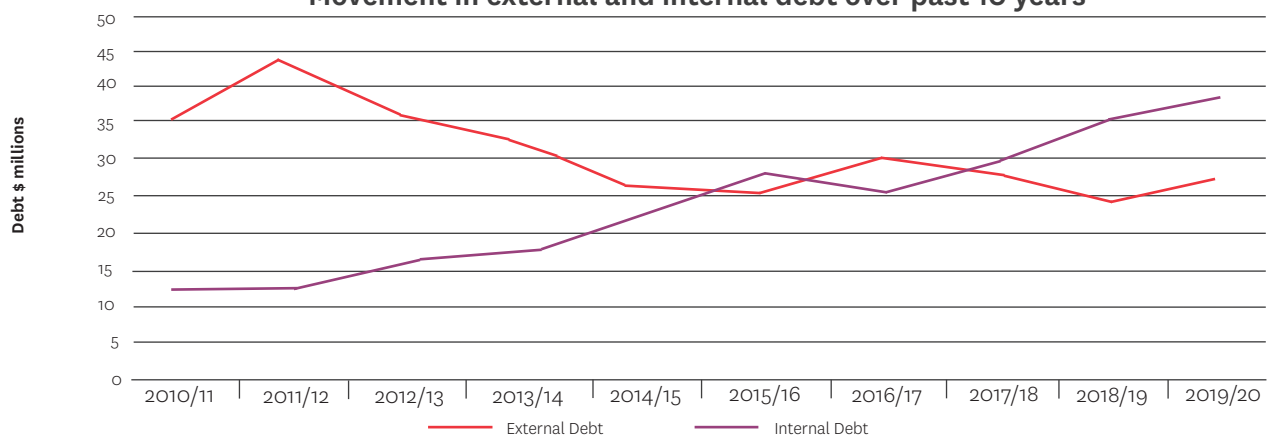


We don't have any significant spikes in renewal projects in the near horizon, which sets us apart from many other Districts that have these large expenditure commitments looming. Like other districts however, we do have some upgrade work required to meet increasing standards of compliance, which have been included in our forecasts or are represented in our 30 year infrastructure strategy.

### Our Debt

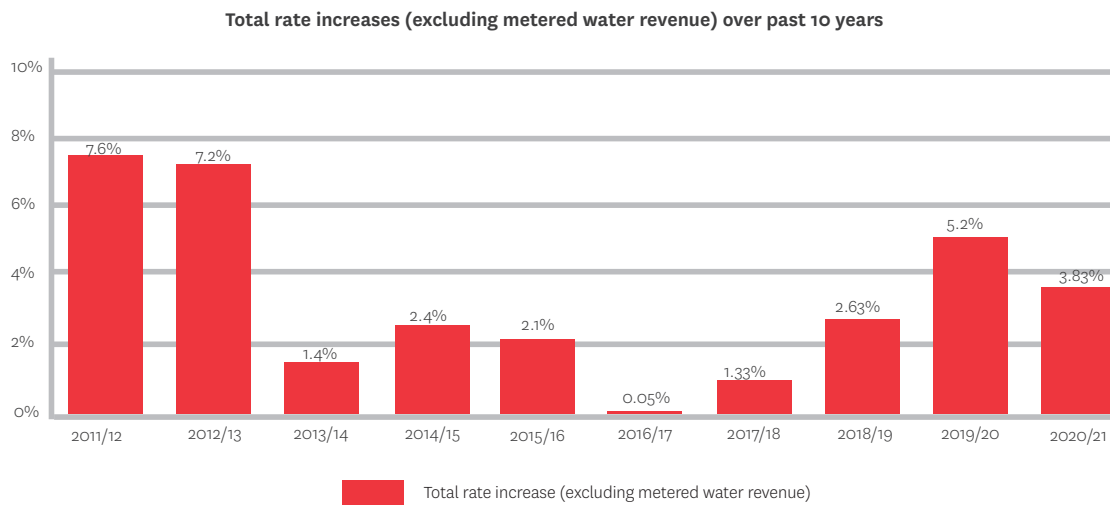
We do not have a significant amount of external debt. Independent experts have advised that net debt of a level up to 150% of our total revenue would be prudent for a council of our size. In our last Annual Report at 30 June 2020, our external debt was \$26.5 million. Our net debt (taking into account cash and other assets) was 42% of our total revenue. So we have plenty of headroom. Our District has benefited significantly from a \$24 million windfall back in 1998 in the form of dividends received on the wind-up of the former Thames Valley Power Board. Most of this fund was utilised to internally fund investments in our assets. If not for that windfall, our external debt would be at least \$18 million higher than it is today. The \$5.4 million remaining is invested, with the interest used to subsidise general rates. It also acts as a self-insurance policy which could be accessed in an emergency situation, like in the event of a natural disaster. Aside from the Thames Valley Power dividends, the \$41 million balance of our internal debt at 30 June 2020, has been funded from various sources, including cash surpluses from the sale of property, and depreciation collected to replace assets in the future.

**Movement in external and internal debt over past 10 years**



## Our Rates

We previously set a limit on annual rate increases at 4%. Over the last 10 years, total rates increased by an average of 3.37% per annum, particularly in relation to the significant water and wastewater upgrade projects in the earlier years. Over the last two LTP's (or six years), Council's average rate increase has been 2.52% - well below the limit of 4%.



Our rates compare favourably to our neighbouring councils. Over recent years, in economic terms we've had a lot thrown at us – the Global Financial Crisis, ups and downs in the dairy industry, a red-hot property market, and a global pandemic. With all of this going on, we've been conscious and have strived to keep total rate increases to a minimum in order to avoid the extra pressure on our community. While this was practical at the time and given the economic conditions, in some ways it also limited our ability to move forward. And particularly 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.

## Matamata-Piako - Where are we going?

We believe that our community is currently getting a good level of services, and that ratepayers are getting good value for their money. One of our financial strategy goals is to maintain our current level of services, and to continue to maintain and renew the assets that we already have. But, we feel there are areas where we could be doing more. We have a clear vision for our District, and to deliver on this we need do more. Decisions on improving service levels need to be balanced with affordability. Our vision for the District will guide where these service level improvements are required. This is the second goal of our Financial Strategy. The third and fourth goals relate to good financial management – our rates must continue to be affordable and our debt manageable, well into the future.

## Key Drivers and Responses

Looking forward, there are some challenges and opportunities ahead of us which may affect where we are going and how we get there. The main drivers that have influenced the decision-making in the development of our Financial Strategy are:



**Affordability**



**Growth and demand**



**Resilience**



**Compliance**

A discussion and our response to these drivers are outlined on the next pages.

## Affordability



Our communities are ageing, which means more people on fixed incomes, there is also a limit as to what our community in general can afford to pay for. This means that with all of the decisions we make as part of this LTP, we have to ask can we afford to pay for this?

### Issues and Opportunities

In developing our Financial Strategy we have been very concerned with keeping our infrastructure, services and rates affordable. Our strategy is underpinned by an assumption that affordability will be maintained throughout the 10 years of this plan, and beyond.

#### Our response is to maintain affordability by:

- Budgeting, prioritising and setting annual work programmes with the goal of remaining within the limits set on rates, rates increases and debt. Where our continued planning may indicate forecasts outside of our desired limits, our annual budget setting process will look to correct this. This could potentially result in a reduction in some non-essential services in some years if there are no alternative sources of funding without increasing rates beyond the set limits.
- Optimised planning and asset management – improving our understanding of the condition of our assets so that our future costs of maintenance and renewal can be planned, and actively minimised (refer to the Infrastructure Strategy for more information on this).
- Smoothing our costs and any anticipated drops in revenue where possible, to minimise the annual impact on ratepayers. Our operating and infrastructure renewal costs can vary widely from one year to the next as our assets have different lifecycles and need to be replaced at different times. Also operating revenue streams can be affected by external factors. Additional costs of compliance, the timing of which is often set by deadline, also add volatility to the funding requirements. Where possible, we've smoothed peaks in our reticulation and roading renewals, and we have considered the affordability and timing of other projects alongside compliance related spending.
- Continuing to partner with or seek funding from industry, community groups, other District and regional council and Central Government agencies to deliver shared outcomes that benefit our District. The proposed new Matamata Indoor Events Centre is one example we have planned, and we will consider other proposals as they arise. External funding and partnerships may also be available to extend our cycle trails. These are all examples of where external funding may be available to deliver shared outcomes that benefit our District.
- Taking a “whole of life” approach to decision making on investments with view to realising cost savings provided by new technology.
- Reviewing the provision and sustainability of our buildings and facilities – are they fit for purpose?
- Following a strategic procurement policy to ensure we are getting value for money.
- Regular reviews (in conjunction with the LTP) of the decisions on how to fund Council activities (set out in the Revenue and Financing Policy) in light of the policy considerations including the outcomes of the activity, who benefits and over what time, who is an exacerbator, how transparent the funding source is and whether the funding will promote accountability.
- Continuing to provide rates remissions to sports clubs, religious organisations etc., and also to promote to our ratepayers facing hardship, the Central Government funded rates rebate scheme.



## Growth and demand



We continue to experience moderate population growth (we've projected 0.6% over the next 10 years), with the majority of growth occurring in our main urban towns of Matamata, Morrinsville and Te Aroha. This population growth and land intensification increases demand for infrastructure and other services in our urban areas. People aged 60 years and above are the fastest growing age group in the District - this will impact on household sizes and dwelling/rating units demands in the future, and increases demand for accessibility within our infrastructure (e.g. footpaths) and our facilities. There are capital and operating costs involved in providing for growth and changes in population and the use of land in our District.

### Issues and Opportunities

We have projected moderate future growth in population, dwellings and rating units and you can read more about this in Section 4 of this plan. We have also considered what changes in land use we are likely to see over the next 10 years, and based on the Town Strategies we developed in 2013, we are not expecting any major changes. You can read more about the Town Strategies at [mpdc.govt.nz](http://mpdc.govt.nz).

The Town Strategies have informed changes to our District Plan. On April 2020, Plan Change 47 became fully operative. The plan change revised the planning rules and zoning for each of our three towns and the areas around them to ensure there was enough land zoned for future growth. It also provided for intensification of the residential zone, by providing for higher density infill zones, as well as zoning land for future residential development areas.

Council has also commenced Plan Change 53 - Settlements, the aim of this plan change is to recognize the character of the settlements by providing for the historical business and community activities. This plan change will also review the District Plan rules for the rural house sites within the District.

A new zoning mechanism is proposed for the settlements, called Settlement Zone with Residential, Commercial and Industrial precincts. This process is to enable land owners to make better use of their properties, considering the current Rural Zone provisions does not reflect current land uses. The settlements under scope are: Waihou, Waitoa, Tahuna, Mangateparu, Motumaoho, Walton, Hinuera, Te Poi, Manawaru and Te Aroha West.

Plan Change 53 has been publicly notified and was open for submissions until 18 December 2020.

Also informing our planning for growth is the National Policy Statement for Urban Development 2020 (NPS-UD). The NPS-UD replaces the National Policy Statement on Urban Development Capacity 2016 (NPS-UDC). This sets out the objectives and policies for providing development capacity under the Resource Management Act 1991. The NPS-UD sets requirements for councils when making planning decisions that affect an urban environment, for example making sure there are sufficient

opportunities for the development of housing and business land to meet demand, as well as exclusion of car parking requirements.

It takes a tiered approach to the application of its policies, so councils that have lower growth area (as per Statistics New Zealand projections) have lesser requirements than medium and high growth urban areas. An interesting feature of the NPS-UD is that if any urban centre is or it is intended to be over 10,000 people the requirements are applied throughout the whole District.

Matamata-Piako District does not currently have any 'urban environments' over 10,000 people and therefore, does not qualify within the tiers under the NPS-UD. However, the definition for urban environments also embraces non-contiguous urban environments that share the same housing and labour markets. Consequently, when considering the population growth projections for Waharoa and Matamata and current development trends, that is an assumption that both urban centres will reach the threshold within the near future. Therefore, Council has decided to work towards complying as a tier 3 Council. Despite our urban centres currently do not meet the population threshold requirement under NPS-UDC 2016 and NPS-UD 2020, we have taken into account the NPS-UDC through Plan Change 47 and NPS-UD through Plan Change 53. We consider we have sufficient zoned land and sufficient capacity within our existing infrastructure to cater for the growth we have projected over the next 10 years.

Growth and changes in demand and land use bring many benefits to the District including economic and employment opportunities. Growth requires investment in infrastructure to extend networks to new areas of development, which results in on-going costs to maintain and renew. The key to successfully providing for growth comes down to the timing of getting the assets in the ground - too soon, and there is a risk that the growth will not eventuate, leaving ratepayers to carry the costs. Too late, and opportunities for growth could be missed. Our Revenue and Financing Policy sees that those who create the need for or benefit most from the investment pay for it rather than existing ratepayers. Growth in rating units expands the rating base upon which to share the on-going maintenance and renewal costs.

## Our response is to support growth and changes in demand by:

When the time is right, extending services to new areas of growth. Our Infrastructure Strategy sets out the planned investment in growth for the next 30 years. Over the next 10 years of this LTP, we expect to invest \$16.1 million as a result of growth and there will be an on-going cost to then maintain these assets.

Continuing to fund investments in growth through contributions from developers. Our Revenue and Financing and Development Contributions Policies set out the guidelines for this funding approach.

- More information about development contributions can be found in Council's Development Contributions Policy at [mpdc.govt.nz](http://mpdc.govt.nz). Growth is supported by setting the contributions levels that are not seen to limit growth. Over the period of this 10 year plan, we expect to receive \$17.2 million in contributions from developers to fund the investment.
- Our policy approach is to limit rural subdivision development in alignment with the proposed National Policy Statement for Highly Productive Land and not to extend services to rural areas beyond the currently serviced properties. As a result, we are not anticipating any further major changes in land use over the next 10 years.
- Continuing to partner with industry to provide infrastructure required to supply their increased demand and growth. We have successfully partnered with large industries (e.g. Fonterra, Greenlea and Inghams) to provide increased capacity to allow these industries to grow and expand, further cementing their commitment in the District. The benefits to the District are significant in terms of employment and economic returns.
- Investing in infrastructure and facilities that enhance and increase the amenity and appeal of our District, potentially attracting further growth. The Infrastructure Strategy provides for various projects including the Te Aroha Spa development, revitalising town centres, Tui Park redevelopment, and cycleway extensions and connecting walkways.
- Maintaining our healthy financial position so that we are able to take advantage of opportunities as they may arise in the future, without compromising affordability or sustainability. This relates back to the limits set on debt and rates increases.

## Resilience



The global Covid-19 pandemic and its impact on the economy is a prime example of why it's important that we plan for emergencies – our strong financial position meant that we were able to keep the general rates increase at zero (net of expected growth) for 2020/21, during a time of uncertainty, while still driving projects forward. We need to make sure that as an organisation we are in the best position we reasonably can be in case the worst does happen. Forward planning is key to minimising any impact.

## Issues and Opportunities

The District is heavily dominated by agriculture and agri-related industry. Tourism has also been a growing industry in our District (although impacted over the past year). Severe weather events and sudden or sustained changes in economic conditions affecting these industries can impact significantly on the whole community. The needs of the community and their ability to pay can shift as a result. As a Council, we must be in a position to respond to these shifts.

We must also be able to respond to environmental and economic changes that directly affect the operations of Council. The Infrastructure Strategy discusses our response to environmental changes in terms of our network of assets and services. There are a range of ways we can manage and mitigate the financial impact of environmental and economic changes on our Council and community.

## Our response is to safeguard our resilience by:

- Maintaining a healthy financial position so that we have headroom and are able to cope with issues that may arise unexpectedly in the future, without compromising affordability or sustainability. This relates back to the limits set on debt and rates and rate increases.
- Smoothing our costs and any anticipated drops in revenue where possible, to minimise the annual impact on ratepayers.
- Continuing to rate to fully fund depreciation on assets that we will be required to renew when they reach the end of their useful life. This is needed so we can pay for the replacement of these assets in the future. Where an asset was initially funded by way of external subsidy e.g. Waka Kotahai (NZTA subsidy) we have assumed it's future replacement will be funded in the same way unless otherwise stated.
- Insuring our most critical infrastructure. Council is part of a regional wide collaborative insurance scheme to ensure that we get the best possible cover in the most cost effective manner.
- Having a \$5.4 million fund invested that could be accessed in an emergency situation, like in the event of a natural disaster. We also maintain credit facilities that currently allow us to access \$6 million as required.
- Managing our interest rate risk through the use of interest rate forward swap agreements. These agreements give us greater confidence in our future financing costs, with which we can more accurately budget funding requirements.
- Putting in place a rate remission for natural disasters and emergencies – in the event of a natural disaster or other type of emergency affecting the capacity of one or more rating units to be used for an extended period of time.
- Annually reviewing the available tools within our Revenue and Financing Policy that would allow Council to shift the incidence of rates, where this may provide some relief to affected ratepayers (e.g. shifting the Uniform Annual General charge between 25% and the maximum of 30%).

## Compliance



Many of our activities and services are subject to national and regional compliance, regulatory and legislative controls. At a high level we have seen an increasing level of control/regional government direction in particular in the areas of managing public and environmental health and optimised investment. How we meet those standards and the cost of doing so is a challenge that we have to manage.

### Issues and Opportunities

The common overall objectives of these changes to legislation and consent conditions are the improvement in the health of our communities and environmental sustainability. These general objectives are consistent with the vision and outcomes that we seek for our District. Another commonality of these legislative changes however are that they will come at a cost and they will put pressure on the affordability of the services we provide.

Our Infrastructure Strategy sets out the planned spend attributable to compliance for the next thirty years, (as far as we are able to foresee the changes and impact thereof at this point). Over the next 10 years of this plan, we expect to spend \$28.3 million in capital to ensure our compliance with the new legislation and consent conditions.

### Our response is to safeguard our resilience by:

- Taking a “whole of life” approach to decision making on investments with view to realising cost savings provided by new technology (refer to the Infrastructure Strategy for more information on this).
- Continuing to recognise that some users exacerbate the need for this spending, particularly in relation to water and wastewater activities. Our Revenue and Financing Policy provides avenues for a greater proportion of costs to be recovered from these users through the use of water meters, trade waste agreements and pan charges.



## Financial goals for 2021-31

We previously identified the key goals in this Financial Strategy in order to achieve Council's vision:

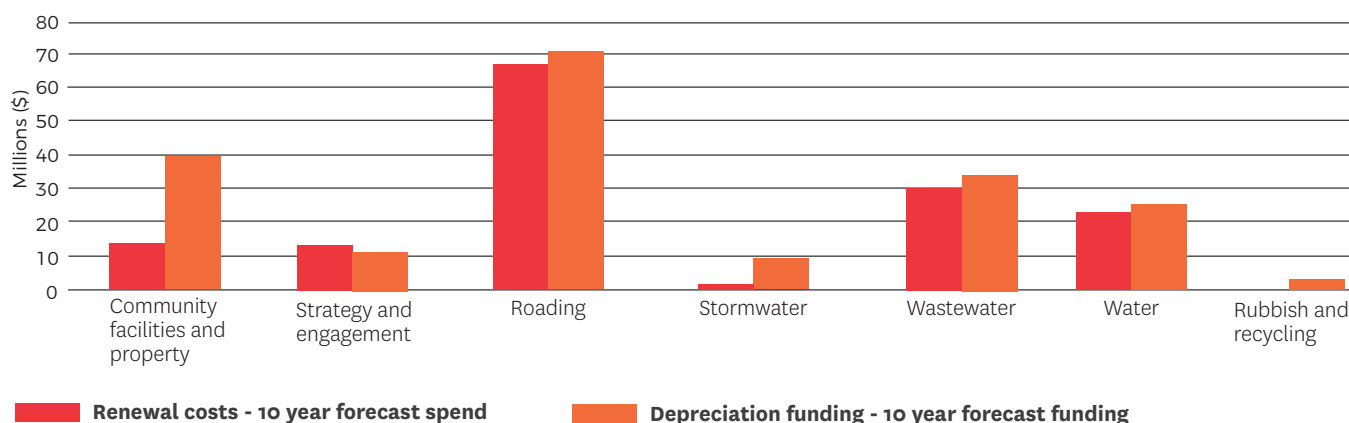
- To maintain the current levels of service we provide.
- To improve levels of service where this complements our vision.
- To keep our rates at an affordable level.
- To ensure our debt is manageable and that we allow ourselves some headroom to respond to emergencies or opportunities arising.

Further information on the key actions for the LTP are discussed in more detail below:

### Goal 1: To maintain the current levels of service we provide

In order to maintain our current levels of service, we will continue to maintain and renew our existing network assets of over half a billion dollars. Robust asset management planning is critical in ensuring that this is done in the most cost effective and sustainable manner. Our asset management plans (AMPs) set out the plans and timing for the renewal of our assets over the term of the LTP and beyond. Refer to the Infrastructure Strategy for more discussion on Council's approach to asset management planning. The planned renewal costs over the 10 years of the LTP and the funding from depreciation is shown below:

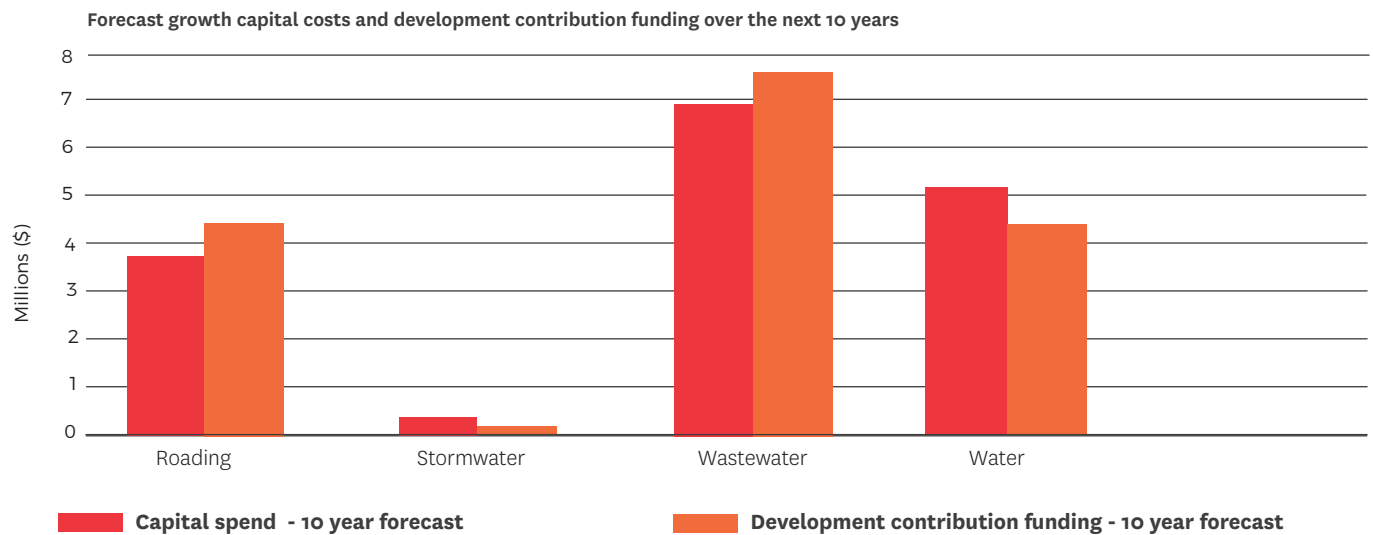
Forecast renewal costs and depreciation funding for next 10 years, by Activity Group



For activities where the depreciation funding collected over 10 years is less than what is forecast to be spent on renewing assets, we will look to fund the shortfall by borrowing from other activities where the funding collected over this 10 year period is more than required for the planned spend.

Our infrastructure renewal costs can vary widely from one year to the next as our assets have different lifecycles and need to be replaced at different times. Where possible, we've smoothed peaks in our reticulation and roading renewals, and we have considered the affordability and timing of other projects alongside compliance related spending.

Our AMPs also set out, based on the assumptions developed around population and development growth (see Section 5), the level of investment required to provide the required infrastructure at the right time. This infrastructure will extend the provision of services currently provided to new areas of development. That investment over the next 10 years, along with the funding expected from development contributions over this same time is shown on the following page:








The development contributions collected over the 10 years will be used to reduce the amount borrowed to fund the capital works undertaken to meet the demands of growth in the District.

## Goal 2: To improve some levels of service where this complements our vision

We have a clear vision and Community Outcomes for our District, and to deliver on this we must do more. Our vision for the District should continue to guide where these service level improvements are required. At this point, we have identified several areas where we propose to do more – and have included resources in our LTP budget to achieve this. These service improvements are set out in each of the activity sections of this LTP, key improvements are also highlighted below.

### Our community outcomes

	Connected Infrastructure 	Economic Opportunities 	Healthy Communities 	Environmental Sustainability 	Vibrant Cultural Values 
Town centre revitalisations	✓	✓	✓	✓	✓
Elderly Person Housing			✓		
Morrinsville Recreation Ground development	✓		✓		✓
Destination playgrounds			✓		
Morrinsville Pool development			✓		
Development of Spas		✓	✓		✓
Te Aroha Civic Facilities	✓		✓		
Matamata Indoor Sports Stadium	✓		✓		
Various roading upgrades	✓				
Matamata to Piarere Cycleway	✓	✓	✓		✓
Transfer station resource recovery centres	✓			✓	
Various wastewater treatment plant upgrades and other projects	✓			✓	
Various water treatment plant upgrades and other projects	✓			✓	

Goal 3: Set prudent limits on rates and rate increases

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 the increase is projected at 10.20%.

We’ve outlined a large number of projects we plan to undertake over the 10 years of this plan. The timing in which these projects are completed will impact on the associated on-going, operational, depreciation and interest costs in future years. If the proposed timing of the projects are delayed at all, then the forecast increases to rates will be smaller and spread over a longer period than indicated. We have a chance to review our budgets on an annual basis, so we will reassess our progress, and actively seek to live within our 6% limit where this is achievable, and yet will still enable us to make progress.

# Rates and rates increases

## ANNUAL RATES REVENUE<sup>1</sup> WILL NOT INCREASE BY MORE THAN 6% EXCEPT FOR YEARS ONE AND THREE

1. For the purposes of this calculation, rates revenue excludes penalties (which are not budgeted for), and rate revenue from metered water supplies (the majority of which come from a few large industrial users). These items are excluded as the level of revenue received is not within Council's direct control.

Forecast rates and increases in total rates revenue are shown in the following table.

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Forecast rates <sup>1</sup>	\$39.7m	\$41.8m	\$46.0m	\$48.2m	\$51.1m	\$52.5m	\$54.8m	\$57.2m	\$60.5m	\$62.9m
Forecast increase in rates	11.85%	5.23%	10.20%	4.81%	5.87%	2.84%	4.36%	4.38%	5.76%	4.04%

## How these limits were set

We've taken into account forecast inflationary pressures on our costs, forecast movements in interest rates, growth in our rating base, and the increased levels of service outlined, (refer to the full range of assumptions in Section 4). These assumptions are significant in the development of our forecasts. We set our limit at 6% because we believe that this is a level that strikes the right balance between affordability, continuing to comply with increasing environmental and legislative requirements, planning for additional growth and changes in demand, and ensuring our resilience. Overarching all of this though, is our desire to achieve our vision for the District.

## Leveraging other funding opportunities

Council will continue to partner with or seek funding from industry, community groups, other District and regional council and Central Government agencies to deliver shared outcomes that benefit our District. The proposed new Matamata Indoor Events Centre is one example we have planned, and we will consider other proposals as they arise. External funding and partnerships may also be available to extend our cycle trails. Funding received from Government's Provincial Growth Fund has enabled development opportunities to be explored within our District in recent years, and other economic stimulus funding has become available following Covid-19. These are examples of where external funding may be available to deliver shared outcomes that benefit our District.

Looking forward, Council has budgeted to receive funding from Waka Kotahi (NZTA) to support our roading programme, waste minimisation funding from Central Government and many other sources of funding. Council has adopted the Waikato Plan which focuses on the Waikato joining together in one voice to identify and address the issues the region faces and more importantly to take advantage of the opportunities for the Waikato. This includes lobbying Central Government and other agencies for service and infrastructure funding and applying for any funds available. Council will also continue to pursue funding opportunities as they arise.





Goal 4: Set prudent limits on debt

The water, wastewater, roading and community buildings and facilities that we provide are expected to continue to service the community over a long period of time, some well over 50 years. We need to ensure that future ratepayers pay their fair share of the cost of infrastructure that is developed now that they will benefit from. By using loans to pay for assets with a long life, we can recover the cost from ratepayers over the life of the asset. In this way the cost is more fairly allocated between current and future ratepayers.

Debt limit:

net debt as a percentage of total revenue will not exceed

150%

- net debt is calculated as external debt less liquid financial assets and investments. Liquid financial assets and investments are defined as cash, bank deposits and any fixed interest and equity investments that are held for other than strategic purposes.
- total revenue excludes development and financial contributions, vested and found assets and other gains.

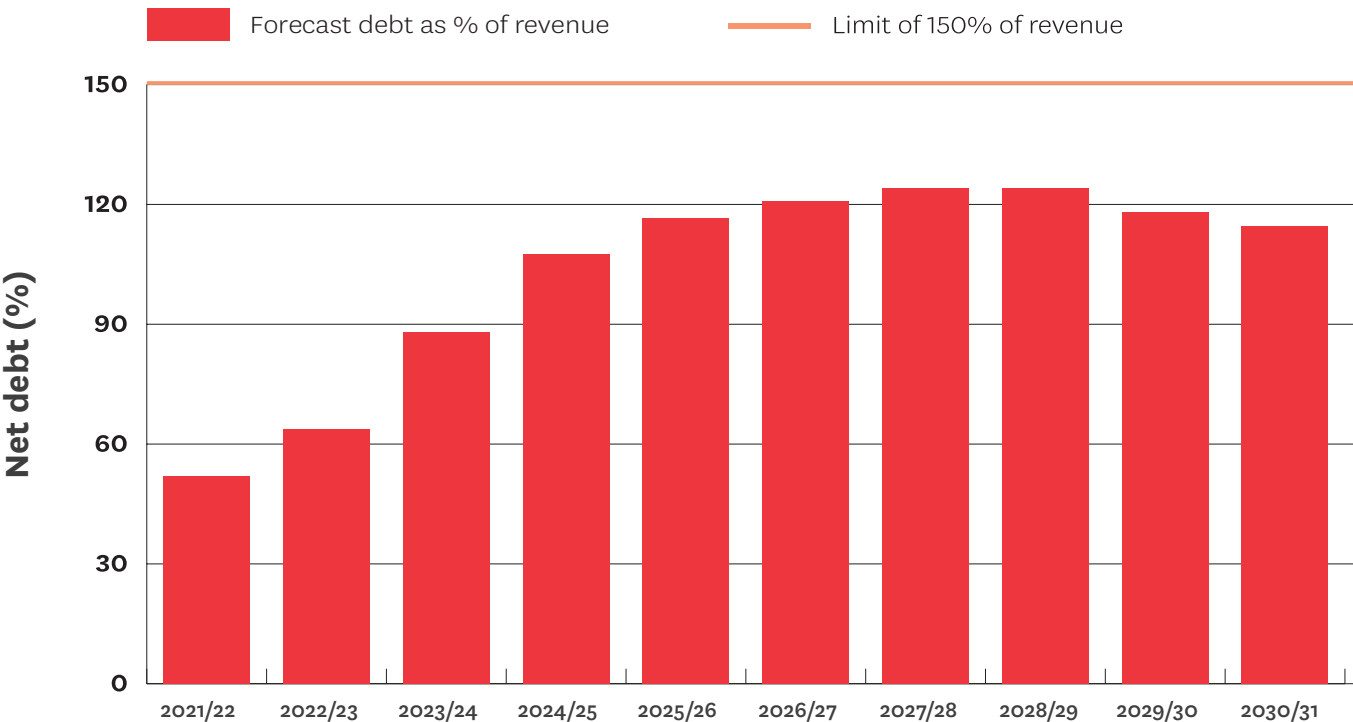
With the capital work programmed in this LTP, our external debt is expected to change over the next 10 years as follows:

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Forecast external debt	\$40.4m	\$48.9m	\$67.1m	\$82.8m	\$92.8m	\$100.1m	\$106.6m	\$110.0m	\$108.9m	\$109.0m

How actual debt tracks against this forecast will depend significantly on how well we progress with our planned capital programme. Our debt is forecast to peak at \$110 million in 2028/29. Our total revenue in the same year is forecast to be \$79.2 million. Our net debt is forecast to be 125% of total revenue. If you compare that to a typical household mortgage as a percentage of typical household income, it is fairly conservative.

We consider that a limit on net debt of 150% of revenue is prudent for a council of our size and growth potential, and is 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 102% of our revenue over the next 10 years.

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



Our forecasts also show that we can comfortably service our expected level of debt over the next 10 years. Our forecast borrowing costs are expected to peak at around 2.8% of our forecast revenue. Central Government has set a benchmark for councils with low to medium growth, where borrowing costs of less than 10% of revenue are considered to be prudent. Our forecast peak is well within this benchmark.

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 - having a lower level of debt makes us more resilient.

## What are the risks in our strategy and how do we manage these?

Our Financial Strategy is based on a number of assumptions that have been made using the best information we have at this point. These include assumptions on the forecast level of inflation for local government costs, interest rates, growth in the population and rating base, the impact on revenue streams related to the entry or exit of large industrial users in the District, etc.

It is also important to note that at this point we have continued to plan and budget to undertake our , Water, Wastewater and Stormwater activities, but acknowledge that these may transfer to a new dedicated entity in the future (refer to assumptions). Some of these assumptions could have a big impact on our financial situation if they prove to be significantly higher or lower than we anticipated. The assumptions set out in Section 4 explain how shifts in these assumptions may be managed, and the need to manage these will be assessed on an annual basis in the development of the Annual Plan.

### Other financial matters

Our Financial Strategy is required to include information on our objectives for holding financial investments and equity securities and to provide quantified targets for returns on those investments. We must also include our policy on giving securities for our borrowing.

### Investments

Our Investment Policy (available at [mpdc.govt.nz](http://mpdc.govt.nz)) sets out the detail of the type of investments we can hold, and our objectives and risk management strategies related to holding these investments. Council's commitment is to:

- Prudently manage Council's financial investments, from low risk investments.
- Maintain a prudent level of liquidity and flexibility to meet both planned and unforeseen cash requirements.
- Invest only in approved investment instruments and securities.
- Seek to optimise investment income.

### Cash and treasury investments

We hold cash and treasury investments, such as term deposits, as part of managing our cash flow to finance our day to day operations and capital expenditure programme. Other purposes include:

- To provide cash that could be accessed in an emergency situation, like in the event of a natural disaster. The cash could act as a buffer until normal revenue streams are reinstated following an event. Council has a \$5.4 million fund invested that could be utilised for this purpose.
- To invest funds allocated for approved future expenditure.
- To invest funds allocated to restricted reserves.
- To manage debt refinancing risks, by pre-funding maturing debt, and investing any surplus where considered prudent.
- To maintain and manage liquidity risk.

We have targeted an average rate of return on cash and treasury investments of 1.55% over the 10 years of this LTP.

## Strategic Shareholdings

Council holds a range of strategic shareholdings that we have acquired over a number of years. We intend to continue to hold these investments, specifically for the strategic benefit that they create for the District. These investments include:

ENTITY AND HOLDING	OBJECTIVES OF HOLDING EQUITY	TARGET RATE OF RETURN
Waikato Regional Airport Limited – 15.625%	To secure the retention of the airport as a major infrastructural facility, important to the economy of the Waikato. The airport also operates a tourism subsidiary which aims to promote the region to tourists. We contribute separately to this subsidiary by way of an annual grant.	≥0%
Waikato Local Authority Shared Services Limited (WLASS) – 3.43%	WLASS was established to provide the councils in the Waikato region with a vehicle to procure shared services. It provides a mechanism to achieve operational efficiencies and contributes to economic wellbeing. It is an investment which aims to reduce the cost of providing generic services.	≥0%
Hauraki Rail Trail Charitable Trust – 33%	The Trust was formed to manage the cycleway which has economic benefits for our District.	≥0%
New Zealand Local Government Funding Agency Limited (LGFA)	We hold borrower notes in the LGFA that are issued at 1.6% of any loans drawn. The LGFA was established to provide secure and lower cost financing option to local government in New Zealand. While we do obtain a return on these investments (on maturity of the debt raised), the investment is more so a requirement of the funding structure of the entity to ensure that it remains viable.	≥0%
New Zealand Local Government Insurance Company (Civic Assurance) – 1.1%	Local Authorities have pooled funds to access cost effective insurance for infrastructural assets and indemnity and public liability cover.	≥0%

There are no current plans to invest in additional equity securities during the term of this plan, other than as a requirement of financing debt through the LGFA.

## Security for borrowing

Our Liability Management Policy (available at [mpdc.govt.nz](http://mpdc.govt.nz)) sets out our policy related to giving securities for our borrowing as follows:

### In brief, Council will:

- Offer security over borrowing by way of a charge over rates and rates revenue through the Debenture Trust Deed.
- From time to time, may offer alternative security over specific assets, with approval by Council and Trustee.

# RAUTAKI Ā-HANGANGA

## INFRASTRUCTURE STRATEGY










# INFRASTRUCTURE STRATEGY

**Our infrastructure supports positive environmental, social, cultural and economic outcomes for our communities now and in the future.**

Our vision for the District is for Matamata-Piako to be the place of choice for lifestyle, opportunities and home. How we manage and deliver our infrastructure and services play an important part in how we can achieve this vision.

**Our Community outcomes: Infrastructure Strategy Focus Areas**

<b>Connected Infrastructure</b>	<b>Economic Opportunities</b>	<b>Healthy Communities</b>	<b>Environmental Sustainability</b>	<b>Vibrant Cultural Values</b>
				
Our infrastructure and services are fit for purpose and affordable, now and in the future	Our infrastructure supports economic recovery and development	Our infrastructure supports community wellbeing	Our infrastructure activities support positive environmental outcomes	Our infrastructure enables vibrant communities that promote cultural inclusivity

## About the Strategy

This Infrastructure Strategy (Strategy) sets out the requirements for long term management of our assets to ensure that they continue to deliver on levels of service over the next 30 years. It has been prepared based on the assumptions identified in Section 4 and should be read in conjunction with the Financial Strategy in Section 2.

### This Infrastructure Strategy identifies:

- Significant infrastructure issues for the local authority over the period covered by the Strategy; and
- Options and associated expenditures for managing these issues over the period covered by the Strategy, considering factors that impact on the nature and cost of infrastructure provision; and
- The key planned projects to deliver the infrastructure to renew or replace existing assets and to enable growth.

As the demand for additional or improved infrastructure increases, and existing assets reach the end of their useful lives, it is important that Council as the asset owner has a strategy in place for the planned replacement, improvement and investment in infrastructure assets. We also need to ensure our infrastructure assets are resilient to the effects of climate change, such as increased frequency and severity of flooding and drought events in our District. This will ensure our community and customers can be assured that they will continue to receive the agreed level of service in the future.

## Matamata-Piako - Where are we today?

### Background

The district is located in the heart of the North Island, within easy commute to Auckland, Hamilton and Tauranga. Our District continues to experience moderate population growth, and this is forecast to continue over the next 30 years<sup>1</sup>.

Increases in population, dwellings and rating units, as described in Section 5 of the LTP, all have implications for the infrastructure services. This can affect the capacity of our assets to deliver services to the community and the timing of capital projects. In our roading activity plan, for example, important factors such as population growth generally leads to an increase in the volume of traffic in the network placing increasing pressure on our assets. It is therefore essential that we ensure our asset management is robust and sustainable. We maintain detailed Asset Management Plans (AMPs) for all our infrastructure assets which has informed this Strategy.

In addition to population growth, the demographic profile of our District is changing with a shift towards an older population. This has flow on effects for the affordability of rates as less people are in the workforce. We therefore need to balance making sure our infrastructure assets provide an appropriate level of service whilst keeping rates affordable. Further details about how we aim to keep our rates affordable while providing quality service and infrastructure are described in Section 2 of the LTP.

Since the global outbreak of Covid-19 in early 2020, people are encouraged to vacation in their own backyard, while international tourism lays dormant for the foreseeable future. This means that our customer profile for some of our assets, such as parks and open spaces, town centre revitalisations and local roads and transportation networks are changing. We recognise the role our amenity infrastructure and community facilities play in attracting visitors to our towns, and in doing so support the efforts toward economic recovery and development. To make Matamata-Piako The Place of Choice, we acknowledge that we may have to increase some of our levels of service to continue to attract people to come and live here and visit. This is reflected in this strategy and the decisions required for certain asset groups.

Being an inland District, the impacts of climate change on our communities are evidenced by the increased frequency and severity of severe weather events such as droughts and floods. It is our role to manage our infrastructure in a way that minimises or mitigates the risk associated with these extreme weather events and protects our communities.

Environmental standards and innovation in technology continue to evolve. We recognise our role as kaitiaki over the Matamata-Piako rohe and its environs. How we manage our infrastructure has a direct impact on our environment, and we strive to achieve positive environmental outcomes and are looking for ways to minimise the negative effects of our activities.

Council has an important role to play in supporting the local economy by providing infrastructure and facilities for both residents and visitors to enjoy. The geographic, demographic, social, economic, historic factors and special features of the District all impact on the delivery of our infrastructure assets. More information on the context in which we operate can be found in Section 6 of the LTP.

This Strategy covers the water supply, wastewater treatment and discharge, stormwater, roads and footpaths, and parks and community facilities assets as set out in the table on the following page.

Our District has good road links, including a network of state highways and local roads, to the main centres and ports of Hamilton, Rotorua and Tauranga, as well as easy access to Auckland.

The district is located in central Waikato, bounded in the east by the Kaimai Ranges and in the west by older ranges, in between is the Hauraki Plains. The District's three main rivers - Waihou, Waitoa and Piako - have moved back and forth across the Hauraki Plains, depositing shingle and silt, creating wetland areas, and helping to create the present landscape of flat alluvial plains and peat swamp.

<sup>1</sup> Infometrics population projections

There are a number of roads, approximately 5% of the network, which lie within this peat area that require a specialised treatment and design for maintenance and renewal works. There are also a number of primary industries located on rural roads within the District and these create additional loadings and traffic on our roads.

We also have agreements with some of these large primary industries (meat and dairy processing) located in our District to supply water and take wastewater, which help support the growth of our services.

In general, the different soil types present in the District have a very minor impact on the condition of our stormwater reticulation network. However with soils in the District ranging from very good to poor quality soakage we need to look at different stormwater for different areas. This was a major consideration for Council when we adopted the zoning for new growth areas in our towns.

## Our Assets

### Service Performance and Condition

We have approximately \$534 million invested in infrastructure assets in our District. Infrastructure accounts for around half of our annual operating expenditure such as repairs, maintenance, depreciation etc. Overall our assets are in average to good condition, and continue to deliver the expected levels of service to our communities. We continue to invest in the ongoing maintenance and replacement of assets to ensure the provision of services to our residents and businesses is maintained. We currently spend almost \$20 million annually on the maintenance and operations of our assets, to deliver services to our communities. Over the past 10 years we have spent on average \$13 million on renewal of assets each year across our network infrastructure (water supply, wastewater/sewer treatment and disposal, stormwater, roads and footpaths) and community facilities.

ROADS AND FOOTPATHS	1008km of roads
	35km footpaths
	350 bridges and underpasses
	35km cycleway (independently managed)
	Streetlights, signage, drainage assets, railings, structures, berms and vegetation
WATER SUPPLY	9 Water Treatment Plants (WTP)
	10 Water Pump Stations
	393km reticulated water supply
WASTEWATER/SEWAGE TREATMENT AND DISPOSAL	5 Wastwater Treatment Plants (WWTP)
	253km reticulated wastewater network
	36 pump stations
STORMWATER	148km stormwater drains
	6 retention ponds
PARKS AND OPEN SPACES	14 Sports & recreation parks
	24 Amenity parks
	20 Neighbourhood parks
	7 Natural parks
	3 Outdoor adventure parks
	4 Premier parks
	77 Linkage parks
COMMUNITY FACILITIES AND BUILDINGS	3 Swiming pools
	1 Spa facility
	3 Civic and Events Centres
	109 Elderly Persons Housing Units (EPH)
	7 Corporate buildings and depots includes Dog Pound and Matamata Civic and Memorial Centre
	176 Miscellaneous buildings and property includes: Utilities buildings, transfer stations, community halls, aerodrome, information centres, cemeteries, and public toilets.

## The most likely scenario - Where are we going?

### Matamata-Piako District 2051



#### Growth and Demand → Our People 2051

In 2051 our District population will have grown from 36,000 in 2019, peaking at 39,000 in the late 2030s before stabilising around 38,000 by 2051. The average household size will be 2.3 compared to 2.5 in 2019. This means that we will require more dwellings to house our people. The geographical distribution of our people will shift towards the urban centres of Matamata, Morrinsville and Te Aroha, leading to increased demand on our connected infrastructure. Please see Section 5 of the LTP for more detailed information on demographics and geographical overview.

The baseline of our planning is making sure we deliver the current services, maintaining our assets, planning for growth and complying with regulations.

Our customers will expect that we respond to environmental and legislative changes, and that we manage our assets to achieve positive outcomes for our environment and our people/communities.

- **Roads and footpaths:** Our customers will expect to see town centres prioritising alternative modes of transport such cycling and walking. More people will be working and getting their education remotely, changing the way our town centres are used to one more centred on socialising and community gatherings. New technology like autonomous cars means that car ownership numbers have decreased, with people subscribing to car sharing services instead of taking their own car into town. The changes in transport behaviour has also seen a change to how roading authorities approach road safety, and there is an increasing focus on soft road users. Budgets for passenger transport and footpath widening has been increased in this LTP.
- **Water and wastewater:** Our customers will expect that we take a pro-active approach to managing demand for drinking water, including using residential water meters, invest in leak detection and preventative interventions, and use of rain water/ grey water for public gardens and vegetation.
- **Built infrastructure:** Green buildings have become the norm, with the aim of developing self sustainable buildings for water (rainwater collection and grey water utilisation) and electricity (better insulation to minimise requirement for heating, better ventilation and use of materials that minimise the need for cooling, solar panels, use of window technology to enable better use of natural light). The operating budget has been increased to reflect this.
- **Stormwater:** Our customers will expect increased use of rain gardens or grass swales to provide some stormwater quality before it enters our streams/rivers or soaks into the ground. With changing weather patterns and increased storm intensities the use of at times using carparks and roads as short term ponding areas for large events is something that will potentially be more common.

There will be an increasing expectation from our community that we support economic development by investing in community infrastructure that will attract visitors to our District, and supports the local economy. This means that we have the capacity in our water and waste network for the growth areas identified in the District Plan to be developed and that we ensure there are no service levels impacts on existing systems by allowing for this.



#### Resilience → Our Assets 2051

Network infrastructure generally has expected life of between 50 and 100 years, depending on a number of factors including type of material. This means that infrastructure that was installed in the post war era when our District experienced exponential growth, will be coming up for renewal during the life of this strategy. By continuing to replace and renew assets as required, to the modern equivalent standards, our infrastructure assets in 2051 will be in average to good condition.

As the demand for our infrastructure services changes due to how people use our services, a process for assessing whether or not to replace certain assets will be implemented, along with an ongoing assessment of new requirements prompted by new legislation and customer expectation changing over time.

The key over the next 30 years is to ensure we look after the assets we have and prioritise our capital expenditure to ensure it is affordable and sustainable over the 30 years for our community. We will continue to take a risk-assessment approach, including assessing how our assets perform during extreme weather events, to our asset renewal programme, monitoring condition and performance to enable timely replacement of critical assets before failure. Critical assets are considered those assets in which failure would result in a major disruption to the supply of services. For a full list of our critical infrastructure assets, refer to the individual Asset Management Plans.



Although the Government's Water Reform (<https://www.dia.govt.nz/Three-Waters-Reform-Programme>) has been indicated to be implemented in the next few years, we have made the assumption in Section 4 that the Water, Wastewater and Stormwater Assets planning is still required and that it will be used to inform any new entity that will be managing the assets in the future.



### **Compliance → Our Environment 2051**

By 2051 we will experience increased frequency and severity of extreme weather events, such as drought and flooding. This means that our rural communities will have to adjust how they manage their land in terms of stock density, crop selection, soil nutrients and effluent management.

In 2051 there will be stringent environmental conditions regulating how we can treat and discharge our wastewater, how much drinking water we can extract and supply, and increasing requirements to use green technology in the delivery of all our services. There will be an increased awareness of how our behaviour and activities impact the environment long term.

In 2051 central government will have a strong focus on minimising and reducing the impacts of climate change. This will be reflected in new and amended legislation adding more stringent requirements to asset owners and service providers in how services are delivered to our communities. This has implications across every asset. We expect there to be legislative changes during the life of this Strategy, but we don't know what these may look like. Therefore, we have made the assumption in Section 4 that any new or amended legislation will not have a significant impact on our activities. Most changes to legislation are known about in advance, enabling us to prepare for the implementation. Our ongoing asset management planning ensures that any new projects or changes to operations will adhere to the legislative framework of the day.



### **Affordability → Our Economy 2051**

Ageing population means that the median household income is down and therefore less able to pay rates.

There is always tension between affordability and the strategic drivers identified and outcomes we want to achieve.

The key over the next 30 years is to ensure we look after the assets we have and prioritise our capital expenditure to ensure it is affordable and sustainable over the 30 years for our community.

It is also key to partner with stakeholders, other service providers or councils which can provide Council with ways to achieve infrastructure development that it can't manage on its own to make it more affordable.





This affordability issue has been considered as part of the Financial Strategy.



## How are we going to get there? - Key Challenges and Our Response

We have identified the key challenges that we are facing heading towards our most likely scenario for 2051

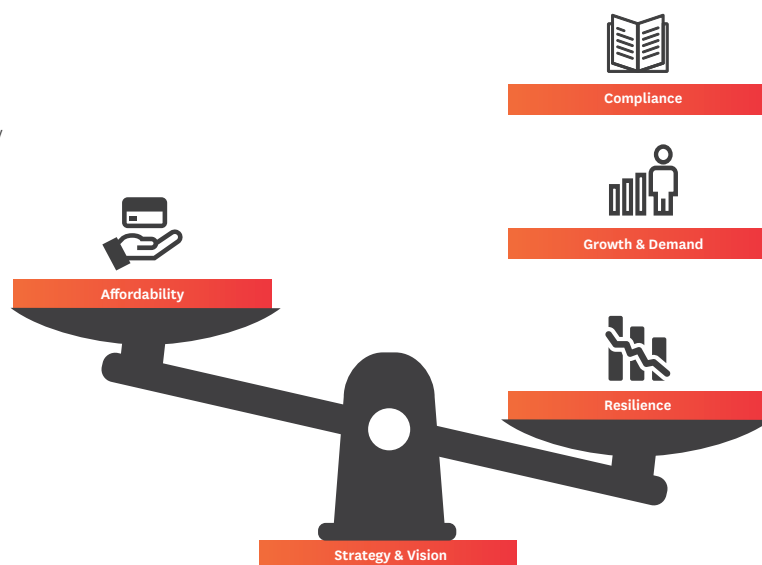
It is about planning and delivering an affordable and sustainable capital and renewal programme. \*Please note all projects within the following tables use uninflated figures. All graphs use inflated figures to show the true value.

DRIVER	MOST LIKELY SCENARIO FOR OUR DISTRICT	IMPACT ON INFRASTRUCTURE	OUR RESPONSE
<b>GROWTH AND DEMAND</b> 	<p>We are forecasting that our population will increase over time with the majority of this increase happening among the older age groups and within urban areas.</p>	<p>Population growth and land intensification increases demand for infrastructure service in the urban centres. Ageing population increases demand for accessibility and changes the way in which infrastructure assets and services are used. There currently hasn't been the growth in tourism but over the 30 years this is still included in our planning.</p>	<ul style="list-style-type: none"> <li>We will plan for sustainable growth and manage demand.</li> <li>We will provide additional capital and operational expenditure over the next 30 years to meet growth.</li> </ul>
<b>RESILIENCE</b> 	<p>The global climate change we are currently experiencing means that we have more frequent severe weather events like storms and droughts.</p>	<p>More frequent severe weather events and droughts puts pressure on our infrastructure, and may require improved capacity and capability to cope with severe weather events and natural hazards. No allowance has been made for the replacement of damaged infrastructure but rather to ensure we fund the replacement of our assets as it is needed. By completing our budgeted renewal programme and providing additional infrastructure we are improving the resilience of our current network, assets and services.</p>	<ul style="list-style-type: none"> <li>Our infrastructure will support or improve public health benefits.</li> <li>Our infrastructure will support or improve environmental outcomes.</li> <li>We will maintain our current assets to maintain or increase levels of service.</li> <li>We will provide for the replacement of critical assets at the end of their useful lives.</li> </ul>
<b>COMPLIANCE</b> 	<p>Increased level of central and regional government direction particularly with changes to the Drinking Water Regulations, the Freshwater Policy and the Road to Zero Strategy.</p>	<p>This will impact how we manage our infrastructure to ensure we protect our community by providing them with compliant drinking water, lessen the environmental impact from activities and look to reduce serious and fatal injuries on our roads.</p>	<ul style="list-style-type: none"> <li>Our supplies will meet drinking water standards.</li> <li>Our plants will meet resource consent conditions.</li> <li>We will reduce death and serious injuries on our roading network.</li> </ul>
<b>AFFORDABILITY</b> 	<p>The median household income for our District is \$32,400 (2018), with around 72.2% of our population holding a formal qualification (2018 census). With the increase in the ageing population, we are also forecasting that the average household size will decrease from 2.5 to 2.3 by 2051, with a higher proportion of single income or fixed income households.</p>	<p>The ageing population and moderate growth places a cap on the ability of our community to pay for infrastructure assets and services.</p>	<ul style="list-style-type: none"> <li>We will optimise our investment and apply asset management practices to our planning.</li> <li>We will smooth our costs where possible over time.</li> <li>Non-critical assets will be run to failure and only replaced if there is still a demand and requirement for the asset.</li> </ul>

All key assumptions are detailed in Section 4 of the LTP and these have been applied when developing the 30 year strategy. A risk based approach has been applied as we can't do everything as a priority and we have to choose. The preferred option is looking after what we already have, meeting legislative compliance and ensuring we are supporting the growth planned in our district. Further to this, with these challenges ahead, rates do need to increase to ensure we can respond accordingly, not leaving the cost for later years and compounding it.

There is still a moderate to high risk that will not be able to deliver the projected capital programme as specified. The timing may be further impacted if we have staff losses, change in supplier and contractor markets and delays with sourcing materials or goods.

For each challenge there are multiple options for how to respond. The following provides an overview of the challenges we are facing, the principle options and by when a decision will be required.



## 1. Improving the quality of our drinking water to meet new regulations

The Drinking Water Standards were reviewed in 2018 after the Havelock North incident. In 2019 the Government also announced the new approach and have a dedicated Regulator to lead change and drive improvement.

The Health Act 1956 requires Council, as a drinking water supplier, to take all practicable steps to ensure they provide an adequate supply of drinking water that complies with the Drinking Water Standards. This requires upgrades to some of our plant assets or new and improved assets, the emphasis is also on continuing the quality testing process and monitoring facility.

**Assumption:** We will continue to provide reticulated, treated water supply that meets the New Zealand Drinking Water Standards.

	Principal options	Implications of options/what are the benefits?	Cost estimate and timing	Operational	Growth	Levels of service	Renewal
Preferred option	Meet compliance requirements	This option ensures that our communities are supplied with safe and potable drinking water that meets several compliance criteria, processes and procedures set out in the Drinking Water Standards for New Zealand (2005, revised 2018).	\$100,000 per 2021-58	✓			
		This option would be best for this situation. This will allow us to meet the regulatory requirements and will be the best value for money – meeting the requirements without over investing.	\$350,000 in 2024/25 and \$250,000 each year between 2031 to 2051			✓	
Other options	Upgrade all of our assets with the latest and industry best replacements	This option may imply purchasing new modern equipment, streamlining processes and investing in state of the art facilities for drinking water compliance that will sit above the requirements outlined in the Drinking Water Standards for New Zealand (2005, 2018).	\$100,000.00 per 2021-2051				
			\$350,000 in 2021/22 and			X	
		The main trade off with this option is that it achieves the compliance requirements set by the regulatory standard but at a relatively higher cost.	\$250,000 in 2031 to 2051			X	
			\$600,000 total between 2021 to 2024				
	Delayed approach to meet new regulations	This option will put our communities at risk by increasing the likelihood of supplying unsafe drinking water through the network. Choosing this option will also expose Council to unnecessary legal risks.	No funding allocated	X			
		This option may give us a window to save money in the short term but will expose us to a substantial amount of risk that we cannot afford to take.					

Covid-19 has been identified as a risk and we have made some assumptions in Section for of the LTP. It also relates directly to the delivery of our capital programme. The three waters stimulus funding adds additional delivery capacity constraints by increasing the programme.

Some capital projects have been re-prioritised due to the change in tourism from international to regional and national visitor number.

There is potentially some goods and services delays for specialised equipment but we do not see any of the renewals programme being impacted

## 2. Provide more resilience to our water supplies so that we can limit severe water restrictions over summer - improve the security of our water supplies - District Wide

Network infrastructure required to facilitate this residential growth in the next 30 years has been included in the LTP. Apart from Growth being a key driver for additional water, it is also about ensuring that we have resilience in our supply over the drier months. We know that we can't totally eliminate water restrictions during summer, however, we aim to reduce the severe water restrictions.

**Assumption:** Meet resource consent requirements for our “water take consents” from Waikato Regional Council. (Refer Assumption on next page.)

	Principal options	Implications of options/what are the benefits?	Cost estimate and timing	Operational	Growth	Levels of service	Renewal
Preferred options	Increase education around water usage	More emphasis on educating our community on water usage and conservation initiatives to assist with the water reduction.  The benefit of doing this would be getting the engagement and involvement of our community as a partner in achieving our environmental outcomes through better water use, while enhancing and promoting water conservation efforts as a whole.	\$50,000 per 2021 to 2051	✓			
	Provide additional bores and water treatment						
	• Morrinsville Lockerbie		\$4.65 million in 2023/24		✓		
	• Morrinsville Wiseley	The LTP allows for additional investigation bores, new bore equipment and also treatment plants to be developed over the life of the strategy.	\$2.15 million in 2024/25		✓		
	• Morrinsville additional bore	The main benefit of this option is that it enables us to gain access to water resources, which will be used as contingencies for emergencies. This boosts our resilience in the long term.	\$550,000 in 2030/31		✓		
	• Matamata additional bore		\$3 million in 2031-36 and \$3 million in 2046-51		✓		
	(note not unlimited water)						
Other option	Reduce water loss in the network through leak detection and leak repairs	A leak detection programme underway to investigate where leaks are currently in our network so that they can be rectified. This also includes looking at private laterals and advising property owners of any leaks within their property.	\$50,000 per year 2021-2024			✓	
		This option assumes a more proactive approach as it seeks to rectify the deficiencies in our water network instead of investing in new water bore infrastructure, which can be expensive.					
	Network resilience improvements	This option includes development of bore sites to improve network resilience, replace SCADA and replace old meters. This is being funded through the water reform programme.	\$344,118 in 2021/22			✓	
	Install universal water meters	An analysis was completed for the implementation of universal water meters but it was found that at this current time it wasn't cost beneficial but it should be reviewed again at a later time.	\$2.7 million between 2021 and 2024	✓			



### 3. Provide more resilience to our water supplies so that we can limit severe water restrictions over summer - Improve the security of our water supplies - Morrinsville

There have been a number of water events affecting the Morrinsville community in recent years.

Morrinsville is currently supplied with water from a single 17km long main trunk line from the Topahae Stream on Waterworks Road. The mains pipe failed in December 2017 and resulted in a large water outage for the town. There have been water quality issues due to the manganese and iron levels (i.e. brown water, bad taste), and most recently the unprecedented, extremely dry summer in 2019/20 led to imposing level 4 water restrictions. Morrinsville has also been identified as a growth area, placing further pressure on water supply and contributing to residents' dissatisfaction with this service.

In the 2018 LTP council investigated new sources of water at Wisely and Lockerbie and a consent has been lodged with the Waikato Regional Council.

Assumption:		We will continue to deliver treated water to current and future residential customers in Morrinsville.				
Principal options	Implications of options/what are the benefits?	Cost estimate and timing	Operational	Growth	Levels of service	Renewal
Preferred options	Plan to reline the existing main trunk line before its due to be replaced.	By relining the pipe we can extend the asset life and reduce the risk of future breakages. Relining the pipe will lead to reduced flow rates and reduced quantities of water getting into town.	\$7.5 million in 2039			✓
	Develop additional bores and water treatment plant	The LTP allows for two new bores, the equipment and also treatment plants to be developed over the life of the strategy.	\$4.15 million in 2023/24			
	<ul style="list-style-type: none"> <li>Morrinsville Lockerbie</li> <li>Morrinsville Wiseley</li> <li>Matamata South</li> <li>Morrinsville additional bore</li> </ul>	Though these new two bores would be aimed to increase capacity and resilience, water conservation and care should still be exercised.		✓		
	Matamata additional bore*					
Other options	Reduce water loss in the network through leak detection and leak repairs and increased education around water usage.	<p>A leak detection programme underway to investigate where leaks are currently in our network so that they can be rectified. This also includes looking at private laterals and advising property owners of any leaks within their property.</p> <p>More emphasis on educating our community on water usage and conservation initiatives to assist with water reduction.</p>	\$40,000 per 2021 - 51	✓		
	Install universal water meters	An analysis was completed for the implementation of universal water meters but it was found that at this current time it wasn't cost beneficial but it should be reviewed again at a later time.	\$2.7 million between 2021 and 2024	✓		
	Do nothing.	The main trunk is a critical asset. If we do nothing, the pipe will continue to deteriorate and more frequent breakages may be experienced. There will also be the continued level 3 and 4 water shortages during dry summers as the water supply is purely relied on the Topahae stream intake.	No extra cost from 2021 - 2051			

\*Not unlimited water

#### 4. Improving our infrastructure assets to reduce the adverse effects on the environment.

The National Policy Statement for Freshwater Management 2020 sets out the objectives and policies for freshwater management under the Resource Management Act 1991.

Te Mana o te Wai is a concept that refers to the fundamental importance of water and recognises that protecting the health of freshwater protects the health and wellbeing of the wider environment. It protects the mauri of the wai. Te Mana o te Wai is about restoring and preserving the balance between the water, the wider environment, and the community.

The detailed requirements that will be applied to our new consents are not yet specified but we need to ensure we plan ahead and try and anticipate what the new rules and regulations will require us to do (Refer Assumption 22 in Section 4).

**Assumption:** We will comply with consent conditions, environmental standards and requirements.

	Principal options	Implications of options/what are the benefits?	Cost estimate and timing	Operational	Growth	Levels of service	Renewal
Preferred options	Continue to investigate feasibility to discharge to land as part of our consent renewals	The investigations will consider partial or full disposal to land for our wastewater discharges and the potential for decreasing the environmental impact we are having on our rivers and streams.	\$50,000 in 2021/22	✓			
	Reduce the infiltration in the wastewater network from stormwater	By reducing the infiltration of stormwater into the wastewater system we are not overloading the wastewater system at times of heavy rainfall and allow no overflows into the environment. Smoke testing and CCTV work will provide an understanding of where the issues are. Then maintenance and renewal can be targeted to these areas.  The main benefit of doing this in essence is that we will be treating wastewater instead of stormwater and thus our plant will be performing as designed during heavy rainfall. This also avoids us from upgrading our wastewater networks and plants due to stormwater infiltration.	\$50,000 per 2021-2051	✓			
	Reduce water loss in the network through leak detection	A leak detection programme underway to investigate where leaks are currently in our network so that  they can be rectified. This also includes looking at private laterals and advising property owners of any leaks within their property.  This is a more proactive approach by looking at solutions and optimising the current network instead of investing into new assets right away.	\$40,000 per 2021-51	✓			
	Achieve compliance with our Discharge consents	Council is required to ensure it meets resource consent conditions. Individual consent will require Council to allow for funds to upgrade plants so they meet increased resource consent requirements.	Matamata \$11 million between 2025 to 2029	✓			
			Morrinsville \$4 million between 2026 to 2029	✓			
			Te Aroha \$6.2 million between 2026 to 2029	✓			
	Network resilience improvements	This option includes purchase and deployment of generators and replacement of SCADA system. This is being funded through the water reform programme.	\$484,412 in 2021/22				✓

## 5. Improving the quality and safety of our transport network to reduce fatal and serious injuries.

In late 2019 The Ministry of Transport released the Road to Zero Road Safety Strategy. This was in response to the lack of achievement in reducing deaths and serious injuries. A target of a 40 percent reduction in deaths and serious injuries by 2030 is proposed.

Assumption:		We will reduce the number of fatal and serious injuries on our roads.					
Principal options		Implications of options/what are the benefits?	Cost estimate and timing	Operational	Growth	Levels of service	Renewal
Preferred options		By focusing funding on our high risk routes the benefits are effective and can have the greatest impacts.					
	Focus in investment on High Risk Routes – Better utilisation of current funding levels	Work by Waka Kotahi (NZTA) and our own knowledge has identified and prioritised these areas and looked at potential improvements to reduce fatal and serious injuries on our network.	\$500k per 2021-51			✓	
		This option embodies a best value for money approach by utilising evidenced based spending and supplemented by our local knowledge of our roads. This approach yields better and safer road network outcomes.					
	Enhance safety and ccessibility of footpaths, bike lanes and cycleways	This will result in people being provided with alternative transport options. Council is planning to widen footpaths where most appropriate and provide for safe walking routes, connecting our towns.	\$35,000 per 2021-2023			✓	
	• Matamata to Piarere Cycleway		\$150,000 per 2021-2051			✓	
			\$2 million in 2026/27			✓	
	• Te Aroha to Morrinsville Cycleway		\$5 million in 2031			✓	
Other options		By focusing funding on our high risk routes the benefits are effective and can have the greatest impacts.					
	Focus in investment on High Risk Routes – increased funding to achieve target	Work by Waka Kotahi (NZTA) has identified these areas and looked at potential improvements to reduce fatal and serious injuries on our network.	\$1 million per 2021-2051			X	
		This option may not be ideal, as it does not exploit our local road knowledge as a road controlling authority. Some gaps may not be covered due to the lack of collaboration and information exchange between Waka Kotahi (NZTA) and Council.					
	Reduce our safety work on our network	This option aims to discontinue with our investment toward a safe road network. This may be an economical option but this puts us in a position that is not aligned with the Road to Zero vision. This in effect, will not help our communities enjoy a safer road network	No funding allocated to safety works	X			

## 6. Upgrade Council's current infrastructure to cater for growth in identified areas.

Network infrastructure required to facilitate the residential growth areas in the next 30 years as identified in the District Plan has been included in the LTP and this Strategy. Growth has been higher than anticipated and some additional land has been zoned residential, network modelling has been completed to identify what work is required.

Assumption:		Growth will occur as planned.				
	Principal options	Implications of options/what are the benefits?	Cost estimate and timing	Operational	Growth	Levels of service
						Renewal
Preferred option	Upgrade infrastructure to meet growth as per projected figures for residential zoned land	This manages Council's risk in over investing or hindering development of residential zoned land.	\$16 million from		✓	✓
		This allows Council to manage the assets in a planned manner.	2021 to 2030			
Other options	Provide additional capacity for growth not limited to zoned land	This may be attractive for developers or industries to look at developing land or increasing their current operation in our District but places a risk on Council that it cannot recover the investment back from developers.	\$16 million from 2021 to 2030			
			\$15 million in year 2021/22	X		X
			\$5 million in year 2022/23			
	Delay the infrastructure upgrades → delay growth	This will hinder development and give no certainty to developers in the District to be able to subdivide in the District and hinder growth.	No additional costs	X		

## 7. Meeting customer expectation with our improvements now and in the future.

It is about providing the community with the appropriate infrastructure at an affordable price. We are not able to provide the community with everything that they want as it is not affordable and not a sustainable delivery model. Projects need to be prioritised in accordance with strategic fit with our Vision and Community Outcomes, and how they contribute to the overall community wellbeing (Social, Cultural, Environmental and Economic). The key projects are mainly in the Parks and Open Spaces, Community Facilities and Buildings and some of the Footpath and cycleway projects.

### Assumption:

We are aware of Community expectations.

### Principal options

### Implications of options/what are the benefits?

### Cost estimate and timing

Operational

Growth

Levels of service

Renewal

Upgrades prioritised as per community expectations and with strategic support and where business cases have been developed.

- Cycleway to Piarere
- Development of Te Aroha Spas
- Increased indoor sports courts for Matamata
- Morrinsville Recreation Ground Master Plan and development

This option allows us to listen and tailor to the needs of the community by making more informed business decisions that would align to our strategies and yield community outcomes. This enables us to address community issues and opportunities in the short term by delivering the projects on time, on budget and in scope while ensuring that the outcomes and benefits that these projects aim to deliver will last in the long term for the enjoyment of our communities.

\$2 million in 2026/27

\$1.5 million in 2022/23  
and \$3.5 million in 2023/24

\$2 million in 2023/24

\$250,000 per second  
year 2021-2031

✓

✓

✓

✓

Complete further business cases on some of the projects that have been identified by the community

The approach of creating business cases enables us to ensure that these investments are:

- Te Aroha to Morrinsville Cycleway
- Cover and improve the Morrinsville pool
- New Matamata Civic Centre Stage
- New Te Aroha Civic Facilities

- Strategically necessary (aligns with our strategy)
- Economically smart (offers best value for money)

- Commercially achievable (attracts suppliers, contractors, external partners and/or developers).

- Financially affordable.

- Sustainably manageable (ensures benefit realisation in the long term)

\$50,000 in 2023/24

\$100,000 in 2022/23

\$200,000 in 2023/24

\$4 million in 2026-28

✓

✓

✓

✓

Exclude projects that are not aligned with council objectives or supportive business cases.

This option allows council to only deliver projects that are strategically linked, thoroughly planned and most likely yields the best outcomes for the community.

No extra cost in 2021  
- 2051

- Increase in Staff Housing
- Short to medium upgrades to the Morrinsville library, Camping facilities, Te Aroha Council building development
- Matamata bypass

This allows council to focus resources and time to projects that are worthwhile, evidenced backed and objectively assessed by having a business case first before it gets approval for project delivery. This approach allows better use of resources and avoids investing on projects that are driven reactively.



# Water

## Background

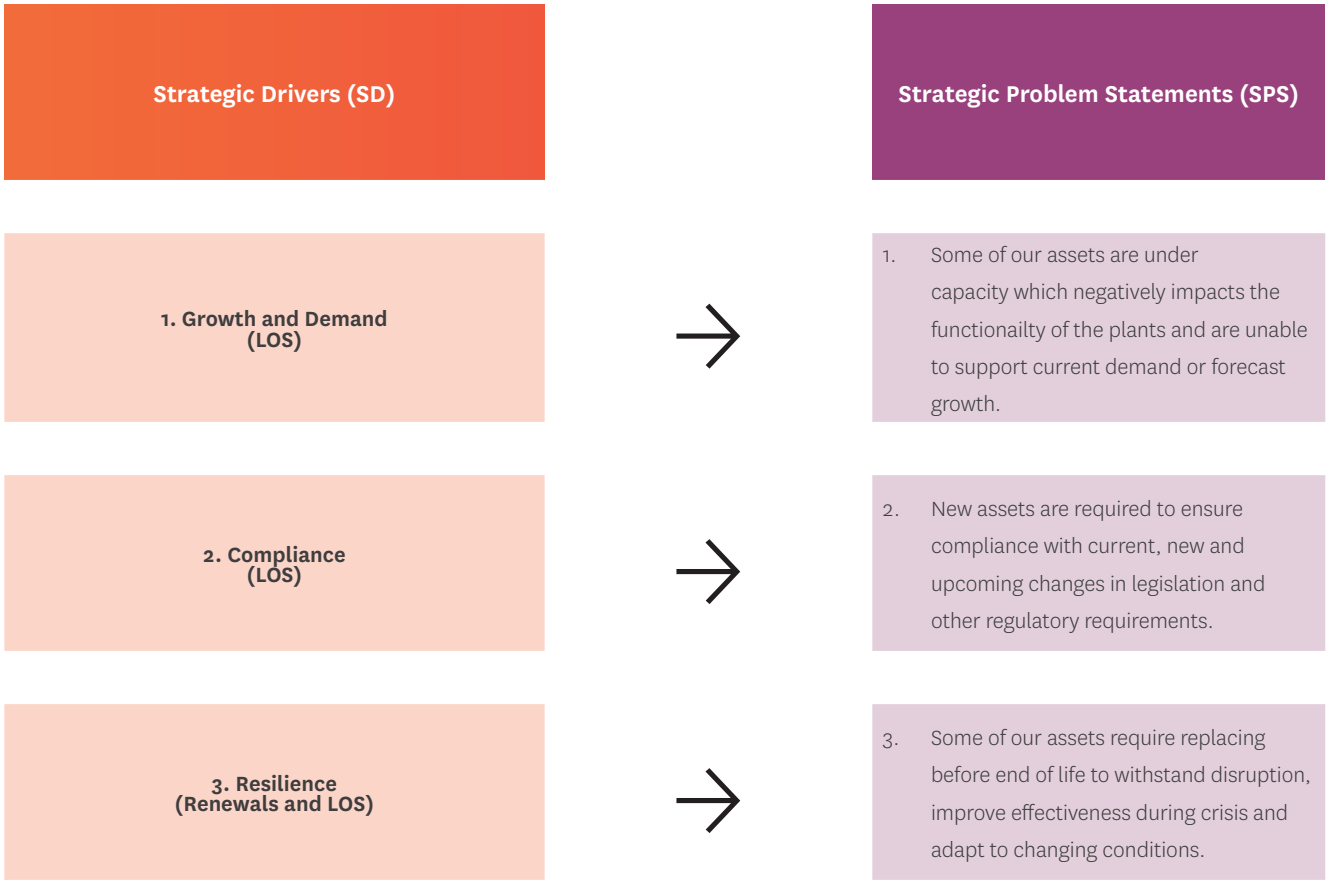
Our Water service ensures our communities are supplied with clean, safe drinking water to ensure the health and wellbeing of our residents. Our key levels of service for the Water assets are described in Section 6. Our Water service consists of seven water supply schemes, including nine water treatment plants, 10 pump stations and 393 km of reticulated water supply to our towns and rural settlements.

## Context

Water is a precious resource, and there is an increasing demand for water to both residential and industrial users. With stricter environmental standards and conditions on our water take resource consents, and increased frequency and severity of droughts as a result of higher temperatures and less rainfall, we need to look for new ways to save and conserve water, and increase the security of our water supply for our communities. The reality is that water restrictions cannot be avoided but we look to have our systems improved so that we can limit severe water restrictions during summer.

Freshwater management, including taking water for drinking water supply, is an important community issue and of particular interest to iwi. We will consult with iwi on the renewal and potential new water take consents.

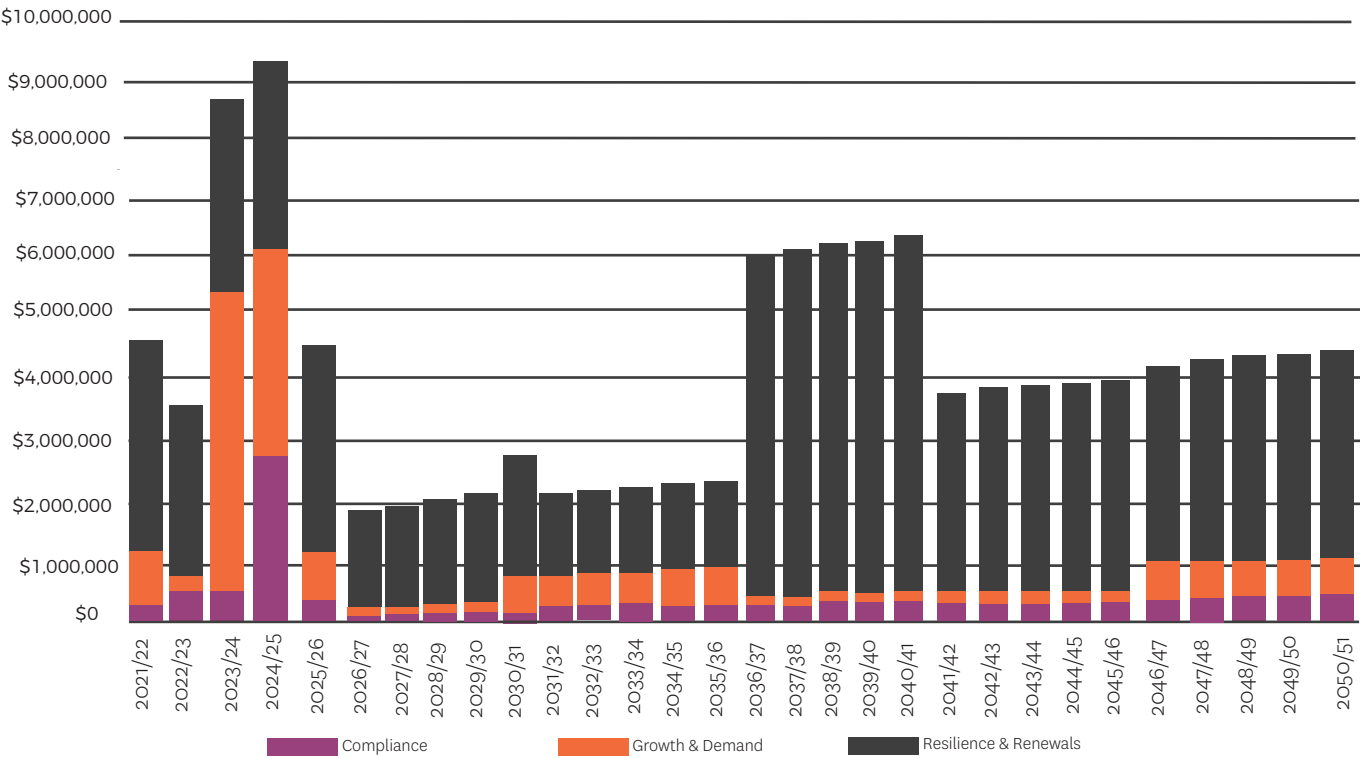
## Strategic Overview



Overall we are not planning to increase the direct level of service for our community but compliance requirements will provide an improvement to the water treatment.

Capitla and Renewal Expenditure

WATER PROJECTED BUDGETS BY STRATEGIC DRIVERS VS FINANCIAL YEAR



Our forecast budgets include funding for continuous District-wide improvements to our water treatment plants and processes to meet **COMPLIANCE**. Some of which include:

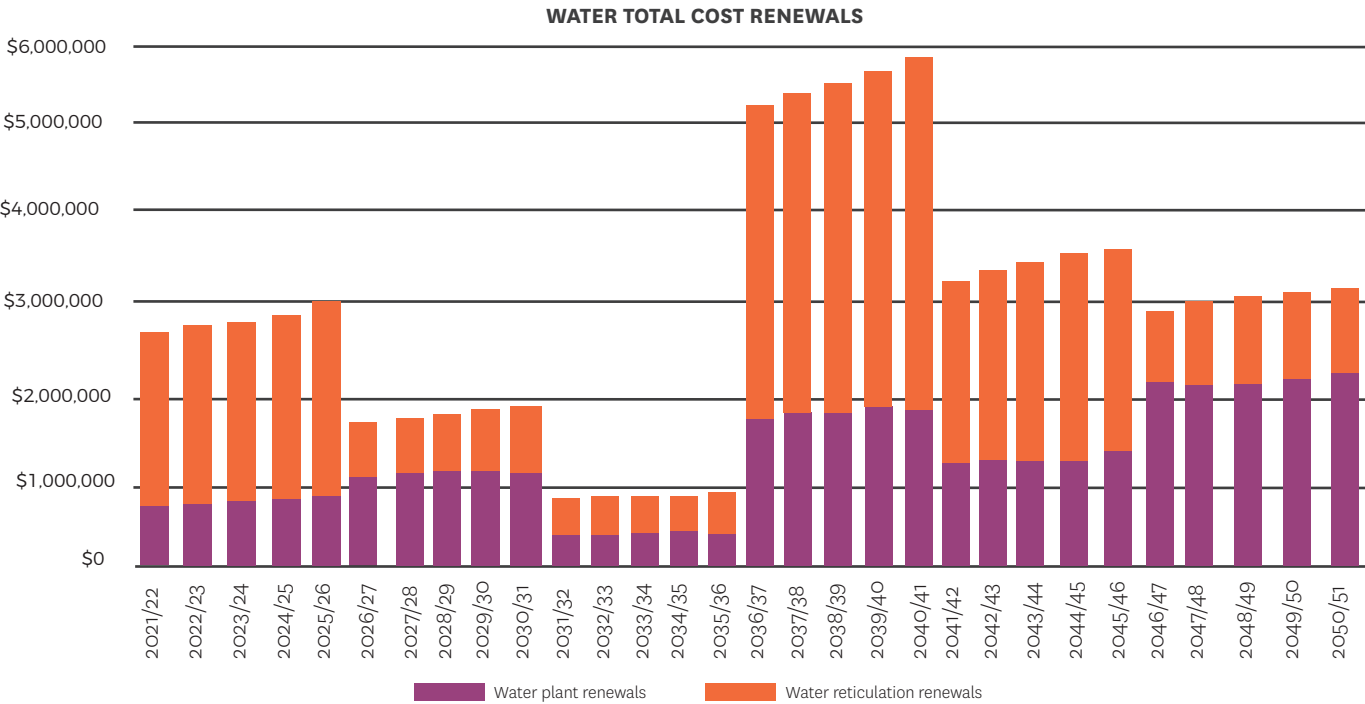
PROJECT NAME	2021/22	2022/23	2023/24	2024/25 TO 2030/31	2031/32 TO 2050/51
Lime dosing tank duplication - Te Aroha		\$100,000			
Lime dosing tank duplication - Tills Road		\$100,000			
Raw water monitoring			\$100,000		
Implement water loss strategy	\$50,000	\$50,000	\$50,000		

Our improvements also include upgrade works to ensure the zoning in our District Plan can be developed and there is adequate water and the appropriate reticulation network in place. Some **GROWTH AND DEMAND** projects include:

PROJECT NAME	2021/22	2022/23	2023/24	2024/25 TO 2030/31	2031/32 TO 2050/51
Morrinsville Wisely Park bore treatment plant			\$1,500,000		
Taharoa Road industrial new ringmain in Morrinsville			\$400,000	\$600,000	
Treated water storage construction in Matamata				\$1,000,000	
Matamata Tower Road main pipe upgrade		\$175,000			
Matamata – Eldonwood South ring main upgrade	\$360,000				
Develop and construct a treatment plant at the Waharoa Airfield bore			\$1,500,000	\$650,000	
Morrinsville Lockerbie bore pump and water treatment plant	\$500,000		\$2,500,000	\$1,500,000	
Water pipe size increases associated with new subdivisions	\$75,000	\$75,000	\$75,000	\$525,000	\$1,500,000
Matamata South Bore				\$550,000	

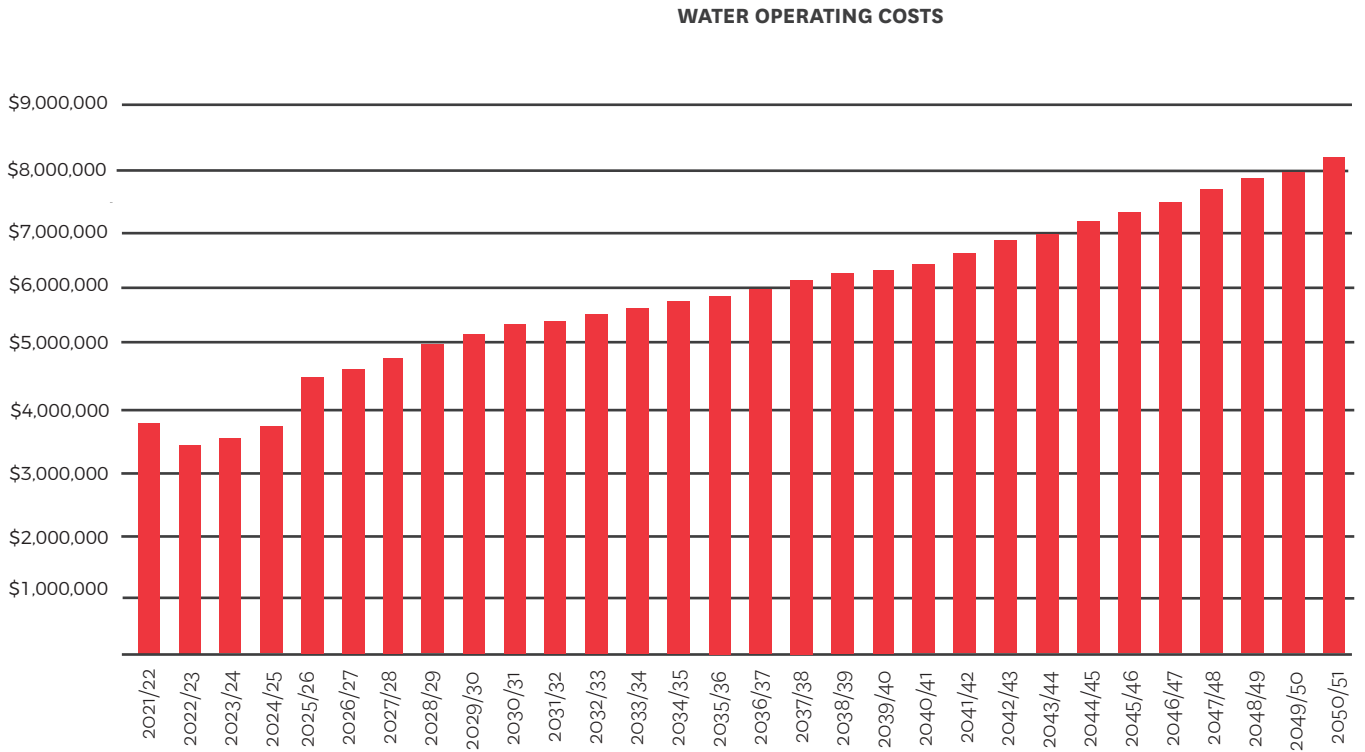
There are also projects planned to increase the **RESILIENCE** to our current network and supply. Some of which include:

PROJECT NAME	2021/22	2022/23	2023/24	2024/25 TO 2030/31	2031/32 TO 2050/51
Rolleston Street generator			\$100,000		
Reticulation on line monitoring			\$250,000		
Reticulation monitoring		\$150,000			
Gross pollution monitoring (conductivity and PH probes)			\$150,000		



Business as usual projects are mainly our plant and reticulation **RENEWALS**. The renewal profiles have been averaged over five years to allow for smoothing of the budget. This helps us manage the replacement of assets based on their criticality, potentially deferring the replacement based on condition of non-critical assets and bringing forward the replacement of critical assets. This smoothing allows us to manage the work programme in a sustainable manner over the term of the strategy. The backlog is not significant and can be managed going forward with this renewal strategy. Another focus of the renewal programme is to replace all steel pipes

The main trunk line replacement in Morrinsville can be seen in year 2039 which has been smoothed out across five years. Further to Challenge 3 on page 42, whether or not the main trunk line is replaced will be subject to further consideration by Council. There is an increase in plant renewal costs as a result of continued investment to improve the resilience and compliance of our drinking water quality.



It is assumed that the operating costs for the water assets will remain reasonably consistent but has increased over the past three years with new assets coming on board to increase the compliance to meet Drinking Water Standards. It also includes inflation and some additional costs due to the increase in the stock of assets through new subdivisions. With the increase of the monitoring requirements there is also additional costs associated with the management and systems of this. From the graph we can see an increase in operational expenditure from year 5 onwards. This is due to the additional treatment plants in Waharoa and Lockerbie.

## Asset Condition

The water infrastructure assets' condition and reliability of data are described in the Water Asset Management Plan 2021-51. Our water treatment plants (WTP) and reticulated water supplies are generally in good condition, delivering the agreed level of service to our community.

The lives of water pipes are between 30 and 100 years depending on material. We have a fairly good understanding of what type of pipes we have. There are approximately 9% of length of pipes of which we do not know the material. These are mainly for our service lines and not our critical assets. We are working through identifying the material types when there are service requests or repairs. However the age of the assets is something that is a bit more difficult to ascertain exactly. We therefore carry out regular condition assessments which inform our renewal programmes and have been given the shortest asset life pipe material.

Water loss (unaccounted for water) has been identified as a potential issue and we have been undertaking a leak detection programme to identify the cause. One source of losses is from old steel pipes and in particular spiral riveted steel. The replacement of these is being treated as a priority. We have identified that our main trunk lines out treatment plants and our bores are critical assets but additional work has been started to further develop and update our critical asset information in our Asset Management system. We are reviewing our asset criticality criteria and completing modelling to ensure we also capture the asset criticality for supply to critical services and more details on critical bridge structures that support our services.

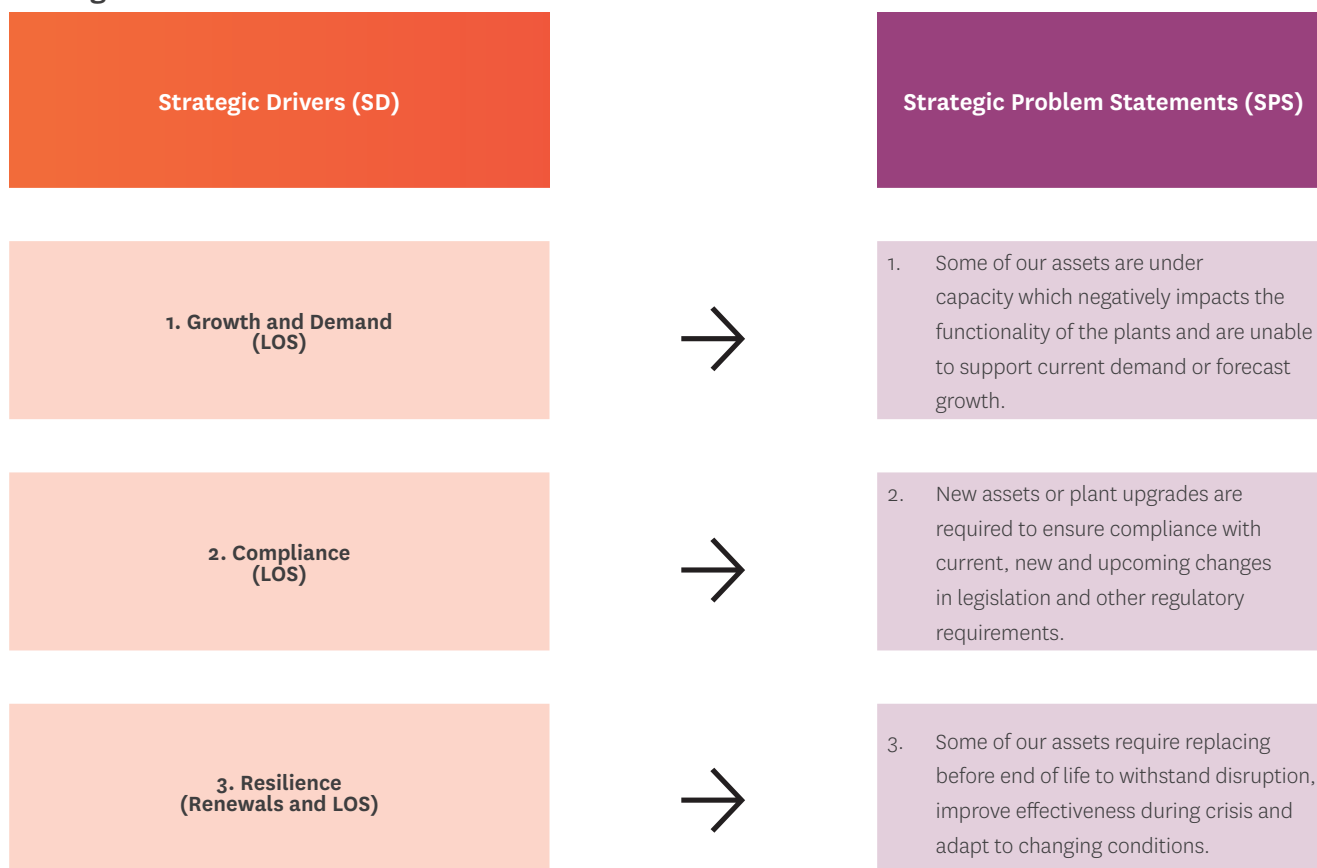
## Wastewater

**Background** Our wastewater network consists of five wastewater treatment plants, 36 pump stations and 243km of wastewater pipes. The wastewater service ensures that wastewater (sewage and grey water that goes down your drains) is collected, treated and disposed of appropriately for the health and wellbeing of our community and environment. Our key levels of service for the wastewater assets are described in Section 6 of the LTP.

**Context** With the increased frequency of severe weather events, the resilience of our wastewater network is under pressure. Overflows from the network as a result of heavy rain pose a risk to the environment and the public health of our community.

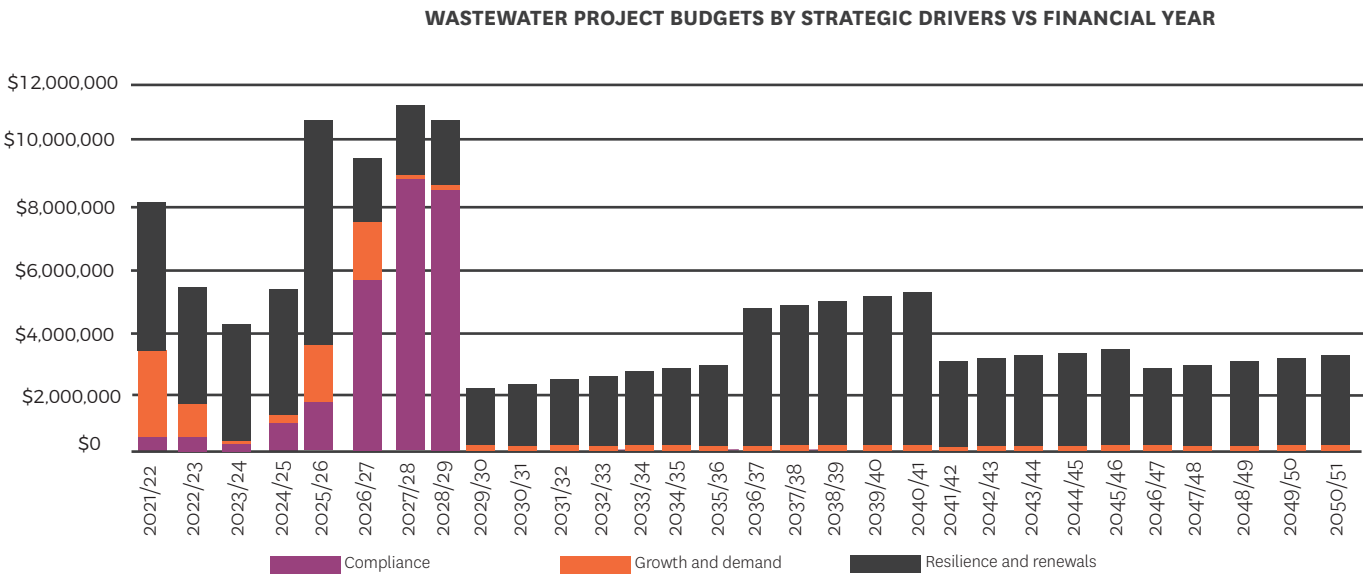
The National Policy Statement for Freshwater Management 2020 is also likely to put increased requirements for treatment and restrict disposal to waterways. This may also become a requirement of our discharge consent in the future and the disposal to land is being investigated as an option when renewal of resource consents are required. We have identified that our main trunk lines out treatment plants and our bores are critical assets but further work has been started to further develop and update our critical asset information in our Asset Management system. We are reviewing our asset criticality criteria and completing modelling to ensure we also capture the asset criticality for supply to critical services and more details on critical bridge structures that support our services.

## Strategic Overview



Overall we are not planning to increase the direct level of service for our community but compliance requirements will provide an improvement to the wastewater treatment

Capitla and Renewal Expenditure



Our forecast budgets include funding for continuous District-wide improvements to our wastewater treatment plants and processes to meet **COMPLIANCE**. Our plants are generally meeting current consent conditions with the exception of Waihou where some upgrade works are required.

The Morrinsville and Matamata wastewater plant consent will need to be renewed in 2024/25 and upgrade works will like be required to meet new legislation. Some individual projects include:

PROJECT NAME	2021/22	2022/23	2023/24	2024/25 TO 2030/31	2031/32 TO 2050/51
Overflow screening and flowmeter at Allen St. pump station	\$300,000				
Waihou wastewater treatment plant upgrade	\$300,000	\$500,000	\$200,000		
Morrinsville wastewater treatment plant upgrade				\$4,000,000	
Matamata wastewater treatment BNR plant/ waihou discharge				\$11,000,000	
Te Aroha Wastewater Treatment Plant MBR / Anoxic Upgrade				\$5,200,000	



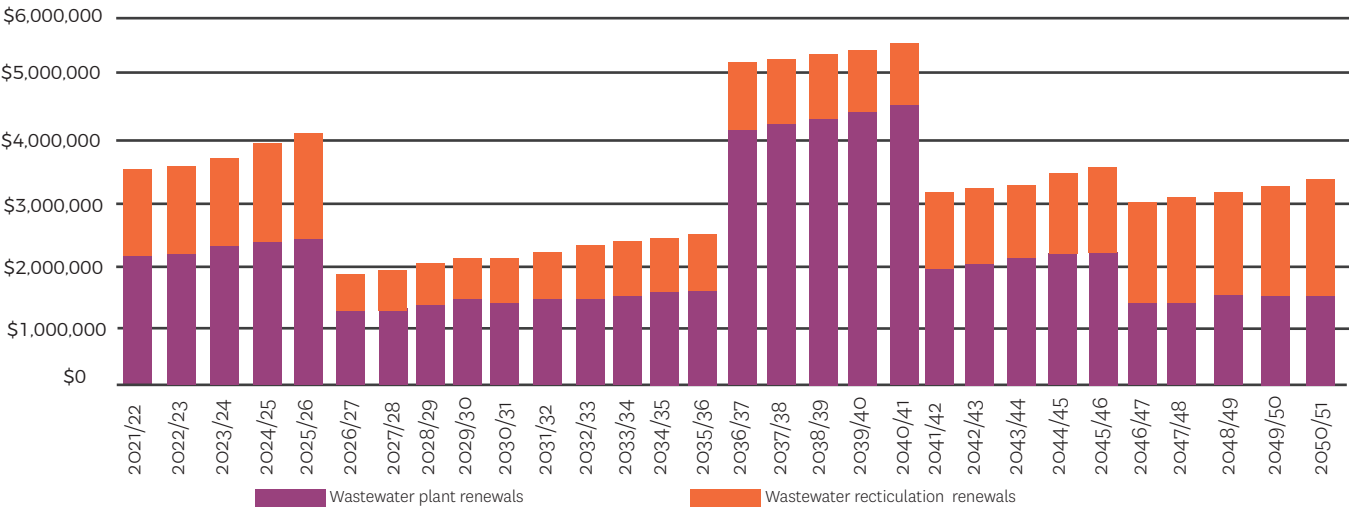
Our improvements also include upgrade works to ensure the zoning in our District Plan can be developed and there is adequate capacity at our wastewater treatment plants and the appropriate reticulation network in place. Some **GROWTH AND DEMAND** projects include:

PROJECT NAME	2021/22	2022/23	2023/24	2024/25 TO 2030/31	2031/32 TO 2050/51
Burwood Road bulk sewer	\$1,200,000	\$1,200,000			
Tower Road pump station and rising main				\$3,200,000	
Morrinsville NW sewer main	\$1,900,000				
Wastewater pipe size increases associated with new subdivisions	\$50,000	\$50,000	\$50,000	\$350,000	\$1,000,000

There are also projects planned to increase the **RESILIENCE** to our current network and supply. Some of these key ones include:

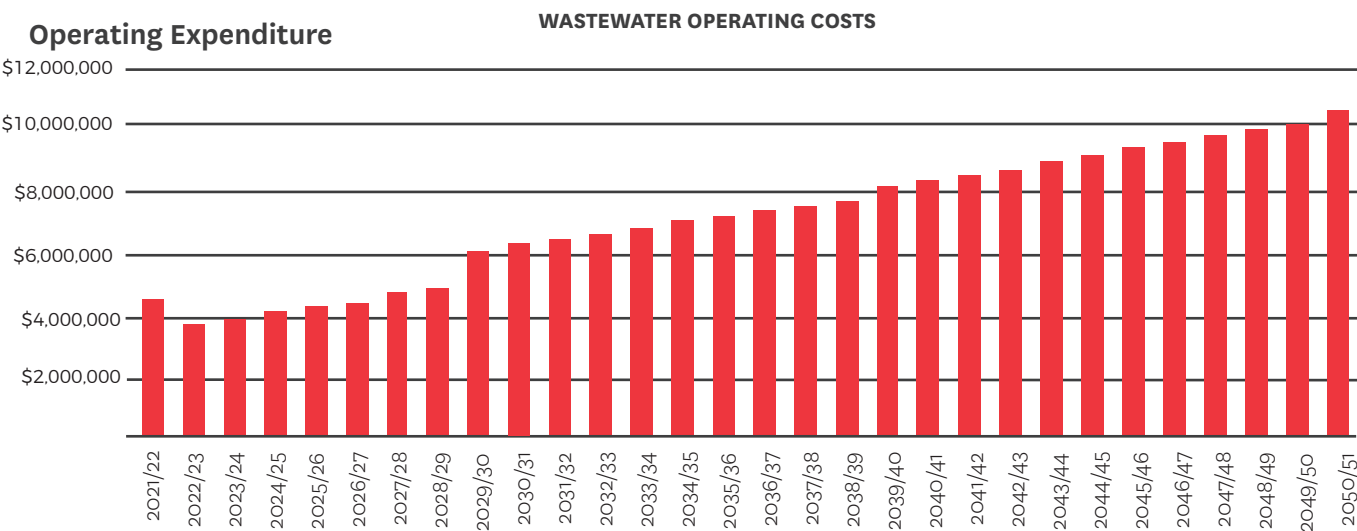
PROJECT NAME	2021/22	2022/23	2023/24	2024/25 TO 2030/31	2031/32 TO 2050/51
Upgrade of Te Aroha falling main				\$3,000,000	
Te Aroha wastewater treatment plant discharge consent					\$1,000,000

WASTEWATER TOTAL COST RENEWAL



Business as usual projects are mainly our plant and reticulation **RENEWALS**. We plan to smooth the reticulation costs as much as possible to allow us to manage our work programme in a sustainable manner over time. The renewal strategy is to focus on our critical assets and replace or reline these before the end of their lives, potentially deferring the replacement of non-critical assets. The renewal strategy also is to replace or earthenware pipes throughout the network. We undertake regular monitoring and condition assessments of our assets to inform the prioritisation of work and minimise the potential risk of failure.

All wastewater treatment plants have been upgraded in recent years but some plant assets such as membranes require replacement over relatively short time frames. There is also a large amount of electronic equipment that requires replacement every five years. As mentioned above, the Morrinsville and Matamata discharge consent will be required to be renewed in 2024/25.



It is assumed that there is a small increase in operating costs for the wastewater activity with the addition of inflation as well. This is based on the assumption that our levels of service will not change but there are improvements being made to our wastewater treatment plants over time which will require additional maintenance.

It also includes some additional costs due to the increase in the stock of assets through new subdivisions. With the increase of the monitoring requirements as a result of new consents, there is also additional costs associated with the management and systems of this.

### Asset Condition

The wastewater infrastructure assets’ condition and reliability of data are described in the Wastewater Activity Management Plan 2021-51. We have good knowledge of the wastewater assets, and our forecast confidence for this group is fairly accurate (confidence rating B). Overall our wastewater assets are in average to good condition, with a programme of regular asset condition assessments which informs our renewal profile and priorities.

There are approximately 5% of assets that we don’t know the material of construction. This is not considered to be a significant risk as the life of “unknown” pipes are the same as the lowest rated pipe. The condition of the reticulation system varies with the various schemes. Te Aroha is subject to higher infiltration rates that can indicate a poor condition. The modelling of the Morrinsville reticulation for dry and wet weather flows indicates that the catchment is generally in poor condition. It is believed that much of the inflow and infiltration originates within private properties from defective pipes and low gully traps and a programme of testing is addressing this issue. We are undertaking condition assessments of our reticulation using closed circuit television (CCTV) and especially for assets approaching scheduled renewal. This is resulting in some renewals being deferred and the pipes given an extended life. We also have a program of inspections using smoke testing and other means to identify faults and to ensure they are remedied and allowing us to prioritise renewals.

Work has commenced on completing some further work on criticality of our Assets. We are refining our criticality criteria to include reticulation assets that are more critical which supply esstential services and schools, and we are also including high risk assets that could cause environmental concerns or issues if failure. This will assist with future decision making processes.

## Stormwater

### Background

Stormwater systems safely and efficiently drain surface water to minimise flooding in our communities. Stormwater is drained from our urban areas and is discharged either into streams, rivers, open drains, retention or detention ponds. Our key levels of service for the stormwater assets are described in Section 6 of the LTP. We aim to ensure stormwater is well managed, and work with property owners to improve stormwater drainage and reduce flooding.

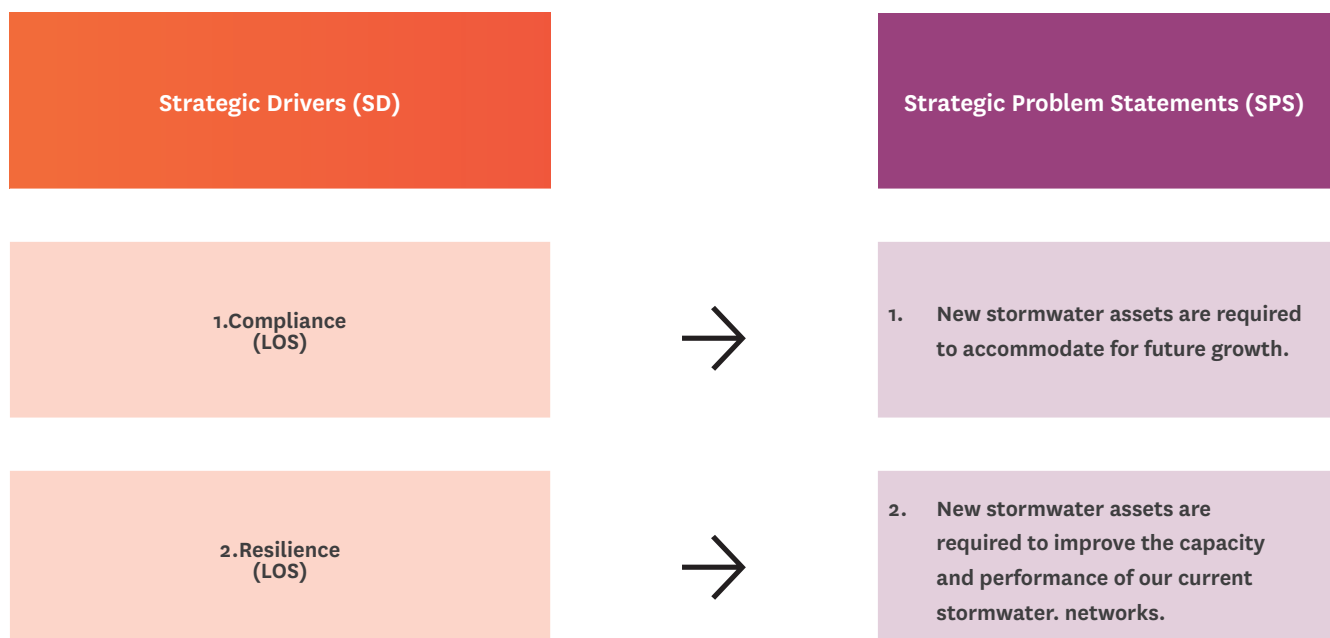
The network consists of 6 retention ponds, 148km of stormwater pipes, manholes and soakage systems and devices.

### Context

Council is responsible for urban stormwater management, while the Waikato Regional Council is responsible for drains and rural land drainage. Customer satisfaction is traditionally low in this area, as many customers are not happy about surface flooding during heavy rain. Surface flooding is an acceptable way to manage flooding during severe weather events which are planned to increase in frequency. While surface flooding is not considered ideal by many people, it is a legitimate, cost effective way to handle stormwater for short periods of time during severe storms. Similarly, due to the limited capacity of our existing stormwater network, soakage is the preferred method of disposal as this is more affordable and manageable. New developers will be required to manage soakage onsite to minimise the impact on the community.

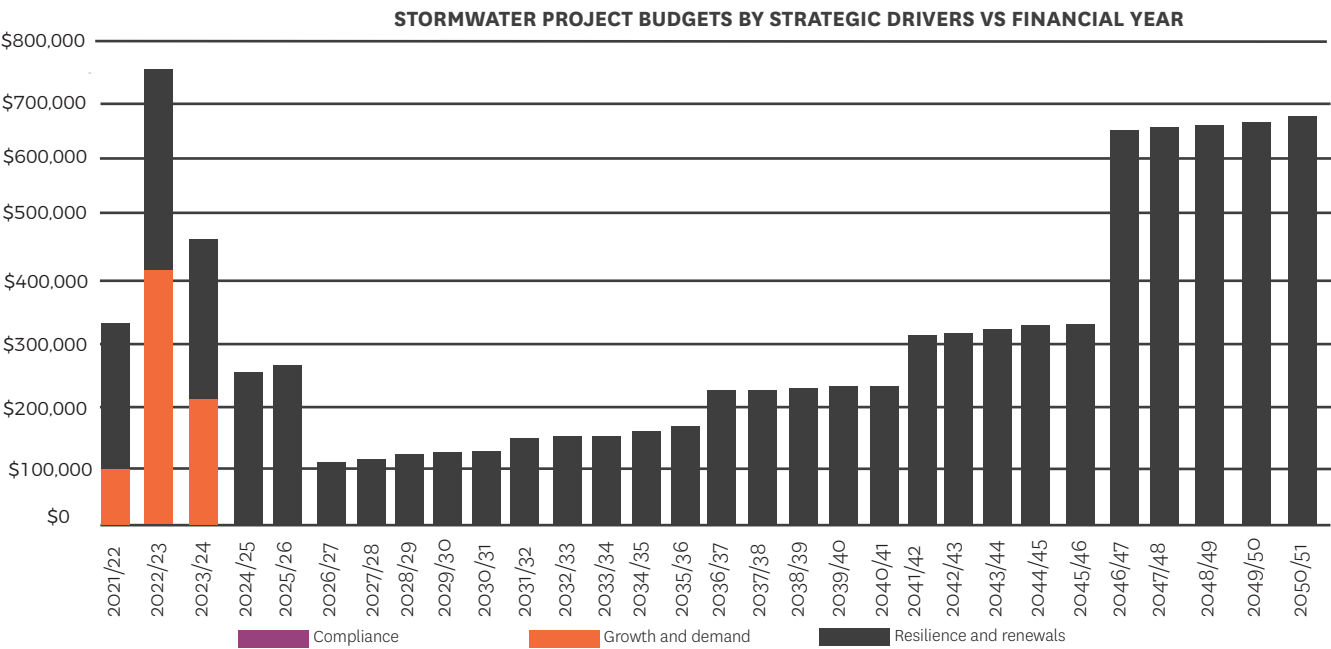
With the National Policy Statement for Freshwater Management 2020 it is expected that some treatment of stormwater may be required in the future. What this will involve to our existing network is unknown at the time of writing this strategy but what we do know is that any new works requires additional stormwater filtration and treatment prior to discharge or soakage.

### Strategic Overview



Overall we are not planning to increase the direct level of service for our community but compliance requirements will provide an improvement to the treatment of stormwater. The increase in intensity of flooding events will require additional investment

Capital and Renewal Expenditure



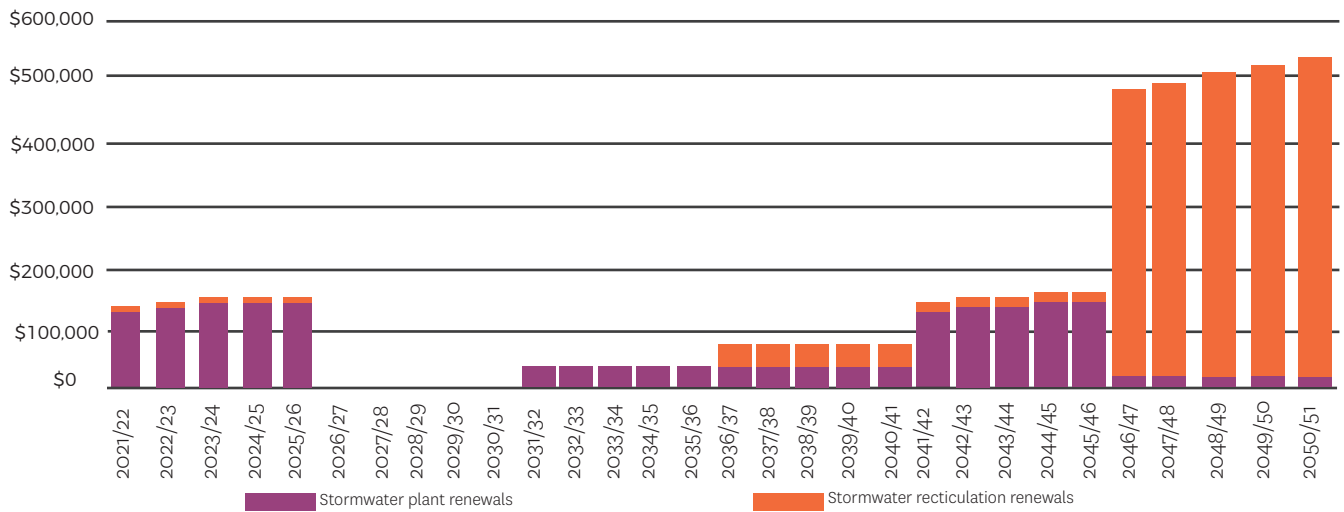
Our forecast budgets include no funding for continuous District-wide improvements to our stormwater network to meet **COMPLIANCE**.

For **GROWTH AND DEMAND**, the policy of the developer to manage stormwater on site through soakage is the continued approach for our growth areas. There are only some very minor projects planned, which include:

PROJECT NAME	2021/22	2022/23	2023/24	2024/25 TO 2030/31	2031/32 TO 2050/51
Tower Road development		\$400,000			
Eldonwood south development	\$100,000				
Matipo Street stormwater pond			\$200,000		

There are also projects planned to increase the **RESILIENCE** to our current network and supply. Some of these key ones are as following:

PROJECT NAME	2021/22	2022/23	2023/24	2024/25 TO 2030/31	2031/32 TO 2050/51
Upgrade of existing network by installing soakage or detention	\$100,000	\$200,000	\$100,000	\$700,000	\$2,000,000

**STORMWATER TOTAL COST DEPRECIATION/RENEWAL**

Business as usual projects are mainly our plant and reticulation **RENEWALS**.

Only minimal replacement of stormwater pipes is expected over the next 30 years. There is a spike in 45 years' time which is due to the assumed date of installation of about 50% of the pipes and it is anticipated that condition rating these pipes closer to this date will spread the actual replacement dates and cost.

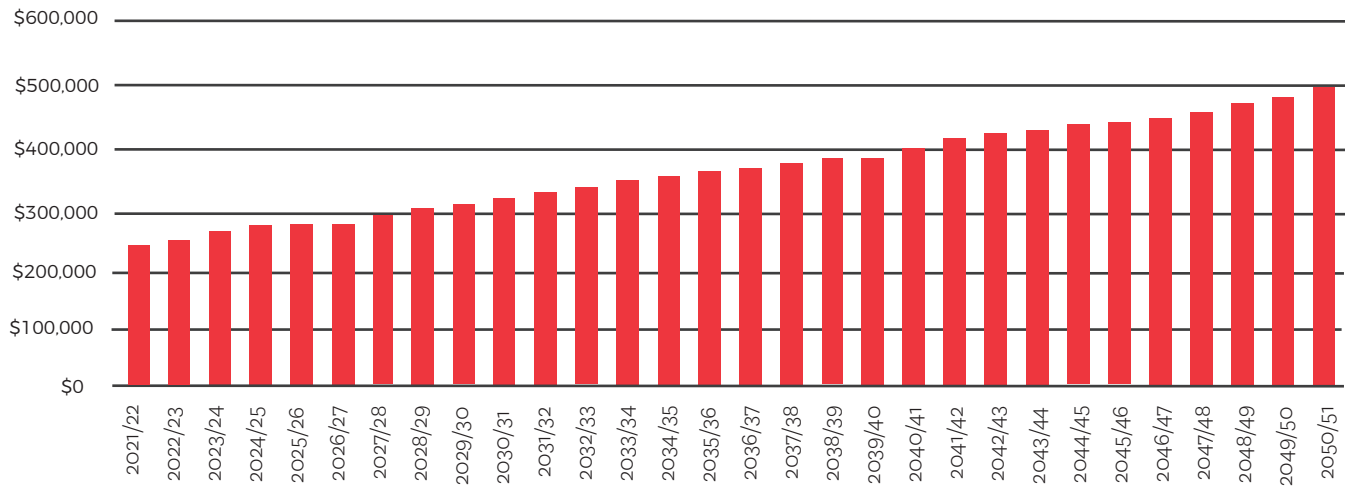
The peaks in the renewal profile are the replacement of the majority of our Matamata pipes in 2047 and Te Aroha in 2052. There have been no issues with the pipe condition to date. It is planned to complete some assessment of these to assess their condition and to verify the asset age. There is also a pump replacement that is scheduled in 2021.

The key renewal going forward are the discharge consents which expire in 2023/24. These will require a lot of planning and investigation work to have all the information ready for a renewal and will include some allowance for legislative changes (i.e. change or increase in standards).

With the high number of retention ponds and other structures being vested in Council as our asset, these will have an impact on renewals but they will be near the end and outside of the term of this strategy from 2050.

Operating Expenditure

STORMWATER OPERATING COSTS



It is assumed that the operating costs for the stormwater assets will increase as there are additional stormwater retention and detention ponds resulting from subdivisions which need to be maintained, and also inflation. Our assumption is that our levels of service will not change however we are completing some improvements to our network as we are aware that climate change will increase the number and intensity of flooding in the future. This will also require an increase in operating responses to manage any flooding events.

Asset Condition

The stormwater infrastructure assets’ condition and reliability of data are described in the Stormwater Asset Management Plan 2021-51. We are unsure of the materials of 17% of assets, which makes up about 21 kilometres of the piped network. These pipes have been given the same life as the shortest life pipe material so that the renewal funding is not at risk in this area. Our overall forecast confidence for the stormwater infrastructure is fairly accurate (confidence rating B).



## Roads and Footpaths

### Background

Our transport network consists of 948km of sealed roads and 60km of unsealed roads. It also includes 350 bridges, street lights, road markings and signs and road drainage assets.

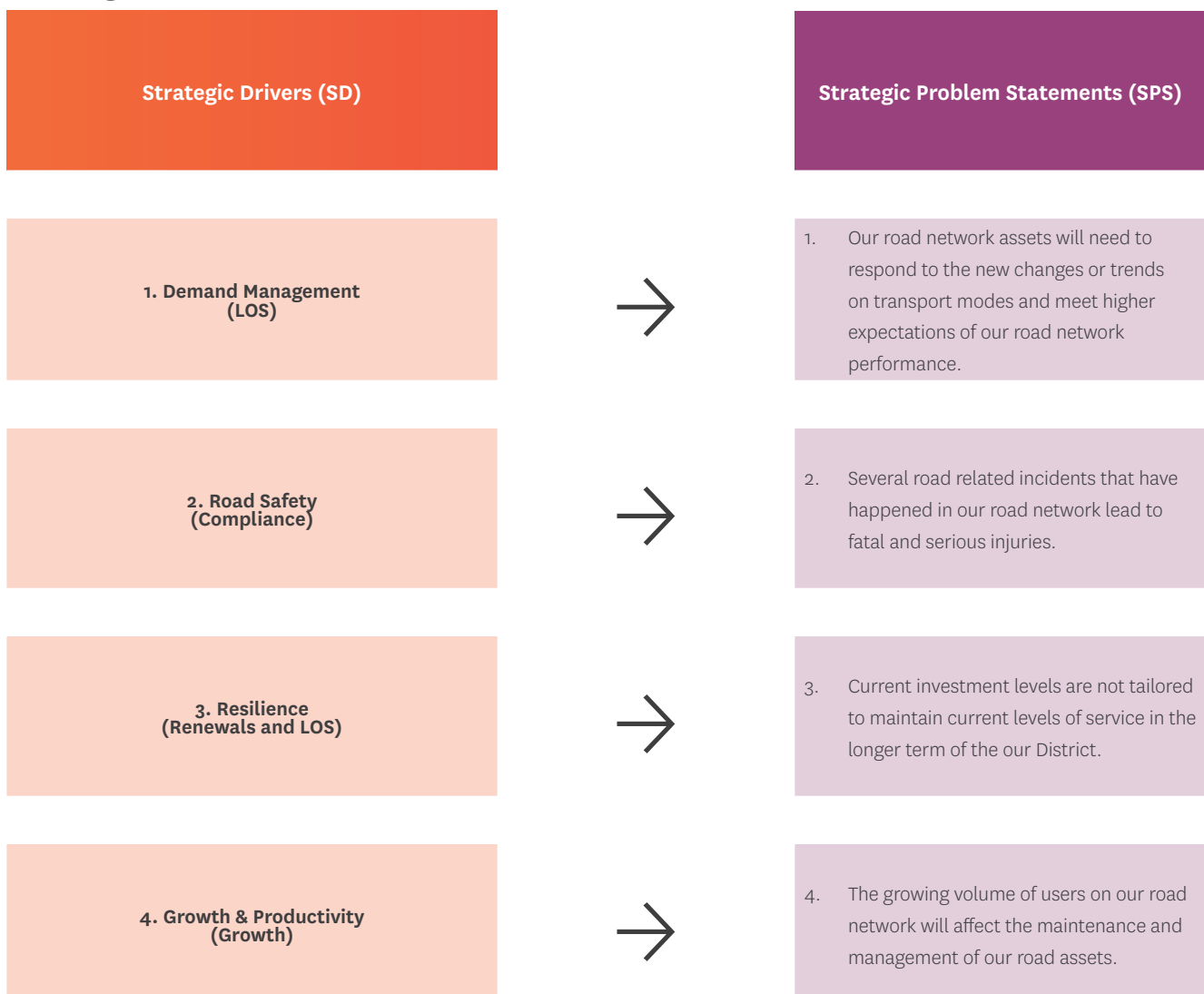
Roads provide for a wide variety of users with diverse needs, including private and commercial car drivers and passengers, freight operators, dairy tankers, stock trucks, quarry trucks/machinery, public transport, harvesting contractors/farm machinery, cyclists and pedestrians. They also support and enable economic growth and, when designed appropriately, enhance living environments and amenity. In addition to providing access to properties, the road corridor is also where utilities are usually located (e.g. gas, power, telecommunications, water, sewer and stormwater). Our key levels of service for the roads and footpaths assets are described in Section 6.

### Context

There are a number of national, regional and local drivers and visions that it aims to achieve. The Government Policy Statement outlines four strategic priorities which it bases its national funding on:

- Safety,
- Better Transport Options,
- Improving Freight Connections
- and Climate Change.

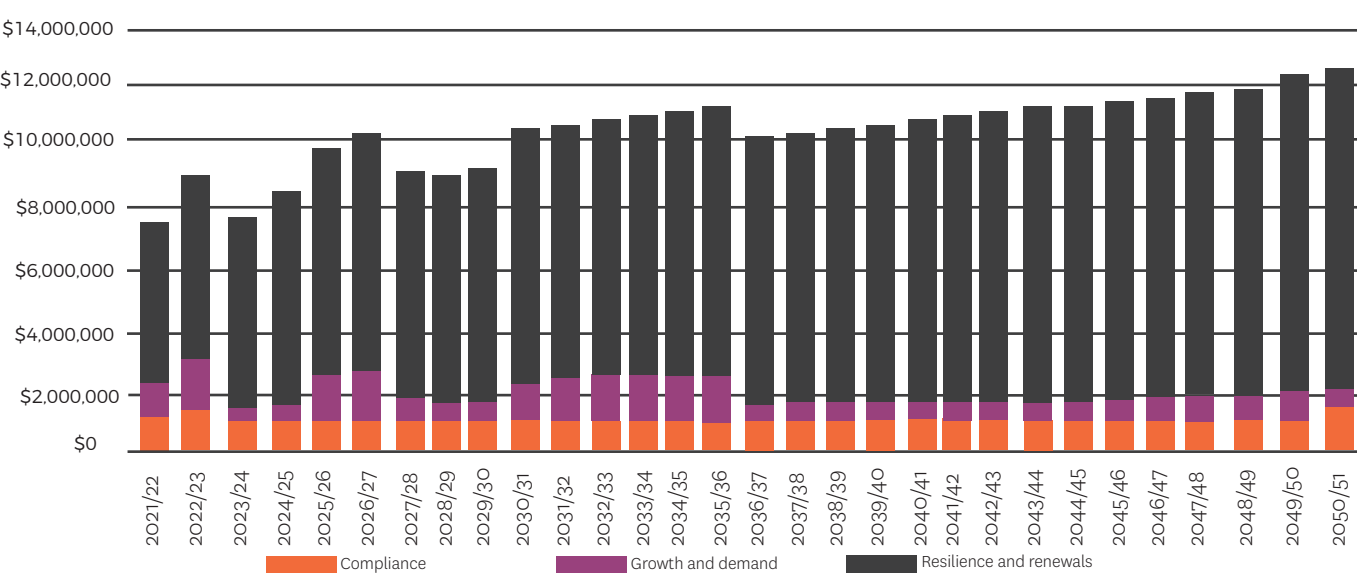
### Strategic Overview



Overall we are not planning to increase the direct level of service for this activity.

Captial and Renewal Expenditure

ROADS AND FOOTPATH PROJECT BUDGETS BY STRATEGIC DRIVERS VS FINANCIAL YEAR



Our forecast budgets include funding for an improvement on road safety within the District. **COMPLIANCE (Road Safety).**

Some of the key ones are as following:

PROJECT NAME	2021/22	2022/23	2023/24	2024/25 TO 2030/31	2031/32 TO 2050/51
Widening of existing footpaths within our towns to create shared pathways to allow for safe cycling and pedestrian movements  (Low Cost Low Risk)	\$50,000	\$50,000	\$50,000	\$350,000	\$1,000,000
School safety - speed activated signs and some other general safety work (Low Cost Low Risk)	\$50,000	\$50,000	\$50,000	\$350,000	\$1,000,000
Safety management programme - safety improvements on high risk, high route roads prioritised across the District  (Low Cost Low Risk- Road to Zero)	\$480,000	\$505,000	\$458,500	\$3,437,000	\$9,820,000
Speed management implementation - for the implementation of speed changes and infrastructure that supports this  (Low Cost Low Risk)	\$23,000	\$39,600	\$83,305	\$630,000	\$1,800,000

Our improvements also include upgrade works to ensure the zoning in our District Plan can be developed and there is adequate capacity within our transport network to cater for the additional vehicles and also providing for pedestrian and cycling links and connections. Some

**GROWTH AND DEMAND** projects include:

PROJECT NAME	2021/22	2022/23	2023/24	2024/25 TO 2030/31	2031/32 TO 2050/51
Tower Road Structure Plan parking bays and intersection improvements in Matamata		\$300,000			
Haig Road upgrade		\$335,000			
Hinuera to Station and Station to Peria Road additional widening		\$100,000	\$100,000	\$300,000	
New kerb and channel District wide	\$55,000	\$55,000	\$55,000	\$385,000	\$1,100,000
New footpath District wide	\$55,000	\$55,000	\$55,000	\$385,000	\$1,100,000
Station Road 1 upgrade		\$730,000			
Station Road 2 upgrade				\$300,000	
New streetlights District Wide	\$110,000	\$110,000	\$110,000	\$770,000	\$2,200,000
Four new bus shelters	\$35,000	\$35,000			
Waharoa - Matamata walkway	\$700,000				

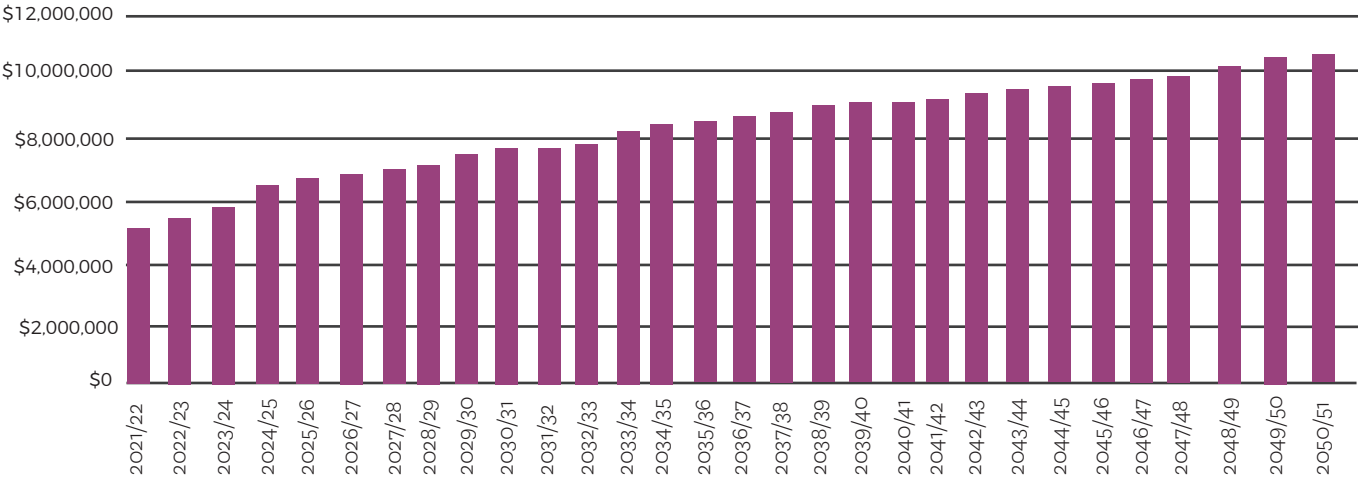
After the suitability and traffic modelling was completed for the Matamata Bypass, the construction has been omitted from the 30 year strategy. The old designation was not suitable and the traffic volumes did not support the investment.

Some projects have capital funding included in the 30 year life of the strategy but are subject to completing a business case first so that a more informed decision and accurate funding can be provided. Projects include:

PROJECT NAME	2021/22	2022/23	2023/24	2024/25 TO 2030/31	2031/32 TO 2050/51
Morrinsville to Te Aroha Cycleway					\$5,000,000

There are no projects identified that are linked directly to **RESILIENCE** but when renewal of existing pavements are completed, resilience is considered within the scope of the works and include additional drainage required to improve current situations, raising pavement levels and upgrading or improving drainage.

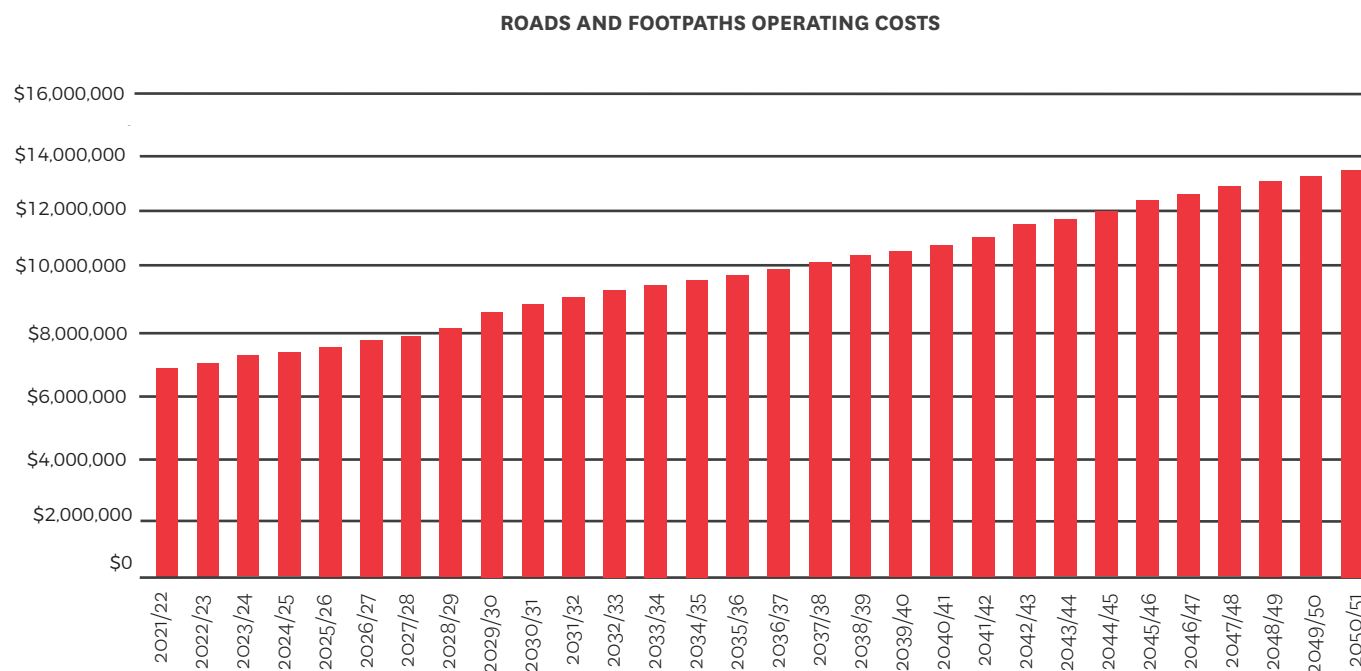
ROADS AND FOOTPATHS RENEWAL COST



Business as usual projects are our pavement, signage, marking, drainage and footpath RENEWALS. Modelling has been completed that has identified the most economical and sustainable renewal strategy for our pavements. Pavements make up 80% of the renewal costs so are critical to the long term management and funding implications.

The modelling has indicated that in order to maximise investment and get the best long term outcomes, resurfacing treatments should be reduced and pavement rehabilitation works should be increased.

## Operating Expenditure



Overall there is only a slight increase in operating cost in the Roads and Footpaths assets. Some of the changes are as following:

- LED streetlights have reduced the operating and power costs.
- The addition of signage and markings for road safety purposes has increased the operating costs slightly. This includes the additional maintenance requirements for electronic speed or safety signs that have been installed over recent years.
- Drainage has increased as there are now additional water treatment devices for the road water which have been vested in Council and that we are now required to maintain. These include rain gardens, other treatment devices and additional soakage systems and structures.

## Asset Condition

The roads and footpaths infrastructure assets' condition and reliability of data are described in the Rooding Asset Management Plan 2021-51. The current asset condition of our roads (both sealed and unsealed) is acceptable by national standards and maintenance and renewal programmes are conducted in accordance with national standards. Our forecast confidence level is fairly accurate (confidence Level B)

The pavement of most of the roads is known and the life can be predicted reasonably accurately, but where soil conditions (such as peat) are a factor, the useful life or assets can be very unpredictable. The other varying factor is some of the traffic growth, specifically the increase in heavy vehicles on our roads. Both of these factors are managed by ensuring that road conditions are monitored and continuous and most optimised traffic counting is completed throughout the District. An increase in data collection on our network has meant we are able to complete better modelling on our surfacing and pavement renewal requirements.

We currently have identified some of our key roads as critical assets based on accessibility and previous lifelines mapping. We have a list of critical structures. This is currently being reviewed to ensure the criteria are still relevant.

## Parks and Open Spaces and Community Facilities and Property

### Background

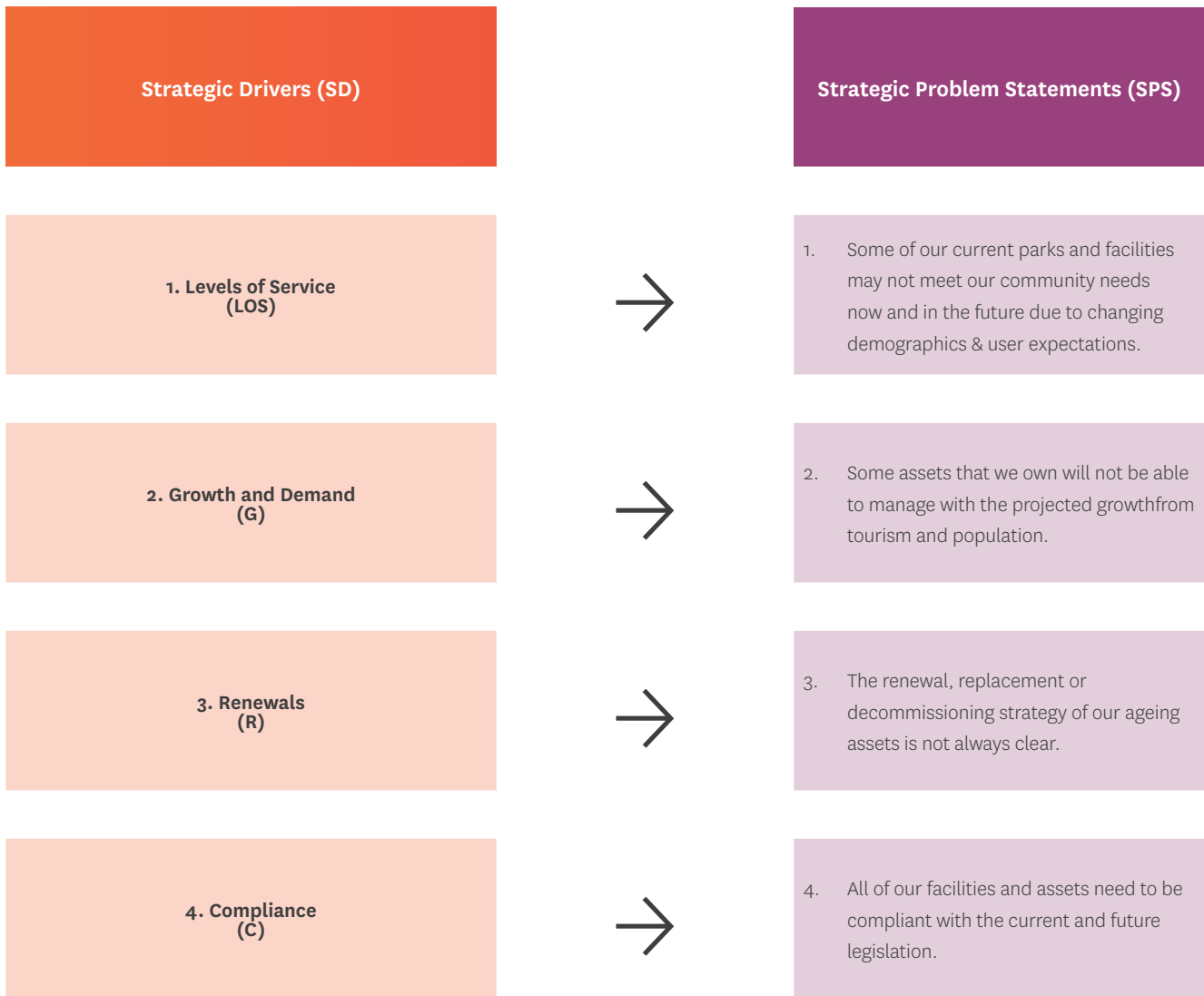
Parks and Open Spaces and Community Facilities and Property is about providing facilities for play, sport, recreation, cultural, and social activities, affordable housing for elderly people, and buildings and facilities that enable us to provide a range of services to the community. Our key levels of service for the Community Facilities and Property assets are described in Section 6.

### Context

Council owns and administers buildings and land across the District. Many of the buildings are more than 50 years old, and will reach their end of useful life in the next 30 years. As these assets come to the end of life we will review the demand and requirement for the assets, and decide whether to replace, repurpose or demolish the buildings. Any decision relating to our strategic assets will be subject to community consultation in line with our Significance and Engagement Policy.

Any major structural work to buildings may require additional earthquake strengthening in line with the requirements of the Building Act and Building Regulations. Regulations require that, prior to the demolition of older buildings, an assessment must be made to consider whether there is likely to be asbestos within the structure and if so how to handle and dispose of it appropriately. These considerations have been included in cost estimates for the purpose of this Strategy.

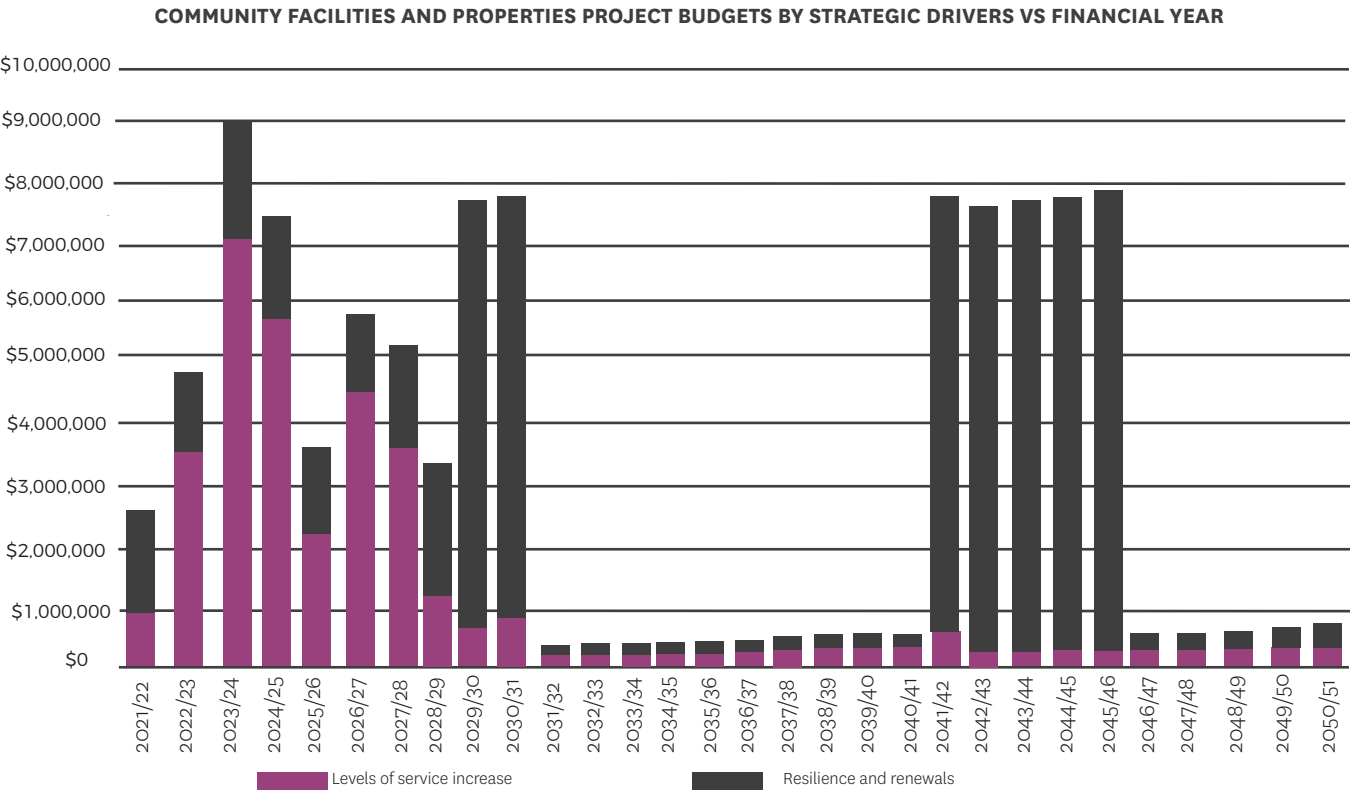
### Strategic Overview



Overall we are not planning to increase the direct level of service for this activity.



Captial and Renewal Expenditure



For Community Facilities and Properties there are no capital projects directly linked to **COMPLIANCE**. Generally, if there are any asbestos or earthquake issues with particular buildings then renewal funding is used to renew the building or aspects of the building.

Our improvements also include upgrade works or the vesting and/or development of new assets to ensure the additional population that we have provided zoning for in our District Plan meets our strategic policies and objective. These are mainly based on our Parks and Open Spaces Strategy, Regional Sports Facilities Plan, District Sports Facilities Action Plan and Sanitary Services Assessment.

These are the **GROWTH** projects, and there are also projects which relate more to customer expectation and **DEMAND**. Some of the key projects in the strategy include:

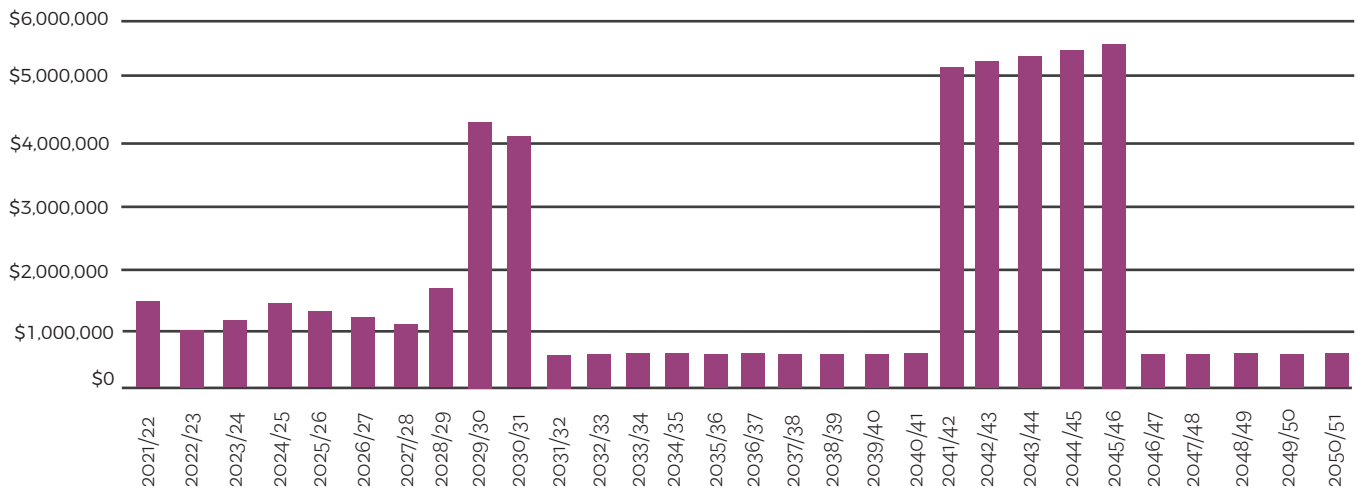
PROJECT NAME	2021/22	2022/23	2023/24	2024/25 TO 2030/31	2031/32 TO 2050/51
Morrinsville playgrounds			\$300,000		
Matamata playgrounds		\$100,000	\$200,000		
Provision of more playgrounds				\$240,000	
Destination playgrounds				\$3,000,000	
Matamata linkage walk ways	\$425,000			\$350,000	\$500,000
Te Aroha linkage walk ways				\$345,000	\$250,000
Morrinsville linkage walk ways		\$270,000		\$320,000	\$500,000
Town centre revitalisations		\$600,000		\$2,500,000	
Development of spas - physical works		\$1,500,000	\$3,500,000		
Morrinsville Recreation Ground development		\$250,000		\$1,000,000	
Morrinsville CBD toilets		\$120,000			
Toilet upgrades (various)	\$100,000	\$100,000	\$100,000	\$700,000	\$2,000,000
Increased indoor sports courts for Matamata			\$2,000,000		
Morrinsville Civic Centre					\$6,500,000

The activity contributes to community resilience by providing public health benefits through additional parks and open spaces. Some of our facilities and buildings provide facilities for emergency response purposes. However, there are no capital projects proposed where **RESILIENCE** is the main driver.

Some Projects have capital funding included in the 30 year life of the strategy but but are subject to completing a business case first so that a more informed decision and accurate funding can be provided. Projects include:

PROJECT NAME	2021/22	2022/23	2023/24	2024/25 TO 2030/31	2031/32 TO 2050/51
Te Aroha civic facilities				\$4,000,000	
Morrinsville pool development				\$10,000,000	

## PARKS AND OPEN SPACES AND COMMUNITY FACILITIES AND BUILDINGS RENEWAL

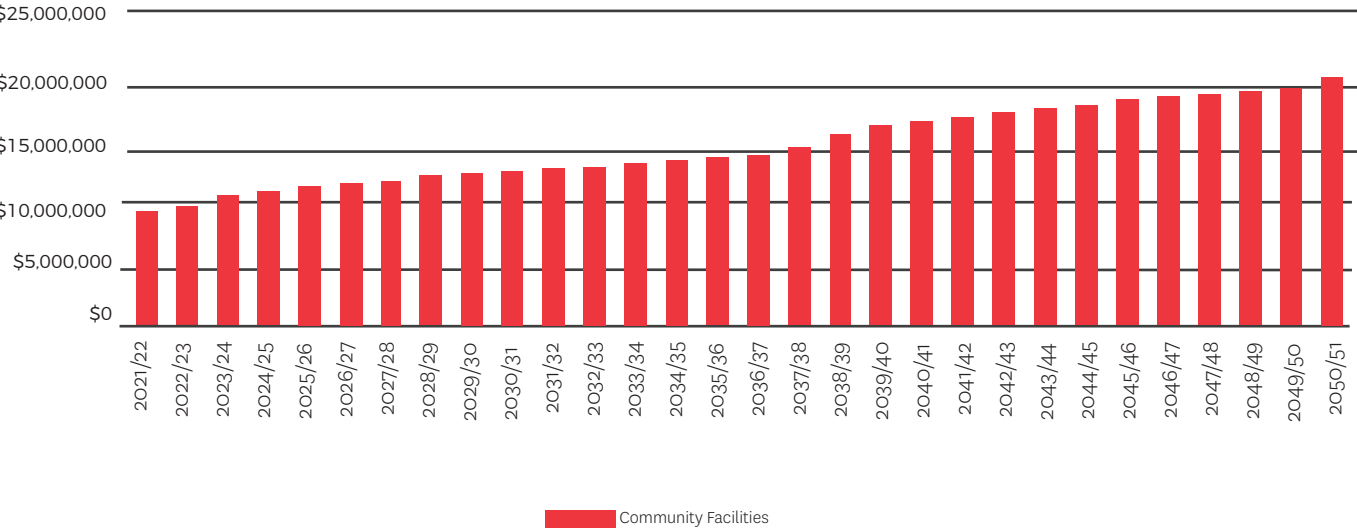


Business as usual projects are mainly our building, playground, tracks and structure **RENEWALS**. We plan to smooth the playground, track and structure renewals to ensure the programme is sustainable and manageable. We undertake regular monitoring and condition assessments for some of our assets to inform the prioritisation of work and minimise the potential risk of failure.

Council has adopted an approach for buildings where the need for major renewals are assessed against the use of the building, the associated costs and benefits, and its strategic purpose. A building with very limited use, high replacement cost and having no future use identified will not be renewed. Some allowance has been made in the building maintenance budgets for disposal and/or demolition of such buildings.

Operating Expenditure

PARKS AND OPEN SPACES AND COMMUNITY FACILITIES AND BUILDINGS OPERATING COSTS



Council in the past has maintained or even reduced the level of service and it is now looking to maintain or slightly improve the levels of service. The increase is related to additional maintenance on some of our existing tracks and walkways. The focus is also ensuring the central business District is maintained to a higher standard. The Open Spaces Strategy has identified a hierarchy of level of service associate with specific park categories or asset classes.

Additional vested assets also increase the long term maintenance trend as they require maintenance from the time they are vested unlike some other infrastructure assets that take some time to require any maintenance. Also additional assets like the Wairere Carpark, Silver Fern Farms Events Centre and Wairere Toilets also add to the existing maintenance budget. Inflation has also been included.

Asset Condition

The Community Facilities and Property infrastructure assets’ condition and reliability of data are described in the Community Facilities and Buildings Asset Management Plan 2021-51 and the Parks and Open Spaces Asset Management Plan 2021-51.

# NGĀ WHAKATATAU MATUA

KEY ASSUMPTIONS



## Our Significant Assumptions

When we are planning we have to make some assumptions about what is going to happen in the future. We can never know for certain what is going to happen, so we make these assumptions based on the best information we have available to us. Below are the assumptions we have made for the LTP and Financial Strategy 2021-31, and the Infrastructure Strategy 2021-51.

	What we've assumed	How we've used this assumption			Risk	Level of uncertainty	Reasons for uncertainty and financial impacts
		Growth and demand	Lifecycle of assets	Levels of service			
1.	<p><b>Covid-19</b></p> <p>The global Covid-19 pandemic continues to develop across the world. In response to the pandemic and threat to public health the whole of New Zealand went into a high level lockdown on Wednesday 25 March 2020. A further high level lockdown for Auckland and a lower level lockdown for the rest of the Country occurred on Wednesday 12 August 2020. The long term impact on local, regional and national economies is yet to be determined.</p> <p>For the purpose of the LTP and the associated strategies we have assumed that there will be no significant impact on our activities and services as a result of Covid-19 or other pandemics. We have used the mid scenario in terms of recovery which expects a prolonged but generally healthy economic recovery for our district.</p>	✓	✓		<p>The risk is high, as we are seeing resurgence of the virus overseas. There is an ongoing risk that New Zealand will have another resurgence of the virus, which may trigger another lockdown of the economy- either regionally or nationally to some extent.</p>	High	<p>Measures to contain Covid-19 in New Zealand have resulted in a severe economic downturn. Levels of activity and employment have declined, with income and spending consequently uncertain.</p> <p>During 2019/20 there was a reduction in revenue from Council's facilities (eg. pools, aerodrome, Firth Tower and libraries) that were closed during the lockdown. Fees and charges were around \$170,000 lower than budgeted over the period of the lockdown.</p> <p>A prolonged future lockdown may also impact on income from resource consents, development contributions and the timing of our capital expenditure.</p> <p>Should the Civil Defence Emergency Operating Centre be activated again in response to Covid-19, there may also be additional operational costs to Council.</p> <p>Due to the uncertainties relating to Covid-19, the potential financial impact cannot be quantified. Council has established a recovery reserve fund as a tool to mitigate financial impacts.</p>
2.	<p><b>Changing weather patterns and natural hazards</b></p> <p>We have assumed that there will be no significant impact from natural disaster and that our funding of civil defence will continue.</p> <p>The Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report was completed in 2014. This states that warming of the climate system is unequivocal, and since the 1950s, many of the observed changes are unprecedented. Central Government recognises climate change as a long term strategic issue for New Zealand.</p> <p>NIWA's Climate Change Projections for New Zealand projects higher temperatures and less rainfall across the Waikato Region. The Ministry of Environment has indicated for the Waikato region that there is likely to be more frequent droughts which is likely to lead to water shortages. Our infrastructure asset management plans take these projections into account as part of the overall planning and budget preparation.</p> <p>In the Strategy we have taken the effects of climate change into account for certain activities that it would affect the most (such as stormwater, water and wastewater). Climate change could also pose challenges for the District in relation to land use and the economy in the future (such as crop production).</p> <p>We recognise New Zealand's vulnerability to natural disasters. If our communities are not adequately prepared we may not be able to recover from a natural disaster.</p>	✓			<p>The risk is low in the short term and there is a medium risk for the term of this strategy.</p> <p>Projected climate change and hazard scenarios (such as storm events) could occur more or less regularly than what has been projected.</p> <p>A lack of preparedness and resilience in the event of a natural disaster would compromise our ability to provide services to the community.</p> <p>Significant natural disasters could compromise our community's ability to pay for services.</p> <p>Significant natural disasters could further increase insurance costs beyond</p>	High	<p>Changing weather patterns and natural hazards could have adverse impacts on public and private property, and our infrastructure such as the roading and stormwater networks.</p> <p>Overestimating the effects of climate change or hazards could result in unnecessary work, but underestimating the effects could impact on emergency project works. Either scenario would affect ratepayers as infrastructure and hazard planning cost money.</p> <p>A significant natural disaster could disrupt our economy and day to day activity, reducing the ability of our community to pay for services and significantly increase insurance costs – as has been seen with the Canterbury earthquakes.</p> <p>The financial effects of these risks depend on the occurrence and scale of future natural disasters, so the timing and financial impact on the forecasts in the Strategy cannot be quantified.</p>
3.	<p><b>Te tiriti o Waitangi/Treaty of Waitangi Settlements</b></p> <p>We have assumed that there will be no significant additional costs to us arising from Treaty of Waitangi settlements, including co-management agreements.</p>	✓			<p>The impact of Te tiriti o Waitangi/Treaty of Waitangi settlements may be greater than expected.</p>	Low	<p>The government is in the process of completing settlement negotiations with Iwi in and around our District. The outcomes of the settlement processes have already or will result in co-governance arrangements. We will need to partner with Iwi and other councils in the Waikato Region in the formation and operation of co-governance entities. Co-management processes may add costs, but we have not been able to quantify what those costs (if any) will be.</p>



	What we've assumed	How we've used this assumption			Risk	Level of uncertainty	Reasons for uncertainty and financial impacts
		Growth and demand	Lifecycle of assets	Levels of service			
4.	<p><b>Legislation</b></p> <p>Changes to legislation have a direct impact on the way we conduct our business. The speed and scale of review of legislation depends largely on the policy direction and priorities of the government of the day.</p> <p>We expect there to be changes to legislation during the life of the LTP, but we have assumed that these will not have a significant effect on our business, with the exception of the 'Three Waters' reform and Resource Management Act 1991 reform which we have described as individual assumptions below.</p>	✓	✓		Central government will reform legislation and this may have a significant effect on the activities we undertake and the cost of providing them.	Medium - High	<p>Most changes to legislation are known about in advance, giving councils the ability to prepare for implementation. The cost and impact of future legislative changes on our activities are dependent on the specific services affected by the legislative change.</p> <p>We are aware of ongoing discussions in Parliament around electoral reform, and would also anticipate some changes to legislation that affect local councils as a result of the three waters reform. Further changes and direction from Central Government are also anticipated as part of the implementation of the Climate Change Zero Carbon Amendment Act.</p> <p>At the time of writing no details about potential changes are known, and the LTP has been prepared based on the legislation in force at the time of writing. We will continue to monitor this space closely.</p>
5.	<p><b>Three Waters Reform</b></p> <p>The Taumata Arowai-the Water Services Regulator Act 2020 came into force in August 2020. The Act establishes a water services regulator (Taumata Arowai) to oversee and enforce a new drinking water regulatory framework, with an additional oversight role for wastewater and stormwater networks.</p> <p>The Government has announced a programme to reform local government water services delivery arrangements. The Government has indicated its intention for the creation of new entities that are of significant scale, asset owning, and publicly owned to deliver water services.</p> <p>We expect there will be changes to the three water services delivery arrangements and this may have a significant impact on our business, for example if the reforms result in assets transferring from Council to a new entity.</p> <p>For the purposes of the LTP forecasts we have assumed we will continue to deliver water and wastewater services over the full term of the LTP. Under the reform programme, we may handover operations to a new service organisation during the term of the LTP. However, our LTP financial strategy and infrastructure strategy have been prepared based on the status quo, as at the time of writing we cannot reliably quantify what the impact of any changes may be.</p> <p>We have assumed that the Stormwater activity will remain unchanged over the life of the LTP.</p> <p>We have assumed that the costs of transition would be funded from future stimulus funding rounds from central government.</p>	✓	✓	✓	The Three Waters Reform may significantly change the way the three waters services are delivered and funded and that this change will result in significant funding and resourcing implications for the rest of Council (refer also to assumption 7).	High	<p>Our LTP, Financial Strategy and Infrastructure Strategy have been prepared based on status quo, as at the time of writing we cannot reliably quantify what the impact of any changes may be. Regardless of how the entity is structured in the future, Council is focused on continuing to provide good value infrastructure for our community.</p> <p><b>Reasons for uncertainty:</b> At the time of writing, we know with some certainty that new legislation around how the three water services will be provided in the future is likely to come into effect during the life of the LTP. The details of what this may look like and the timing if implementation is still highly uncertain, and therefore the impact on Levels of Service and financial forecasts remain unknown.</p> <p>It is expected that the next piece of legislation regarding setting up the new water service providers will be confirmed during 2021-22. If and when any new delivery model has been established through legislation, we may be required to undertake a LTP amendment and we will consult with our community accordingly.</p> <p><b>Financial Impact:</b> The current value of Council's three water assets is \$174 million (approximately 26% of Council's total assets). Annual rates revenue collected to maintain and renew these assets is approximately \$12.7 million (approximately 35% of Council's total annual rates revenue).</p> <p>Any changes to our balance sheets would potentially also impact on our ability to borrow and debt levels.</p> <p>In addition, it is likely that changes in the three waters will have significant on the remaining functions of Council (refer also to assumption 7).</p> <p>The Government's proposal (as of August 2020):</p> <ul style="list-style-type: none"> <li>• Entities with scale with between 100,000 and 1,000,000 connections</li> <li>• Asset ownership to transfer to new entities</li> <li>• New entities be established in law</li> <li>• Council to retain equity ownership</li> </ul> <p>Council has signed a Memorandum of Understanding with to work collaboratively on the preparation of setting up a new provider.</p>

	What we've assumed	How we've used this assumption			Risk	Level of uncertainty	Reasons for uncertainty and financial impacts
		Growth and demand	Lifecycle of assets	Levels of service			
6.	<p><b>Resource Management Act 1991 Review</b></p> <p>The Resource Management Review Panel was appointed by the Minister for the Environment in 2019 to review and provide recommendations on how to improve environmental outcomes and better enable urban and other development within environmental limits.</p> <p>Our LTP, in particular our Resource Consents and Monitoring and Strategies and Planning activities have been prepared based on status quo, as at the time of writing we cannot reliably quantify what the impact of any changes may be.</p> <p>Our asset management approach (for example applying for new resource consents) also assumes status quo, this will need to be revised once more detailed legislative changes are available.</p>	✓		✓	A major reform of the Resource Management Act 1991 may significantly change the way our spatial and strategic planning will be occur in the future.	High	<p>The review panel released its recommendations in June 2020 (<a href="https://www.mfe.govt.nz/publications/rma/new-directions-resource-management-new-zealand-report-of-resource-management-review">https://www.mfe.govt.nz/publications/rma/new-directions-resource-management-new-zealand-report-of-resource-management-review</a>).</p> <p>The key recommendations include that the Resource Management Act 1991 should be repealed and replaced with new legislation to be called the Natural and Built Environments Act. The review also recommends a new Strategic Planning Act to promote the social, economic, environmental and cultural wellbeing of present and future generations through long-term strategic integration of functions exercised under the Natural and Built Environments Act, Local Government Act, Land Transport Management Act and Climate Change Response Act.</p> <p>The recommendations from that report will not be considered by Government until after the 2020 General Election. It is therefore highly uncertain what, if any, of these recommendations will be pursued as part of any review of our environmental planning legislation.</p>
7.	<p><b>Local government structure</b></p> <p>We have assumed that the structure of local government will remain the same and that no reorganisation process will occur during the life of the LTP.</p>			✓	Reorganisation could occur, resulting in an amalgamation of councils and a review of functions within the Waikato Region.	Medium	<p>Reorganisation processes can be triggered by the community under the Local Government Act 2002. If this occurred we would need to respond to any proposal with a decision being made by the Local Government Commission.</p> <p>Reform can also be driven by Central Government. The proposed reforms to Three Waters Services and the Resource Management Act 1991 may result in significant changes to local government structure. At the time of writing, what these changes may look like is difficult to predict and therefore we are unable to quantify potential impact.</p>
8.	<p><b>Council's strategic direction</b></p> <p>Council confirmed its strategic direction (Vision and Outcomes) to guide the LTP and other strategic documents and policies in April 2020. The LTP, Financial Strategy and Infrastructure Strategy have a strategic focus on Council's five priority areas of enabling connected infrastructure, economic opportunities, healthy communities, environmental sustainability and vibrant cultural values.</p>	✓		✓	Council could decide to change its strategic direction.	Low	A clear strategic direction has been set for the LTP. It is expected that the Strategic Vision and Outcomes will be reviewed every three years to align with the LTP process and reflect the vision of the Council of the time. If Council's strategic direction changed any significant changes may result in a re-prioritisation in budget allocation and may require a consultation process.
9.	<p><b>Population Growth</b></p> <p>The resident population of the District is projected to experience a medium rate of growth from 36,749 in 2021 to 38,968 by 2031 and 38,760 by 2051 which is an annual average growth rate of 0.6% and 0.2% respectively. Factors such as the ageing population contribute to a projected decline in the average household size from 2.44 in 2021 to 2.40 in 2031 and 2.26 by 2051. For information on rating unit projections please see Section 5.</p>	✓	✓	✓	<p>Growth could be higher or lower than projected due to an increase in births, a decrease in deaths a change in migration or other influences.</p> <p>Growth may also not occur in the areas where we have provided for development.</p>	Low - Medium	<p>Growth, population and household projections are based on the District's actual growth over the last 10 years, as well as assumptions about the rate of births, deaths and migration in the District. We have adopted a 'medium' growth scenario for the District as being the most appropriate for our LTP. These projections were developed over the period November 2019 to February 2020 using the best information available at the time. They were based on the estimated resident population for 2018 which was based on the 2013 census due to the delays with the 2018 census data at the time. They also do not account for the impact of Covid-19, however in forming a recommendation of which scenario to adopt, the effect of Covid-19 has been considered.</p> <p>This is consistent with recommendations from Statistics New Zealand.</p>

	What we've assumed	How we've used this assumption			Risk	Level of uncertainty	Reasons for uncertainty and financial impacts
		Growth and demand	Lifecycle of assets	Levels of service			
	<p><i>Dwellings</i></p> <p>The number of dwellings is projected to increase from 15,219 in 2021 to 16,325 by 2031 and to 16,897 by 2051. This is a 0.7% average growth rate from 2021 to 2031 and 0.4% average growth rate to 2051.</p> <p><i>Rating units</i></p> <p>The number of rating units is projected to increase from 15,400 in 2021 to 16,100 by 2031 and to 16,700 in 2051. This is an annual average growth rate of 0.5% from 2021 to 2031 and 0.3% to 2051.</p> <p>Further details on the District population, dwellings and rating units are in Section 5 of this plan.</p> <p><i>Land use</i></p> <p>The LTP has been prepared on the basis that the majority of growth in the District will be centred in the three urban areas, Matamata, Morrinsville and Te Aroha while the populations of the District's rural areas are projected to remain constant or to decline. Council has adopted town strategies that guide the planning and future development of the three main towns in the District, and adopted Plan Change 47 in 2017, reviewing the areas provided for development in our three main towns.</p> <p>Land use change projections (hectares) from 2013 – 2063 are described in more detail in the Financial Strategy.</p>						<p>The growth in rating units also has a direct impact on rates – if it is higher than projected, rates per property will be lower because we can spread our costs across more ratepayers. However, if it is lower than projected, the opposite occurs and rates would increase, because there would be less ratepayers to share the rating burden.</p> <p>The growth component of new capital projects is funded from development contributions. If growth doesn't occur at the rate predicted, revenue from development contributions will drop compared to budget and we may have to increase rates, borrow additional funds or reconsider the projects. The total value of project costs attributable to growth in the plan is \$17.7 million</p>
10.	<p><b>Revenue from development contributions</b></p> <p>Using the growth data as a basis, we have assumed that over the next 10 years income from development contributions will occur at a steady rate over the life of the LTP. This is in line with the population projections noted above. We anticipate growth tapering off past the current 10 year time period.</p>	✓	✓		<p>Growth could be higher or lower than projected due to an increased in births, a decrease in deaths or a change in migration or other influences.</p> <p>Growth may also not occur in the areas where we have provided for development.</p>	Medium	<p>The growth component of new capital projects is funded from development contributions. If growth does not occur as predicted, revenue from development contributions will drop and we may have to borrow additional funds or reconsider the projects.</p> <p>Revenue from development contributions over the 10 year time period is \$13.8 million.</p>
11.	<p><b>Major industries</b></p> <p>There are a number of major industrial entities operating in the Matamata-Piako District that contribute significantly to our revenue streams including metered water and Tradewaste income, as well as income related to development.</p> <p>We have assumed (unless stated otherwise), that these major industrial entities will continue to operate and require the same services over the 10 years of the plan.</p>	✓	✓		<p>One or more of the major industrial entities could leave the District, or build their own infrastructure, reducing their reliance on Council, and reducing the revenue stream and potentially stranding Council assets.</p>	Low	<p><b>Financial Impact:</b></p> <p>A significant drop in Tradewaste or metered water revenue would require either additional funding to be obtained through rates, or a reduction in the level of service provided.</p> <p>Approximately 75% of our metered water revenue and 73% of our Tradewaste revenue comes from our five main industrial users.</p> <p>Council is currently reviewing the basis of trade waste fees and charges. These charges affect tankered waste primarily, with larger industrial trade waste users having individual trade waste agreements. An increase in trade waste fees may result in a reduction in demand from Councils septage reception service.</p>

		How we've used this assumption					
	What we've assumed	Growth and demand	Lifecycle of assets	Levels of service	Risk	Level of uncertainty	Reasons for uncertainty and financial impacts
<b>Rating valuations</b>							
12.	All properties in the District will be revalued in 2021 with new values taking effect from 1 July 2022 and every three years after that.	✓			It is possible that this process will change the incidence of rates (e.g. rural values may increase by a greater proportion than urban values).	Medium	No allowance has been made for the possible impact of changes in rating valuations in this plan. We have the opportunity to review this annually as part of the Annual Plan.
<b>Funding of future replacement of significant assets</b>							
13.	We have assumed that depreciation will fund the renewal of significant assets and loans will fund any shortfall if depreciation reserves have been exhausted.		✓		Funding will not be available to replace assets.	Low	If loan funding for renewals is required above the level budgeted, this would also increase interest costs above what has been budgeted for.  Each additional \$1 million borrowed would increase interest costs by \$15,872 per annum and increase rates by 0.04%
<b>Assets – Useful life and asset information</b>							
14.	<p>The useful lives of assets are assessed in accordance with the depreciation rates as set out in our Financial Statement Notes in Section 7. It is assumed that assets will be replaced at the end of their useful life on a 'like for like' basis (i.e. location, size) using the most appropriate materials available at the time the asset is renewed/replaced. There are a number of assumptions and estimates used when performing depreciated replacement cost valuations over infrastructural assets. Valuations of significant assets classes will be performed on an annual basis. Valuations will also be undertaken if we are concerned that values may have shifted significantly over any given period of time for the other assets. Planned asset acquisitions (as per the capital expenditure programme) will be depreciated on the same basis as existing assets.</p> <p>Details about data confidence and asset lives for the various asset groups are included in the relevant asset section of the Infrastructure Strategy.</p>	✓			The physical deterioration and condition assessment used in the valuation of an asset could be at an amount that does not reflect its actual condition. This is a particular risk for those assets that are not visible, such as underground stormwater, wastewater, and water supply pipes.	Low	<p>There is no certainty that asset components will last for their design lives (expected lifespan). These have been identified through the National Asset Management Support Standards and experience to date indicates no significant errors.</p> <p>Asset replacement is budgeted at the expected end of their useful life and earlier replacement will result in a loss on disposal of any residual value. Earlier replacement could mean deferring other capital projects to remain within our self-imposed debt limits. This risk is minimised by performing a combination of physical inspections and condition modelling assessments of underground assets; estimating any deterioration or surplus capacity of an asset.</p>
<b>Inflation</b>							
15.	The forecasted figures in this LTP have been adjusted to include inflation expectations over the next 10 years. The Infrastructure Strategy, which has a 30 year horizon, is also adjusted for inflation. Inflation forecasts were provided by Business and Economic Research Limited (BERL) in September 2020, who was contracted by the Society of Local Government Managers to provide such forecasts specifically for the local government sector for this purpose. We have used the Local Government Cost Index (LGCI) which has been developed based on components of both operating and capital expenditure. The inflation factors below are applied on a cumulative basis. The average inflation factor applied over the 10 years of the LTP is 2.37%. The average inflation factor used in the development of the Infrastructure Strategy for the following 20 years is 2.3%	✓			Inflation occurs at rates much different than forecast.	Medium	<p>Inflation is affected by external economic factors that are outside of our control. There is no certainty that the forecasts will be accurate. If inflation is lower than projected, then additional funding may be required to maintain the existing levels of service.</p> <p>For example, if inflation in the 2022/23 year was 1% higher than forecast, this would require an additional \$396,450 in funding.</p>

How we've used this assumption										
What we've assumed			Growth and demand	Lifecycle of assets	Levels of service	Risk	Level of uncertainty	Reasons for uncertainty and financial impacts		
2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	
0%	2.91%	2.55%	2.48%	2.60%	2.54%	2.56%	2.75%	2.75%	2.60%	
16.	<b>Borrowing</b>  We have assumed that we will have ready access to loan funds at competitive interest rates. Our strong balance sheet supports this assumption, and as a borrowing member of the Local Government Funding Agency there is more certainty in Council and the local government sector in raising liquidity and debt as needed. The projected average total cost of borrowing for each of the 10 years of the LTPis shown below. These rates include the effect of forward starting interest rate swap contracts that are currently in place for years 1 to 8 of the plan. The interest rate projection is driven by the current implied market 90-day bank bill rate over the next 10 years. To this is added an assumed credit margin for the refinancing of existing debt and the raising of new debt.				Interest rates are higher than expected.	Medium	There is no certainty that the forecasted interest rates will be accurate. If the forecasted borrowing rate proved to be significantly understated, then additional funding may be required to maintain existing levels of service. An increase in the interest rate of 0.5% would increase interest costs for 2021/22 by \$185,912 and rates by 0.52%			
2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	
2.93%	2.69%	2.41%	2.17%	2.13%	2.05%	1.97%	2.01%	2.09%	2.14%	
17.	<b>Return on investments</b>  The interest rate projections for cash investments shown below are driven by the implied 90 day bank bill rates as implied by the wholesale swap curve, with an added margin of 50 basis points p.a.  We have not budgeted to receive returns on investments held for strategic purposes over the next 10 years of this plan (as set out in the Financial Strategy).  Interest earned on internally borrowed funds will be used to subsidise rates. Forecast internal interest rates shown below, are calculated at the midway point between Council's average external borrowing and average external treasury investments.				✓	Interest rates are lower than expected. The internal rate of interest could be much lower than forecast.	Medium	There is no certainty that the forecasted interest rates will be accurate. If the forecasted interest rate proved to be significantly overstated, then additional funding may be required to maintain an existing levels of service.  A decrease in the investment interest rate of 0.5% would decrease interest income by \$53,000 and increase rates required by 0.15%. A reduction in internal interest would result in a shift between general and targeted rate requirements, but overall would have no significant impact.		
2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	
Investment interest rates	0.94%	1.04%	1.11%	1.25%	1.44%	1.66%	1.85%	2.00%	2.07%	2.17%
Internal interest rates	1.93%	1.86%	1.76%	1.71%	1.78%	1.86%	1.91%	2.01%	2.08%	2.16%

	What we've assumed	How we've used this assumption			Risk	Level of uncertainty	Reasons for uncertainty and financial impacts
		Growth and demand	Lifecycle of assets	Levels of service			
18.	<p><b>Subsidies - Waka Kōtahi (NZTA)</b></p> <p>We receive annual subsidies of just over \$6 million from Waka Kōtahi (NZTA). The funding assistance rate is reviewed by Waka Kotahi every 3 years.</p> <p>We have assumed that the rate of subsidy of 51% will remain constant over the life of the LTP. We have assumed that operating and capital expenditure programs that have in the past received Waka Kōtahi (NZTA) subsidies and/or satisfy the criteria that Waka Kōtahi (NZTA) require in order to provide subsidies will continue to receive subsidy funding over the life of the LTP.</p>	✓		✓	<p>The rate of subsidy received could be higher or lower than expected.</p> <p>Waka Kōtahi (NZTA) could make changes to the subsidy rate, the funding cap or the criteria for inclusion in the subsidised works programme.</p>	Medium	<p>If subsidies from Waka Kōtahi (NZTA) are higher than we've assumed, we could complete our work programmes at a lower cost to ratepayers. Alternatively, if funding from Waka Kōtahi (NZTA) reduced, we would need ratepayers to fund a greater share, or to review our projects or level of service.</p> <p>If our work programmes are not approved by Waka Kotahi (NZTA) then we will need to review our budgets. Work that would otherwise receive subsidy may be deferred, or the approved three year programme may be adjusted as part of future Annual Plans. A reduction in the level of subsidy by 1% per annum would increase general rates by 0.17% on average over the 10 years of the plan and/or would affect the level of service we provide.</p>
19.	<p><b>Solid Waste services</b></p> <p>Over the course of the LTP we will continue to receive levy contributions from central government (under the relevant provisions of the Waste Minimisation Act 2008). We will apply these funds to projects and provision of recycling services that meet the criteria set out in that Act.</p> <p>In August 2020 Government announced planned increases the to the waste minimisation levy from \$10 to \$20 per tonne in 1 July 2021, reaching \$60 per tonne by 1 July 2024. We expect the way levy funds are allocated to Territorial Authorities (TA's) will change. We have assumed Council will receive a similar level of funding as present; however, this may be made-up from a fixed allocation based on the size of the District and/or opportunities to apply for grants for projects.</p> <p>We have assumed a range of central government direction and national standardisation of kerbside collections will shape both the way our waste services are delivered and the cost of delivering them. This includes a review of the Waste Minimisation Act (the Act), the Litter Act 1979 and the New Zealand Waste Strategy.</p> <p>Council's existing kerbside refuse and transfer stations contract ends in August 2023. We have assumed we will implement a new refuse, recycling and transfer service upon the expiry of the current contract. We are also planning changes to the way this service is funded. We have made an assumption of the increased cost of delivering the new services based on expert advice.</p>			✓	<p>We may not receive the predicted levels of waste levy income.</p> <p>Kerbside collection, transfer station and waste disposal costs may be greater than anticipated.</p>	Low	<p>We use the levy income to fund waste minimisation schemes, educational programmes and waste minimisation projects. If we do not receive the amount of income predicted, expenditure in these areas may need to be reduced or subsidised by general rates.</p> <p>We will know the costs of the new kerbside collection, disposal and transfer station service once the contract procurement process has been completed.</p> <p>An increase of \$1 million in costs would increase the targeted rate for solid waste by \$97.61.</p>



	What we've assumed	How we've used this assumption			Risk	Level of uncertainty	Reasons for uncertainty and financial impacts
		Growth and demand	Lifecycle of assets	Levels of service			
20.	<p><b>Sales or transfer of assets</b></p> <p>It is assumed throughout this plan that we will retain ownership of our significant assets and continue with the current Council Controlled Organisations.</p>	✓			That the financial or nonfinancial objectives of holding strategic assets or Council Controlled Organisations are not achieved. The risk is low.	High	<p><b>Three Waters Reform</b> - With the proposed Three Waters Reform, there is high uncertainty around future ownership of the three waters assets. At the time of writing the details of the reform are not yet known, and as such we have assumed that Council will retain ownership.</p> <p><b>Council Controlled Organisations</b> - Should specified returns not be attainable, we would review our investment. Such a review may have a financial impact. Any decision to sell or partially sell would be significant and a full proposal with options to be considered would be provided to the community for feedback as part of a consultation process.</p>
21.	<p><b>Levels of service</b></p> <p>We have assumed that demand for our services and community expectations regarding the level of service we provide will not change significantly from what we have budgeted for. In developing this LTP we have also assumed that the current levels of service we provide will continue unless specifically stated otherwise (refer Assumption 19 - Solid waste services).</p> <p>For some of our assets recent changes to legislation and the regulatory framework require us to change our levels of service. This is particularly true for the water supply services, where increasing environmental and health standards require improved water quality and improved security of water sources. Similar changes can be seen for wastewater and stormwater where increasing environmental standards require improved treatment of wastewater and stormwater before it can be disposed into the environment.</p> <p>The Rooding activity is also seeing the continued changes to the levels of service, with the implementation of One Network Road Framework. This is likely to see the levels of service for some roads improve and others decrease.</p>			✓	External factors or budgetary constraints may adversely affect our ability to deliver intended levels of service. There are significant changes in customer expectations regarding demand for services or levels of service.	Low	<p>A number of factors may impact our ability to deliver our intended levels of service, such as financial constraints or a natural disaster. Expectations of the community may also change over time.</p> <p>Changes to levels of service may affect the scale and type of infrastructure and services we provide.</p> <p>Any significant changes to levels of service would require a proposal with options to be considered for feedback as part of a consultation process.</p>
22.	<p><b>Resource consents and environmental standards</b></p> <p>We hold several resource consents for the activities that we undertake - mainly for taking water for our town water supplies, and discharging stormwater and treated wastewater from our networks. These consents are obtained from the Waikato Regional Council and are influenced by national policy - such as National Environmental Standards and National Policy Statements under the Resource Management Act 1991 framework.</p> <p>We have assumed that the conditions of resource consents for our activities will not be altered significantly although it is acknowledged that there will be some alteration during the life of the LTP.</p>	✓		✓	<p>Conditions of resource consent could be altered significantly and without allowing sufficient time for planning.</p> <p>Changing Environmental standards could increase costs and put pressure on the affordability of the services we provide.</p> <p>Community expectations of the Environmental performance of Council services could increase.</p>	Medium	<p><b>Reasons for uncertainty:</b></p> <p>The implementation of the Freshwater NPS as well as the future establishment of the Waihou-Piako and Thames-Coromandel Catchment Authority may potentially see future consent conditions becoming more onerous at the time of re-consenting.</p> <p><b>Financial Impact:</b></p> <p>Resource consents are normally granted for long periods and are anticipated well in advance.</p> <p>However, the final costs of obtaining consents are difficult to predict (given the availability of appeals under the Resource Management Act 1991) and the impacts of changes to environmental standards on infrastructure investment and operation may be significant in the longer term. It is difficult to accurately predict the potential financial effects until the consenting/re-consenting process has begun.</p> <p>We have included renewing resource consents in our budgets for some alteration during the life of the LTP.</p>



		How we've used this assumption			Risk	Level of uncertainty	Reasons for uncertainty and financial impacts
		Growth and demand	Lifecycle of assets	Levels of service			
23.	<p><b>Collaborative partnerships</b></p> <p>Partly in response to the government's direction, we have budgeted in this LTP to work towards greater regional collaboration. However in preparing the LTP we have not assumed any cost savings (other than those from existing partnerships) in our budgets.</p>	✓			<p>Future legislative changes could require greater collaboration than we are planning for. Reviews of services may not result in collaboration, efficiencies or a reduction in costs.</p>	Low	<p>An example of a partnership that has been established is the joint provision of rubbish and recycling services with the Hauraki and Thames-Coromandel District Councils, which has resulted in cost savings for the community. Work through WaiLASS and Regional Asset Technical Accord are other examples of regional collaboration.</p> <p>While we will continue to look for efficiencies and cost saving in the provision of our services the financial effects of this work are unknown. We have the ability to review budgets with the Annual Plan.</p>
24.	<p><b>Timing of capital expenditure</b></p> <p>The ten year budget has been developed on the basis of the best available information on the likely timing of capital projects and programmes.</p>	✓	✓	✓	<p>There is a moderate - high risk that the actual timing of the capital programme is different from that forecasted.</p>	High	<p>Delivery of capital expenditure to a different time frame than projected would have both a financial impact and could impact the timing of when the proposed level of service improvements would be achieved.</p> <p>The financial implications would depend on the planned funding sources for the relevant capital expenditure and its associated expenses. The financial impact would be on funding requirements, borrowings, interest expense, depreciation expense and consequential operating costs.</p> <p>The actual timing of capital expenditure (and the achievement of related service level improvements) will be impacted by a number of factors. One of the key areas under our control is the quality of project management. Other areas such as the market's response to the increased programme certainty and any potential further Covid-19 lockdowns are beyond our control.</p>

# TŌ TĀTOU ROHE, ŌHANGA, TAUPŌRI HOKI

OUR DISTRICT, ECONOMY AND  
POPULATION



# OUR DISTRICT, ECONOMY AND POPULATION

## OUR DISTRICT TODAY

The Matamata-Piako District is a rural area of 175,477 hectares in the Waikato Region. Previously, two thirds of the District's population lived in one of three main towns (Matamata, Morrinsville and Te Aroha), with the remainder living in rural areas. This has changed to just over 60% of the population. The District is well known for its dairy farming and thoroughbred racing industry but has a number of other key features.

Major attractions include Mount Te Aroha (952m high) and the stunning Kaimai-Mamaku Forest Park, which offer visitors a range of day walks or overnight tramps. At the foot of the mountain is the Mokena Geyser (the only natural hot soda water geyser in the world), and the historic Te Aroha Domain, featuring Swim Zone Te Aroha and the Te Aroha Mineral Spas.

Matamata is well known as the location of the Hobbiton Movie Set, which was used for the world famous Lord of the Rings movies, and The Hobbit trilogy. The Hobbiton Movie set has been one of New Zealand's major tourist destinations in the past, attracting over 500,000 each year. Matamata is also home to the historic Firth Tower Estate and Museum. Matamata has a strong equine and racing community, and it has produced many fine thoroughbred horses that can now be found racing internationally.

The easy rolling terrain surrounding Morrinsville makes for some of the best farmland in New Zealand, earning it the title 'Cream of the Country'. Morrinsville is also home to the Herd of Cows public art and Wallace Gallery, which showcases artwork from around the District and wider region and the Morrinsville Museum.



## General information about the District

	2017/18	2018/19	2019/20
<b>Number of electors (enrolled)*</b>	23,767	23,768	23,393
<b>Number of rating units**</b>	15,015	15,163	15,070
<b>Value of improvements**</b>	\$4,543,681,400	\$4,619,325,900	\$4,654,320,900
<b>Net land value**</b>	\$8,240,602,000	\$8,272,574,800	\$8,275,337,800
<b>Total capital value**</b>	\$12,784,283,400	\$12,891,900,700	\$12,929,658,700
<b>Total rates</b>	\$31,324,000	\$32,178,000	\$33,881,000
<b>Average total rates per property</b>	\$2,086	\$2,122	\$2,248

\* Electoral enrolment centre

\*\* At the end of the preceding financial year

\*\*\* Excludes metered water rates, targeted rates from industries, lump-sum contributions and penalties.

## Our demographic future and our economy

We are planning for the future, which means we need to consider what the demographic future might look like in our District.

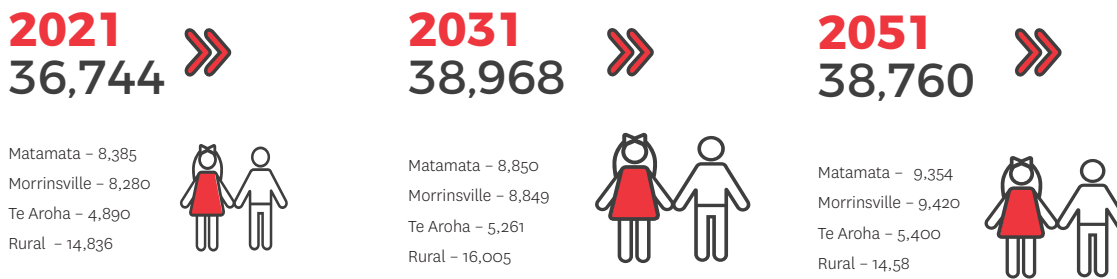
- What will our population be?
- What ages will they be?
- How many households will there be?
- How many people will live in each household?

The answers to these questions (and other demographics) all effect how we manage growth and plan for our infrastructure and services. All population figures in this LTP are projected as at 30 June of each year, which aligns with our financial year (1 July – 30 June).

Growth projections give us low growth, medium growth and high growth scenarios - we have done our forward planning based on the medium growth profile. These population projections and economic data have been provided by Infometrics. You can read the full population report at [mpdc.govt.nz](http://mpdc.govt.nz) and the economic profile is available at [infometrics.co.nz](http://infometrics.co.nz)

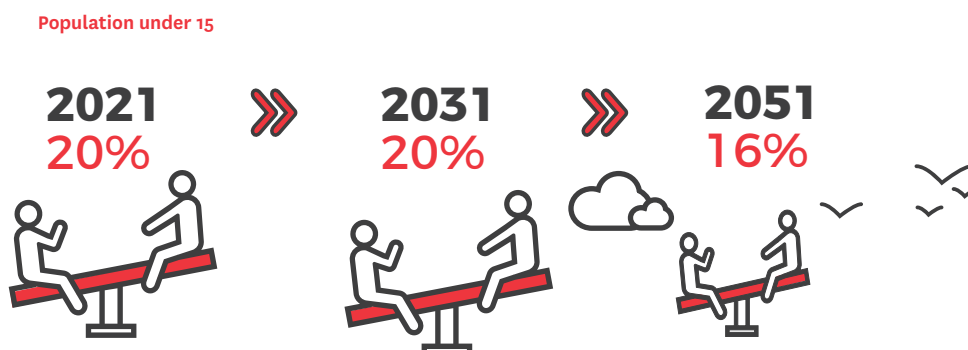
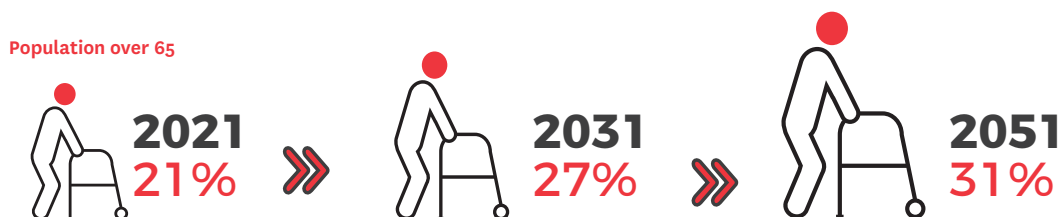
### Population Projections

*\*Due to rounding, figures used in this section may not add to the stated totals. Population growth projections to 2051 report completed by Infometrics Limited in April 2020, pre-Covid-19.*



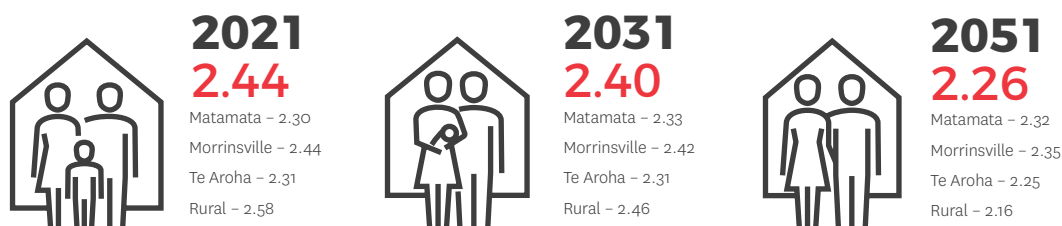
### An Ageing Population

Our population is projected to age and the number of young people (under 15 years) decrease. This changing age profile could have a flow-on effect to the make-up of the work force in the District and the services we provide like recreational facilities and pedestrian access. It also has impacts on the affordability of rates as many pensioners are on fixed incomes.



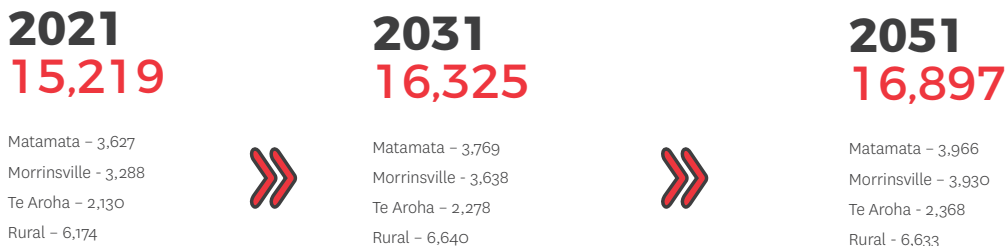
## Household Size

The average household size is projected to decrease likely due to the impact of the ageing population and changing family structures.



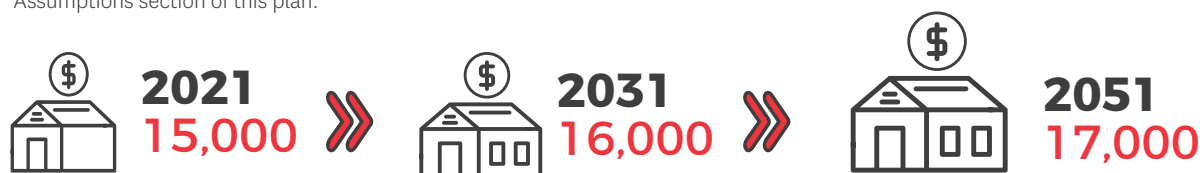
## Total Dwellings

The number of dwellings is projected to increase in line with the projected increase in population and rating units.



## Rating Unit Projections

Rating Units are pieces of land that hold a certificate of title of equivalent (e.g. gazette notice). In preparing our budgets, we have applied a more conservative average annual growth in rating units. For more details refer to the Significant Forecasting Assumptions section of this plan.



District	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	14,965	15,064	15,163	15,262	15,460	15,562	15,665	15,768	15,870	15,973

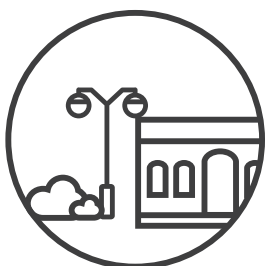
## Split of Urban/Rural Population

### Urban

2021 - 58.66%

2031 - 58.91%

2051 - 62.35%



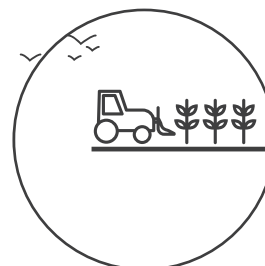
VS

### Rural

2021 - 41.34%

2031 - 41.09%

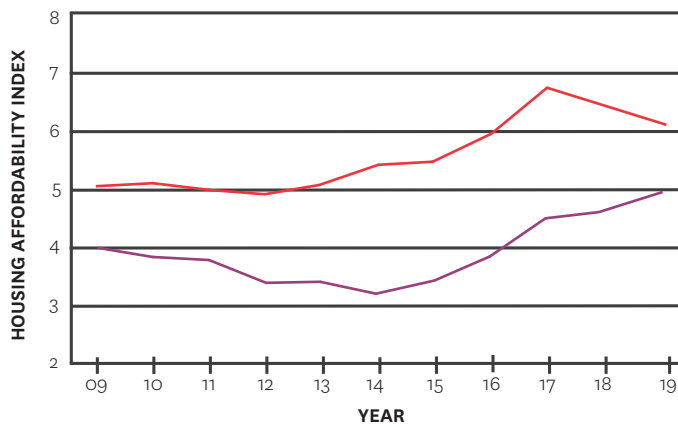
2051 - 37.65%



## Housing affordability

### Matamata-Piako District & New Zealand

Matamata-Piako District  
New Zealand



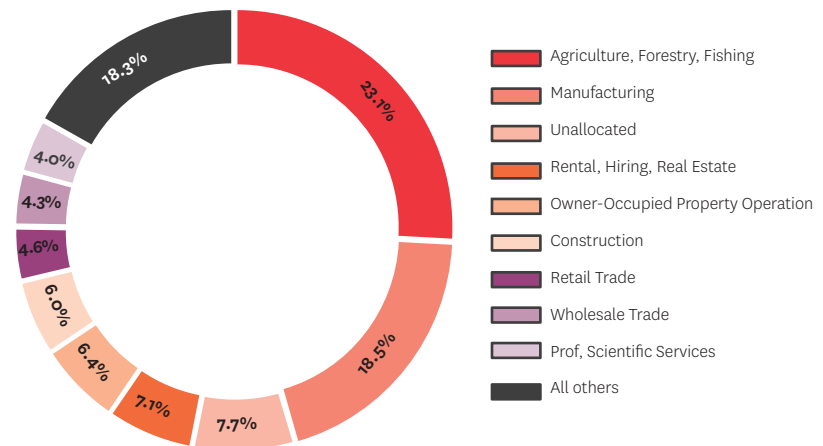
Housing affordability is a measurement of a communities overall economic wellbeing. The affordability ratio is measured by comparing the average current house value to average annual earnings. A higher ratio indicates a bigger gap between median house prices and typical incomes, which indicates lower housing affordability.

This graph shows the affordability of housing in the Matamata-Piako District and for the country as a whole. This suggests that the Matamata-Piako District has reasonably affordable housing when compared to New Zealand as a whole.

## Our Economy - Affordability

Our District is one of New Zealand's cornerstones of the dairy industry, with some of the best quality soils in New Zealand. We also have a strong presence of other large industries like horticulture and meat processing.

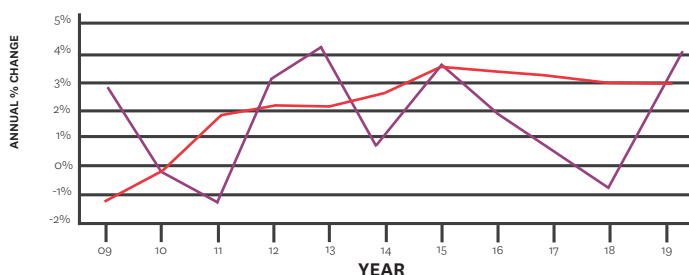
These all play a major role in building a strong local economy. Gross domestic product means, the total value of goods and services produced in an area. It is a common way of measuring the performance of an economy.



## Growth in GDP

Matamata-Piako District  
New Zealand

Partly due to our high proportion of primary industry, our District remains resilient to financial shocks and the economic impact of Covid-19. This is also reflected in a steady employment growth of around 1% year on year between 2009 and 2019, and lower than national unemployment rates (3.7% in our District compared to 5.4% in New Zealand).



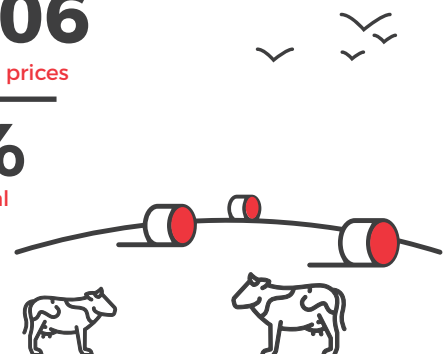
## GROSS DOMESTIC PRODUCT

**\$1,706**

million in 2010 prices

**0.8%**

of national total



## Climate Change

The impacts of climate change are being felt by local government and its communities now. Those changes include rising sea levels and changes in rainfall and temperature patterns. These changes can also lead to gradual impacts or stressors such as groundwater rise, or salt water intrusion, or more frequent extreme weather event hazards, such as coastal or inland flooding. Matamata-Piako District Council is fortunate enough to be a land locked district. We are protected from the direct impact of sea level rises and coastal inundation (refer the Waikato Regional Councils hazard modelling <https://waikatoregion.govt.nz/services/regional-services/regional-hazards-and-emergency-management/regional-hazards-portal/>). The impacts of climate change on our communities are mainly evidenced by the increased frequency and severity of severe weather events such as droughts and floods (refer NIWA Climate Change Forecast <https://niwa.co.nz/our-science/climate/information-and-resources/clivar/scenarios>). The Ministry of Environment has also indicated for the Waikato Region that there is likely to be more frequent droughts which is likely to lead to water shortages. It is our role to manage our infrastructure in a way that minimises or mitigates the risk associated with these extreme weather events and protects our communities.

The Climate Change Response (Zero Carbon) Amendment Act 2019 provides a framework by which New Zealand can develop and implement clear and stable climate change policies that:

- contribute to the global effort under the Paris Agreement to limit the global average temperature increase to 1.5° Celsius above pre-industrial levels.
- allow New Zealand to prepare for, and adapt to, the effects of climate change.

### The changes do four key things;

- set a new domestic greenhouse gas emissions reduction target for New Zealand to:
  - reduce net emissions of all greenhouse gases (except biogenic methane) to zero by 2050.
  - reduce emissions of biogenic methane to 24-47 per cent below 2017 levels by 2050, including to 10 per cent below 2017 levels by 2030.
- establish a system of emissions budgets to act as stepping stones towards the long term target.
- require the government to develop and implement policies for climate change adaptation and mitigation.
- establish a new, independent Climate Change Commission to provide expert advice and monitoring to help keep successive governments on track to meeting long-term goals.

It is expected that further legislative initiatives to combat the effects of climate change will be introduced during this current term of Parliament, and that some of the responsibility to make changes will be delegated to local councils around the country.

We, together with 63 other councils and regional councils, have signed the Local Leaders Climate Change Declaration. Amongst other things, the declaration acknowledges the importance and urgent need to address climate change for the benefit of current and future generations.

Whilst non-binding, the declaration includes a commitment to

- Develop and implement ambitious action plans that reduce greenhouse gas emissions and support resilience within our own councils and for our local communities. These plans will:
  - promote walking, cycling, public transport and other low carbon transport options.
  - work to improve the resource efficiency and health of homes, businesses and infrastructure in our district.
  - support the use of renewable energy and uptake of electric vehicles.
- Work with our communities to understand, prepare for and respond to the physical impacts of climate change.
- Work with central government to deliver on national emission reduction targets and support resilience in our communities.

In our 2019/20 Resident Survey, 60% of those surveyed said it is very important or important that Council takes a leadership role in climate change response for the community, with 14% saying it is unimportant or very unimportant.

Our decisions about how we continue to invest (or not) in existing infrastructure in light of climate change impacts will affect things such as the continued availability of infrastructure to current and future communities, their preparedness for natural disasters, and their safety.



### Our current approach

We maintain robust asset management plans for all our infrastructure activities and community facilities and property. These plans consider the effects of changing environmental and weather patterns as part of their ongoing asset management planning, both in terms of operational practices and capital investments (choosing materials, considering whole of life costs, and alignment/compliance with current and proposed legislative requirements). The asset management budgets feed into the LTP budgets for the asset activities, and as such form part of the underlying information for the LTP baseline budget.

Some of the capital investments we have planned as part of this LTP and Infrastructure Strategy, that is in part driven by climate change adaptation and resilience include:

- Encouraging active modes of transport to reduce number of cars on the road.
- New walkway Waharoa to Matamata.
- New cycleway Matamata to Piarere.
- Matamata pedestrian connectivity.
- New linkage parks and walkways in Matamata, Morrinsville and Te Aroha.
- Digital Strategy implementation.
- Develop Resource Recovery Centres in Matamata and Morrinsville to encourage less waste sent to landfill.
- Matipo Street stormwater pond upgrade.
- Tower Road wastewater pump station and rising main.
- Wastewater Treatment Plant upgrades across the District.
- Implement water loss strategy.
- New water treatment plant Wisely Bore.

### The challenge ahead

We acknowledge that all our activities contribute in some way to the total carbon emissions for our District. We are committed to better understanding our carbon footprint and how we, as a Council, can take steps to reduce this. Our main focus for the first three years of this LTP is to gain a greater understanding of where we are currently at in terms of our footprint, planning for resilience and see where we can improve as an organisation in a cost effective as well as environmentally friendly way. This may include;

- Commission a further emissions stocktake for council's activity that requires and engages staff participation.
- Continuing to assess the implications of the Climate Change Response (Zero Carbon) Amendment Bill for Matamata-Piako District Council and its communities.
- Develop an emissions goal (for example, set an ambitious goal to be carbon neutral by 2030, or something that aligns to the Zero Carbon Act (2050)).
- Develop a holistic approach (strategy) to emissions reductions activities across the Council.
- Seek advice and best practice on how to disseminate and communicate emissions- reduction-based information to communities.
- Recognise that the Council has a leadership role – by changing the way it does things, it can role model the changes that are needed in its communities, and demonstrate commitment to leading and coordinating communities to reduce emissions.
- Explore opportunities to tap into existing community resources to support some of these activities.

As an organisation, we are taking a whole of council approach to climate change adaptation. In 2021 we started a programme to transition our fleet into hybrid or fully electric. This will continue as part of the fleet renewal programme for all council vehicles and machinery where appropriate and cost-effective. Our energy efficiency working group monitor and recommend opportunities for improvement when it comes to energy use at council facilities, and our Digital Strategy set the road map for how we can reduce our requirement for printing, both internal and with our external customers and stakeholders. We are also enabling our staff to work more from home, and facilitating virtual meetings, to reduce the requirement for travel.

We are committed to working with our partners in local governments across the Waikato and the country, to do our bit to mitigate the potential impact of climate change. We are part of the Waikato Local Authorities Shared Services Climate Change Forum.

# Ā MĀTOU MAHI WHAT WE DO



**PEPAMANA RAPU WHAKAARO**

MŌ TE RAUTAKINGA TŪROA 2021-31

**CONSULTATION DOCUMENT**

LONG TERM PLAN 2021-31

# 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](http://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](https://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.



**\$550,000 urban property**  
connected to all services  
(e.g. water, wastewater,  
rubbish)

Proposed increase for 2021/22  
**\$235 (9.34%)**

Average annual increase for next ten years  
**\$188 (5.77%)**

**An extra \$3.61 per week =  
one pack of  
choccie bikkies**



**\$8 million rural property**  
not connected to services

Proposed increase for 2021/22  
**\$1,434 (14.39%)**

Average annual increase for next ten years  
**\$631 (5.11%)**

**An extra \$12.13 per week =  
two large coffees**

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



## 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



# 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
<b>Debt impact - increase by \$5.3 million by 2023/24 including inflation</b>		



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.

# 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)

### **Recycling**

#### **The challenge**

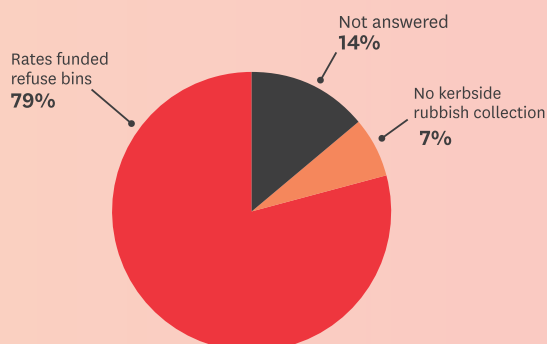
Recycling the way we do now is not working well. We need to make changes to ensure what is collected, is being repurposed and diverted from landfill.

#### **What we asked**

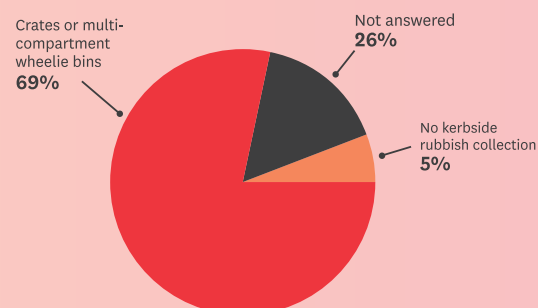
Would you rather have:

- 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**



### **What you told us**





## Transfer stations

### The challenge

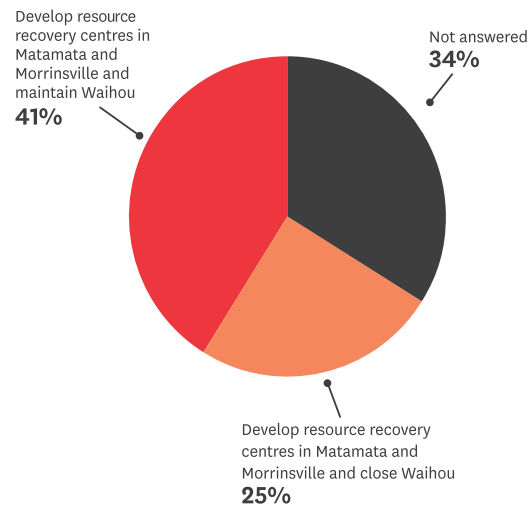
Transfer stations don't encourage rubbish reduction but resource recovery centres do. These centres are community facilities where you can drop off unwanted items and materials for reuse and recycling – diverting them from landfill.

### 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

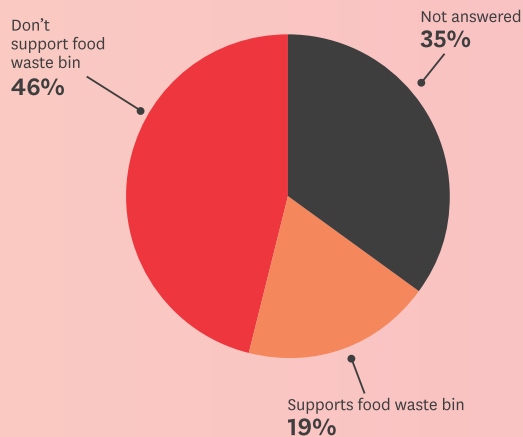
### The challenge

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



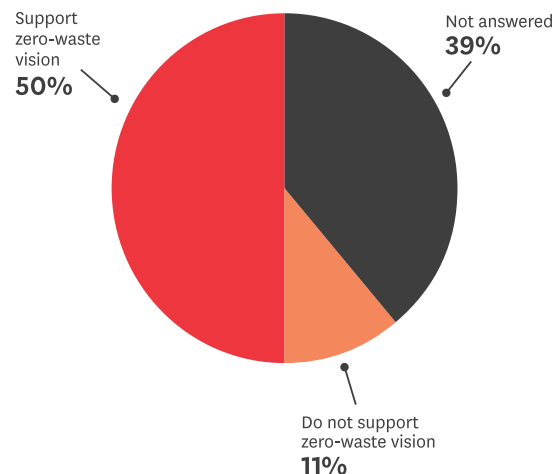
## Our zero-waste vision

### 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	Wheelie bin + crate, collected fortnightly	Not provided	\$197 Total for rubbish & recycling combined (if using 1 rubbish bag per week)
	\$3 per rubbish bag \$41 targeted rate per year			
What you would pay from 1 July 2021 (Year 1 of this plan)	MPDC official rubbish bags, collected weekly (same as above)	Wheelie bin + crate, collected fortnightly (same as above)	Not provided	\$287 Total for rubbish & recycling combined (if using 1 rubbish bag per week)
	\$3 per rubbish bag \$131 targeted rate per year			
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
<b>Debt impact - no impact on our debt</b>				



### 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.



# 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
<b>Debt impact - increase by \$6.9 million by 2024/25 including inflation</b>	



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		




# 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](http://dia.govt.nz). You can also read more about our approach to these reforms in our significant forecasting assumptions [mpdc.nz/planningahead](http://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](http://mpdc.nz/planningahead)**



# 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
<b>Debt impact - increase of \$3.5 million by 2028/29 including inflation</b>	

## 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
<b>Debt impact - increase of \$3.2 million by 2023/24 including inflation</b>	

## 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.

# 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](https://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.

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

## 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.





# 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](https://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
<b>Debt impact - increase of \$3.2 million by 2030/31 including inflation</b>	

**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](https://mpdc.nz/planningahead)**

## 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
<b>Debt impact - increase of \$2.4 million by 2030/31 including inflation</b>	

## 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](https://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.







# NGĀ TAKE HEI TIROHANGA MĀ TATOU 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

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

**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](https://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.

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





# 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](https://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

## 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		

2024/25

2025/26

2026/27

## 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		

# THE DRAFT BUDGET

## 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		

2027/28

2028/29

## 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).

## 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 (connected)		\$8.24
\$8 million rural property (not connected)		No impact
Debt impact - increase of \$3.6 million by 2025/26 including inflation		

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 WHAKAREREKĒHIA 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](https://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.

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

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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.

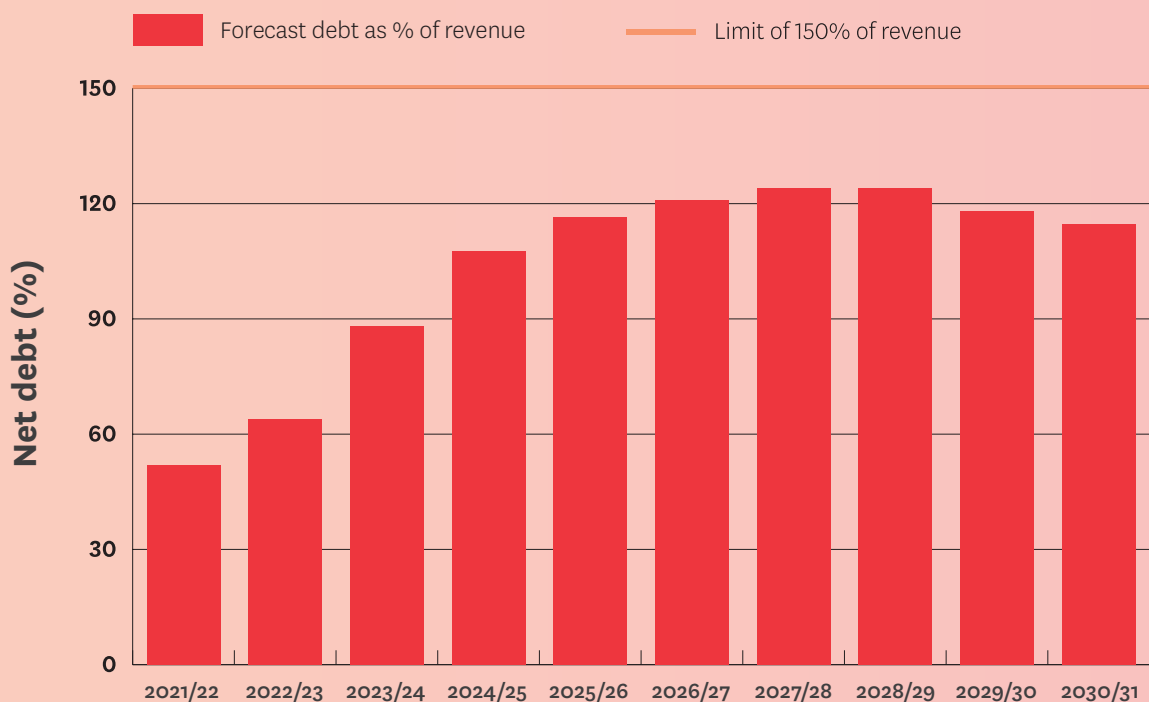
We currently borrow money to pay for assets – for water, wastewater, roads and community buildings and facilities that will service the community over a long period of time.

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.

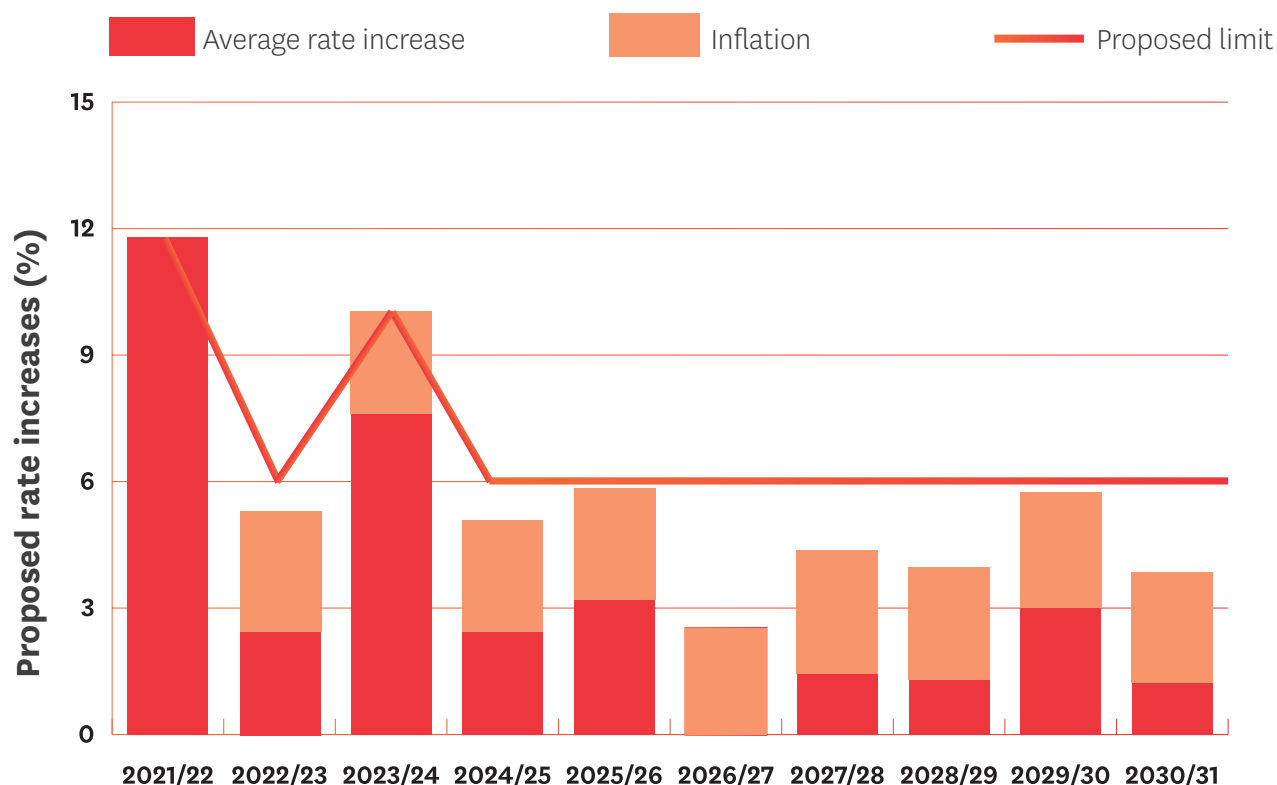
We feel this limit is still appropriate, and we treat the limit as exactly that, a limit not a target. We expect our debt to be on average around 102% of our revenue over the next ten years. Our forecasts show that we can comfortably service this level of debt.

## 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](https://mpdc.nz/ratessearch)

	Property value	Rates bill 2020/21	Proposed increase for 2021/22	Average annual increase for next ten years
<b>Urban property</b> 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%)
<b>Rural Lifestyle property</b> not connected to services 	\$600,000	\$1,423	\$124 (8.7%)	\$74 (4.3%)
	\$1 million	\$1,885	\$195 (10.3%)	\$105 (4.5%)
<b>Commercial property</b> connected with two toilets 	\$500,000	\$3,755	\$230 (6.1%)	\$294 (6.0%)
	\$800,000	\$4,101	\$283 (6.9%)	\$317 (5.9%)
<b>Rural property</b> 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%)

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



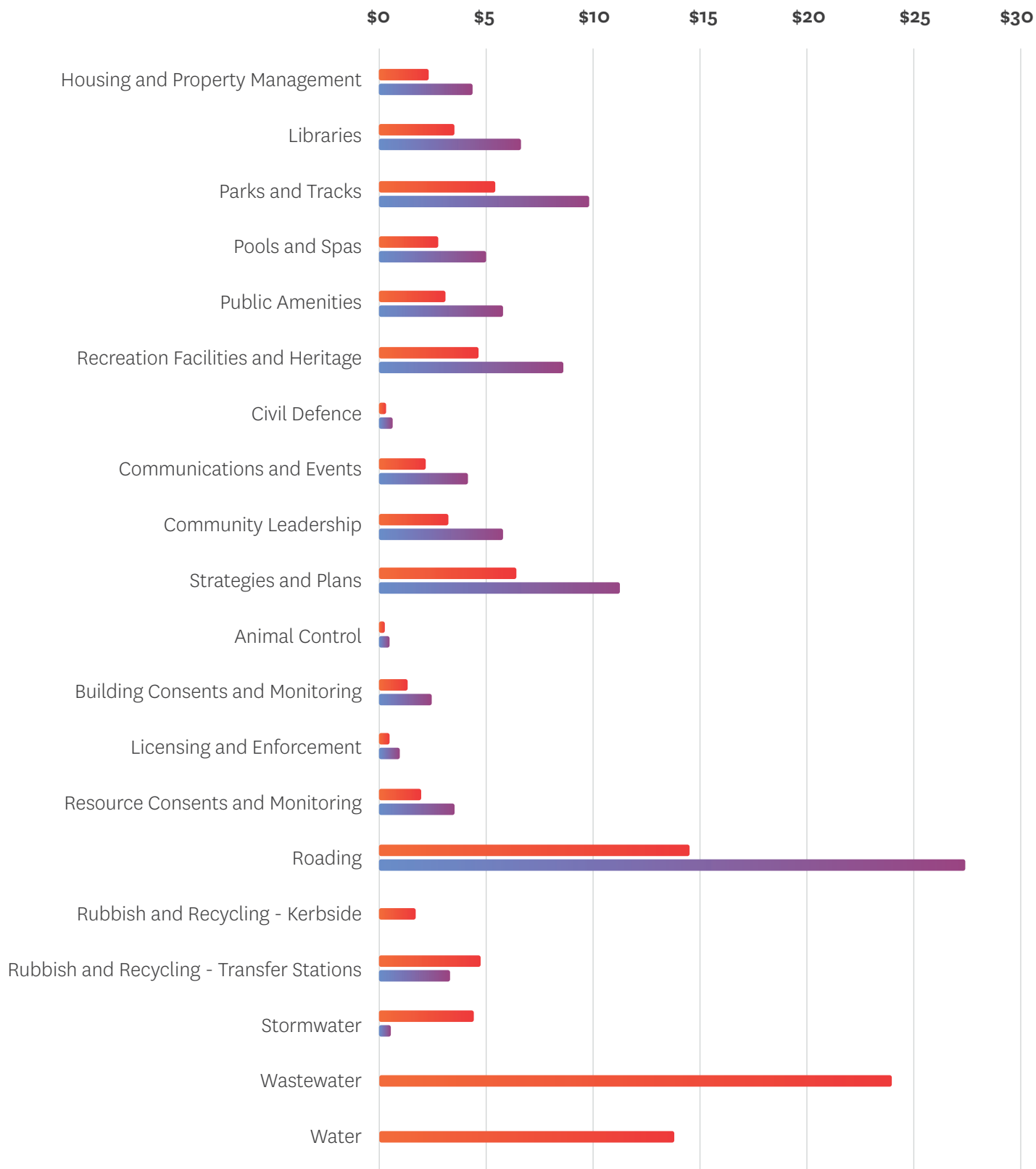
## \$550,000 urban property

Connected to services (e.g. water, wastewater, rubbish collection)



## \$8 million rural property

Not connected to services





# COMMUNITY FACILITIES AND PROPERTY

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# COMMUNITY FACILITIES AND PROPERTY GROUP

## What we do

Community Facilities and Property is about providing facilities for sport, recreation and cultural activities, affordable housing for elderly people, and buildings and facilities that enable us to provide a range of services to the community. The activities responsible for this are Carparks and Street Furniture, Cemeteries, Housing and Property Management, Libraries, Parks and Tracks, Pools and Spas, Public Toilets and Recreation Facilities and Heritage.

## Why do we do these activities

Community Facilities and Property supports community wellbeing by providing facilities to promote healthy communities, social connections and economic opportunities such as promoting the District as a tourist destination. The Activity also provides Parks and Open Spaces that supports environmental wellbeing through enhancing biodiversity. The Activity also looks after some of the cultural heritage of the District such as the various Heritage Trails, Te Aroha Domain and Firth Tower, and provides facilities that supports the arts and crafts. These activities all help make Matamata-Piako District The Place of Choice.

## Our vision and community outcomes

Council has developed a vision to make Matamata-Piako 'The Place of Choice' – Lifestyle – Opportunities – Home. Further details on this strategic vision are set out in Section 1 of this plan. Community Facilities and Property contributes to this overall vision by providing places for people to participate in sport, recreation and cultural activities, play, relax, experience nature or access information. The activity also beautifies our towns, protects sensitive environments, provides facilities for visitors and supports economic growth.

### Community Facilities and Property contributes to the following Community outcomes



#### Connected Infrastructure

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 ✓



#### Economic Opportunities

Our future planning enables sustainable growth in our District ✓



#### Healthy Communities

Our community is safe, healthy and connected ✓

We encourage the use and development of our facilities ✓



#### Environmental Sustainability

We support environmentally friendly practices and technologies ✓



#### Vibrant Cultural Values

We promote and protect our arts, culture, historic and natural resources ✓



## Key drivers

For Community Facilities and Property our key drivers are:



### Growth and demand



### Compliance



### Resilience



### Affordability

## Our responses

**We will comply with legislative requirements and meet appropriate standards** - we will keep up with changes to legislation and respond accordingly. This includes continuing to undertake earthquake-prone building assessments and developing a response programme to deal with earthquake-prone buildings. We are also progressively developing an asbestos management plan for Council buildings with procedures for identifying and dealing with asbestos in Council-owned buildings.

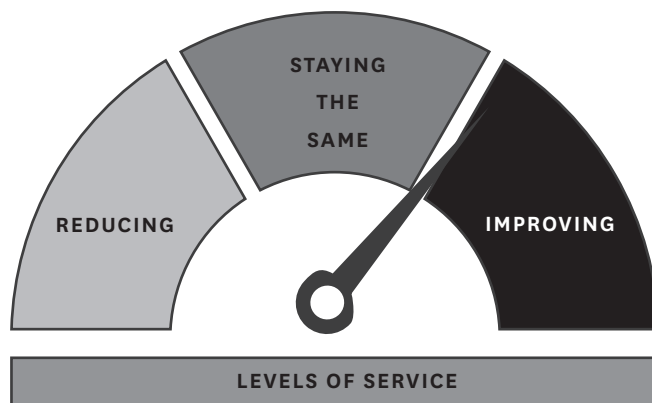
**We will plan for sustainable growth and manage demand, and we will provide additional capital and operational expenditure over the next 30 years** - We are planning for population growth and growth in visitor numbers we are running on the assumption that visitor numbers will pick back up in time. This means that we need to increase the capacity and availability of many of our recreational facilities such as parks and tracks, public toilets, carparks, town centre revitalisations, and sports/event centres.

The ageing population may also mean increased demand for our elderly persons housing as well as improved accessibility to Council buildings and facilities. We will continue to monitor and review demand. We also expect to see an increasing demand for burial plots at our cemeteries, with a trend towards more ashes internments.

With the growing population and development of new technologies, we also expect that we need to review the wider community facilities and corporate property portfolio including office space, works depots and library buildings.

In response to changing sport and recreation trends, and changing demands for our sporting facilities and parks and reserves, we developed a District Sports Facilities and Development Plan in 2018 and reviewed our Open Spaces Strategy in 2020/21.

**We will maintain or improve levels of service** - this means we will maintain our Community Facilities and Property infrastructure to the expected levels of service for which our community is willing to pay. This could mean an improvement to levels of service in some areas.



### Our infrastructure will support or improve public health benefits

We provide places and facilities for people to engage in sports, recreation, and social activities, which in turn provide physical and mental health benefits. We provide a network of public toilets and cemeteries to promote public health.

### We will maintain our assets to deliver appropriate levels of service

We will provide for the replacement of assets at the end of their useful life, where there is a definite need and it is cost-effective to replace it. This means that we will undertake programmed maintenance and renewal works for our Community Facilities and Property assets.

### We will optimise our investment and apply sound asset management practices to our planning and we will smooth our costs where possible over time

We will continue to undertake regular condition assessments of our assets and monitor performance, capacity and use of our facilities. This will inform our renewal and maintenance programming to ensure we maximise the useful life of our assets for the benefit of our community.

## Significant effects

Our activities have the potential to have both positive and negative effects on the community. The significant negative effects of Community Facilities and Property are identified below, along with how we respond to them.

WELLBEING	POTENTIAL NEGATIVE EFFECTS	POSITIVE RESPONSES
SOCIAL	The location and design of community facilities and property could result in anti-social behaviour (such as vandalism, graffiti and bullying).	CPTED (crime prevention through environmental design) studies will be undertaken on public toilets each year to identify improvements that can be made to reduce anti-social behaviour and increase safety. The development of new facilities will take CPTED principles into account.
SOCIAL	Health issues could be caused by public toilets and cemeteries if services are not adequately provided.	We will ensure staff are trained, our facilities are monitored/audited, and a timely response to complaints/customer requests.
SOCIAL ECONOMIC	Our community facilities and property may be under or over used due to their location, size and distribution.	We will periodically review our use and distribution of facilities to ensure we have the right number, size and location of facilities.
SOCIAL ECONOMIC	The age and design of some housing units, corporate buildings and other facilities may lead to increased maintenance and energy costs.	We will endeavour to lessen maintenance costs through renewals and proactive maintenance. We will participate in energy efficiency audits and implement energy saving methods where practicable.
ENVIRONMENTAL	Parks may become restricted in their use or unattractive if they are not adequately managed during extreme weather conditions (such as drought or ongoing rain).	We will use drought resistant species for all new and replacement plantings, micro-irrigation to minimise water wastage, alter the water restriction rules to allow for some level of watering during less severe drought conditions if necessary; design structures in flood-prone areas to cope with flood events.
ENVIRONMENTAL	Modifying native ecosystems to maintain/create tracks.	We try to use methods that cause the least possible damage to the ecosystem (e.g. replanting natives) and consult with relevant stakeholders.
SOCIAL CULTURAL	Potential loss of historical burial information.	A new computerised recording system is used; old burial records are archived using recommended methods.

## How will we fund it?

Our approach to funding is set out in the Revenue and Financing Policy.



## Assessment of public toilets and cemeteries

Under section 125 of the Local Government Act 2002 we are required, from time to time to assess the provision of water and other sanitary services within the District to determine the adequacy of those services. The first full sanitary services assessment was completed in 2005 that assessed the quality and adequacy of our public toilets and cemeteries. The most recent assessment was done in 2018/19. The Public Toilet and Cemeteries Sanitary Services Assessment 2018/19 report addressed the legislative requirements and sets out the strategic direction for the provision and delivery of these services. This has been reflected in the projects programmed for 2021-31.

### Public Toilets

Given the assessment was completed in 2018/19 Council has already looked at implementing some of the suggestions such as upgrading the Waharoa Rest Area toilets.

The Public Toilet and Cemeteries Sanitary Services Assessment 2018/19 assessed the distribution, condition and performance of the current toilet network. It made recommendations on toilet upgrades and the provision of additional toilets to meet expected future demand.

### Cemeteries

The outcome of the Public Toilet and Cemeteries Sanitary Services Assessment 2018/19 of the District's cemeteries was that the quality and performance of all cemeteries meet industry best practices and no significant issues were identified. Council's current planned expansions will provide adequate future capacity.



# CARPARKS AND STREET FURNITURE

Carparks and Street Furniture is about providing convenient facilities for locals and visitors. This includes providing parking in our three main towns and street furniture (like seats, picnic tables, drinking fountains, signs and bollards) to improve safety, and public art. We have several dedicated parking sites in town centres and at larger parks and facilities as well as more than 600 items of street furniture.

## Key legislation, strategies, policies and plans

Our planning and operating environments are shaped by a wider context of national, regional and District wide priorities and objectives. The following identifies the key legislation, strategies, policies and plans that link to and provide direction for the Carparks and Street Furniture activity.

### National

Local Government Act 2002

### Council strategies, policies and plans

District Plan

Signage Strategy 2016

Parks and Open Spaces Strategy 2021

General Policies Reserve Management Plan 2019

Parks and Open Spaces Activity Management Plan 2021-51

Public Safety Bylaw 2014

Public Amenities Bylaw 2014 (Amended 2019)

Waste Management and

Minimisation Plan 2021-27

## DID YOU KNOW?

We increased the capacity of the Wairere Falls Carpark from around 30 to almost 100 vehicles. Monitoring data has shown the new carpark is well used despite the decrease in international visitor numbers due to Covid-19.



## Our projects for the next 10 years

Key projects to be undertaken in the next 10 years are outlined below, including whether the project is required as a result of growth, improved level of service or to renew/replace existing assets.

Projects	What is this project about?	What drives this project? (%)			Budget (\$000)			
		Growth	Increased level of service	Renewal	2021/22	2022/23	2023/24	2024-31
<b>Town centre revitalisations</b>	Redevelopment of the Matamata, Morrinsville and Te Aroha CBDs (\$2.5 million between 2024/25 and 2028/29)		100			600		2,500
<b>Street furniture renewals</b>	Replacing street furniture in our towns. \$40,000 budgeted every year			100	40	40	40	280
<b>Internal roads and carparks</b>	Allowing for resealing of internal roads in parks and carparks situated inside or next to parks. \$35,000 budgeted every year between 2024/25 to 2030/31		100		35	35	35	245
<b>Wairongomai carpark</b>	Upgrade of the Wairongomai carpark to meet increasing demand. The \$260,000 is budgeted for 2024/25		100					260
<b>Waharoa rest area carpark upgrade</b>	Upgrade the existing carpark at Waharoa Rest Area, North of Matamata, to meet increasing demand		50	50	200			
<b>Puriri St. Te Aroha carpark and track access</b>	Develop an off-street parking area on Council land in Puriri Street that will also provide an alternative access point to the walking, tramping and mountain bike tracks along Mt Te Aroha. Budgeted \$50,000 to be spent in 2025/26		100					50
<b>Bulk Funds CFB</b>	This funding is for minor or unplanned works and currently also funds renewals that fall outside the renewal plans/renewal budgets. Potential projects are assessed against criteria before being approved. \$30,000 budgeted every year		100		30	30	30	210
<b>Total key capital projects</b>					<b>305</b>	<b>705</b>	<b>105</b>	<b>3,545</b>
<b>Total key capital projects (including inflation)</b>					<b>305</b>	<b>726</b>	<b>111</b>	<b>4,044</b>



Levels of service

What you can expect and how you will know we are meeting your expectations.

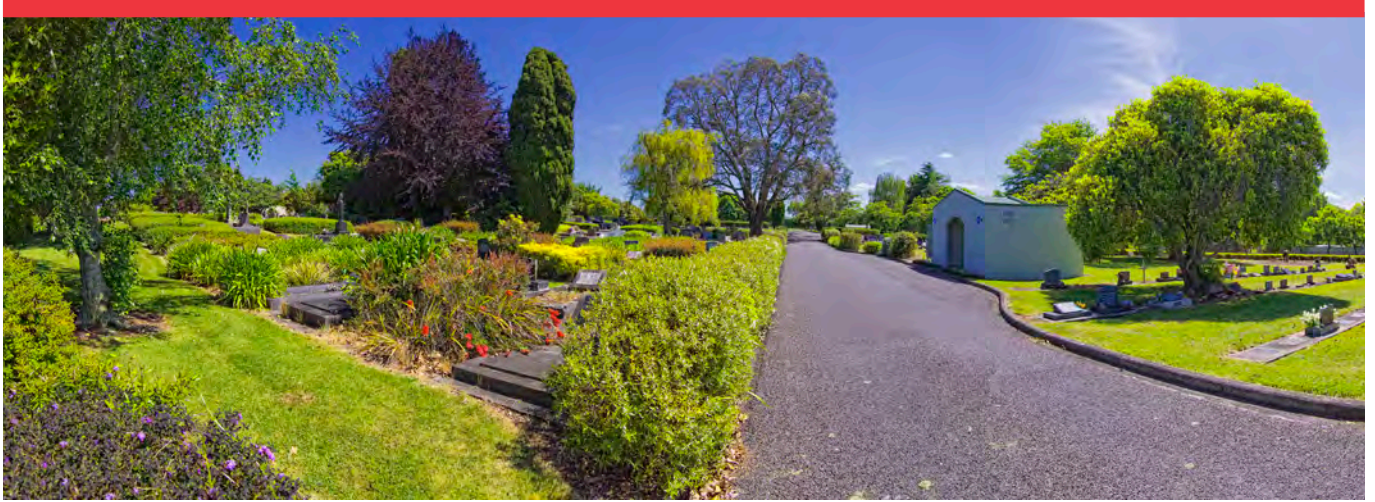
Levels of service	How we measure performance	Previous years			Target				Additional information
		2018/19	2019/20 Actual	2020/21 Target	2021/22	2022/23	2023/24	2024-31	
We will provide well maintained carparks and street furniture and will respond to vandalism and graffiti in a timely manner.	90% or more of damage, vandalism and graffiti complaints regarding Council carparks and street furniture will be responded to within the assigned timeframe*.	92.3%	72.2%		90% or more				To ensure our facilities are safe and maintained to an acceptable standard, we will respond to complaints in a timely manner. Our response rate will be measured by generating a report from our Customer Request Management (CRM) system.

*Expected response times		
Complaint type	During work hours (Monday to Friday 7AM - 4PM)	After hours/weekend/statutory holiday
Safety related - an immediate risk to safety, likely to cause harm to users, (e.g. broken glass, discarded needles, severe structural damage).	2 work hours or less	2 work hours or less, counted from the start of the next working day.
Other (e.g. graffiti, blown light bulb, other minor maintenance issues).	2 working days or less	2 working days or less, counted from the start of the next working day.





# CEMETERIES



Cemeteries provide spaces for the dignified burial of bodies and interment of ashes, contributing to the social and cultural wellbeing of the community. Our cemeteries provide land for traditional burials as well as areas for ashes burials, ashes interments and memorials.

## Key legislation, strategies, policies and plans

Our planning and operating environments are shaped by a wider context of national, regional and District wide priorities and objectives. This diagram identifies the key legislation, strategies, and policies and plans that link to and provide direction for the Cemeteries Activity.

### National

Local Government Act 2002  
Health Act 1956  
Burial and Cremation Act 1964  
Reserves Act 1977  
Resource Management Act 1991

### Council strategies, policies and plans

Sanitary Services Assessment 2019  
Cemeteries Policies and Procedures Manual 2010  
Business Continuity Plan for Cemeteries 2020 (Pandemic Plan)  
Parks and Open Spaces Activity  
Management Plan 2021-51

## DID YOU KNOW?

Monumental masons complete the installation of plaques and headstones and other monuments within our cemeteries. This is to ensure a consistent standard of installation.



## Our projects for the next 10 years

Key projects to be undertaken in the next 10 years are outlined below, including whether the project is required as a result of growth, improved level of service or to renew/replace existing assets.

Projects	What is this project about?	What drives this project? (%)			Budget (\$000)			
		Growth	Increased level of service	Renewal	2021/22	2022/23	2023/24	2024-31
Ashes Walls	Install additional ashes walls at cemeteries as required to meet increasing demand. \$60,000 budgeted every second year		100		60		60	180
Piako Cemetery expansion	Expand the capacity of the Piako Cemetery by developing cemetery land. Spend in 2030/31		100					50
Total key capital projects					60	0	60	230
Total key capital projects (including inflation)					60	0	63	274

## Levels of service

What you can expect and how you will know we are meeting your expectations

Levels of service	How we measure performance	Previous years				Target				Additional information
		2018/19 Actual	2019/20 Actual	2020/21 Target		2021/22	2022/23	2023/24	2024-31	
Cemeteries will be maintained to a high standard.	Percentage of people who have visited a Council cemetery in the last year who are satisfied/very satisfied with the cemeteries	89%	87%			80% or more				We aim to maintain cemeteries at a standard that satisfies cemetery visitors and shows respect to our deceased. We measure this through our annual resident survey

# HOUSING AND PROPERTY MANAGEMENT

We own and manage a variety of land and buildings. This activity manages 109 Elderly Persons Housing (EPH) units providing affordable and convenient accommodation options for elderly people living in the urban environment who wish to have a quiet, maintenance-free, supportive living environment. The activity is also responsible for corporate buildings used to deliver services to the community including Council offices, depots and an animal pound. We also have 21 community halls, mainly located in rural areas; while we own the halls, the individual halls are operated by hall management committees. There is also a range of land (such as undeveloped reserves and general property) and buildings (such as clubrooms on parks and general property) that we lease to others until we need them.

## Key legislation, strategies, policies and plans

Our planning and operating environments are shaped by a wider context of national, regional and District wide priorities and objectives. This diagram identifies the key legislation, strategies, policies and plans that link to and provide direction for the Housing and Property Management activity.

## Our projects for the next 10 years

Key projects to be undertaken in the next 10 years are outlined below, including whether the project is required as a result of growth, improved level of service or to renew/replace existing assets, or to deliver an improved level of service.

Projects	What is this project about?	What drives this project? (%)			Budget (\$000)			
		Growth	Increased level of service	Renewal	2021/22	2022/23	2023/24	2024-31
Elderly Person Housing	This project plans to develop and implement a plan for more Elderly Person Housing units in the District. (\$1.5M in 2024/25)*	100				600*		1,500*
	Refurbishment the existing elderly person housing*			100	506*	133*	13*	1,756*

\*NOTE EPH facilities are a ring-fenced activity and over time, they are self-funded from rental income. This means that these projects won't have a direct impact on rates.

### National

Local Government Act 2002  
Property Law Act 2007  
Residential Tenancies Act 1986  
Reserves Act 1977  
Public Works Act 1981  
Public Bodies Leasing Act 1969  
Airport Authorities Act 1966  
Building Act 2004

### Regional

Waikato Regional Plan

### Council Strategies, policies and plans

Parks and Open Spaces Strategy 2021  
General Policies Reserve Management Plan 2019  
Passive Reserves Management Plan 2009  
Community Facilities and Buildings Activity Management Plan 2021-51

Projects	What is this project about?	What drives this project? (%)			Budget (\$000)			
		Growth	Increased level of service	Renewal	2021/22	2022/23	2023/24	2024-31
<b>Future proofing corporate property</b>	Ensure that Council corporate properties (like council offices) continue to provide efficient, cost-effective and safe and compliant services to our community.		100		250			
<b>Total key capital projects</b>					<b>756</b>	<b>733</b>	<b>13</b>	<b>3,256</b>
<b>Total key capital projects (including inflation)</b>					<b>756</b>	<b>754</b>	<b>13</b>	<b>3,697</b>

## Levels of service

What you can expect and how you will know we are meeting your expectations.

Levels of service	How we measure performance	Previous years			Target				Additional information
		2018/19 Actual	2019/20 Actual	2020/21 Target	2021/22	2022/23	2023/24	2024-31	
<b>We will provide housing that meets the needs of elderly people</b>	Percentage of elderly persons housing tenants who are satisfied/very satisfied with the standard of maintenance and accommodation.	86.56%	93.22%		80% or more satisfied/very satisfied				We provide elderly persons housing so elderly people can have access to good quality affordable housing.  This is measured by an annual survey of elderly persons housing tenants undertaken in April each year
<b>We will provide affordable elderly persons housing</b>	Rent charged for elderly persons housing will be below the market median for the District.	Achieved	Achieved		Rents are below the market median				Our policy is to set elderly persons housing rents below the market median for the District to ensure it is affordable.  This is measured through an audit of our annual accounts and review of annual market median rents as supplied by the Ministry of Building, Innovation and Employment
<b>Elderly Persons Housing will be well utilised</b>	At least 95% of available elderly persons housing will be occupied	96%	99.4%		95% or more				High occupancy rates of elderly persons housing will ensure we are providing affordable housing in the District. This is measured through our internal records of occupancy.



# LIBRARIES

We have libraries located in Matamata, Morrinsville and Te Aroha, which stock over 50,000 items plus a digital library. Our public libraries have been supplying our communities with library services for over 100 years. Libraries today retain their traditional services to the community through providing material to support lifelong learning and recreation. Our libraries also provide community spaces serving all members of the public through the provision of literacy services, digital programmes and technology and spaces for people to gather.

## Key legislation, strategies, policies and plans

Our planning and operating environments are shaped by a wider context of national, regional and District wide priorities and objectives – the following identifies the key legislation, strategies, and policies and plans that link to and provide direction for our Libraries activity.

### National

Local Government Act 2002  
 Copyright Act 1994  
 Films, Videos and Publication Classification Act 1993  
 Privacy Act 2020  
 Public Libraries of New Zealand: a strategic framework 2020-25  
 National library strategic directions to 2030  
 Digital Inclusion Alliance Aotearoa  
 New Zealand Libraries Partnership Programme (supporting Covid relief)

### Regional

Waikato Local Authority Shared Services (LASS)

### Council Strategies, policies and plans

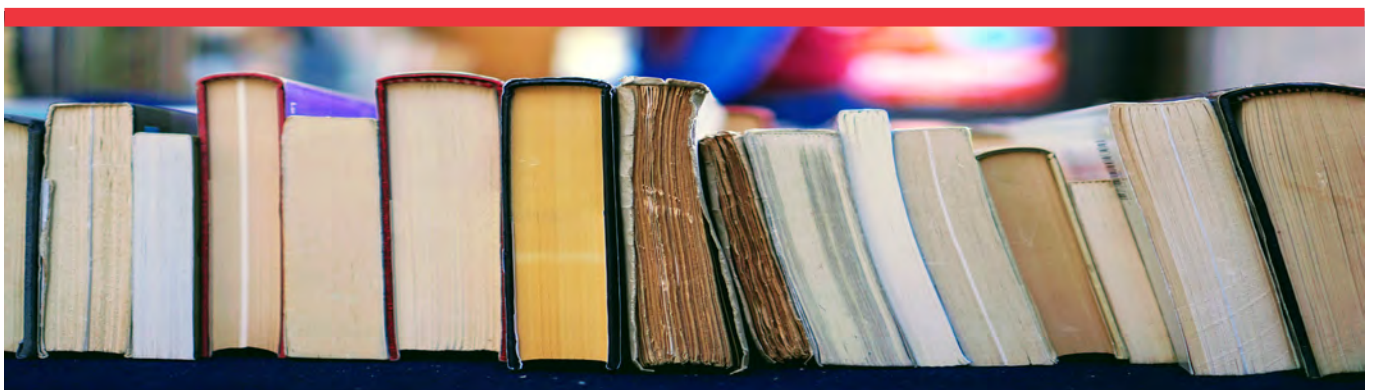
**Community Facilities and Buildings Activity Management  
 Plan 2021-51**

## DID YOU KNOW?

Each year there are over 200,000 visits to our libraries (in person and online) and over 70,000 Wi-Fi/computer sessions.

Users have access to thousands of eBooks and eAudio items and other online resources, and the libraries still hold over 50,000 physical items.

In the year to 30 June 2019, over 150,000 library items were issued.



# Our projects for the next 10 years

Key projects to be undertaken in the next 10 years are outlined below, including whether the project is required as a result of growth, improved level of service or to renew/replace existing assets, or to deliver an improved level of service.

Projects	What is this project about?	What drives this project? (%)			Budget (\$000)			
		Growth	Increased level of service	Renewal	2021/22	2022/23	2023/24	2024-31
<b>Morrinsville Library Upgrade</b>	Update Morrinsville library facilities to meet the changing community expectations and requirements of building regulations. There is \$150,000 budgeted for 2024/25.		100					150
<b>Libraries Building renewals</b>	Annual programme of building renewals.			100	85	29	2	452
<b>Total key capital projects</b>					<b>85</b>	<b>29</b>	<b>2</b>	<b>602</b>
<b>Total key capital projects (including inflation)</b>					<b>85</b>	<b>30</b>	<b>2</b>	<b>684</b>

# Levels of service

What you can expect and how you will know we are meeting your expectations.

Levels of service	How we measure performance	Previous years			Target				Additional information
		2018/19 Actual	2019/20 Actual	2020/21 Target	2021/22	2022/23	2023/24	2024-31	
Our library services will be accessible to the community	Visitor and online user numbers will be within 5% of the five year average	191,262	183,938		Within 5% of 5 year average				For libraries and library services to contribute to community wellbeing they need to be available for people to access information. This is measured through door count records, website visitor statistics and our customer survey
Our library resources will support community needs	The percentage of users who are satisfied/very satisfied with library services.	85%	80%		90% satisfied/very satisfied				

# PARKS AND TRACKS

We provide a variety of parks for the community to use and enjoy for a variety of sport and recreation activities. Playground and skate park facilities provide opportunities for recreation, physical development and social activities for children and young people. Our tracks provide opportunities for walking, cycling and experiencing nature. Many of our tracks are developed and maintained in partnership with volunteer community groups. Our Parks and Tracks also offer attractions and activities for the increasing number of visitors to our District.

## Key legislation, strategies, policies and plans

Our planning and operating environments are shaped by a wider context of national, regional and District wide priorities and objectives. This diagram identifies the key legislation, strategies, policies and plans that link to and provide direction for the Parks and Tracks activity.

### National

Reserves Act 1977  
Local Government Act 2002  
Resource Management Act 1991  
Treaty of Waitangi settlements

### Regional

Waikato Regional Plan  
Waikato Regional Pest Management Strategy  
Waikato Regional Sports Facility Plan

### Council strategies, policies and plans

General Policies Reserves Management Plan 2019  
Active Reserves Management Plan 2009  
Passive Reserves Management Plan 2009  
Firth Tower and Stanley Landing Historic Reserves Management Plan 1998  
Te Aroha Domain Management Plan 2006  
Matamata Aerodrome Management Plan 2010  
Parks and Open Spaces Strategy 2021  
Signage Strategy 2016  
Tree Strategy 2010  
Parks and Open Spaces Activity Management Plan 2021-51  
Public Amenities Bylaw 2014

## Parks and Open Spaces Strategy 2021

Council's Parks and Open Spaces Strategy 2021 guides the provision and development of parks and tracks. In developing this strategy our current park network was assessed against recreation trends and forecasted demographic changes

This assessment found our current park provisions to be generally adequate; however, it identified a need for additional linkage parks, to link up existing parks or walking tracks in Matamata, Morrinsville and Te Aroha. In line with this strategy, we're proposing to develop additional linkage parks by 2033 – this includes land that we already own, but currently lease out. We would also need to purchase additional land to fill the gaps in some areas. We plan to provide additional playgrounds and improve some existing playgrounds.

We are planning various park-related improvements at Te Aroha Domain, including interpretive signage, upgrades to the footpaths, entrances, and landscaping to improve the appearance and functionality of the park.

Future projects have been included in this LTP and the Infrastructure Strategy. You can also find a copy of the Parks and Open Spaces Strategy on our website [www.mpd.govt.nz](http://www.mpd.govt.nz).



## Our projects for the next 10 years

Key projects to be undertaken in the next 10 years are outlined below, including whether the project is required as a result of growth, improved level of service or to renew/replace existing assets.

Projects	What is this project about?	What drives this project? (%)			Budget (\$000)			
		Growth	Increased level of service	Renewal	2021/22	2022/23	2023/24	2024-31
<b>Morrinsville linkage parks and walk ways</b>	Council plans to add a 2km walk way between the Rushton and Studholme Street intersection to Pinehurst Crescent and back to Hangawera Road. This is in relation to the anticipated growth in Lockerbie. (\$320,000 in 2024/25)		100			270		320
<b>Matamata inner and outer walk ways</b>	Connect existing parks and tracks to create an inner walkway circuit. The \$350,000 spending planned for 2024/25		100		425			350
<b>Morrinsville Recreation Ground development</b>	Add a walkway along the perimeter and improve linkages to other areas. (\$1 million split over seven years)		100			250		1,000
<b>Morrinsville playgrounds</b>	Develop two new playgrounds or one destination playground in the northern part of Morrinsville in response to development.		100				300	
<b>Matamata playgrounds</b>	Two new neighbourhood playgrounds for Matamata		100			100	200	
<b>Lower Tui Park redevelopment</b>	Scope for Council to develop a dog exercise park and mountain bike skills park.		100				200*	
<b>Te Aroha Domain redevelopment</b>	Improvements within Te Aroha Domain (e.g. asset and landscape improvements).		50	50			500	
<b>Te Aroha Domain footpath renewal</b>	Resurface and/or improve the footpaths surfaces for the Te Aroha Domain Spend \$200,000 in 2024/25-2025/26			100	50			200
<b>Destination playgrounds</b>	One destination playground per town. (\$3 million between 2024/25 and 2026/27)		100					3,000
<b>Te Aroha linkage walk ways</b>	Allow for 1.5km of additional walk ways around Te Aroha (Spending between 2029/30-2030/31)		100					345
<b>Skate park redevelopment</b>	Renew skate park facilities when they reach the end of their life. Budgeted \$250,000 in 2026/27 and 2029/30			100				500
<b>Provision for more playgrounds</b>	Plan for two additional neighbourhood playgrounds. \$240,000, half in 2027/28 and half in 2029/30		100					240
<b>Howie Park entrance, track upgrade</b>	Improvement of the gate, paths and entrances. \$300,000 in 2027/28		50	50				300

\*The budgeted amount above represents Council's contribution towards the project. Additional funding will be sought from external funding providers and partners if required.



Projects	What is this project about?	What drives this project? (%)			Budget (\$000)			
		Growth	Increased level of service	Renewal	2021/22	2022/23	2023/24	2024-31
<b>Playground Renewals</b>	Replacement of equipment as needed. \$45,000 budgeted every year			100	45	45	45	315
<b>Tracks and Track Structures improvement</b>	Implementation of improvement programme as recommended by condition assessment of the tracks. \$40,000 budgeted every year		100		40	40	40	280
<b>Tracks and Track Structures Renewals</b>	Fixing and replacing track structure and resurfacing tracks as needed. \$15,000 budgeted every year			100	15	15	15	105
<b>Paths on Reserves</b>	Fixing and resurfacing \$30,000 budgeted every year			100	30	30	30	210
<b>Playground Improvements</b>	Includes upgrading accessibility and safety surfaces and other minor improvements to existing playgrounds. \$20,000 budgeted every year		100		20	20	20	140
<b>Total key capital projects</b>					<b>625</b>	<b>770</b>	<b>1,350</b>	<b>7,305</b>
<b>Total key capital projects (including inflation)</b>					<b>625</b>	<b>792</b>	<b>1,425</b>	<b>8,335</b>





## Levels of service

What you can expect and how you will know we are meeting your expectations.

Levels of service	How we measure performance	Previous years			Target				Additional information
		2018/19 Actual	2019/20 Actual	2020/21 Target	2021/22	2022/23	2023/24	2024-31	
<b>We will provide good quality sports field facilities to meet the needs of users</b>	Percentage of users satisfied/very satisfied with sports fields	81%	78%	80% or more of users satisfied/very satisfied					Sports fields are provided to support the health and wellbeing of the community by providing space for people to play sports and participate in active recreation. This is measured through our Annual Resident Survey
<b>We will promote and encourage the community to use our parks and reserves</b>	Percentage of users satisfied/very satisfied with parks and reserves	78%	78%	80% or more of users satisfied/very satisfied					Ensuring parks are attractive and well maintained will encourage people to use them more regularly. This is measured through our Annual Resident Survey
<b>Our public playgrounds will be safe</b>	Playground safety will be assessed on a regular basis	Achieved	Not Achieved*	Inspections will be undertaken once every two weeks, and once every week during school holidays. An external playground audit will be undertaken annually to evaluate compliance with the relevant New Zealand Standard					We will ensure that our play equipment is maintained to an acceptable standard to ensure that they are fit for purpose and do not pose an unacceptable level of risk to users. This will be measured through inspection and safety audit records that assess compliance with the current NZ playground safety standard NZS 5828:2015. All new playgrounds shall comply with NZS 5828:2015

\*On track before Covid-19 lockdown



# POOLS AND SPAS

Pools and Spas contribute to the health and wellbeing of our community by providing opportunities for swimming and relaxation. There is a current trend away from traditional team sports to more casual and informal recreation activities such as swimming.

SwimZone Matamata and SwimZone Morrinsville mainly provide swimming opportunities for the local population, offering larger pools for lane swimming as well as toddler pools. SwimZone Te Aroha is considered more of a tourist facility, aimed at visitors to the region and locals who currently enjoy the level of service the facility offers. The Te Aroha Mineral Spas are also a popular tourist attraction for both domestic and international tourists.

## Key legislation, strategies, policies and plans

Our planning and operating environments are shaped by a wider context of national, regional and District wide priorities and objectives – the following identifies the key legislation, strategies, policies and plans that link to and provide direction for the Pools and Spas activity.

### National

Local Government Act 2002  
Reserves Act 1977  
Building Act 2004

### Regional

Waikato Regional Plan  
Waikato Regional Sports Facility Plan  
Waikato Regional Aquatics Strategy

### Council Strategies, policies and plans

Te Aroha Domain Management Plan 2006  
Active Reserves Management Plan 2009  
Community Facilities and Buildings Activity Management Plan  
2021-51

## Our projects for the next 10 years

Key projects to be undertaken in the next 10 years are outlined below, including whether the project is required as a result of growth, improved level of service or to renew/replace existing assets, or to deliver an improved level of service.

Projects	What is this project about?	What drives this project? (%)			Budget (\$000)			
		Growth	Increased level of service	Renewal	2021/22	2022/23	2023/24	2023/24-31
<b>Development of Spas – Physical Works</b>	Moving forward with the Provincial Growth Fund initiative. Investing in improving and increasing capacity of the Spas. Also considering another pool complex in the Te Aroha Domain.		100			1,500	3,500	
<b>Morrinsville Pool Development</b>	Business case to be developed to choose between a 25m covered pool or improve the 50m pool or just having more amenities for other users to enjoy. (\$10 million over 2028/29-2030/31)		50	50				10,000
<b>Provision of more amenities for our pools</b>	Additional amenities such as the inclusion of splash pads at our pools (\$420,000 over 2025/26 and 2027/28)		100				210	420

Projects	What is this project about?	What drives this project? (%)			Budget (\$000)			
		Growth	Increased level of service	Renewal	2021/22	2022/23	2023/24	2024-31
<b>Te Aroha Pool Improvements</b>	Accessibility improvement, such as ramps, elevators. Improve the change rooms, such as adding family changing rooms.		50	50			500	
<b>Toddler Pool Shade Covers</b>	To provide partial shade near toddler pools. \$15,000 each year for the first five years of the plan.		100		15	15	15	30
<b>Pools and Spas</b>	Building and Plant renewal (e.g. repaints or replacing of pump).			100	52	118	42	408
<b>Total key capital projects</b>					<b>67</b>	<b>1,633</b>	<b>4,267</b>	<b>10,858</b>
<b>Total key capital projects (including inflation)</b>					<b>67</b>	<b>1,665</b>	<b>4,504</b>	<b>13,088</b>

## Levels of service

What you can expect and how you will know we are meeting your expectations.

Levels of service	How we measure performance	Previous years			Target				Additional information
		2018/19 Actual	2019/20 Actual	2020/21 Target	2021/22	2022/23	2023/24	2024-31	
<b>Our facilities will be safe for facility users and staff.</b>	Four independent safety and quality audits will be carried out on Swim Zone Te Aroha, Swim Zone Matamata and Te Aroha Mineral Spas. Two independent safety and quality audits will be carried out on Swim Zone Morrinsville.	Achieved	Not Achieved			Achieved			Professional pool operation and management ensures people's safety will not be put at risk while using our pools. This is measured through records of quarterly external audits. Audit also assesses against NZS 5826:2010 (Pool Water Quality).
<b>We will provide well maintained aquatic facilities in the District.</b>	Percentage of users satisfied or very satisfied with pool facilities.	72%	73%	80% or more of customers satisfied/very satisfied					We will have good pool facilities that meet the expectations of users. This is measured through our Annual Resident Survey.
<b>We will promote and encourage our community to use aquatic facilities.</b>	The number of customers using our pool facilities will be maintained.	198,099	159,047	Visitor numbers will be within 5% of the five year average					This is measured through pool attendance records. Each visit is counted as one, the figures do not differentiate between residents and out of District visitors.



# PUBLIC TOILETS

Our public toilets provide residents and visitors access to safe, clean and convenient toilet facilities. We currently provide 20 public toilet facilities across the District. We are experiencing an increasing trend in visitor numbers which impact on some of our high profile public toilet facilities. We also have a number of older toilets that require replacement or upgrades to meet modern standards and expectations.

## Key legislation, strategies, policies and plans

Our planning and operating environments are shaped by a wider context of national, regional and District wide priorities and objectives – the following identifies the key legislation, strategies, policies and plans that link to and provide direction for Public Toilets.

### National

Local Government Act 2002  
Building Act 2004  
Health Act 1956

### Council Strategies, policies and plans

Community Facilities and Buildings Activity Management Plan 2021-51  
General Policies Reserves Management Plan 2009  
Sanitary Services Public Toilets and Cemeteries Assessment 2019



## Levels of service

What you can expect and how you will know we are meeting your expectations.

Levels of service	How we measure performance	Previous years		Target		Additional information
		2018/19 Actual	2019/20 Actual	2020/21 Target	2021/22	
Our public toilets will be maintained to acceptable standards	The number of complaints received regarding dissatisfaction with the cleanliness of public toilets	38 complaints	11 complaints	20 or fewer complaints about cleanliness per year	2022/23 2023/24 2024-31	Our public toilets will be maintained to ensure the health and wellbeing of our community is not negatively affected. This is measured through our Customer Request Management system

## Our projects for the next 10 years

Key projects to be undertaken in the next 10 years are outlined below, including whether the project is required as a result of growth, improved level of service or to renew/replace existing assets, or to deliver an improved level of service.

Projects	What is this project about?	What drives this project? (%)			Budget (\$000)			
		Growth	Increased level of service	Renewal	2021/22	2023/23	2023/24	2024-31
<b>Toilet Upgrades (various)</b>	Modernise and/or replace existing toilets. \$100,000 proposed to be spent every year		100		100	100	100	700
<b>New Public Toilets/ Change rooms for Swap Park</b>	Develop public toilet facilities and change rooms at Swap Park. Spending planned for 2025/26		100					125
<b>Morrinsville CBD Toilets</b>	Redevelop old toilet block and potentially provide more modern toilets. This may involve modification of the old toilets or demolition and replacement with new toilets.		100			120		
<b>Baby Change Tables</b>	Provide baby change tables and improve		100		10	10	10	
<b>Public Toilets</b>	Building renewals (e.g. reroofing or recladding).			100	22	9	16	159
<b>Total key capital projects</b>					<b>132</b>	<b>239</b>	<b>126</b>	<b>984</b>
<b>Total key capital projects (including inflation)</b>					<b>132</b>	<b>245</b>	<b>134</b>	<b>1,148</b>

## DID YOU KNOW?

We have 20 public toilet facilities in our District.

# RECREATION FACILITIES AND HERITAGE

Recreation Facilities and Heritage is about recreation opportunities as well as promoting and preserving our cultural heritage and encouraging tourists to our District. Our recreation facilities include an aerodrome, campgrounds, event centres, museums and information centres.

The Waharoa (Matamata) Aerodrome provides for recreational aviation and related activities. The Aerodrome is managed through a Co-Governance committee with Ngāti Hauā Iwi Trust which was established under the Ngāti Hauā Claims Settlement Act 2014. The committee includes representatives from Council and Ngāti Hauā Iwi Trust. Have a look at our Community Leadership activity for more information.

Campgrounds are provided at the Matamata Aerodrome and Morrinsville Recreation Ground (Morrinsville facilities are only available by prior arrangement). Event centres such as the Westpac Morrinsville Event Centre, Matamata's Headon Stadium and Silver Fern Farms Events Centre in Te Aroha provide indoor sports opportunities as well as venues for events such as conferences and civic ceremonies. Te Whare Whakamaharatanga o te Hāpori o Matamata-Piako (Matamata-Piako Civic and Memorial Centre) which opened in 2018 also provides conference facilities and meeting rooms.

We also own a number of heritage buildings. The historic Cadman Bath House building in Te Aroha Domain is leased to the Te Aroha and District Museum Society to operate as a museum. A similar arrangement applies to the Firth Tower Museum in Matamata where several buildings are leased to the Matamata Historical Society who run the museum. The Morrinsville Historical Society owns and operates its own building on land leased from us. We provide annual grants to the three museums.

There are three information centres in the District. We own and operate the Te Aroha i-SITE and provide the building for the Matamata i-SITE which is operated by the Matamata Public Relations Association. The Morrinsville i-SITE building is owned and operated by the Morrinsville Business and Promotion Association on land leased by Council. We also provide grants to these information centres to help with their operating costs.

## Key legislation, strategies, policies and plans

Our planning and operating environments are shaped by a wider context of national, regional and District wide priorities and objectives – the following table identifies the key legislation, strategies, policies and plans that link to and provide direction for Recreation Facilities and Heritage activity.

### National

Local Government Act 2002  
Reserves Act 1977  
Building Act 2004  
Heritage New Zealand Pouhere Taonga Act 2014  
Ngāti Hauā Claims Settlement Act 2014 (for Waharoa Aerodrome Co-governance)  
Resource Management Act 1991

### Regional

Regional Sports Facility Plan 2014  
Regional Sports Strategy ('Moving Waikato 2025')  
Hamilton-Waikato Tourism Opportunities Plan

### Council Strategies, policies and plans

District Sports Facility & Development Plan 2018  
Active Reserves Management Plan 2009  
Matamata Aerodrome Management Plan 2010  
Firth Tower and Stanley Landing Reserve Management Plan 1998  
Community Facilities and Buildings Asset Management Plan 2021-51  
Te Aroha Domain Management Plan 2006



## Our projects for the next 10 years

Key projects to be undertaken in the next 10 years are outlined below, including whether the project is required as a result of growth, improved level of service or to renew/replace existing assets.

Projects	What is this project about?	What drives this project? (%)			Budget (\$000)			
		Growth	Increased level of service	Renewal	2021/22	2022/23	2023/24	2024-31
<b>Te Aroha Civic Facilities</b>	Looking into a new building that may possibly integrate the museum, i-Site and library. \$4 million split between 2026/27 and 2027/28		100					4,000
<b>Aerodrome redevelopment</b>	Infrastructure operational improvements will be necessary at the aerodrome to change the user demographic. \$500,000 in 2024/25		100					500
<b>Matamata Indoor Sports*</b>	Increased indoor sports courts for Matamata		100				2,000	
<b>Matamata-Piako Civic and Memorial Centre Stage*</b>	Council to provide funding toward a stage, to be accompanied by community funding.		100				200	
<b>Infrastructure for self-contained motor caravans</b>	Provide additional facilities aimed at motor caravans. Spending in 2024/25.		100					100
<b>Total key capital projects</b>					<b>0</b>	<b>0</b>	<b>2,200</b>	<b>4,600</b>
<b>Total key capital projects (including inflation)</b>					<b>0</b>	<b>0</b>	<b>2,322</b>	<b>5,259</b>

\*The budgeted amount above represents Council's contribution towards the project. Additional funding will be sought from external funding providers and partners if required.



## Levels of service

What you can expect and how you will know we are meeting your expectations.

Levels of service	How we measure performance	Previous years			Target				Additional information
		2018/19 Actual	2019/20 Actual	2020/21 Target	2021/22	2022/23	2023/24	2024-31	
<b>We will provide well-maintained recreation and heritage facilities and will respond to complaints about damage, vandalism and graffiti in a timely manner.</b>	90% or more of damage, vandalism and graffiti complaints regarding recreation and heritage facilities will be responded to within the assigned timeframe*.	84.2%	75%		90% or more				To ensure our facilities are safe and maintained to an acceptable standard, we will respond to complaints in a timely manner. Our response rate will be measured by generating a report from our Customer Request Management system

### \*Expected response times

Complaint type	During work hours (monday to friday 7AM - 4PM)	After hours/weekend/statutory holiday
<b>Safety related - an immediate risk to safety, likely to cause harm to users, (e.g. broken glass, discarded needles, severe structural damage).</b>	2 (work) hours or less	2 (work) hours or less, (counted from the start of the next working) day.
<b>Other (e.g. graffiti, blown light bulb, other minor maintenance issues).</b>	2 (working) days or less	2 (working) days or less, (counted from the start of the next working day).

## Community facilities- 1 July 2021 to 30 June 2031

[illegible]

# STRATEGY AND ENGAGEMENT

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# STRATEGY AND ENGAGEMENT GROUP

## What we do

Strategy and Engagement is about making good decisions for the future of our community. The activities responsible for this are Civil Defence Emergency Management (CDEM), Communications and Events, Community Leadership, and Strategies and Plans.

## Why do we do these activities

These activities ensure our community are informed of Council activities and can be involved in open and transparent decision making - this helps us plan for the long term to ensure that our communities grow and develop in an integrated and sustainable way. The Local Government Act 2002 also has a significant impact on these activities, as it sets a number of legislative requirements that we must meet.

## Our vision and community outcomes

Council’s vision is to make Matamata-Piako ‘The Place of Choice; Lifestyle – Opportunities – Home’. More information on this strategic vision is in Section 1 of this LTP. Strategy and Engagement contributes to this overall vision by providing leadership and the strategic direction needed to ensure our community thrives and is prosperous.

Communications and Engagement contributes to the following Community outcomes					
		Civil Defence Emergency Management	Communications and Events	Community Leadership	Strategies and Plans
	<b>Economic Opportunities</b>				
	We are a business friendly Council		✓	✓	✓
	Our future planning enables sustainable growth in our District				✓
	<b>Healthy Communities</b>				
	Our community is safe, healthy and connected	✓			
	We encourage the use and development of our facilities		✓	✓	✓
	<b>Vibrant Cultural Values</b>				
	We value and encourage strong relationships with Iwi and other cultures, recognising wāhi tapu and taonga/significant and treasured sites and whakapapa/ancestral heritage.			✓	✓
	Tangata Whenua with Manawhenua status (those with authority over the land under Māori lore) have meaningful involvement in decision making.			✓	✓



## Key drivers

For Strategy and Engagement our key drivers are:



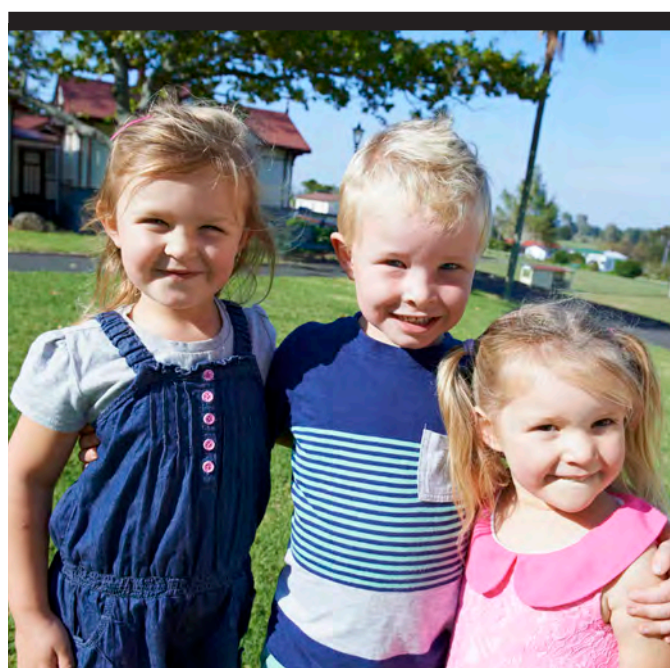
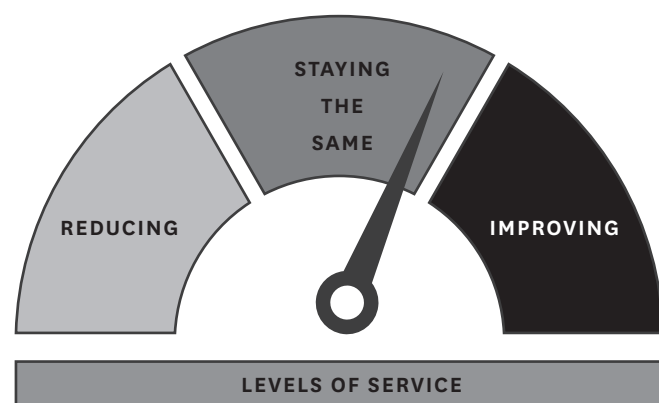
**Resilience**



**Growth and demand**



**Compliance**



## Our responses

**Being prepared** – We need to make sure we are in the best position we reasonably can be in case of an emergency.

Demand for CDEM preparedness for emergencies doesn't necessarily change with population change but increases when other emergency events happen. To manage these pressures we are working to educate our community on ways to be prepared for emergencies. We also aim to have an increasing percentage of our staff trained in CDEM through new staff training and continual upskilling of existing staff as CDEM courses are developed.

**Keeping up to date with legislation changes and respond accordingly.**

One of the main drivers for these activities is the legislation that they work within - primarily the Civil Defence Emergency Management Act 2002, Local Government Official Information and Meetings Act 1987, Local Electoral Act 2001, Local Government Act 2002, Local Government (Rating) Act 2002 and the Resource Management Act 1991. We keep ourselves well informed of any potential changes, we engage with central government and neighbouring councils, as well as our own national bodies to make sure we can manage any changes.

**Planning for sustainable growth** – We are planning for population growth and demand by making sure we have sufficient staff and resources in place to manage demand and expectation.

Our population and number of dwellings are predicted to increase slowly, this doesn't necessarily have a significant impact on these activities, but it is positive for our economic growth.

Changes in social trends and technologies also influence community expectations about how they are informed, and how they can participate in democracy and consultation processes. We are planning continual improvement to our online services and how we reach our community in response to an increasing use of the internet.

Planning for sustainable, affordable growth is important, our District Plan is the regulatory tool that allows this to happen, we've taken in to account changes in population and demand for land for various activities – such as residential growth, as part of planning this document, key growth projects are discussed in the Infrastructure Strategy and the Infrastructure and Community Facility activities. As part of preparing this LTP we have assumed no changes to this activity – however - Central Government has signalled an intention to make significant changes to the Resource Management Act 1991, if these changes happen they could change the way our District Plan activity is delivered.

Significant effects

Our activities have the potential to have both positive and negative effects on the community. The significant negative effects of the Strategy and Engagement activities are identified below, along with how we respond to them.

WELLBEING	POTENTIAL NEGATIVE EFFECTS	CIVIL DEFENCE EMERGENCY MANAGEMENT	COMMUNICATIONS AND EVENTS	COMMUNITY LEADERSHIP	STRATEGIES AND PLANS	POSITIVE RESPONSES
SOCIAL CULTURAL	Our communication and opportunities for engagement may not reach the whole community, including Iwi		✓	✓	✓	We will build and maintain Council/community relationships that can contribute to community wellbeing and strong strategies and plans. People will be informed about activities and have the opportunity to participate in decision making. We will engage with Te Manawhenua Forum mo Matamata-Piako and post-treaty settlement Iwi entities to understand consultation needs. This involvement will give the community a strong sense of social and cultural wellbeing
SOCIAL ECONOMIC ENVIRONMENTAL CULTURAL	If our planning documents are inadequate or fail to meet statutory requirements there could be negative impacts on all aspects on wellbeing, social, economic, environmental and cultural				✓	Effective planning documents allow us to manage our environment, and provide for resilient, safe and growing communities. We will continue to review and monitor our plans to ensure they meet the needs of our community, enable sustainable growth and contribute positively to all aspects of community wellbeing
SOCIAL ECONOMIC ENVIRONMENTAL	Community safety could be put at risk by poor emergency planning	✓				We are prepared for civil defence emergencies. We will continue to ensure processes are in place to respond to natural disasters and civil defence emergencies, through response planning, training exercises and community education. This will have a positive impact on community social wellbeing with people feeling they are prepared to cope should a disaster happen. Planning for recovery will also have positive impacts on economic and environmental wellbeing

How will we fund it?

Our approach to funding is set out in the Revenue and Financing Policy.

# CIVIL DEFENCE

Civil Defence Emergency Management (CDEM) is the responsibility of regional, city and District councils who must plan and provide for CDEM within their Districts. Our CDEM role includes community, organisational and business readiness, including public education and awareness, training and exercises and local response and recovery planning.

We are part of the Waikato CDEM Group (the Group), which includes the Waikato Regional Council and all ten District/city councils, as well as emergency services, welfare agencies and lifeline utility providers. The Group looks after 24,000 square kilometres and works closely with research institutions, utility operators and central government to reduce risks and improve community resilience.

The National Emergency Management Agency was established on 1 December 2019 replacing the Ministry of CDEM and is charged with providing strong, national leadership of our emergency management system.

## Key legislation, strategies, policies and plans

Our planning and operating environments are shaped by a wider context of national, regional and District wide priorities and objectives. The following identifies the key legislation, strategies, policies and plans that link to and provide direction for the Civil Defence activity.

### National

Civil Defence Emergency Management Act 2002  
National Civil Defence Emergency Management Plan 2015  
Public Education Programme Strategy 2016-2019  
National Disaster Resilience Strategy

### Regional

Waikato CDEM Group Plan 2016-2021  
Waikato CDEM Group Recovery Plan 2013  
Waikato CDEM Group Evacuation Plan 2012  
Welfare Coordination Group (WCG) Plan 2016-2021

### Council Strategies, Policies and Plans

Matamata-Piako Local Recovery Plan

The CDEM activity plans for emergencies, both internally by having sufficiently trained staff and externally by educating the wider community on the need for being prepared. Our planning is shaped by both the National and Regional plans but with a local emphasis on the communities within our District. We also work in partnership with other councils around us to ensure we have well integrated CDEM planning. If an emergency happens in our District we need to know that our neighbouring councils are also well prepared to help us and vice-versa.

## Our projects for the next 10 years

There are no major projects forecast for the next ten years for CDEM. Running emergency exercises, responding to events, CDEM training and the regular review of our local and regional plans are the core of this activity ensuring systems are in place for coordinating emergency management. Building community resilience, hazard identification and community engagement/education is a key focus for the future. We also plan to develop a Disaster Recovery Plan for our District. It is widely acknowledged that the better a community is prepared and readied to look after itself for at least three days, the more effective the recovery phase will be.

Levels of service

What you can expect and how you will know we are meeting your expectations.

Levels of service	How we measure performance	Previous years			Target				Additional information
		2018/19 Actual	2019/20 Actual	2020/21 Target	2021/22	2022/23	2023/24	2024-31	
We will be prepared to assist the community in the event of an emergency	The evaluation of annual exercise as a measure of effectiveness of training		New Measure		Baseline assessment	Increasing trend	Increasing trend	Greater than 60% (advancing)	We need to have the right staff with the right training to activate a CDEM response to an emergency in the Matamata-Piako District. We participate in an annual exercise so staff have practice at activating an Emergency Management response so they are prepared for a potential emergency. Measured through an evaluation by Civil Defence Emergency Management professionals.

Our Civil Defence role is more than just responding in an emergency – it also includes community, organisational and business readiness.



# COMMUNICATIONS AND EVENTS

Communications and Events is responsible for keeping the community informed and actively encouraging people to engage with Council. This involves working with local media, developing plans and materials to engage with the community, marketing Council's facilities, and engaging on social media. It also includes the delivery of Council's Digital Strategy, implementing improvements to make it easier for customers to do business with us or participate in our processes.

Communications and Events also support events at Council facilities and work to attract new events to the District (contributing to economic development), as well as organising events such as the Business Night Out, Industry Training Graduation, ANZAC Day civic ceremonies, citizenship ceremonies, and more.

## Key legislation, strategies, policies and plans

Our planning and operating environments are shaped by a wider context of national, regional and District wide priorities and objectives - the following identifies the key legislation, strategies, policies and plans that link to and provide direction for the Communications and Events activity.

### National

Local Government Act 2002  
Local Government Official Information and Meetings Act 1987  
Unsolicited Electronic Messages Act 2007  
Civil Defence Emergency Management Act 2002  
Copyright Act 1994  
Privacy Act 2020  
Public Records Act 2005  
New Zealand Government Web Toolkit

### Regional

Local Authority Shared Services initiatives

### Council Strategies, policies and plans

Significance and Engagement Policy  
Digital Strategy  
Information Management Strategy  
Records Policy  
Social Media Policy  
Media Policy

We are working in partnership with other Waikato councils to identify potential collaboration opportunities for campaigns and digital services. In response to changing technology and community expectations we are providing more digital services, whilst still ensuring that those who prefer other, more traditional types of communication are also still catered for.

The provision of digital services reflects our Digital Strategy, which aims to provide our staff and customers with the best digital services in local government – with a focus on making it quicker, easier, and more convenient for people to access council services.

## DID YOU KNOW

- 9,000 people use Council's website every month
- 50% of the people who use our website are using it on their mobile phone
- 300 people attend the Business Night Out every year



## Our projects for the next 10 years

Key projects to be undertaken in the next 10 years are outlined below.

Projects	What is this project about?	Budget \$000			
		2021/22	2022/23	2023/24	2024-31
<b>Events</b>	Each year we run events to promote economic development, recognise volunteers within our community, and commemorate Waitangi Day and ANZAC Day	55	55	55	385
<b>Digital Strategy</b>	The Digital Strategy provides a roadmap of improvements to existing digital services and development of new services	60	82	137	224
<b>Economic Development</b>	We have set aside funding to continue to work alongside Te Waka and Hamilton Waikato Tourism to support economic development in our District	65	65	65	455
<b>Total key operational projects</b>		<b>180</b>	<b>202</b>	<b>257</b>	<b>1,064</b>
<b>Total key operational projects (including inflation)</b>		<b>180</b>	<b>208</b>	<b>271</b>	<b>1,230</b>

## Levels of service

What you can expect and how you will know we are meeting your expectations.

Levels of service	How we measure performance	Previous years				Target			Additional information
		2018/19 Actual	2019/20 Actual	2020/21 Target	2021/22	2022/23	2023/24	2024-31	
<b>We will hold events to contribute to economic development, recognise volunteers, and remember our history</b>	We will hold one function annually to recognise volunteers, ANZAC Day commemorations and two functions to contribute to economic development	Achieved	*Not Achieved			We will hold one function annually to recognise volunteers, ANZAC Day commemorations and two functions to contribute to economic development			Council events provide opportunities for the community to get together and celebrate the success of groups and individuals who help make our community a vibrant place. Currently we hold the Business Night Out, Industry Training Graduation, Volunteer Morning Tea, and ANZAC Day civic ceremonies. This is measured by the number of events held annually
<b>We will continue developing online services so residents and ratepayers can access information and interact with Council at any time, from anywhere</b>	We will develop one new digital service per year to allow customer to exchange money or information with Council		Achieved			One new transaction or service per year			Council's websites are key business tools to provide information and electronic services to the community. They allow people to find the information they need and to interact with Council at their own convenience. This is measured through our internal records
<b>We will make Council information easy for people to find and access</b>	Percentage of residents who are satisfied/very satisfied with ease of access to Council information	62% of residents satisfied	58% of residents satisfied	65% or more of residents satisfied/very satisfied			65% or more of residents satisfied/very satisfied		Communications ensure the public are informed on Council activities and promote and encourage community participation. This is measured through our customer survey

\*Business Night Out was held however the Industry Training Graduation, Volunteer event, ANZAC Day Civic Ceremonies were all unable to occur as planned due to the Covid-19 pandemic lockdown

## DID YOU KNOW?

Nearly **7,000** people follow Matamata-Piako District Council on Facebook.

# COMMUNITY LEADERSHIP

Community Leadership is responsible for involving the community in decision making. Communities elect members to represent them and to make decisions on their behalf. This involves providing leadership for the community as a whole and involving people in decision making processes.

## Key legislation, strategies, policies and plans

Our planning and operating environments are shaped by a wider context of national, regional and District wide priorities and objectives - the following identifies the key legislation, strategies, policies and plans that link to and provide direction for the Communications and Events activity.

### National

Local Government Act 2002  
Local Electoral Act 2001  
Local Government Official Information and Meetings Act 1987  
Local Authorities (Members' Interests) Act 1968

### Regional

Regional Triennial Agreement

### Council Strategies, Policies and Plans

Significance and Engagement Policy  
Code of Conduct for Elected Members  
Governance Statement  
Standing Orders

We are working in partnership with other agencies and Waikato councils to identify collaboration opportunities for involving people in local democracy. We also work closely with the Electoral Commission whose role in local elections is to ensure that the electoral roll is up to date and provided to each council. We also work with the Department of Internal Affairs to host citizenship ceremonies - this public ceremony is a very important step in the process of becoming a New Zealand citizen and for our community to welcome new citizens on behalf of all New Zealanders.

Council supports a wide range of groups in the community through various types of grants to help achieve a variety of outcomes for the District. Any groups who wish to seek multi year funding can apply during the consultation period of this LTP and Council will determine which applications are successful at a hearing in May 2021. Any community group, group or individual who wish to apply for smaller one-off funding from various grants can apply during the annual funding rounds, applicable dates are advertised on our website

## DID YOU KNOW?

In the 2019 elections, 52% of the District voted, with nearly 12,000 voting papers received.





## Our projects for the next 10 years

Key projects to be undertaken in the next 10 years are outlined below.

Projects	What is this project about?	Budget \$000			
		2021/22	2022/23	2023/24	2024-31
<b>Triennial elections</b>	To carry out the triennial local government elections where the community elect the Mayor and Councillors	55	55	55	385
<b>Representation review</b>	A review of how the District is represented by elected members is undertaken every six years. This is funded through the Strategy and Plans activity				
<b>Pre-election reports</b>	These are prepared prior to the triennial elections to provide the community with up to date information including financial and non-financial information				
<b>Te Manawhenua Forum mo Matamata-Piako</b>	Te Manawhenua Forum mo Matamata-Piako is a standing committee of Council.	30	32.5	35	277.5
<b>Total key operational projects</b>		<b>85</b>	<b>87.5</b>	<b>90</b>	<b>662.5</b>
<b>Total key operational projects (including inflation)</b>		<b>85</b>	<b>90</b>	<b>95</b>	<b>775</b>



## Levels of service

What you can expect and how you will know we are meeting your expectations.

Levels of service	How we measure performance	Previous years			Target			Additional information
		2018/19 Actual	2019/20 Actual	2020/21 Target	2021/22	2022/23	2023/24	
<b>People will have confidence in their local elected members</b>	Percentage of the community satisfied with the leadership of the Councillors and Mayor	55%	50%	2020/21 Target 2% improvement each year		55%		For people to participate in the democratic process they need to be confident that we will listen to and respect ideas from the community. Measured by the Annual Customer Survey
<b>Council will involve Tangata Whenua with Mana whenua status in the decision making process</b>	Percentage of Te Manawhenua Forum members who complete the survey are satisfied/very satisfied that Tangata Whenua with Mana whenua status are recognised and have meaningful involvement in decision making		New Measure		75% or more satisfied/very satisfied			By involving Tangata Whenua with Mana whenua status in the decision making process we can ensure that we are making informed and representative decisions on behalf of the community. Measured through members that complete an annual survey of Te Manawhenua mo Matamata-Piako Forum members
<b>We will provide a safe working environment with an aim to ensure that every person working on, near, or visiting our sites goes home healthy and safe every day</b>	Monthly reporting to Council showing our progress towards health and safety targets	11 reports tp Council per year	11 reports tp Council per year	11 reports to Council per year		11 reports to Council per year		Reporting progress on health and safety targets is key in ensuring Council is focussing on safety of employees and the wider community. This is measured through Council reporting. Note: December and January monthly reports are combined into one due to the holiday period each year
<b>We will provide timely responses to official information requests</b>	Percentage of official information requests responded to within legislative timeframes		New Measure			100% of official information requests responded to within legislative timeframes		Providing timely responses to official information requests (under the Local Government Official Information and Meetings Act) ensures our community are receiving any information they've requested in a timely manner. This is measured through our internal records

# MĀORI ENGAGEMENT IN DECISION MAKING

Part of our vision is to support the cultural wellbeing of our District; to support this we have specifically identified that:

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

Our current focus in trying to achieve these outcomes we are working on improving our relationships with Iwi. As part of this work, Council has built in ongoing funding for an Iwi Liaison role (first funded in 2020/21) and is increasing operating funding for working with our governance group Te Manawhenua Forum mo Matamata-Piako.

**Te Manawhenua Forum mo Matamata-Piako** - Te Manawhenua Forum mo Matamata-Piako (Forum) is a standing committee of Council that has been developed under a Heads of Agreement with the Forum. The purpose of the Forum is to facilitate Mana whenua contribution to our decision making.

## Resource Management Act 1991 (RMA)

We are currently undertaking a rolling review of the District Plan. As part of this we are working with Iwi to review the Papakainga provisions.

The RMA also provides for the development of Mana Whakahono a Rohe. The purpose of a Mana Whakahono a Rohe is to provide a mechanism for councils and Iwi to come to agreement on ways Tangata Whenua may participate in RMA decision-making, and to assist councils with their statutory obligations to Tangata Whenua under the RMA. Council expects these agreements to be developed in the near future.

## Treaty of Waitangi settlements

Treaty of Waitangi claims and settlements have been a significant feature of New Zealand race relations and politics since 1975.

Over the last 30 years New Zealand governments have provided formal, legal and political opportunities for Māori to seek redress for breaches by the Crown of the guarantees set out in the Treaty of Waitangi.

Iwi in and around the Matamata-Piako District are currently negotiating with the Crown and are at various stages of settling Treaty of Waitangi claims. While these agreements are between the Crown and Iwi, we will be affected by the outcome of these settlements, particularly where Iwi are seeking co-governance of natural resources.

## Hauraki Treaty of Waitangi Settlements

In 2009, the 12 Iwi of Hauraki formed the Pare Hauraki Collective for the purpose of negotiating a Treaty settlement. The 12 iwi are Ngāti Hako, Ngāi Tai ki Tāmaki, Ngāti Hei, Ngāti Maru, Ngāti Paoa, Ngāti Porou ki Hauraki, Ngāti Pūkenga, Ngāti Rāhiri Tumutumu, Ngāti Tamaterā, Ngāti Tara Tokanui, Ngāti Whanaunga and Te Patukirikiri. The areas of interest of the Iwi of Hauraki extend from the Mahurangi coast in the north to the western Bay of Plenty and include the islands of the Hauraki Gulf/Tīkapa Moana. On 1 October 2010, the Crown and the Pare Hauraki Collective signed a Framework Agreement which outlined the process for ongoing negotiations towards settlement of shared claims and included the potential elements of a collective settlement.

On 22 July 2011, the Iwi of Hauraki all signed Iwi-specific Agreement in Principle Equivalents which expanded upon the framework agreement and included iwi specific offers to negotiate further redress. On 22 December 2016, the Crown and the Pare Hauraki Collective initialled the Pare Hauraki Collective Redress Deed (the Deed). The Deed has been ratified by the members of the Iwi of Hauraki. The Deed includes both cultural redress and commercial redress. It does not include financial redress, which each of the 12 Iwi of Hauraki will receive through their Iwi-specific settlements. The full and final settlement of historical Treaty of Waitangi claims of the Iwi of Hauraki will be made through Iwi-specific settlements.

### Ngāti Haua Treaty of Waitangi Settlement

Council was engaged in the Ngāti Haua Treaty of Waitangi settlement negotiations. The Ngāti Haua Claims Settlement Act 2014 was passed in to law in December 2014. The Act gives effect to the deed of settlement signed on 18 July 2013 in which the Crown and Ngāti Haua agreed to the final settlement of the non-raupata historical Treaty of Waitangi claims. The settlement package includes recognition of breaches of the Treaty of Waitangi, cultural and spiritual redress in the return of significant sites and financial redress. One site of significance to Ngāti Haua is the Waharoa (Matamata) Aerodrome. As part of settlement, the Council, the Crown and Ngāti Haua agreed that a co-governance committee called the Waharoa (Matamata) Aerodrome Committee comprising of Ngāti Haua and Council representatives (the Committee) would be established for the Waharoa Aerodrome.

The Committee was created in 2015 by legislation under the Ngāti Haua Claims Settlement Act 2014. The Committee comprises of the Mayor, Deputy Mayor, one Council appointed member and three members appointed by the Ngāti Haua Iwi Trust Board trustees. The functions of the Committee, as set out in the Ngāti Haua Claims Settlement Act 2014 are to:

- Make recommendations to Council in relation to any aspect of the administration of Waharoa Aerodrome land,
- Make final decisions on access and parking arrangements for the Raungaiti Marae land that affects the Waharoa Aerodrome,
- Perform the functions of the administering body under section 41 of the Reserves Act 1977 in relation to any review of the reserve management plan that has been authorised by Council,
- Perform any other function delegated to the committee by Council.

Council has incorporated the statutory acknowledgements, as they relate to the District in Appendix 10 of the Matamata-Piako Operative District Plan. More information on the statutory acknowledgements for Ngāti Haua can be found in the Ngāti Haua Claims Settlement Act 2014 ([www.legislation.govt.nz](http://www.legislation.govt.nz)).

### Ngāti Hinerangi Treaty of Waitangi Settlement

Ngāti Hinerangi are an Iwi based in Matamata with an area of interest extending from the eastern Waikato to Tauranga including part of the Kaimai Range. In 2014, the Crown recognised the mandate of the Ngāti Hinerangi Trust to represent Ngāti Hinerangi in negotiating a comprehensive historical Treaty settlement. The Crown signed Terms of Negotiation with the Ngāti Hinerangi Trust in February 2014.

In December 2015, the Crown and Ngāti Hinerangi signed an agreement in principle which formed the basis for this settlement. On 14 December 2018, Ngāti Hinerangi and the Crown initialled a Deed of Settlement. On 4 May 2019, Ngāti Hinerangi and the Crown signed a Deed of Settlement. On 21 July 2020 the Ngāti Hinerangi Claims Settlement Bill had its second reading. The settlement will be implemented following the passage of settlement legislation in 2021.

### Raukawa Treaty of Waitangi Settlement

The Crown has settled the claims of the Raukawa Iwi with legislation to give effect to the deed of settlement signed on 2 June 2012 in which the Crown and Raukawa agreed to the final settlement of the historical claims of Raukawa. The Raukawa Claims Settlement Act 2014 passed into law in March 2014. There were no specific arrangements between Council and Raukawa, such as those in the Ngāti Hāua Claims Settlement Act 2014. As with other settlement processes, Raukawa may now be in a position to consider developing documents such as Iwi Management Plans for the areas of their rohe (ancestral lands) that fall within the Matamata-Piako District. Raukawa have also released Te Rautaki Taiao a Raukawa (Raukawa Environmental Management Plan) 2015. Council has been required to include statutory acknowledgements of the Crown in its District Plan.

The purpose of the statutory acknowledgement is to:

- Require relevant consent authorities including Council, the Environment Court and Heritage New Zealand Pouhere Taonga to have regard to the statutory acknowledgement
- Require relevant consent authorities to record the statutory acknowledgement on statutory plans that relate to the statutory areas. Also for a period of 20 years from the effective date
- To provide the trustees with summaries of resource consent applications or copies of notices of applications for activities within, adjacent to or directly affecting the areas listed below
- Enable the trustees and any member of Raukawa to cite the statutory acknowledgment as evidence of the association of Raukawa with a statutory area
- The statutory acknowledgements for Raukawa in the Matamata-Piako District cover:
  - Part of the Kaimai-Mamaku Conservation Park
  - The Okauia and Taihoa geothermal fields
  - Parts of the Waihou River and its tributaries
  - Part of Lake Karapiro

More information on the statutory acknowledgements for Raukawa can be found in the Raukawa Claims Settlement Act 2014 ([legislation.govt.nz](http://legislation.govt.nz)) and Appendix 10 of the Matamata-Piako Operative District Plan ([mpdc.govt.nz](http://mpdc.govt.nz)).



# STRATEGIES AND PLANS

There are four key documents that are developed under the Strategies and Plans activity:

- The LTP - this is our 10 year business plan that provides the vision and direction for the District; we prepare these once every three years.
- The Annual Plan - this is prepared in the years between LTP to plan projects and budgets for the year ahead; any variations from the LTP are highlighted in the Annual Plan.
- The Annual Report - this is produced every year to let the community know whether we have done what we said we would in the LTP/ Annual Plan.
- The District Plan - We monitor the effectiveness and efficiency of the District Plan and are required to begin a review every 10 years to ensure the District Plan reflects the needs of our community. District Plan changes must follow the process outlined in the Resource Management Act 1991.

We also ensure that our policies and bylaws are up to date - for example, the Gambling Venue Policy is reviewed every three years, and we must review our bylaws every 5 - 10 years.

The LTP and District Plan are two key documents for us in achieving integrated planning, not just between the activities that we undertake, but also at a regional and national level. The District Plan forms part of a hierarchy of resource management documents, that regulate the protection of our environment, and the way and means in which growth and development can occur. With the completion of Treaty Settlements, it is anticipated that Iwi Management Plans, and Catchment Management Plans created through Treaty Settlement co-governance agreements will become more prominent in this planning framework. In addition to regional collaboration, through spatial planning and collaboration on policy development, the National Planning Standard will also achieve some consistency for planning documents across the country. It is anticipated that this will achieve efficiency and consistency in some aspects of our regulatory functions.

## Key legislation, strategies, policies and plans

Our planning and operating environments are shaped by a wider context of national, regional and District wide priorities and objectives – the following identifies the key legislation, strategies, policies and plans that link to and provide direction for the Strategies and Plans activity.

### National

Local Government Act 2002  
Resource Management Act 1991  
Hauraki Gulf Marine Park Act 2000  
National Environmental Standards  
National Policy Statements  
Treaty of Waitangi settlements

### Regional

Waikato Regional Policy Statement  
Waikato Regional Plan  
Waikato Regional Spatial Planning work  
Waikato Regional Economic Strategy  
Adjoining Council District Plans

### Council Strategies, policies and plans

District Plan  
LTP, Annual Plan, and Annual Report  
Bylaws  
Various strategies, policies and plans

## DID YOU KNOW?

COUNCIL HAS UNDERTAKEN OVER **25** PLAN CHANGES SINCE THE DISTRICT PLAN BECAME OPERATIVE IN 2005

## Our projects for the next 10 years

Key projects to be undertaken in the next 10 years are outlined below.

Projects	What is this project about?	Budget \$000			
		2021/22	2022/23	2023/24	2024-31
<b>Long Term Plan</b>	Our ten year strategic plan, which is reviewed every three years	45	45	45	315
<b>Annual Plan</b>	Our annual budgeting plan, which is completed in the years in between a LTP	10	10	-	50
<b>Annual Report</b>	The Annual Report lets the community know how we have performed compared to budgets and performance targets.	7	7	7	49
<b>Policy and Bylaws</b>	We need to undertake a review of a range of policies (for example the Gambling, TAB, Dogs, Earthquake Prone, Dangerous and Insanitary Buildings Policies, the Legal Highs (Local Approved Products) Policy, Local Alcohol Policy) and Bylaws during the life of this plan. We will also need to undertake a review of our representation arrangements in 2024 and 2030, and produce a pre- election report prior to each of the triennial elections	22	22	22	154
<b>Regional collaboration</b>	We have set aside funding to work on regional collaboration projects with other councils. One of the projects is the development of the Waikato Plan	50	50	50	350
<b>Discretionary funding</b>	Council funds a range of organisations within the District – from grants to specific community groups to contestable funds, and supporting Hamilton and Waikato Tourism Limited	540	540	540	3,780
<b>District Plan Review</b>	Council has committed to a rolling review of the District Plan and will process plan changes in accordance with the Resource Management Act 1991	200	200	200	1,400
<b>Regional Resource Management Act</b>	This fund allows resources to engage with the Waikato Regional Council over changes to the Regional Plan and implementation of the Policy Statement	50	50	50	350
<b>Hauraki Gulf Forum</b>	This fund covers Council's contribution towards the operation of the Hauraki Gulf Forum	12	12	12	84
<b>Iwi Settlement Legislation</b>	Settlement legislation requires resourcing and collaboration to achieve intended outcomes	50	50	50	350
<b>District Plan – National Planning Standards</b>	The national planning standards were introduced through the 2017 amendments to the RMA. They aim to make RMA plans more consistent with each other and faster to use as they outline the mandatory format. To be funded from reserves	300	300	300	1,075
<b>Total key operational projects</b>		<b>1,286</b>	<b>1,286</b>	<b>1,276</b>	<b>7,957</b>
<b>Total key operational projects (including inflation)</b>		<b>1,286</b>	<b>1,323</b>	<b>1,347</b>	<b>9,280</b>

Other key projects include completing State of the Environment monitoring, and progressing discussions and any co-governance models which come out of Treaty Settlements.

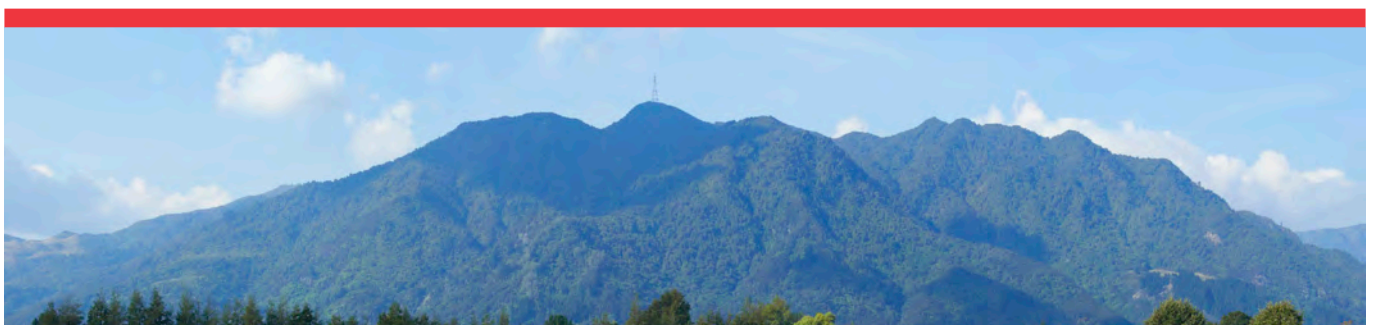
## Levels of service

What you can expect and how you will know we are meeting your expectations.

Levels of service	How we measure performance	Previous years			Target				Additional information
		2018/19 Actual	2019/20 Actual	2020/21 Target	2021/22	2022/23	2023/24	2024-31	
<b>Our community will have the opportunity to participate in Council consultation processes</b>	Percentage of the community satisfied that they have been provided with an opportunity to be involved in consultation processes	56%	40%		52% (maintain benchmark)				The information and advice we provide will ensure that people are able to participate and feel well informed when we are preparing plans and strategies. Measured through our customer survey. Benchmark based on 2015/16 results
<b>We will provide an annual update on progress on land use and development, and the protection of natural and physical resources of the District</b>	State of the Environment monitoring reports will be updated on Council's website each year	19 November	21 November		20 November each year				Monitoring and reporting on the state of our environment allows us to identify if we are achieving our objectives to protect the environment and highlights any issues that need to be addressed during District Plan reviews. We update results of this monitoring onto our website annually. We will also report on trends that we identify through our monitoring in the Annual Report

## DID YOU KNOW?

THIS ACTIVITY IS RESPONSIBLE FOR MANAGING OVER 45 DIFFERENT REPORTS, PLANS, STRATEGIES, POLICIES AND BYLAWS - MOST OF WHICH WE ARE REQUIRED TO DO BY LAW.



[illegible]



# INFRASTRUCTURE

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# ROADING

## What we do

We own and maintain 1,008 kilometres of local roads within the District, including 956 kilometres sealed and 52km unsealed roads. These are all the roads in the District except for state highways (which include Broadway and Firth Street in Matamata, Allen Street in Morrinsville and Whitaker/Kenrick Streets in Te Aroha), which are managed by the Waka Kotahi (NZTA). The Roding network also covers the cycleways and footpaths, and includes bridges and structures, street lighting, road signage and markings, and on street parking within the road corridor.

## Why do we do these activities

Roads provide for a wide variety of users, with diverse needs including private and commercial car drivers and passengers, freight operators, public transport users, farm and machinery operators, cyclists and pedestrians. They also support and enable economic growth and, when designed appropriately, enhance living environments and amenity. In addition to providing access to properties, the road corridor is also where utilities are usually located (e.g. gas, power, telecommunications, water, sewer and stormwater).

## Our vision and community outcomes

Council has developed a vision to make Matamata-Piako ‘The Place of Choice’ – Lifestyle – Opportunities – Home. Further details on this strategic vision are set out in Part 1 of this plan. Roding contributes to this overall vision by providing transportation connections that enable our community to safely travel to and from their destination, transport goods and services and support economic growth.

### Roding contributes to the following Community outcomes



#### Connected Infrastructure

- 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



#### Economic Opportunities

- Our future planning enables sustainable growth in our District



#### Healthy Communities

- Our community is safe, healthy and connected



## KEY DRIVERS

For roading our key drivers are:



**Growth and demand**



**Compliance**



**Resilience**



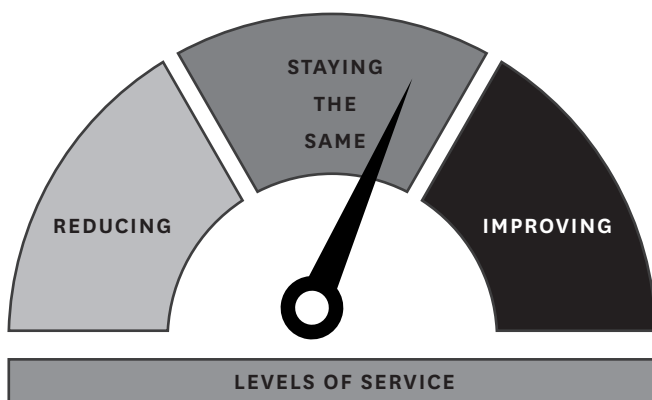
**Affordability**

## Our responses

We will comply with national standards - this means we will keep up to date with legislation changes and respond accordingly.

We will plan for sustainable growth and manage demand, and we will provide additional capital and operational expenditure over the next 30 years - we are planning for population growth and increasing traffic volumes by implementing a capital works programme to accommodate and enable development. We will continue to increase our asset knowledge by investing in high speed data collection on our roads and complete bridge inspections.

We will maintain or improve levels of service - this means we will maintain our overall roading infrastructure to the expected levels of service that our community is willing to pay for. This could mean an improvement to levels of service in some areas and a reduction in others.



## DID YOU KNOW?

We maintain over 1,000km of road. That's longer than the North Island, which is 829km long from top to southern tip!

Our infrastructure will support or improve public health benefits –we will continue to undertake road safety improvement to ensure our community remains safe on our roads. We will also continue to improve and expand our cycleway network and footpaths to encourage cycling and walking as a mode of transport. A key focus going forward is ensuring that connectivity for walking within our urban centres is provided in a safe manner.

We will maintain our current assets to meet the level of service set out by NZTA through the One Network Road Classification framework.

We will provide for the replacement of assets at the end of their useful life – This means that we will undertake programmed maintenance and renewal works for our roading assets. Our road network includes critical assets such as bridges and structures that are vital to ensure our key transport routes have minimal impact and alternative routes are provided during an emergency. We will continue completing a detailed inspection programme on our bridges to ensure we complete any maintenance and renewals as required.

We will optimise our investment and apply asset management practices to our planning and we will smooth our costs where possible over time - We will work closely with NZTA to develop our road works programme and ensure we maintain 51% funding subsidy from NZTA for eligible projects and programmes of works. Projects that are not eligible for NZTA funding such as the Cycleway proposal to Morrinsville is subject to completing a business case and then potentially community consultation to determine whether the community are willing to pay for that service. We will also be pursuing alternative funding for the proposed cycleway from Matamata to Piarere as this aligns with national and regional cycling strategy outcomes.

## Key legislation, strategies, policies and plans

Our planning and operating environments are shaped by a wider context of national, regional and District wide priorities and objectives – the following identifies the key legislation, strategies, policies and plans that link to and provide direction for the roading activity.



### National

Local Government Act 1974  
Resource Management Act 1991  
Land Transport Management Act 2003  
Local Government Act 2002  
Traffic Regulations Act 1976 and Land Transport (Road User) Rules  
Government Policy Statement on Road Transport Funding  
One Network Road Classification System  
Road Safety and Strategy

### Regional

Regional Land Transport Plan  
Regional Walking and Cycling Strategy  
Regional Road Safety Strategy  
Regional Public Transport Plan  
Waikato Regional Policy Statement  
Waikato Regional Plan

### Council Strategies, policies and plans

Draft Walking and Cycling Strategy  
Matamata-Piako Signage Strategy  
Town Strategies  
District Plan growth areas and population projections  
Roading Activity Management Plan 2021-51  
Infrastructure Strategy 2021-51

## Significant effects

Our activities have the potential to have both positive and negative effects on the community. The significant negative effects of Roading are identified below, along with how we respond to them.

WELLBEINGS	POTENTIAL NEGATIVE EFFECTS	POSITIVE RESPONSES
<b>SOCIAL CULTURAL</b>	Road development can impact on culturally significant and productive land	We will track and record all the consultation procedures and results for each affected iwi for all projects outside the existing road reserve. We will comply with the requirements of the Resource Management Act 1991
SOCIAL	Road and environmental factors can contribute to crashes (particularly those that involve loss of control) and cause people to be killed or injured on roads each year	We will undertake crash reduction studies and route security projects and maximise funding for safety works to help reduce road accidents in our District
<b>SOCIAL ECONOMIC</b>	Economically, the cost of desired infrastructure improvements may exceed the communities ability to pay	We will consult with the community on all costs and options for Levels of Service through the LTP process
<b>SOCIAL</b>	The particular needs of pedestrians and cyclists can conflict with other forms of traffic	We will concentrate on providing additional connectivity by focusing on providing safe routes for pedestrians



## Our projects for the next 10 years

Key projects to be undertaken in the next 10 years are outlined below, including whether the project is required as a result of growth, improved level of service or to renew/replace existing assets.

Projects	What is this project about?	What drives this project? (%)			Budget (\$000)			
		Growth*	Increased Level of Service	Renewal	2021/22	2022/23	2023/24	2024-31
<b>Seal widening – District wide</b>	This is a roading programme that aims to make the seal width wider (approx half a metre either side usually) in our District, as part of rehab	30	70		160	160	160	1,120
<b>Kerb and Channel – District wide</b>	This is a roading programme that aims to add more kerbs and channels on roads in our District	5	95		55	55	55	385
<b>Footpaths – District wide</b>	This is a roading programme that aims to potentially widen footpaths and create footpaths in our District	5	95		55	55	55	385
<b>Street lighting – District wide</b>	This is a roading programme that aims to providing streetlighting in our District	5	95		110	110	110	770
<b>Station Road, Matamata – upgrade</b>	Two stages, widening and upgrade of station road to cater for the new developments around the area. \$300,000 in 2025/26	20	80			730		300
<b>Tower Road, Matamata</b>	Parking bays, intersection and pedestrian crossing. \$25,000 in 2024/25	100				300	5	25
<b>Waharoa to Matamata walkway</b>	Constructing a 6km (approx) walkway from Waharoa to Matamata		100		700			
<b>Footpath renewals – District wide</b>	This is a District wide roading renewal programme for footpaths , (business as usual), \$189,000 each year.			100	189	189	189	1,323
<b>Waharoa roading projects</b>	This is aimed to provide roading infrastructure to cater for industrial growth or development in the Waharoa area. \$250,000 in 2024/25	10	90					250
<b>Hinuera to Station Road Link</b>	Eldonwood South - Collector Road Widening Additional widening of the road from the upgrades required by the direct developers to allow a Collector Road to be constructed to provide additional linkage for this area	100				100	100	300
<b>Hangawera Road to Snell Road link</b>	Road linking - additional widening of the road from the upgrades required by the direct developers to allow a Collector Road to be constructed to provide additional linkage for this area	60	40					300
<b>Station to Peria Road Link Matamata</b>	Road linking - additional widening of the road from the upgrades required by the direct developers to allow a Collector Road to be constructed to provide additional linkage for this area	60	40		60	60	60	240
<b>Avenue Road North Upgrade</b>	Widening and kerb and channel, \$120,000 in 2025/26	70	30					120

Projects	What is this project about?	What drives this project? (%)			Budget (\$000)			
		Growth*	Increased Level of Service	Renewal	2021/22	2022/23	2023/24	2024-31
<b>Haig Road Upgrade</b>	Road upgrades in conjunction with the developments in the area	100				335		
<b>Everad Avenue Intersection Upgrade</b>	Road upgrades, \$257,000 in 2030/31		100					257
<b>Smith Street Upgrade</b>	Road upgrades, \$260,000 in 2030/31		100					260
<b>Hampton Terrace Upgrade</b>	Road upgrades in conjunction with the developments in the area, \$190,000 in 2027/28	100						190
<b>Banks/Burwood Intersection Upgrade</b>	Road upgrades in conjunction with the developments in the area, \$115,000 in 2027/28	75	25					115
<b>Matamata to Piarere Cycleway***</b>	Construction of a cycleway from Matamata to Piarere, potentially to link with the existing cycleways in the District, \$750,000 in 2025/26, \$1,250,000 in 2026/27		100					2,000
<b>Te Aroha to Matamata Cycleway Offshoots Minor Upgrades</b>	Signage and minor upgrades		100		100			
<b>Matamata Pedestrian Connectivity</b>	Additional infrastructure to provide better walking and cycling connectivity within Matamata		100			250		
<b>Unsealed Road Metalling (Metalled Road Resurfacing)</b>	The renewal programme for unsealed road metalling under the maintenance contract			100	50	50	50	350
<b>Sealed Road Resurfacing (Reseals)</b>	The renewal programme for reseals, or simply known as the sealing program, \$2,500,000 each year			100	2,500	2,500	2,500	17,500
<b>Drainage Renewals (Drainage Renewals)</b>	The renewal programme for replacing or upgrading drainage (i.e. culverts) as needed			100	184	141	257	1,799

Projects	What is this project about?	What drives this project? (%)			Budget (\$000)			
		Growth*	Increased level of service	Renewal	2021/22	2022/23	2023/24	2024-31
<b>Sealed Road Pavement Rehabilitation (Rehabs)</b>	The renewal programme for sealed road pavement considering data from dTIMS,			100	2,085	2,411	2,388	19,026
<b>Structures component replacements (Structural Renewals)</b>	The renewal programme for the replacement of any structures components such as railings, bridge railings etc,			100	62	80	62	434
<b>Traffic services renewals (Traffic Services Renewals)</b>	The renewal programme for the replacement of damaged streetlight poles, new edge marker posts, signs renewals,			100	300	300	300	2,100
<b>NZTA Funded - Low Risk Low Cost Projects</b>	Road upgrades concerning, road markings, safety improvements, low cost low risk projects, electronic signs etc.		100		935	935	900	6,300
<b>Forest Area - Roding Improvement Projects</b>	Upgrades to corners or gradings for the forestry industry (tree harvesting), \$250,000 in 2030/31		100					250
<b>Total key capital projects</b>					<b>7,615</b>	<b>8,801</b>	<b>7,231</b>	<b>56,099</b>
<b>Total key capital projects (including inflation)</b>					<b>7,615</b>	<b>9,148</b>	<b>7,749</b>	<b>65,732</b>

\* Growth projects are funded by development contributions

\*\*51% subsidy is received from Waka Kotahi (NZTA) for this work.

\*\*\*The budgeted amount above represents Council's contribution towards the project. Additional funding will be sought from external funding providers and partners.

## How will we fund it?

Our approach to funding is set out in the Revenue and Financing Policy.

## Levels of service

What you can expect and how you will know we are meeting your expectations.

Levels of service	How we measure performance	Previous years			Target			Additional information
		2018/19 Actual	2019/20 Actual	2020/21 Target	2021/22	2022/23	2023/24	
We will provide a roading network that is safe for all users	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number*	Increase of eight serious or fatal crashes from the previous year (Total – 29)	Decrease of 6 serious or fatal crashes from previous year (Total 23)	Two less crashes from the previous year that are serious or fatal on Council roads		A reduction in the number of fatal and serious crashes from the previous year		This does not differentiate between crashes due to road factors and any other reason (e.g. driver error). Measured by Waka Kotahi (NZTA) statistics
We will provide a roading network that is maintained and developed to provide smoothness and comfort	The average quality of ride on a sealed local road network, measured by smooth travel exposure*	Not measured	96.76%	97% or more		97% or more		This survey is conducted every two years. Well maintained roads and footpaths provide smoothness and comfort. Measured by a smooth travel exposure analysis
	The percentage of the sealed local road network that is resurfaced*	7.94%	6.6%	8.5% or more		6.7% or more		Measured through our internal records
	The percentage of footpaths within our District that fall within the level of service or service standard for the condition of footpaths that is set out in our relevant documents (such as our annual plan, activity management plan, asset management plan, annual works program or LTP)*	99.4%	Not measured	95% or more within the acceptable level of service		95% or more within the acceptable level of service		Measured by an assessment of our footpaths. Footpaths are given a grade from 1 (excellent condition) to 5 (very poor condition). Ratings 1 to 3 (excellent to fair) are considered to fall within the level of service
We will provide a reliable roading network and will respond to customer service requests in a timely manner	The percentage of customer service requests relating to roads and footpaths to that the territorial authority responds within the time frame specified in the LTP*	100% of Urgent 95.4% of non-urgent	100% of Urgent 83.2% of non-urgent	90% of urgent requests responded to within one working day 90% of non-urgent requests responded to within five working days				We aim to investigate customer requests within appropriate timeframes. Some complaints can be resolved quickly; others can take time to work through. Measured by our Customer Request Management system

\* These are mandatory performance measures that have been introduced for all councils around New Zealand.



## Roading - 1 July 2021 to 30 June 2031

Applications of operating funding											
Payments to staff and suppliers	6,360	6,680	6,937	7,045	7,226	7,419	7,750	7,954	8,178	8,409	8,634
Finance costs	349	241	260	262	256	287	321	337	358	380	406
Internal charges and overheads applied	957	859	874	893	902	931	961	987	1,023	1,060	1,096
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>7,666</b>	<b>7,780</b>	<b>8,071</b>	<b>8,200</b>	<b>8,384</b>	<b>8,637</b>	<b>9,032</b>	<b>9,278</b>	<b>9,559</b>	<b>9,849</b>	<b>10,136</b>
<b>Surplus (deficit) of operating funding (A – B)</b>	<b>2,361</b>	<b>3,526</b>	<b>3,511</b>	<b>3,621</b>	<b>3,509</b>	<b>3,638</b>	<b>3,774</b>	<b>3,953</b>	<b>4,105</b>	<b>4,254</b>	<b>4,394</b>

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# RUBBISH AND RECYCLING

## What we do

We currently provide kerbside rubbish and recycling collection services to over 9,500 properties across the District, as well as operating three transfer stations located at Matamata, Morrinsville and Waihou. We provide waste minimisation and sustainability education to schools across the District. We also have three closed landfills at Matamata, Morrinsville and Te Aroha that we monitor under the terms of their resource consents to ensure they do not endanger the environment or public health.

## Why do we do these activities

Our day to day lives generate a lot of waste that must be managed for the health of our community and our environment. We are committed to providing and promoting sustainable waste management options to protect our environment for current and future generations. As part of the 2017 Eastern Waikato Waste Minimisation Management Plan (WMMP) we have committed to reduce the total amount of general waste sent to landfill from our District.

## Our vision and community outcomes

Council has developed a vision to make Matamata-Piako ‘The Place of Choice’ – Lifestyle – Opportunities – Home. Further details on this strategic vision are set out in Part 1 of this plan. The Rubbish and Recycling Activity contributes to this overall vision by providing kerbside collection and refuse disposal facilities. The Activity ensures the safe disposal of rubbish and recycling, supporting environmentally friendly practices and technologies and protected public health.

Rubbish and Recycling contributes to the following Community outcomes				
	<b>Connected Infrastructure</b>	Infrastructure and services are fit for purpose and affordable, now and in the future. Quality infrastructure is provided to support community wellbeing	✓ ✓	
	<b>Healthy Communities</b>	Our community is safe, healthy and connected	✓	
	<b>Environmental Sustainability</b>	We support environmentally friendly practices and technologies	✓	

## Key legislation, strategies, policies and plans

Our planning and operating environments are shaped by a wider context of national, regional and District wide priorities and objectives. This diagram identifies the key legislation, strategies, and policies and plans that link to and provide direction for Rubbish and Recycling activity.

National
Local Government Act 2002
Health Act 1956
Resource Management Act 1991
Waste Minimisation Act 2008
Regional
Waikato Regional Plan
Waikato Regional Policy Statement
Council Strategies, policies and plans
Eastern Waikato Waste Management and Minimisation Plan 2017
Solid Waste Bylaw 2017

## KEY DRIVERS

For Rubbish & Recycling our key drivers are



**Growth and demand**



**Compliance**

## Our responses

### We will plan for sustainable growth and manage demand

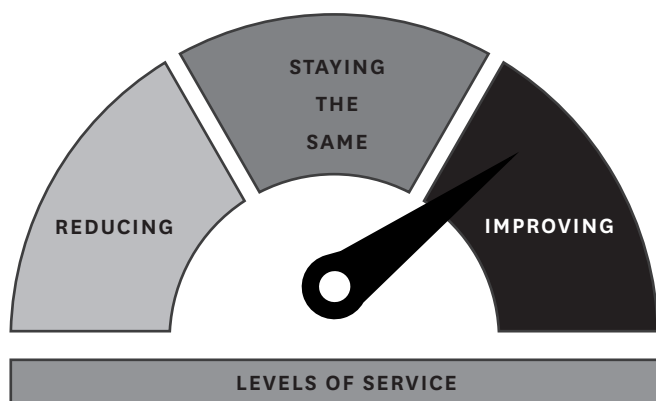
While we expect to see medium growth in both population and dwelling numbers, particularly in urban areas served by our kerbside collection services, the amount of waste generated may not necessarily correspond to the population projections. We are committed to meeting our obligations and targets set through the WMMP and we will be implementing various initiatives over the next ten years to encourage waste minimisation and increase awareness about recycling and refuse alternatives. Many of these activities will be funded from the waste minimisation levy we receive from central government.

### We will maintain or improve levels of service

We will maintain existing level of service for our kerbside collection of rubbish and recycling. We have included in our budgets funding to upgrade our three transfer stations. This means we will improve the layout and traffic flows in and out of the transfer stations and better accommodate refuse facilities on site to further encourage waste minimisation. We are planning to move from Transfer Stations to Resource Recovery Centres.

### We will comply with national standards

This means we will keep up to date with legislation changes and respond accordingly. We will continue to meet the conditions of our resource consents for our closed landfills for discharge of leachate to ground, discharge of contaminants to air and discharge/diversion of stormwater (for Matamata and Morrinsville). We have set aside budgets to renewing these consents when required.



### Assessment of Waste Management and Minimisation Plans

Council is required to develop and adopt a Waste Management and Minimisation Plan (WMMP) under s44 of the Waste Minimisation Act 2008. The purpose of a Waste Management and Minimisation Plan is to set out the goals and actions we have put in place to minimise the amount of waste going to landfill in our District. The Local Government Act 2002 requires us to identify and explain any significant variations between our Asset Management Plan for Rubbish and Recycling and our Waste Management and Minimisation Plan adopted under section 43 of the Waste Minimisation Act 2008.

Our last WMMP was adopted in 2017 in partnership with our neighbours Thames Coromandel District Council and Hauraki District Council. We have completed an assessment of the Solid Waste Asset Management Plan 2020 and the joint WMMP and determined that there are no significant variations.

While our WMMP covered the period 2017 to 2023 significant changes in Central Government policies, and in the waste industry sector have resulted in reviewing our WMMP in 2020 to ensure it is 'fit for purpose'. Following the review a new WMMP has been drafted. The draft WMMP has a vision of 'ZERO WASTE 2038; working towards a low-waste future and a circular economy'. In summary, the goals of the WMMP are

- to minimise waste sent to landfill
- implement new initiatives to assist in reducing, reusing and recycling wastes
- Minimise environmental harm and protect public health

In addition to the changes occurring in the sector, Tirohia Landfill, where we currently dispose of our waste, is due to close no later than 2038 and that means our waste will need to be transported a greater distance increasing our costs. This new WMMP has been developed for Matamata Piako District, to initiate activities within our District to meet our own communities' needs. It will allow us to incorporate new waste minimisation services that are 'fit for the future'. It will also allow us to continue to collaborate with Thames-Coromandel District Council, Hamilton City Council and other like-minded organisations on waste minimisation initiatives.

It is based on a collaborative model where, council, business, Iwi, community groups and householders can all work together to build new waste minimisation services, grow local economic development, building community resilience at the same time. We will ensure everyone has access to recycling, resource recovery and waste management services. That businesses and individuals understand that reducing and minimising waste is their responsibility, as well as ours, and that valuable resources are reused or recycled and don't go to landfill.

We consulted on the draft WMMP alongside this LTP. We have used the draft WMMP as the basis of our planning for Rubbish and Recycling in this LTP.

Significant effects

Our activities have the potential to have both positive and negative effects on the community. The significant negative effects of rubbish and recycling are identified below, along with how we respond to them.

WELLBEINGS	POTENTIAL NEGATIVE EFFECTS	POSITIVE RESPONSES
SOCIAL ENVIRONMENTAL	People dumping rubbish illegally due to increased cost of using waste facilities	Competitive prices, provision of free drop off for recycling.
		Competitively tendered contracts. Efficient management of facilities and services
SOCIAL ENVIRONMENTAL	Increase in solid waste disposed to landfill due to lack of community participation in waste minimisation	Community education. Increasing waste disposal costs. Provision of free drop off for recycling

Our projects for the next 10 years

Key projects to be undertaken in the next 10 years are outlined below, including whether the project is required as a result of growth, improved level of service or to renew/replace existing assets, or to deliver an improved level of service.

Projects	What is this project about?	What drives this project? (%)			Budget (\$000)			
		Growth	Increased level of service	Renewal	2021/22	2022/23	2023/24	2024-31
Matamata Transfer Station	Develop a Resource Recovery Center		100					4,000
Morrinsville Transfer Station	Develop a Resource Recovery Center		100					2,000
Te Aroha Transfer Station	Upgrade the transfer station to meet modern standards		100					500
Refuse bins	Introduction of wheelie bins in 2023		100			425		
Organic bins	Introduction of food waste bins in 2023		100			105		
Total key capital projects					0	530	4,500	2,000
Total key capital projects (including inflation)					0	545	4,749	2,163



## Levels of service

What you can expect and how you will know we are meeting your expectations.

Levels of service	How we measure performance	Previous years				Target			Additional information
		2018/19 Actual	2019/20 Actual	2020/21 Target	2021/22	2022/23	2023/24	2024-31	
<b>We will provide kerbside rubbish and recycling collection services to urban and rural townships and transfer stations.</b>	Percentage of users satisfied/very satisfied with kerbside rubbish and recycling collection services.		New measure		Baseline	Maintain baseline		In 2024/25, add a 2% increase to baseline figure, then maintain at that level	Reliable kerbside rubbish and recycling services contribute to providing a healthy and safe environment. Measured through our resident survey.
<b>We will provide transfer stations for the community that allow for the Reuse and Recovery of materials.</b>	Percentage of residents satisfied with transfer stations.		New measure		Baseline	Maintain baseline		In 2024/25, add a 2% increase to baseline figure, then maintain at that level	Transfer stations provide options for the disposal and recovery of materials. Measured through our resident survey.
<b>We will encourage residents to minimise waste disposal to landfill by providing more sustainable waste management options.</b>	Total quantity of kerbside household waste sent to landfill	48.94kgs of waste per person per year sent	45.2kgs of waste per person per year sent	Reduction of 1% per person per year (from previous year)*		Reduction of 1% per person per year (from previous year)*		Reduction of 2% per person per year (from previous year)*	Measured through our records of monthly weighbridge quantities of kerbside and transfer station recyclables.
	Proportion of waste diverted (recycled or composted) from the transfer station and kerbside recycling collection service.	36.84%	35.6%	45% or more	40% or more	45% or more	47% or more		

\*Based on total District population from Statistics New Zealand estimates as at the start of the financial year.

## How will we fund it?

Our approach to funding is set out in the Revenue and Financing Policy.

[illegible]

# STORMWATER

## What we do

We currently have stormwater drainage systems in Matamata, Morrinsville, Te Aroha, Waharoa and a limited system in Hinuera. These systems include a mix of pipes, open channels and drains. We work to ensure there are adequate services and staff to respond to storm events, and implement maintenance programs to ensure our systems remain in good condition.

We work collaboratively with Waikato Regional Council as they also own, manage and maintain parts of the drainage system (some streams and most rivers). Maintaining all of our assets involves undertaking scheduled and unscheduled maintenance and repair work. We have renewal strategies to allow for the progressive replacement of assets as they are required.

## Why do we do these activities

Stormwater systems safely and efficiently drain surface water to minimise flooding in our communities. We aim to ensure stormwater is well managed, and work with property owners to improve stormwater and reduce flooding. The main purpose is to ensure that we are looking after our environment in a sustainable but also affordable manner for the short and long term.

## Our vision and community outcomes

Council has developed a vision to make Matamata-Piako 'The Place of Choice' – Lifestyle – Opportunities – Home. Further details on this strategic vision are set out in Part 1 of this plan. Stormwater contributes to this overall vision by providing stormwater drainage for our urban centres, which protects people and properties from flooding and supports the health and wellbeing of our communities, making our towns desirable places to live.

### Stormwater contributes to the following Community outcomes



#### Connected Infrastructure

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



#### Economic Opportunities

Our future planning enables sustainable growth in our District



#### Healthy Communities

Our community is safe, healthy and connected



## Key drivers

For Stormwater our key drivers are:



**Growth and demand**



**Compliance**



**Resilience**



**Affordability**

## Our responses

### We will comply with national standards

This means we will keep up to date with legislation changes and respond accordingly. We will continue to meet our consent conditions for stormwater discharge, one of which expires in 2024. We have included funding in our budget to renew this consent and include it in our comprehensive consent for stormwater.

Treaty of Waitangi settlement processes is likely to result in greater involvement of Iwi in the management of our water resources (including our consents to discharge to waterways). Please refer to our Community Leadership activity for more information on Iwi involvement in Council decision making.

The National Policy Statement for Freshwater Management 2020 provides local authorities with direction on how to manage freshwater under the Resource Management Act 1991. Regional Councils are required to implement the Freshwater NPS in their policies and plans as promptly as is reasonable in the circumstances, so that it is fully completed by no later than 31 December 2025. If councils consider this to be impractical or likely to result in lower quality planning, they may extend their implementation programme to 31 December 2030.

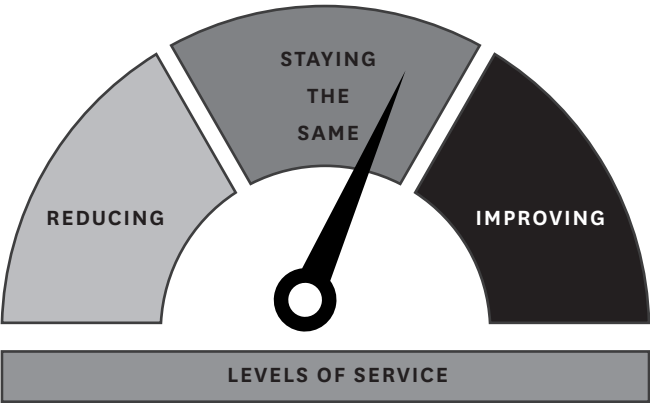
The Waikato Regional Council have advised the Ministry for the Environment that they expect to implement their programme by 2030. They intend to prepare Plan Changes involving the Waihou-Piako catchments over the coming years. Council will need to be involved in the decision making for this Plan Change and could involve changes to our current consents to require additional treatment of stormwater and wastewater.

### We will plan for sustainable growth and manage demand

As a result of the projected population increase and intensified land use we will need to ensure that the stormwater system can meet the increased demand, particularly within existing and proposed growth areas. Our existing stormwater systems were designed to earlier standards and to upgrade the systems to current standards is uneconomical in most cases. While surface flooding is not considered ideal by many people, it is a legitimate, cost effective way to handle stormwater for short periods of time during severe storms. Similarly, due to the limited capacity of our existing stormwater network, soakage is the preferred method of disposal as this is more affordable and manageable. New developments will be required to manage their stormwater on-site through soakage or other means.

### We will maintain levels of service

This means we will maintain our stormwater infrastructure to ensure it continues to deliver the current level of service to our community. Maintenance of stormwater infrastructure on private land is the responsibility of the landowner. Council has allocated some capital funds to provide improvements to the network where it is cost effective and can provide some mitigation measures.



### Our infrastructure will support or improve public health benefits and environmental outcomes

We will maintain our stormwater infrastructure to ensure it continues to deliver the current level of service to our community.

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

We will continue to undertake programmed maintenance and renewals to ensure our assets continue to deliver level of service now and in the future.

## Key legislation, strategies, policies and plans

Our planning and operating environments are shaped by a wider context of national, regional and District wide priorities and objectives. The following identifies the key legislation, strategies, and policies and plans that link to and provide direction for the Stormwater activity.

### National

Local Government Act 1974  
Local Government Act 2002  
Heath Act 1956  
Resource Management Act 1991  
National Policy Statement for Freshwater Management 2020  
Treaty of Waitangi

### Regional

Waikato Regional Plan  
Waikato Regional Policy Statement

### Council Strategies, policies and plans

District Plan and Development Manual  
Stormwater Bylaw 2009  
Infrastructure Strategy 2021-51  
Water and Sanitary Services Assessment 2017  
Stormwater Asset Management Plan 2021-51

## DID YOU KNOW?

There are **10km** of open stormwater drains in the District?

## Significant effects

Our activities have the potential to have both positive and negative effects on the community. The significant negative effects of Stormwater are identified below, along with how we respond to them.

WELLBEINGS	POTENTIAL NEGATIVE EFFECTS	POSITIVE RESPONSES
<b>SOCIAL ENVIRONMENTAL</b>	Poor management of the stormwater system will lead to flooding, which can affect life and property.	We will continue to monitor the effects of every flood and assess the practicalities of mitigating it efficiently and effectively. We have emergency plans in place to respond to flooding.
<b>SOCIAL ENVIRONMENTAL</b>	Discharge of contaminated stormwater into waterways and lakes without treatment can pollute our environment.	We will comply with Waikato Regional Council consent conditions, continue with our environmental monitoring programme and work towards long term reduction of stormwater through the use of onsite storage and disposal

## Water and Sanitary Services Assessment

Council completed a full review of its Water and Sanitary Services Assessment in 2017. There are no significant variations between this assessment and this LTP.



## Our projects for the next 10 years

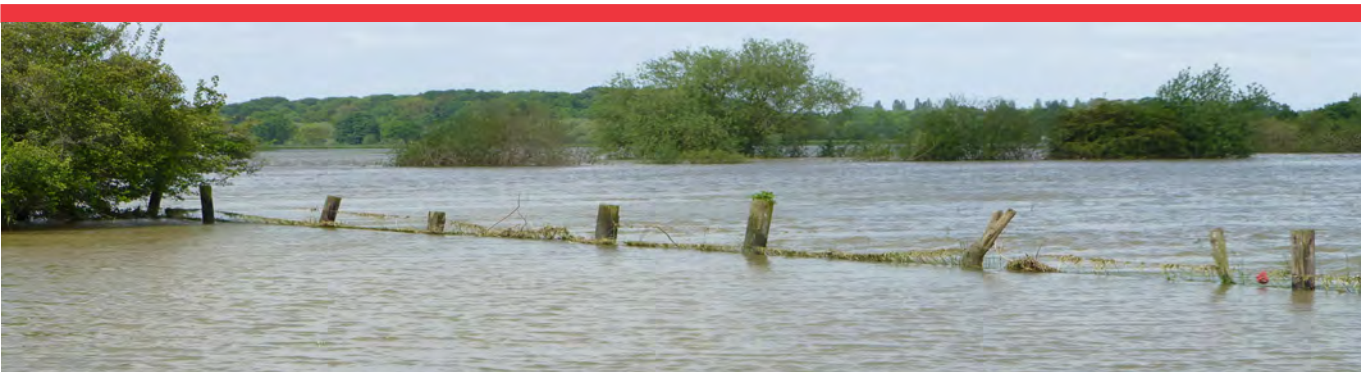
Key projects to be undertaken in the next 10 years are outlined below, including whether the project is required as a result of growth, improved level of service or to renew/replace existing assets.

Projects	What is this project about?	What drives this project? (%)			Budget (\$000)			
		Growth*	Increased level of service	Renewal	2021/22	2022/23	2023/24	2024-31
Matipo Street Stormwater Pond	Stormwater upgrade to prevent the pond in the reserve from backfeeding from the Matipo line and overflowing into the Earl Rd. Line (possibly a flap gate or check valve on Matipo outline into the manhole)		100				200	
Minor stormwater upgrades	Stormwater upgrades associated with levels of service increase around the District		100		100	200	100	700
Tower Rd Development	Stormwater upgrades to accommodate growth around the area	80	20			400		
Eldonwood Development	Stormwater upgrades to accommodate growth around the area	80	20		100			
Stormwater Plant renewal	To renew existing stormwater assets			100	135	135	135	270
Total key capital projects					336	736	436	970
Total key capital projects (including inflation)					336	757	461	1,116

\* Growth projects are funded by development contributions

## How will we fund it?

Our approach to funding is set out in the Revenue and Financing Policy.



## Levels of service

What you can expect and how you will know we are meeting your expectations.

Levels of service	How we measure performance	Previous years			Target				Additional information
		2018/19 Actual	2019/20 Actual	2020/21 Target	2021/22	2022/23	2023/24	2024-31	
We will have an effective stormwater system that provides an appropriate level of protection to minimise harm.	The number of flooding events* that occur in our District.	0	0	0	0 flooding events				Our stormwater network helps to prevent flooding in our urban areas. This is measured by our Customer Request Management system.
	For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to our stormwater system)**.	0	0	0	0 habitable floors affected				
We will protect the environment from stormwater contaminate discharging into waterways.	Compliance with our resource consents for discharge from our stormwater system, (measured by the number of: abatement notices, infringement notices, enforcement orders, and convictions, received in relation to those resource consents).**				Zero				Stormwater systems discharge treated stormwater in to the environment. The quality and quantity must meet the appropriate standard. This is measured by internal Council records.
We will have reliable stormwater systems and will respond to requests for service from our residents in a timely manner.	The median response time to attend a flooding event*, measured from the time that we receive notification to the time that service personnel reach the site.**	0 hours	Median: 1 hr 13.5 min	Median: 4 hours	Median: 4 hours				People expect that their property will be safe from flooding (and its potential health and social wellbeing impacts) when it rains. This is measured by our Customer Request Management system.
Residents will be satisfied with the overall performance of the stormwater system.	The number of complaints we received about the performance of our stormwater system, (expressed per 1,000 properties connected to our stormwater system).**	5 complaints per 1,000 connections per year	5.38 complaints per 1,000 Connections per year	4 complaints per 1000 connections per year (32 in total)	4 complaints per 1,000 connections per year (32 in total)				

\*A flooding event is defined as an overflow of stormwater from Council's stormwater system that enters a habitable floor (the floor of a building including a basement, but does not include ancillary structures such as standalone garden sheds or garages)

\*\*These are mandatory performance measures that have been introduced for all councils of New Zealand.

## FUNDING IMPACT STATEMENT

## Stormwater - 1 July 2021 to 30 June 2031

	Annual Plan 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	143	167	172	181	186	190	193	196	198	202	204
Targeted rates	880	1,025	1,059	1,109	1,144	1,164	1,184	1,202	1,219	1,238	1,253
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	124	68	73	72	78	94	111	131	156	180	207
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-	-
<b>Total operating funding (A)</b>	<b>1,147</b>	<b>1,260</b>	<b>1,304</b>	<b>1,362</b>	<b>1,408</b>	<b>1,448</b>	<b>1,488</b>	<b>1,529</b>	<b>1,573</b>	<b>1,620</b>	<b>1,664</b>

Applications of operating funding											
Payments to staff and suppliers	236	246	253	264	276	284	291	298	306	315	323
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	162	184	190	198	202	207	214	218	224	231	236
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	398	430	443	462	478	491	505	516	530	546	559
Surplus (deficit) of operating funding (A – B)	749	830	861	900	930	957	983	1,013	1,043	1,074	1,105

Sources of capital funding											
Subsidies and grants for capital expenditure	860	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	24	25	24	25	27	28	28	26	23	21	19
Increase (decrease) in debt	-	-	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>884</b>	<b>25</b>	<b>24</b>	<b>25</b>	<b>27</b>	<b>28</b>	<b>28</b>	<b>26</b>	<b>23</b>	<b>21</b>	<b>19</b>

[illegible]

# WASTEWATER

## What we do

We own and operate wastewater treatment plants (WWTP) in Matamata (which also treats wastewater from Waharoa and Raungaiti), Morrinsville (which also treats wastewater from Rukumoana), Te Aroha, Tahuna and Waihou. The Morrinsville treatment plant also treats and disposes of rural septic tank waste. Approximately 50% of the wastewater treated in Morrinsville is from local industry. Industrial and commercial wastewater is regulated through tradewaste agreements and our Tradewaste Bylaw which ensure companies pay for the cost of processing their own waste.

The efficient operation and maintenance of our wastewater network is achieved by providing adequate backup facilities, equipment, machinery and staff to handle any break down of the service. Corrective and preventative maintenance programmes are in place to ensure our systems remain in good condition.

## Why do we do these activities

Our wastewater services ensure that wastewater (sewage and the grey water that goes down your drains) is collected, treated and disposed of appropriately. The treatment is particularly important as after wastewater is treated it is discharged into waterways. We aim to ensure wastewater is well managed for the wellbeing of our community and our environment.

## Our vision and community outcomes

Council has developed a vision to make Matamata-Piako 'The Place of Choice' – Lifestyle – Opportunities – Home. Further details on this strategic vision are set out in Part 1 of this plan. Wastewater contributes to this overall vision by providing wastewater treatment and discharge services to support healthy communities and environment.

### Wastewater contributes to the following Community outcomes



#### Connected Infrastructure

Infrastructure and services are fit for purpose and affordable, now and in the future.

Quality infrastructure is provided to support community wellbeing



#### Economic Opportunities

Our future planning enables sustainable growth in our District



#### Healthy Communities

Our community is safe, healthy and connected



#### Environmental Sustainability

We support environmentally friendly practices and technologies



## KEY DRIVERS

For wastewater our key drivers are:



### Growth and demand



### Compliance



### Resilience



### Affordability

## Our responses

### We will comply with national standards

This means we will keep up to date with legislation changes and respond accordingly. Regional Councils are required to implement the Freshwater NPS in their policies and plans as promptly as is reasonable in the circumstances.

The Waikato Regional Council have advised the Ministry for the Environment that they expect to implement their programme by 2030. They intend to prepare Plan Changes involving the Waihou-Piako catchments over the coming years. Council will need to be involved in the decision making for this Plan Change and could involve changes to our current consents to require additional treatment.

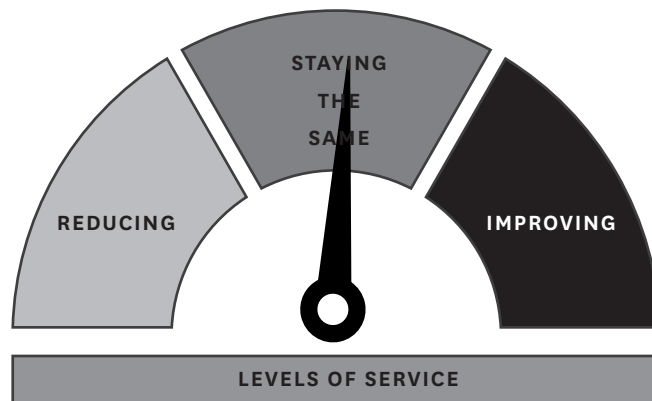
We will comply with our resource consents, and have included budgets to implement improvements to our treatment facilities to ensure compliance with potential new environmental standards

### We will plan for sustainable growth and manage demand, and we will provide additional capital and operational expenditure over the next 30 years.

We are planning for population growth and increasing residential demand for wastewater services by implementing a capital works programme to accommodate and enable development as permitted in our District plan. Demand from local industry has a strong influence on this activity. We have worked in partnership with large industry to upgrade the Morrinsville wastewater treatment plant, and we accept tradewaste from other companies through tradewaste agreements and our Tradewaste Bylaw (which ensure companies pay for the cost of processing their own waste). We will continue to monitor demand for industrial services, and engage with major industries to seek partnership and investment if and when additional industry services are required.

### We will maintain or improve levels of service

This means we will maintain our wastewater infrastructure to the expected levels of service for which our community is willing to pay. This could mean an improvement to levels of service (perceived or real), resulting from increasing compliance requirements as previously discussed.



### Our infrastructure will support or improve public health benefits and environmental outcomes

This means we will continue to protect the health and wellbeing of our community by ensuring wastewater is collected, treated and disposed of appropriately. We will protect our environment from sewer system overflows and inflow and infiltration of stormwater into the sewer system. We will investigate the feasibility of future discharge of treated wastewater to land.

### We will maintain our current assets to maintain levels of service; and we will provide for the replacement of assets at the end of their useful life

This means that we will undertake programmed maintenance and renewal works for our wastewater assets. Our wastewater network includes critical assets such as treatment plants and pump stations that are vital to ensure we can continue to safely treat and discharge wastewater during an emergency and able to support community recovery following an event.

### We will optimise our investment and apply asset management practices to our planning and we will smooth our costs where possible over time

We monitor the conditions and performance of our assets (such as wastewater mains) and programme maintenance and replacement to meet the required level of service, in the most cost effective manner, for present and future customers. We undertake thorough asset management planning to assess priorities for maintenance and renewals, analysing trends and demand to ensure investment is timely and appropriate to maximise the benefit from our assets. We will monitor demand for industrial services, and engage with major industries to seek partnership and investment if and when additional industry services are required.



## Key legislation, strategies, policies and plans

Our planning and operating environments are shaped by a wider context of national, regional and District wide priorities and objectives. The following identifies the key legislation, strategies, and policies and plans that link to and provide direction for the Wastewater activity.

### National

National Policy Statement on Freshwater Management 2020  
Treaty of Waitangi  
Local Government Act 2002  
Health Act 1956  
Resource Management Act 1991

### Regional

Waikato Regional Plan  
Waikato Regional Policy Statement

### Council Strategies, policies and plans

Wastewater Bylaw 2008  
Trade Waste Bylaw 2011  
Infrastructure Strategy 2021-51  
Wastewater Asset Management Plan 2021-51  
Water and Sanitary Services Assessment 2017

## Water and Sanitary Services Assessment

Council completed a full review of its Assessment of Water Services in 2017. There are no significant variations between this assessment and this LTP.



## Significant effects

Our activities have the potential to have both positive and negative effects on the community. The significant negative effects of wastewater are identified below, along with how we respond to them.

WELLBEINGS	POTENTIAL NEGATIVE EFFECTS	POSITIVE RESPONSES
<b>SOCIAL ENVIRONMENTAL</b>	Poor management of our wastewater systems could pollute the environment or cause health risks.	We will ensure we comply with our resource consents for all wastewater treatment plant discharges to protect the environment and the health and wellbeing of our community.
<b>SOCIAL ENVIRONMENTAL</b>	Discharge of poorly treated bio solids to land could pollute the environment or cause health risks.	We will implement bio solids management with wastewater treatment plant upgrades.
<b>SOCIAL ENVIRONMENTAL</b>	Overflows from our wastewater network that discharge to land or water could pollute the environment or cause health risks.	We will ensure that any pump station overflows are reported and resolved within a short space of time. To minimise the risk of overflows, our renewals strategy incorporates investigation of flows, standby generators and storage requirements.

## Our projects for the next 10 years

Key projects to be undertaken in the next 10 years are outlined below, including whether the project is required as a result of growth, improved level of service or to renew/replace existing assets.

Projects	What is this project about?	What drives this project? (%)			Budget (\$000)			
		Growth	Increased level of service	Renewal	2021/22	2022/23	2023/24	2024-31
Tower Road Pump Station and Rising Main	Tower road pump station and new rising main to be connected to the Wastewater treatment plant	80	20					3,200
Morrinsville NW Sewer Main	This is for a new pipeline to service the Lockerbie development	100			1,900			
MV Waste Water Treatment Plant Upgrade*	Major plant upgrades for the Morrinsville Waste Water Treatment Plant, 2025/26 and 2026/27		80	20				4,000
MM Waste Water Treatment Biological Nutrient Removal Plant / Waihou Discharge	Major plant upgrades for the Matamata Waste Water Treatment Plant and to accommodate upgrades to discharge at Waihou		80	20				11,000
TA Waste Water Treatment Plant MBR / Anoxic Upgrade	Major plant upgrades for Te Aroha Waste Water Treatment Plant		100					5,200
Waihou Waste Water Treatment Plant Upgrade	Major plant upgrades for the Waihou Waste Water Treatment Plant		100		300	500	200	
Overflow Screening and Flowmeter at Allen St. Pump Station	Adding an overflow screen and flow meter at Allen St. Pump station to prevent overflows of raw influent into the Piako River occur frequently with screenings seen frequently on the river banks over the years.		100		300			

Projects	What is this project about?	What drives this project? (%)			Budget (\$000)			
		Growth	Increased level of service	Renewal	2021/22	2022/23	2023/24	2024-31
<b>Te Aroha Waste Water Treatment Plant Suez Membranes</b>	Installation of new Suez membranes at the Te Aroha Waste Water Treatment Plant, 2025/26		100					100
<b>Tahuna Waste Water Treatment Plant Suez Membranes</b>	Installation of new Suez membranes at the Tahuna Waste Water Treatment Plant, 2027/28		50	50				50
<b>Undertake Compliance Data Software Programming</b>	Software upgrades related to SCADA and telemetry to improve waste water compliance, data collection and alarms and alarm analysis etc, 2024/25		100					50
<b>Review Radio Communications</b>	Software upgrades related to SCADA and telemetry to improve waste water compliance, data collection and alarms and alarm analysis etc, 2024/25		100					880
<b>Replace Site Remote Terminal Unit's (New Components)</b>	Procurement and installation of new site remote terminal units, to be delivered in conjunction with site remote terminal units (RTU) replacement/renewals, 2026/27		100					583
<b>Upgrade Communication Backbones</b>	Software upgrades related to SCADA and telemetry to improve waste water compliance, data collection and alarms and alarm analysis etc.		100		200			
<b>Upgrade of Te Aroha Falling Main</b>	Upgrade of the Te Aroha Falling Main line, 2024/25 - 2025/26		50	50				3,000
<b>Burwood Rd Bulk sewer</b>	Installation and upgrade to account for growth in the Matamata south area (Eldonwood area)	80	20		1,200	1,200		

\* Growth projects are funded by development contributions

Projects	What is this project about?	What drives this project? (%)			Budget (\$000)			
		Growth	Increased level of service	Renewal	2021/22	2022/23	2023/24	2024-31
Install flowmeters on Sewer Pumpstations	Installation of new flow meters on sewer pump stations, 2024/25		100					100
Waste Water Plant Renewals	This is the renewal programme for the waste water plant components			100	2,062	2,062	2,062	10,093
Waste Water Retic Renewals	This is the renewal programme for the waste water retic components			100	1,645	1,645	1,645	5,822
Te Aroha Waste Water Treatment Plant Overflow Screening / Valve on Old Pipe Inlet	Adding an overflow screen and valve on the inlet to prevent overflows, 2025/26		100					500
Waste Water Pipe Size Increases Associated with New Subdivisions	District wide installation of new and larger pipe sizes to cater for growth in new subdivisions	100			50	50	50	350
Network resilience improvements	Purchase and deployment of generators and replacement of SCADA system		100		484			
Total key capital projects					8,141	5,457	3,957	44,928
Total key capital projects (including inflation)					8,141	5,615	4,248	51,428

\*\*\*The budgeted amount above represents Council’s contribution towards the project. Additional funding will be sought from external funding providers and partners.

DID YOU KNOW?

5

THAT THERE ARE A TOTAL OF

WASTEWATER TREATMENT PLANTS IN THE DISTRICT?

## Levels of service

What you can expect and how you will know we are meeting your expectations.

Levels of service	How we measure performance	Previous years			Target			Additional information
		2018/19 Actual	2019/20 Actual	2020/21 Target	2021/22	2022/23	2023/24	
<b>We will have an effective wastewater system that provides an appropriate level of protection.</b>	The number of dry weather sewage overflows from our wastewater system, (expressed per 1,000 connections per year to our wastewater system)*	1.5 complaints per 1,000 connections	2.25 complaints per 1,000 connections		1 complaint per 1,000 connections per year (8 total)			Dry weather applies to days when less than 1mm of rain has fallen during a continuous 24 hour period. This is measured by our Customer Request Management system
<b>We will protect the environment by ensuring our wastewater is properly treated before being discharged to our environment.</b>	Compliance with our resource consents for discharge from our wastewater (measured by the number of: abatement notices, infringement notices, enforcement orders, and convictions, received in relation to those resource consents)*	Zero	1		Zero			Properly treating wastewater means the number of contaminants is minimised before the treated wastewater is discharged. Waikato Regional Council monitors our resource consents and provides an assessment on the year's compliance. This is measured by our internal records
<b>We will have reliable wastewater systems and will respond to requests for service from our residents in a timely manner.</b>	Attendance time: from the time that we receive notification to the time that service personnel reach the site*	167 minutes	37 minutes		Median: 4 hours			Overflows can occur. It is important that the community is aware of this and these events are recorded, reviewed and mitigated where practical. Overflows into dwellings are the most serious as they present an immediate danger to health. Measured by our Customer Request Management system
	Resolution time: from the time that we receive notification to the time that service personnel confirm resolution of the blockage or other fault*	17.5 hours	3.5 hours		Median: 24 hours			

\* These are mandatory performance measures that have been introduced for all councils around New Zealand



Levels of service	How we measure performance	Previous years			Target				Additional information
		2018/19 Actual	2019/20 Actual	2020/21 Target	2021/22	2022/23	2023/24	2024-31	
We will have reliable wastewater systems and will respond to requests for service from our residents in a timely manner.	Sewage odour	3.12 complaints per 1,000 connections	3.4 complaints per 1,000 connections	16 complaints per 1,000 connections	16 complaints per 1,000 connections (128 total)				Wastewater services ensure our community is protected from the risk of infectious diseases spread by wastewater. This is measured by our Customer Request Management system
	Wastewater system faults								
	Wastewater system blockages								
	Council's response to issues with our wastewater system								

The total number of complaints received by Council about any of the following (expressed as 1000 connections per year).\*

\* These are mandatory performance measures that have been introduced for all councils around New Zealand

## How will we fund it?

Our approach to funding is set out in the Revenue and Financing Policy.

## Wastewater - 1 July 2021 to 30 June 2031

[illegible]

# WATER

## What we do

We own and operate seven water supply schemes in the District - in Matamata (including Waharoa and Raungaiti), Morrinsville, Te Aroha (including Te Aroha West) and four small schemes in Te Poi, Tahuna and Hinuera. Each area has one or more treatment plants, and the District has a total of 331 km of pipes (excluding service lines). We provide water 24 hours a day, seven days a week.

Risk assessment and risk management is extremely important for the Water Activity, as clean water is essential during emergencies (such as earthquakes). We have prepared a “Business Continuity Plan – Water” to ensure the supply of potable water during and after events such as droughts, prolonged power outages, volcanic activity, pandemics and other emergencies. We also have Water Safety Plans for each of our reticulated water networks to ensure safe drinking water can be provided to our community.

## Why do we do these activities

The Water activity ensures our communities are supplied with clean, safe drinking water to ensure the health and wellbeing of our residents. Our approach to managing our Water activity and network aligns with national and regional drivers. It recognises that the use of water is not unlimited and it is a very valuable resource that needs to be protected and managed in a sustainable manner for the community today and tomorrow.

## Our vision and community outcomes

Council has developed a vision to make Matamata-Piako ‘The Place of Choice’ – Lifestyle – Opportunities – Home. Further details on this strategic vision are set out in Part 1 of this plan. Water contributes to this overall vision by providing clean, safe and reliable water supply to our community to support healthy communities.

### Water contributes to the following Community outcomes



#### Connected Infrastructure

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



#### Economic Opportunities

Our future planning enables sustainable growth in our District



#### Healthy Communities

Our community is safe, healthy and connected



#### Environmental Sustainability

We support environmentally friendly practices and technologies



## Key drivers

For water our key drivers are:



**Growth and demand**



**Compliance**



**Resilience**



**Affordability**

## Our responses

### We will comply with national standards

We will keep up to date with legislation changes and respond accordingly. We will comply with our resource consents, and have included budgets to implement improvements to our treatment facilities to ensure compliance with national standards. The 2016 incident of contaminated water supply in Havelock North and the subsequent inquiry into how this happened has driven changes to the Drinking Water Standards 2005 (Revised 2018). The inquiries recommendation included the following:

- make the compliance with drinking water Standards mandatory
- establish a dedicated drinking water regulator
- establish an aggregated, dedicated water suppliers.

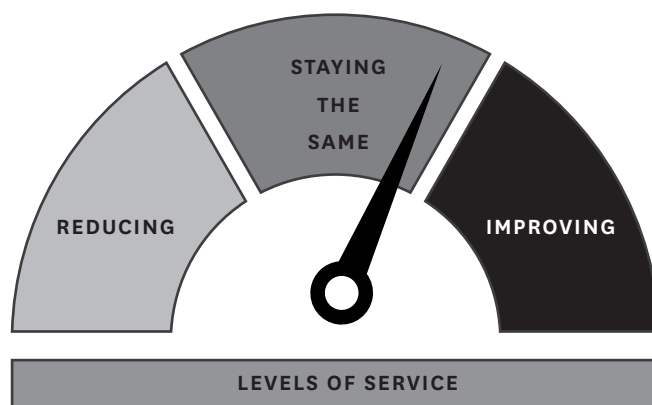
The Government announced in 2019 that a new regulatory framework for ensuring drinking water safety and improving environmental outcomes for wastewater and stormwater. The new system is to be overseen by dedicated Regulator to lead change and drive improvement. We have included budget to continue to ensure we provide safe, clean drinking water to our communities.

### We will plan for sustainable growth and manage demand and we will provide additional capital and operational expenditure over the next 30 years

We are planning for population growth by implementing a capital works programme to accommodate and enable development. The increase in residential demand as a result of growth can be supplied within our existing resource consents for water. Our ability to provide for industrial growth and consumer expectations is limited by our ability to get permission from the Regional Council to take more water. We will continue to monitor demand for industrial services, and engage with major industries to seek partnership and investment if and when additional industry services are required. This is further discussed in the Infrastructure Strategy.

### We will maintain or improve levels of service

We will maintain our water infrastructure to the current levels of service. As the industry standards puts stricter requirements on the taking of, treatment and supply of drinking water, and the treatment of wastewater this may result in improvements to levels of service.



### Our infrastructure will support or improve public health benefits

We will continue to supply safe, clean drinking water to our community to support their health and wellbeing. This means operating and maintaining equipment, machinery and backup facilities, and training staff to respond rapidly in the event of a problem.

### We will maintain our current assets to maintain levels of service and we will provide for the replacement of assets at the end of their useful life

We will undertake programmed maintenance and renewal works for our water assets. Over the past three years, investment into upgrading our assets at the water treatment plants has been undertaken to improve our compliance with the Drinking Water Standards and to improve resilience. We have identified a need to secure additional water sources for Morrinsville to cope with 30 year demand, and consents have been sought from the Waikato Regional Council for two additional bores in Morrinsville.

Funding in the LTP includes development of the Treatment Plants at these sites. This will also assist with providing additional resilience during drought events over summer and although not eliminating water restrictions during summer, it will likely reduce the requirements for extreme water restrictions. More information on this is in the Infrastructure Strategy.

### We will optimise our investment and apply asset management practices to our planning and we will smooth our costs where possible over time

We monitor the conditions and performance of our assets (such as water mains) to manage them in the most cost effective manner, for present and future customers.

## Key legislation, strategies, policies and plans

Our planning and operating environments are shaped by a wider context of national, regional and district wide priorities and objectives. The following identifies the key legislation, strategies, and policies and plans that link to and provide direction for the water activity.

National
National Policy Statement for Freshwater Management 2020
Treaty of Waitangi
Local Government Act 2002
Health Act 1956
Resource Management Act 1991
Regional
Waikato Regional Plan
Waikato Regional Policy Statement
Council Strategies, policies and plans
District Plan and Development Manual
Water Bylaw 2008
Water and Sanitary Services Assessment 2017
Water Activity Management Plan 2021-51
Infrastructure Strategy 2021-51

## Significant effects

Our activities have the potential to have both positive and negative effects on the community. The significant negative effects of water are identified below, along with how we plan to manage and maintain them.

WELLBEINGS	POTENTIAL NEGATIVE EFFECTS	POSITIVE RESPONSES
SOCIAL ENVIRONMENTAL	Poor management of our water treatment plants could pollute the environment.	Maintain current resource consents for all water treatment plant discharges.  Complete upgrades of treatment plants to ensure compliance with resource consents.
SOCIAL ENVIRONMENTAL	Poor management of and competition for water could impact on the way we all use water.	The amount of water we ‘take’ to treat is controlled through resource consents. We are developing a Water Demand Management Plan that is likely to include water reduction/efficiency strategies, securing future water sources and monitoring demand.

## Water and Sanitary Services Assessment

Council completed a full review of its Assessment of Water Services in 2017. There are no significant variations between this assessment and this LTP.





## Our projects for the next 10 years

Key projects to be undertaken in the next 10 years are outlined below, including whether the project is required as a result of growth, improved level of service or to renew/replace existing assets.

Projects	What is this project about?	What drives this project? (%)			Budget (\$000)			
		Growth*	Increased level of service	Renewal	2021/22	2022/23	2023/24	2024-31
<b>Water pipe increases associated with subdivisions – District wide</b>	District wide installation of new and larger pipe sizes to cater for growth in new subdivisions	50	50		75	75	75	525
<b>Treated Water Storage Construction 1</b>	Initial costs to prepare and plan for the construction of a treated water storage tank this is to prevent water supply issues as we only have 24 hours worth of treated water storage, 2024/25 - 2025/26		100					1,000
<b>Lime Dosing Tank Duplication - Te Aroha</b>	Construction of a spare lime tank to avoid topping up every few days and prevent inconsistent lime slurry strength which causes blockages		100			100		
<b>Minor Compliance Upgrade water Projects</b>	Upgrading of backwash discharge metering, backwash treatment upgrade, mobile chlorination dechlorination rig and other minor compliance upgrades for water, 2024/25		50	50				350
<b>Powdered Activated Carbon</b>	Upgrades and changes required to use powdered activated carbon to reduce geosmin on water sources		100				100	
<b>Raw Water Intake Compliance</b>	Upgrades and changes required to comply with consent conditions regarding intakes (i.e. fish pass structures, wires, mesh screens, data collection/reporting etc.), 2024/25 - 2025/26		100					500
<b>Raw Water Monitoring (NZDWS and Consent Compliance) (S:CAN's)</b>	Upgrades to improve raw water monitoring at Water Treatment Plant sites, improves detection and resolution of anomalies		100				100	

Projects	What is this project about?	What drives this project? (%)			Budget (\$000)			
		Growth	Increased level of service	Renewal	2021/22	2022/23	2023/24	2024-31
<b>HSNO Upgrades</b>	Upgrades associated with compliance to the Hazardous Substances and New Organisms Act (HSNO) on all of our sites, 2021-22 - 2025/26		100		200	200	200	400
<b>Morrinsville Lockerbie Bore Pump and Water Treatment Plant</b>	Purchase of land and construction of the Lockerbie bore pump and water treatment plant	50	50		500		2,500	1,500
<b>Matamata South Bore</b>	Upgrades associated with having another bore to service Matamata South and increases capacity	100						550
<b>Gross Pollution Monitoring (Conductivity and PH Probes)</b>	Upgrades associated with adding gross pollution monitoring instrumentation such as conductivity and PH probes which will improve raw water quality monitoring		100				150	
<b>Rolleston Street Generator</b>	Installation of a power generator at Rolleston street, to be used in the event of power outages		100				100	
<b>Reticulation On Line Monitoring</b>	Upgrades associated with improving lab sampling and analysis, with a secondary benefit of having less site visits		100				250	
<b>Reticulation Monitoring</b>	Upgrades associated with improving lab sampling and analysis, with a secondary benefit of having less site visits		100			150		
<b>Water Pipe Size Increases Associated with Renewals</b>	District wide installation of new and larger pipe sizes from renewals		100		40	40	40	280
<b>Lime Dosing Tank Duplication - Tills Road</b>	Construction of a spare lime tank to avoid topping up every few days and prevent inconsistent lime slurry strength which causes blockages		100			100		
<b>Implement Water Loss Strategy</b>	Upgrades and efforts to implement water loss strategy in the form of installation of meters and reviewing SCADA processes		100		50	50	50	

Projects	What is this project about?	What drives this project? (%)			Budget (\$000)			
		Growth	Increased level of service	Renewal	2021/22	2022/23	2023/24	2024-31
<b>Taharoa Rd Industrial Ringmain</b>	Upgrades associated to having a back up line for Morrinsville and a second water supply to the industrial area		100				400	600
<b>Morrinsville Water Treatment Plant UV</b>	Upgrades associated with the installation of ultra violet technology in the Morrinsville Water Treatment Plant to improve water quality		100					750
<b>Te Aroha Water Treatment Plant UV</b>	Upgrades associated with the installation of ultra violet technology in the Te Aroha Water Treatment Plant to improve water quality, 2024/25		100					750
<b>Te Aroha Water Treatment Plant Old Res. Seismic Upgrades</b>	Upgrades to improve seismic resilience by looking into having new overflow pipes, ladders, edge protections, minor sealing, etc.		50	50	80			
<b>Sludge and Waste Handling Implementation</b>	Fund activities associated with desludging and de watering the sludge, 2024/25		100					500
<b>Water Plant Renewals</b>	This is the renewal programme for the water plant components			100	803	803	803	6,599
<b>Water Retic Renewals</b>	This is the renewal programme for the water retic components			100	1,899	1,899	1,899	6,667
<b>Tower Road, Matamata – upgrade 200mm water main</b>	Upgrades associated with upgrading the water main to 200mm at Tower road to account for growth and increased levels of service	60	40			175		
<b>Eldonwood South - WM upgrade. 200 ring main</b>	Upgrades associated with upgrading the water main to 200mm at Eldonwood South to account for growth and increased levels of service	60	40		360			
<b>Waharoa Airfield bore supply develop and construct Treatment Plan - consent expires 2025</b>	Development and construction of a bore and water treatment plant at the Waharoa Airfield.	100					150	650
<b>Morrinsville Wisely Water Treatment Plant</b>	Development and construction of a water treatment plant at the recently completed Wisely Bore	50	50				1500	
<b>Network resilience improvements</b>	Development of bore sites to improve newtwork resilience, replace SCADA and replace old meters		100		344			
<b>Total key capital projects</b>					<b>4,351</b>	<b>3,592</b>	<b>8,317</b>	<b>21,621</b>
<b>Total key capital projects (including inflation)</b>					<b>4,351</b>	<b>3,696</b>	<b>8,776</b>	<b>24,598</b>

## Levels of service

What you can expect and how you will know we are meeting your expectations.

Levels of service	How we measure performance	Previous years			Target				Additional information
		2018/19 Actual	2019/20 Actual	2020/21 Target	2021/22	2022/23	2023/24	2024-31	
We will provide safe and reliable water for household and business use (serviced properties)	The extent to which Council’s drinking water supply complies with: - Part 4 of the drinking-water standards (bacteria compliance criteria), and - Part 5 of the drinking- water standards (protozoal compliance criteria).**	Not Compliant			Compliant				The Department of Health provides this information on compliance for the supply and delivery of water so that communities can be informed on the water quality they are receiving.
We will ensure that our water assets are well maintained and managed and that the assets are maintained and replaced when required	The percentage of real water loss from Council’s networked reticulation system (using minimum night flow analysis).	24.9%	20.6%	25% or less	25% or less				This will be measured using the minimum night flow analysis as per the Department of Internal Affairs guidelines
We will provide reliable water systems that our community can count on	Where we attend a call-out in response to a fault or unplanned interruption to our networked reticulation system, we will measure the following median response times								
	Attendance for urgent call- outs: from the time that we receive notification to the time that service personnel reach the site**	25 minutes	30 minutes	Median: 4 hours or less				If there are any unplanned supply issues we need to respond quickly to make sure people have a continuous supply of water. This is measured by our Customer Request Management system	
	Resolution of urgent call-outs: from the time that we receive notification to the time that service personnel confirm resolution of the fault or interruption**	3 hours and 36 minutes	2 hours and 37 minutes	Median: 24 hours or less					

\* Growth projects are funded by development contributions  
\*\* These are mandatory performance measures that have been introduced for all councils around New Zealand

### How will we fund it?

Our approach to funding is set out in the Revenue and Financing Policy.

## Levels of service

What you can expect and how you will know we are meeting your expectations.

Levels of service	How we measure performance	Previous years			Target				Additional information
		2018/19 Actual	2019/20 Actual	2020/21 Target	2021/22	2022/23	2023/24	2024-31	
We will provide reliable water systems that our community can count on	Where we attend a call-out in response to a fault or unplanned interruption to our networked reticulation system, we will measure the following median response times:								If there are any unplanned supply issues we need to respond quickly to make sure people have a continuous supply of water. This is measured by our Customer Request Management system
	Attendance for non-urgent call-outs: from the time that we receive notification to the time that service personnel reach the site*	1.95 working days	1.61 working days	Median: 3 working days or less					
	Resolution of non-urgent call-outs: from the time that we receive notification to the time that service personnel confirm resolution of the fault or interruption*	3.03 working days	1.61 working days	Median: 5 working days of less					
Council will provide safe and reliable water for household and business use (serviced properties)	The total number of complaints received by Council about any of the following: (expressed per 1,000 connections per year)*								This is measured by our Customer Request Management system
	Drinking water clarity:								
	Drinking water taste:	8.87 complaints per 1,000 connections	7 complaints per 1,000 connections	9 complaints per 1,000 connections across all categories (total of 72 complaints based on 8,000 connections)					
	Drinking water odour:								
	Drinking water pressure or flow:								
	Continuity of supply:								
Council's response to any of these issues:									
Council's water assets are managed adequately for the future	The average consumption of drinking water per day per resident within the District*	457 litres per urban resident per day	452 litres per urban resident per day	500 litres per urban resident per day				This is measured by our internal records	

\* These are mandatory performance measures that have been introduced for all councils around New Zealand



## Water - 1 July 2021 to 30 June 2031

[illegible]

# CONSENTS AND LICENSING

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# CONSENTS AND LICENSING GROUP

## What we do

Consents and Licensing is about carrying out our regulatory functions that we have an obligation to perform under legislation. The activities responsible for this are Animal Control, Building Consents and Monitoring, Licensing and Enforcement and Resource Consents and Monitoring.

## Why do we do these activities

The Consents and Licensing activity group ensures we are protecting the natural resources of the District, keeping our communities safe and healthy, and balancing the different needs and interests of people and businesses in our community. Legislation also has a significant impact on these activities, as it sets a number of legislative requirements that we must meet.

## Our vision and community outcomes

Council’s vision is to make Matamata-Piako ‘The Place of Choice; Lifestyle – Opportunities – Home’. More information on this strategic vision is in Part 1 of this plan. Consents and Licensing contribute to this overall vision by providing regulatory services that contribute to making Matamata-Piako a desirable place to live.

Consents and licensing contributes to the following Community outcomes						
			Animal Control	Building Consents and Monitoring	Licensing and Enforcement	Resource Consents and Monitoring
	<b>Economic Opportunities</b>	We are a business friendly Council Our future planning enables sustainable growth in our District		✓ ✓	✓	✓ ✓
	<b>Healthy Communities</b>	Our community is safe, healthy and connected	✓	✓	✓	✓
	<b>Environmental Sustainability</b>	We support environmentally friendly practices and technologies Development occurs in a sustainable and respectful manner considering kawa/protocol and tikanga/customs.				✓ ✓
	<b>Vibrant Cultural Values</b>	We promote and protect our arts, culture, historic and natural resources				✓

## Key drivers

For Consents and Licensing our key drivers are:



**Growth and demand**

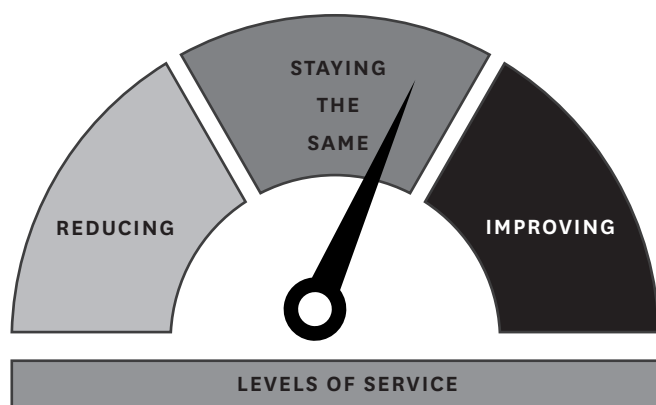


**Compliance**

## Our responses

### Maintaining levels of service

By maintaining our levels of services to the community we can ensure we comply with relevant legislation and standards.



### Compliance with national standards/legislation

This means we will keep up to date with legislative changes and respond accordingly

The main drivers for these activities is our legislative framework, including – but not limited to the:

- Local Government Act 2002,
- Resource Management Act 1991,
- Building Act 2004,
- Dog Control Act 1996,
- Impounding Act 1955,
- Health Act 1956,
- Sale and Supply of Alcohol Act 2012 and
- Food Act 2014.

We face ongoing pressure to comply with increasing environmental, health and other standards. How we meet those standards and the cost of doing so is a challenge that we have to manage.

### Planning for sustainable growth

We are planning for population growth and demand by making sure we have sufficient staff and resources in place.

Our population and number of dwellings are predicted to increase at a steady pace, which will have an impact on these activities. This may increase the number of health and alcohol licences, and resource and building consents we process. It may also result in the continued increase in the number of dogs in our District. The increasing trend of an ageing population, decreasing number of people in each household, and general increase and diversity of the population also needs to be provided for in our approach to regulation to ensure we meet the needs of our community.

National and local economic conditions can also have a more significant impact on demand for our regulatory services than the growth of our population, with consent activity rising and falling based on the strength of the economy. The influence of the economy on demand can be seen in the number and value of building consents processed over time.

The need for regulatory services is also linked to community expectations and the behaviour of individuals in our community – for example, in Animal Control, owner behaviour (the number of complaints we receive and offences we need to respond to) rather than the number of registered dogs will influence the amount of resources we need to meet our levels of service for this activity.

Significant effects

Our activities have the potential to have both positive and negative effects on the community. The significant negative effects of Consents and Licensing are identified below, along with how we respond to them.

WELLBEINGS	POTENTIAL NEGATIVE EFFECTS	ANIMAL CONTROL	RESOURCE CONSENTS AND MONITORING	BUILDING CONTROL AND MONITORING	LICENSING AND ENFORCEMENT	POSITIVE RESPONSES
Social	Poor quality of and untimely response to investigations of complaints could result in safety threats to our community and a rise in antisocial behaviour	✓	✓	✓	✓	<p>Good regulatory frameworks improve, promote and protect public health and the environment community wellbeing and reduce antisocial behaviour within the District.</p> <p>We provide a 24/7 service for our most time-sensitive issues (animal and noise complaints).</p> <p>We undertake patrols of the District for animal control.</p> <p>We undertake staff training to ensure legislative requirements are understood.</p> <p>We work with stakeholders, such as the police to ensure licence holders comply with their obligations</p>
Environmental Economic	Poor consenting decisions and inspection procedures can delay and add costs to development, put users at risk and harm the environment		✓	✓	✓	<p>Effective monitoring of the District and timely responses to complaints keep our community safe and help to protect the environment.</p> <p>We work with other councils to collaborate on best practice and consistency in our processes.</p> <p>Accreditation as a 'Building Control Authority' and agency recognised under the Food Act ensures our processes are robust, leading to improved services.</p> <p>Auditing and peer review of our processes and decisions ensure we are making good decisions</p>
Cultural	Failure to involve Iwi and the community in the decision making process		✓			<p>Consulting with Iwi and the wider community through agreed processes increases the opportunities for them to be involved in decision making</p>

How will we fund it?

Our approach to funding is set out in the Revenue and Financing Policy.



# ANIMAL CONTROL

Many people enjoy the company of their pets and as a rural District, livestock are essential to our economy. Most owners look after their animals responsibly, however this is not always the case and dogs and livestock can sometimes become a nuisance in the community. Animal Control is there to help responsible dog owners and to ensure that uncontrolled animals don't cause a problem for others through nuisance or injury to any person or other animal.

We have two Animal Control Officers and a part-time administration support, whose job is to make sure people control their animals, are meeting laws and regulations, and don't create problems for others. We have contracted out our after-hours service, ensuring 24 hours, seven days a week service. We also have one dog pound and stockyard that services the whole District.

Most of the work undertaken by the Animal Control Officers centres on the administration of the Dog Control Act 1996 – ensuring that dogs are registered, catching wandering dogs, providing owners with information on pet care and following up on complaints about dogs ranging from barking to aggressive behaviour. The Animal Control Officers do not respond to complaints about animal welfare and neglect, these are referred to the SPCA for investigation.

## Key legislation, strategies, policies and plans

Our planning and operating environments are shaped by a wider context of national, regional and district wide priorities and objectives. This diagram identifies the key legislation, strategies, policies and plans that link to and provide direction for the Animal Control activity.

Animal Control is a regulatory function driven by legislation; policy direction from central government has meant a focus on councils providing a good quality service for businesses and households, which we are achieving. We also aim to improve the range of services available online for dog owners in the coming years.

## DID YOU KNOW?

At 30 June 2020 we had

# 5,389

Dogs registered in the Matamata-Piako District.

### National

Dog Control Act 1996  
Impounding Act 1955  
Local Government Act 2002

### Council Strategies, policies and plans

Dog Control Policy  
Dog Control Bylaw  
Public Safety Bylaw



## Our projects for the next 10 years

There are no major projects forecast for the next 10 years for Animal Control primarily because we provide a service to the community. The core function of this department is to administer, implement and enforce the Dog Control Act 1996 and Impounding Act 1955.

## Levels of service

What you can expect and how you will know we are meeting your expectations.

Levels of service	How we measure performance	Previous years			Target			Additional information
		2018/19 Actual	2019/20 Actual	2020/21 Target	2021/22	2022/23	2024-31	
Any disturbances caused by animals will be investigated quickly and efficiently	Complaints will be investigated within set timeframes.	93.25%	96.6%	95% within adopted timeframes* (see table below)				One of our main responsibilities is following up on complaints made about animals, from wandering stock to barking or attacking dogs. We aim to investigate the complaint and let the complainant know what action (if any) we have taken or intend to take within adopted timeframes. Some complaints can be resolved quickly, others can take time to work through with animal owners and may involve court action. This is measured by our Customer Request Management system
We will carry out regular property visits to ensure dog owners are responsible	Number of property visits per year	621	471*	At least 600 property visits per year				Property visits let us check that dogs are appropriately housed and secured on their property. Both of these help to reduce the number of problems caused by animals in our community. This is measured by our Customer Request Management system
We will carry out regular street patrols to keep the streets free from stray animals	Number of street patrols undertaken in each of the three main towns	Over the average of 10 per month per town		At least an average of 10 per month per town				Street patrols allow our staff to check if there are wandering animals that could pose a risk to our community and take appropriate action to mitigate this if required

\*Impacted by Covid-19

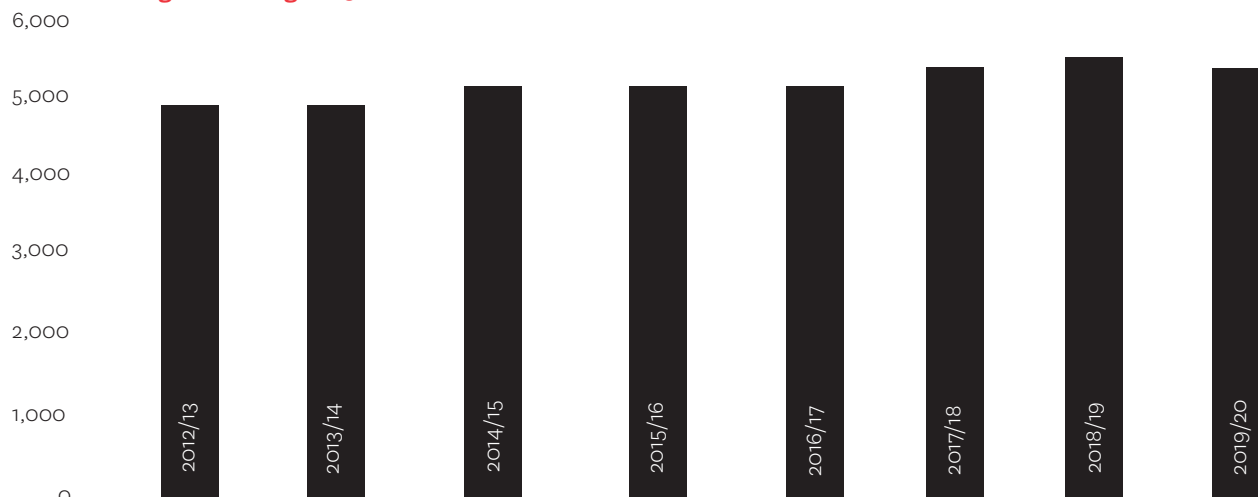


## Animal control response times

Complaint type		Notification type	0800 - 1700 hours	1700 - 0800 weekend / holiday
Dog bite person	Current incident	Phone	1 hour	1 hour
	Reported incident	CRM	4 hours	Next working day
Aggressive dog	Current incident	Phone	1 hour	1 hour
	Reported incident	CRM	4 hours	Next working day
Attacked Stock	Current incident	Phone	1 hour	1 hour
	Reported incident	CRM	4 hours	Next working day
Attacked other animal / bird	Current incident	Phone	1 hour	1 hour
	Reported incident	CRM	4 hours	Next working day
Barking dog	Current incident	Phone	1 hour	1 hour
	Reported incident	CRM	4 hours	Next working day
Wandering dog	Current incident	Phone	1 hour	1 hour
	Caught in a trap	CRM	1 hour	1 hour
	Reported incident	CRM	Next working day	Next working day
Wandering stock	Current incident (on road)	Phone	1 hour	1 hour
	Reported incident	CRM	Next working day	Next working day
Unregistered dog			24 hours	Next working day
Animal welfare		CRM	4 hours	

CRM means our Customer Request Management system. Aggressive means a dog rushed a person/vehicle or displayed threatening behaviour. Current incident means the incident is happening now and the dog is an immediate danger to the public. Reported incident means an incident is reported that happened sometime in the past, but is not a current threat to the public.

### Number of registered dogs at 30 June



# BUILDING CONSENTS AND MONITORING

A home is the single most expensive purchase that most New Zealanders are likely to make. Other buildings are an essential part of the occupation and use of land. Building Control ensures the buildings in our District meet the safety and quality standards set out under the Building Control Act 2004 and the Building Code. We work with the community and the building industry to ensure all buildings are safe, healthy and durable for their intended life.

We process building consents and inspect building work at critical phases of the project. We also carry out audits to make sure that commercial building owners comply with their Building Warrants of Fitness requirements, check swimming pool compliance and investigate complaints about illegal building work, taking enforcement action where necessary.

Building Consents and Monitoring is a regulatory function driven by legislation; policy direction from central government has meant a focus on councils providing a good quality service for businesses and households, which we are achieving. Regionally we are focusing on collaboration with other councils.

## Key legislation, strategies, policies and plans

Our planning and operating environments are shaped by a wider context of national, regional and district wide priorities and objectives. This diagram identifies the key legislation, strategies, policies and plans that link to and provide direction for Building Consents and Monitoring.

### National

Building Control Act 2004 and Building Code  
Building (Earthquake-prone Buildings) Amendment Act 2016

### Regional

Regional collaboration with Hauraki, Otorohanga, Waikato, Waipa, Thames-Coromandel and Waitomo District Councils and Hamilton City Council

### Council Strategies, policies and plans

Dangerous, Affected and Insanitary Buildings Policy 2019

## DID YOU KNOW?

In 2019/20 we processed building consents for building work valued at over

**\$193 million**

## Our projects for the next 10 years

There are no major projects forecast for the next 10 years for the Building Consents and Monitoring activity primarily because we provide a service to the community. The core function of this department is to administer, implement and enforce the Building Act 2004. As part of the improvement of the online services we offer, we plan to increase information available online as part of the building consent process.

## Levels of service

What you can expect and how you will know we are meeting your expectations.

Levels of service	How we measure performance	Previous years				Target				Additional information
		2018/19 Actual	2019/20 Actual	2020/21 Target	2021/22	2022/23	2023/24	2024-31		
Building consents will be administered quickly and efficiently	Building consent processing timeframes	99.9%	99.5%	100% of building consents will be processed within statutory timeframes				By processing building consents on time we contribute to the timely completion of building projects. By ensuring buildings meet Building Code requirements we ensure that buildings are safe and more sustainable (for example they meet improved building insulation requirements) and contribute to the health and wellbeing of our community. This is measured by a monthly statistical report. Currently the statutory timeframes for processing building consents are:  - 10 working days for building consents with a national multiple use approval (a type of consent where the building design has been approved for repeat use)  - 20 working days for all other building consents		
We will respond to complaints of alleged illegal/unauthorised activity	Complaints to be responded to within 10 working days	66%	52%	100% of complaints to be responded to within 10 working days				In fulfilling our enforcement role under the Building Act 2004 in a timely manner we help to reduce the incidence of illegal and dangerous building work in the District. One of our main roles is to regulate compliance with building code standards. We sometimes get complaints from the community about illegal or dangerous building work or swimming pools  We will investigate the complaint to determine if building work is illegal or dangerous and let the complainant know what action we are taking. Issues regarding illegal building work can be complicated and it can take time to reach a resolution with the building owners. This is measured through our Customer Request Management system		



# LICENSING AND ENFORCEMENT

The Licensing and Enforcement activity plan groups together a number of activities that contribute to the health and safety of our communities. We are responsible for inspecting business with alcohol licenses to ensure they meet the required standards and interviewing potential managers to make sure they are suitable, have the right qualifications and are aware of their responsibilities under the Sale and Supply of Alcohol Act 2012.

We are responsible for health licenses, including inspecting/auditing all food premises, hairdressers, camping grounds and funeral directors within the District.

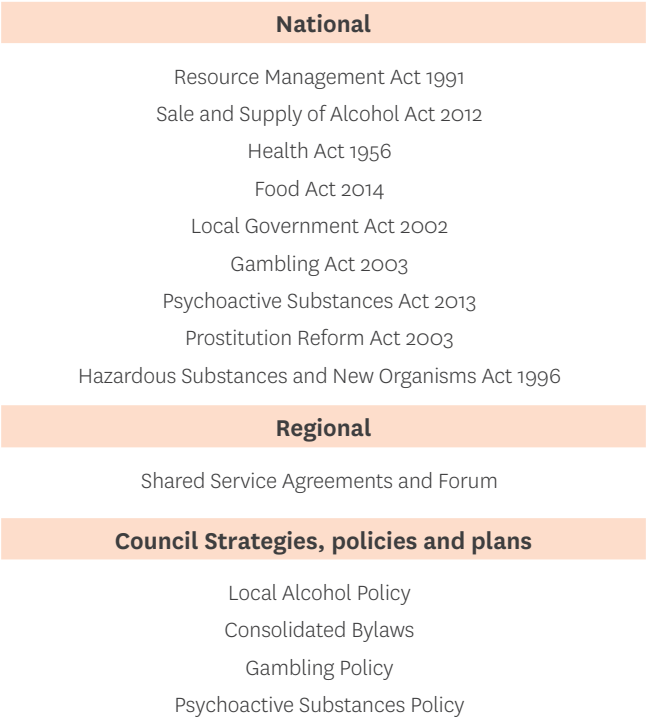
This activity is also responsible for noise control in our community, which is a 24 hour, seven day a week service responding to excessive or unreasonable noise. After hours noise control complaints are handled by our security contractors.

Licensing and Enforcement also monitors and responds to complaint about breaches of our bylaws, and have responsibilities under several other Acts such as the Gambling Act 2003, Psychoactive Substances Act 2013, Prostitution Reform Act 2003 and Hazardous Substances and New Organisms Act 1996.

Licensing and Enforcement is a regulatory function driven by legislation; recent changes and policy direction from central government have meant a focus on councils providing a good quality service for businesses and households, which we are achieving. Regionally we are focusing on collaboration with other councils to share resources when needed.

## Key legislation, strategies, policies and plans

Our planning and operating environments are shaped by a wider context of national, regional and district wide priorities and objectives. This diagram identifies the key legislation, strategies, policies and plans that link to and provide direction for the Licensing and Enforcement activity.



## Our projects for the next 10 years

There are no major projects forecast for the next 10 years for the Licensing and Enforcement activity primarily because we provide a service to the community. The core function of this department is to administer, implement and enforce various pieces of legislation and policies. As part of the improvement to Council's online services we offer, we plan to increase the information about licenses available online, and enable licensees to submit and track their application and make payments online.

## Levels of service

What you can expect and how you will know we are meeting your expectations.

Levels of service	How we measure performance	Previous years			Target			Additional information
		2018/19 Actual	2019/20 Actual	2020/21 Target	2021/22	2022/23	2023/24	
We will inspect or audit all food premises, hairdressers, funeral directors and camping grounds in the District to ensure they are running in accordance with the Health Act and/or health regulations	Food premises, hairdressers, funeral directors and camping grounds will be inspected or audited in accordance with legislation	100%			100% inspected or audited			<p>Inspecting/auditing food premises, hairdressers, funeral directors and camping grounds in the District gives residents confidence that they can safely use these facilities.</p> <p>If a premise doesn't meet the required standards, the owners are given an opportunity to fix any problems and it is re-inspected/audited. Under the Food Act 2014, premises that are covered by national programmes can elect to be audited by independent auditors other than Council.</p> <p>This is measured by an internal monitoring system</p>
We will ensure that all premises in the District with alcohol licences are operating responsibly	On, Off and Club* alcohol licenced premises will be inspected annually to ensure they comply with alcohol licensing standards	100%			100% inspected annually			<p>Licensed premises that do not comply with alcohol licensing standards can contribute to illegal activities and antisocial behaviour</p> <p>If a premises does not comply with the conditions of its licence the owners will be given an opportunity to rectify any problems. Ongoing non-compliance may result in an inspector making an application to the Alcohol Regulatory and Licensing Authority for the suspension or cancellation of the premises' alcohol licence</p> <p>It is noted that for special licences the application is made to the District Licensing Committee.</p> <p>This information will be collected through an internal monitoring system</p>

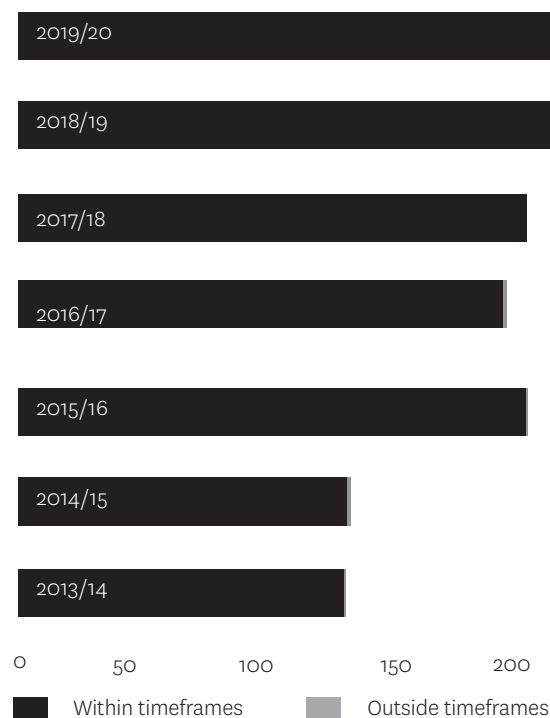
\*Club alcohol licenced premises excludes those Clubs that have been assessed as a 'very low' risk rating by Council.

Levels of service	How we measure performance	Previous years			Target			Additional information
		2018/19 Actual	2019/20 Actual	2020/21 target	2018/19	2019/20	2024-31	
We will act on all noise complaints we receive.	Percentage of after-hours (between 5pm and 8am, weekends and public holidays) noise complaints responded to within two hours	100%		100% responded to within two hours				<p>By acting on noise complaints, we will be preventing antisocial behaviour that can negatively impact people's health and wellbeing. This information will be collected through an internal monitoring system. After hours responses to noise complaints are made by our security contractors. These calls are usually about loud stereos and parties</p> <p>During working hours (8am-5pm) staff respond to complaints. Complaints during the day usually relate to general household noise or ongoing noise associated with business operations. Noise complaints are investigated and complainants are advised of the action we have taken. Some complaints are easy to resolve, such as stereos, others can take some time to resolve, such as ongoing business noise</p>

# RESOURCE CONSENTS AND MONITORING

Resource Consents and Monitoring helps look after our natural and physical resources for future generations. This activity is responsible for administering the District Plan, advising customers on District Plan and Resource Management Act 1991 requirements, processing applications for land use and subdivision consents, monitoring compliance with land use and subdivision consent conditions, investigating breaches of the District Plan, and taking enforcement action where necessary.

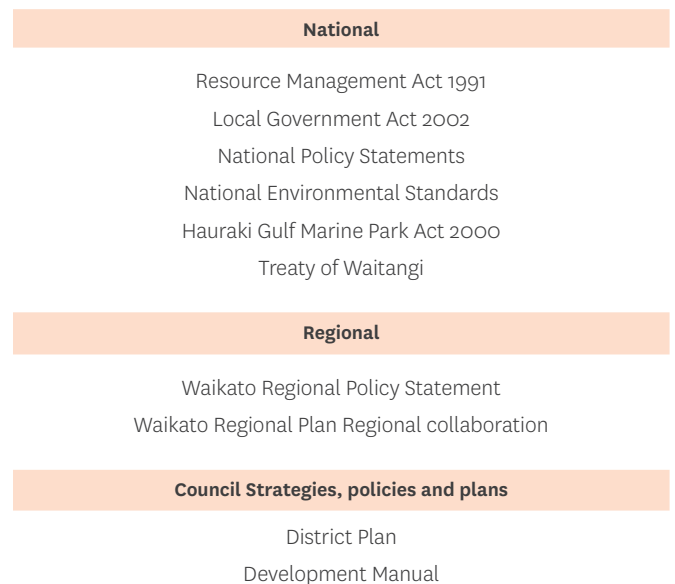
## Resource consents processed each year



The table above shows the number of consents processed each year since 2013. Given the relatively steady trends of resource consents received we anticipate that we will be able to meet demand in the short to medium term from existing resources. Unexpected increases in demand will be managed by employing external resource management consultants.

## Key legislation, strategies, policies and plans

Our planning and operating environments are shaped by a wider context of national, regional and district wide priorities and objectives. This diagram identifies the key legislation, strategies, policies and plans that link to and provide direction for Building Consents and Monitoring.



Resource Consents and Monitoring is a regulatory function driven by legislation, recent changes and policy direction from central government have meant a focus on councils providing a good quality service for businesses and households, which we are achieving. Regionally we are focusing on collaboration where this can be achieved.

## Our projects for the next 10 years

There are no major projects forecast for the next 10 years for the Resource Consents and Monitoring activity primarily because we provide a service to the community. The core function of this department is to administer, implement, educate and enforce various pieces of legislation and policies. As part of the improvement of the online services we offer, we plan to increase information and resource consent applications and payments online.

## Levels of service

What you can expect and how you will know we are meeting your expectations.

Levels of service	How we measure performance	Previous years				Target			Additional information
		2018/19 Actual	2019/20 Actual	2020/21 Target	2021/22	2022/23	2023/24	2024-31	
Resource consents will be administered quickly and efficiently	Percentage of resource consents processed within statutory timelines	99%	99.5%			100%			Resource consents need to be completed within statutory timeframes to ensure development projects are able to be completed seamlessly. The 2009 amendment to the Resource Management Act 1991 requires us to refund a portion of the costs on any resource consents that are not processed within the statutory timeframe. This is monitored through an internal management system
We will monitor land use consent compliance.	Percentage of land use consents monitored within four months of being granted	100%	100%			100%			The community can rely on us to monitor compliance of resource consents to ensure the consent conditions are met to mitigate any adverse effects. We undertake an initial visit to see if or how works are progressing and to remind the applicant of all the conditions of consent and ensure compliance with these. Should non-compliance be identified at this time, we will work with the applicant to rectify the issues. If this cannot be achieved, we will take enforcement action under the Resource Management Act 1991. This process is monitored through an internal management system





## Consents and licensing- 1 July 2021 to 30 June 2031

[illegible]

# TE PŪTEA FINANCIALS



# FINANCIAL STATEMENTS

## FORECAST STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE

A forecast for the 10 years ending 30 June 2031

	Annual Plan 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
<b>Revenue</b>											
Rates	38,032	42,435	44,592	48,923	51,208	54,118	55,645	58,015	60,503	63,889	66,419
Subsidies and grants	7,246	8,651	6,518	6,674	6,840	7,129	7,992	7,380	7,582	7,791	7,861
Fees and charges	7,916	8,105	8,353	7,693	7,917	8,120	8,328	8,541	8,776	9,017	9,252
Development and financial contributions	332	1,625	1,617	1,683	1,840	1,925	1,919	1,823	1,698	1,568	1,475
Interest revenue	1,425	79	81	83	85	87	90	92	94	97	100
Other revenue	491	485	499	511	524	538	551	565	581	597	612
<b>Total revenue</b>	<b>55,442</b>	<b>61,380</b>	<b>61,660</b>	<b>65,567</b>	<b>68,414</b>	<b>71,917</b>	<b>74,525</b>	<b>76,416</b>	<b>79,234</b>	<b>82,959</b>	<b>85,719</b>
<b>Expenses</b>											
Personal costs	17,726	18,871	19,854	20,359	20,867	21,409	21,953	22,514	23,132	23,768	24,387
Depreciation and amortisation expense	14,671	15,341	15,961	16,779	17,824	18,966	19,941	21,066	22,144	23,403	24,291
Finance costs	1,184	1,088	1,205	1,405	1,626	1,860	1,960	2,013	2,147	2,248	2,288
Other expenses	20,727	23,504	23,255	25,605	26,517	27,935	28,577	29,609	30,713	32,613	33,908
<b>Total expenses</b>	<b>54,308</b>	<b>58,804</b>	<b>60,275</b>	<b>64,148</b>	<b>66,834</b>	<b>70,170</b>	<b>72,431</b>	<b>75,202</b>	<b>78,136</b>	<b>82,032</b>	<b>84,874</b>
<b>Surplus/(deficit)</b>	<b>1,134</b>	<b>2,576</b>	<b>1,385</b>	<b>1,419</b>	<b>1,580</b>	<b>1,747</b>	<b>2,094</b>	<b>1,214</b>	<b>1,098</b>	<b>927</b>	<b>845</b>
<b>Other comprehensive revenue and expense</b>											
Financial assets at fair value through other comprehensive revenue and expense	-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	12,611	21,516	17,044	22,209	16,573	18,205	30,558	19,836	22,278	37,956	19,417
<b>Total other comprehensive revenue and expense</b>	<b>12,611</b>	<b>21,516</b>	<b>17,044</b>	<b>22,209</b>	<b>16,573</b>	<b>18,205</b>	<b>30,558</b>	<b>19,836</b>	<b>22,278</b>	<b>37,956</b>	<b>19,417</b>
<b>Total comprehensive revenue and expense</b>	<b>13,745</b>	<b>24,092</b>	<b>18,429</b>	<b>23,628</b>	<b>18,153</b>	<b>19,952</b>	<b>32,652</b>	<b>21,050</b>	<b>23,376</b>	<b>38,883</b>	<b>20,262</b>

## FORECAST STATEMENT OF FINANCIAL POSITION

A forecast as at 30 June for the 10 years to 2031

	Annual Plan 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
<b>Current assets</b>											
Cash and cash equivalents	618	615	609	603	595	583	568	551	532	510	483
Receivables	1,851	2,306	2,228	2,840	2,592	2,081	1,902	1,746	1,466	1,005	1,064
Prepayments	400	-	-	-	-	-	-	-	-	-	-
Inventory	650	650	669	686	703	721	740	759	779	801	822
Assets held for sale	-	-	-	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
Other financial assets	8,236	10,361	10,620	11,153	11,429	11,783	11,964	12,251	12,551	12,963	13,268
<b>Total current assets</b>	<b>11,755</b>	<b>13,932</b>	<b>14,126</b>	<b>15,282</b>	<b>15,319</b>	<b>15,168</b>	<b>15,174</b>	<b>15,307</b>	<b>15,328</b>	<b>15,279</b>	<b>15,637</b>
<b>Non-current assets</b>											
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
Investments in CCOs and other similar entities	15,692	17,198	17,198	17,198	17,198	17,198	17,198	17,198	17,198	17,198	17,198
Other financial assets	-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	691,296	734,668	761,701	803,497	837,372	867,519	907,390	934,933	961,629	999,452	1,019,914
Intangible assets	760	613	581	558	562	454	488	474	574	583	519
<b>Total non-current assets</b>	<b>707,748</b>	<b>752,479</b>	<b>779,480</b>	<b>821,253</b>	<b>855,132</b>	<b>885,171</b>	<b>925,076</b>	<b>952,605</b>	<b>979,401</b>	<b>1,017,233</b>	<b>1,037,631</b>
<b>Total assets</b>	<b>719,503</b>	<b>766,411</b>	<b>793,606</b>	<b>836,535</b>	<b>870,451</b>	<b>900,339</b>	<b>940,250</b>	<b>967,912</b>	<b>994,729</b>	<b>1,032,512</b>	<b>1,053,268</b>
<b>Liabilities</b>											
<b>Current liabilities</b>											
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
Payables and deferred revenue	9,385	5,681	5,835	6,959	6,994	6,815	6,796	6,889	6,868	6,805	7,133
Employee entitlements	1,874	2,125	2,187	2,243	2,298	2,358	2,418	2,480	2,548	2,618	2,686
Borrowings	-	4,000	7,000	6,500	6,500	2,500	-	-	1,074	-	-
Provisions	120	55	54	78	51	50	35	35	59	33	32
<b>Total current liabilities</b>	<b>11,379</b>	<b>11,861</b>	<b>15,076</b>	<b>15,780</b>	<b>15,843</b>	<b>11,723</b>	<b>9,249</b>	<b>9,404</b>	<b>10,549</b>	<b>9,456</b>	<b>9,851</b>
<b>Non current liabilities</b>											
Derivative financial instruments	2,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Employee entitlements	365	375	386	396	406	416	427	438	450	462	474
Borrowings	40,524	36,351	41,917	60,556	76,273	90,348	100,087	106,550	108,877	108,877	108,984
Provisions	351	385	359	307	280	251	234	217	174	155	135
<b>Total non-current liabilities</b>	<b>43,240</b>	<b>40,111</b>	<b>45,662</b>	<b>64,259</b>	<b>79,959</b>	<b>94,015</b>	<b>103,748</b>	<b>110,205</b>	<b>112,501</b>	<b>112,494</b>	<b>112,593</b>
<b>Net assets</b>	<b>664,884</b>	<b>714,439</b>	<b>732,868</b>	<b>756,496</b>	<b>774,649</b>	<b>794,601</b>	<b>827,253</b>	<b>848,303</b>	<b>871,679</b>	<b>910,562</b>	<b>930,824</b>
<b>Equity</b>											
Accumulated funds	433,459	459,286	459,733	459,536	460,653	460,625	456,708	450,487	443,619	436,560	428,402
Other reserves	231,425	255,153	273,135	296,960	313,996	333,976	370,545	397,816	428,060	474,002	502,422
<b>Total equity</b>	<b>664,884</b>	<b>714,439</b>	<b>732,868</b>	<b>756,496</b>	<b>774,649</b>	<b>794,601</b>	<b>827,253</b>	<b>848,303</b>	<b>871,679</b>	<b>910,562</b>	<b>930,824</b>

## FORECAST STATEMENT OF CHANGES IN EQUITY

A forecast as at 30 June for the 10 years to 2031

	Annual Plan 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
<b>Balance at 1 July</b>	<b>651,139</b>	<b>690,347</b>	<b>714,439</b>	<b>732,868</b>	<b>756,496</b>	<b>774,649</b>	<b>794,601</b>	<b>827,253</b>	<b>848,303</b>	<b>871,679</b>	<b>910,562</b>
Total comprehensive revenue and expense for the year	13,745	24,092	18,429	23,628	18,153	19,952	32,652	21,050	23,376	38,883	20,262
<b>Balance at 30 June</b>	<b>664,884</b>	<b>714,439</b>	<b>732,868</b>	<b>756,496</b>	<b>774,649</b>	<b>794,601</b>	<b>827,253</b>	<b>848,303</b>	<b>871,679</b>	<b>910,562</b>	<b>930,824</b>



## FORECAST STATEMENT OF CASHFLOW

A forecast as at 30 June for the 10 years to 2031

	Annual Plan 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
<b>Cashflow from operating activities</b>											
Rates revenue received	38,032	42,435	44,592	48,923	51,208	54,118	55,645	58,015	60,503	63,889	66,419
Subsidies and grants received	7,246	8,651	6,518	6,674	6,840	7,129	7,992	7,380	7,582	7,791	7,861
Fees and charges received	7,916	8,105	8,353	7,693	7,917	8,120	8,328	8,541	8,776	9,017	9,252
Interest received	332	79	81	83	85	87	90	92	94	97	100
Development and financial contributions received	1,425	1,625	1,617	1,683	1,840	1,925	1,919	1,823	1,698	1,568	1,475
Other revenue received	291	285	293	300	308	316	323	332	341	351	359
GST (net)	-	-	-	-	-	-	-	-	-	-	-
Payments to suppliers	(20,727)	(23,504)	(23,255)	(25,605)	(26,517)	(27,935)	(28,577)	(29,609)	(30,713)	(32,613)	(33,908)
Payments to employees	(17,726)	(18,871)	(19,854)	(20,359)	(20,867)	(21,409)	(21,953)	(22,514)	(23,132)	(23,768)	(24,387)
Interest paid	(1,184)	(1,088)	(1,205)	(1,405)	(1,626)	(1,860)	(1,960)	(2,013)	(2,147)	(2,248)	(2,288)
<b>Net cashflow from operating activities</b>	<b>15,605</b>	<b>17,717</b>	<b>17,140</b>	<b>17,987</b>	<b>19,188</b>	<b>20,491</b>	<b>21,807</b>	<b>22,047</b>	<b>23,002</b>	<b>24,084</b>	<b>24,883</b>
<b>Cashflow from investing activities</b>											
Repayment of loans and advances	-	-	-	-	-	-	-	-	-	-	-
Sale of assets	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale/maturity of investments	1,300	-	-	-	-	-	-	-	-	-	-
Purchase of property, plant and equipment	(31,626)	(24,609)	(25,565)	(35,961)	(34,697)	(30,448)	(28,875)	(28,378)	(26,164)	(22,832)	(24,888)
Purchase of intangible assets	(230)	(103)	(147)	(171)	(216)	(130)	(185)	(149)	(258)	(200)	(130)
Acquisition of investments	-	-	-	-	-	-	-	-	-	-	-
<b>Net cashflow from investing activities</b>	<b>(30,556)</b>	<b>(24,712)</b>	<b>(25,712)</b>	<b>(36,132)</b>	<b>(34,913)</b>	<b>(30,578)</b>	<b>(29,060)</b>	<b>(28,527)</b>	<b>(26,422)</b>	<b>(23,032)</b>	<b>(25,018)</b>
<b>Cashflow from financing activities</b>											
Proceeds from borrowings	14,289	6,992	12,566	25,139	22,217	16,575	9,738	6,463	3,401	-	108
Repayment of borrowings	-	-	(4,000)	(7,000)	(6,500)	(6,500)	(2,500)	-	-	(1,074)	-
<b>Net cashflow from financing activities</b>	<b>14,289</b>	<b>6,992</b>	<b>8,566</b>	<b>18,139</b>	<b>15,717</b>	<b>10,075</b>	<b>7,238</b>	<b>6,463</b>	<b>3,401</b>	<b>(1,074)</b>	<b>108</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(662)</b>	<b>(3)</b>	<b>(6)</b>	<b>(6)</b>	<b>(8)</b>	<b>(12)</b>	<b>(15)</b>	<b>(17)</b>	<b>(19)</b>	<b>(22)</b>	<b>(27)</b>
Opening cash and cash equivalents	1,280	618	615	609	603	595	583	568	551	532	510
<b>Closing cash and cash equivalents</b>	<b>618</b>	<b>615</b>	<b>609</b>	<b>603</b>	<b>595</b>	<b>583</b>	<b>568</b>	<b>551</b>	<b>532</b>	<b>510</b>	<b>483</b>

# STATEMENT OF ACCOUNTING POLICIES

## Reporting entity

Matamata-Piako District Council (the Council) is a local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. Council has designated itself as a Public Benefit Entity (PBE) for financial reporting purposes.

The financial information contained within these documents is prospective financial information in terms of Financial Reporting Standard 42 Prospective Financial Statements (PBE). The purpose for which this has been prepared is to enable the public to participate in decision making processes as to the services to be provided by the Council over the next ten financial years, and to provide a broad accountability mechanism of the Council to the community. The financial information in the LTP may not be appropriate for purposes other than those described.

The forecast financial statements of the Council are for the ten years ended 30 June 2031. The forecast financial statements were authorised for issue as part of the LTP by Council on 30 June 2021. Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

## Basis of preparation

The forecast financial statements have been prepared on the going concern basis and the accounting policies have been applied consistently to all periods presented in these forecast financial statements.

## Statement of compliance

The forecast financial statements have been prepared in accordance with the requirements of the LGA, and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP). These forecast financial statements have been prepared in accordance with and comply with PBE Standards.

## Presentation currency and rounding

The forecast financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

## Opening balances

The forecast financial statements have been prepared based on expected opening balances for the year ended 30 June 2021. Estimates have been restated accordingly if required.

## A cautionary note

The information in the forecast financial statements is uncertain and the preparation requires the exercising of judgement. Actual financial results achieved for the period covered are likely to vary from the information presented, and the variations may be material. Events and circumstances may not occur as expected or may not have been predicted or we may subsequently take actions that differ from the proposed courses of action on which the forecast financial statements are based. The information contained within these forecast financial statements may not be suitable for use in another capacity.

## Revenue

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are explained below:

### • Rates revenue

The following policies for rates have been applied:

- General Rates, targeted rates (excluding water-by-meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised as it is invoiced.
- Rates remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

### • Waka Kotahi (NZTA) roading subsidies

The Council receives funding assistance from the Waka Kotahi (NZTA), which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

### • Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

### • Fees and Charges

Fees and charges are recognised as revenue when the obligation to pay arises or, in the case of license fees, upon renewal of the license.

### • Private works

The revenue from private works is recognised as revenue by reference to the stage of completion of the work at balance date.

### • Building and resource consent revenue

Fees and charges for building and resource consent services are recognised when received or invoiced.

### • Infringement fees and fines

Infringement fees and fines related to animal control are recognised

when the payment of the fee or fine is received.

### • Lease and rental revenue

Lease and rental revenue arising on property owned by us is accounted for on a straight line basis over the lease term.

### • Development and financial contributions

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise development and financial contributions are recognised as liabilities until such time as the Council provides, or is able to provide, the service.

### • Vested or donated physical assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset. The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer. An exception to this is land under roads which is valued using the average land values for the urban and rural areas of the whole district as at 1 July 2001. For long-lived assets that must be used for a specific use (for example, land that must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects that it will need to return or pass the asset to another party.

### • Found assets

Found asset revenue recognises the value of assets that we own, or where we have full control and management of the asset (and that asset is not recorded as such by any other entity), and these assets have not been previously accounted for. These assets are recognised at their fair value from the time that they are identified.

### • Donated and bequeathed financial assets

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability released to revenue as the conditions are met (for example, as the funds are spent for the nominated purpose).

### • Interest and dividends

Interest revenue is recognised using the effective interest method. Dividends are recognised when the right to receive the payment has been established.

## Borrowing costs

Finance/borrowing costs are recognised as an expense in the financial year in which they are incurred.

## Grant expenditure

The Council's grants awarded have no substantive conditions attached. Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. Discretionary grants are those grants where the Council have no obligation to award on receipt of the grant application and are recognised as expenditure when approved by the Council and the approval has been communicated to the applicant.

## Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

## Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

## Receivables

Short-term receivables are recorded at the amount due, less any provision for uncollectability. A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

## Inventory

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

- Commercial: measured at the lower of cost and net realisable value.
- Non-commercial: measured at cost, adjusted for any loss of service potential.

Cost is allocated using the first-in-first-out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first. Inventories acquired through non-exchange transactions

are measured at fair value at the date of acquisition. Any write down from cost to net realisable value or for the loss of service potential is recognised in the surplus or deficit in the year of the write-down.

When land held for development and future resale is transferred from property, plant and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost. Costs directly attributable to the developed land are capitalised to inventory with the exception of infrastructural asset costs, which are capitalised to property, plant and equipment.

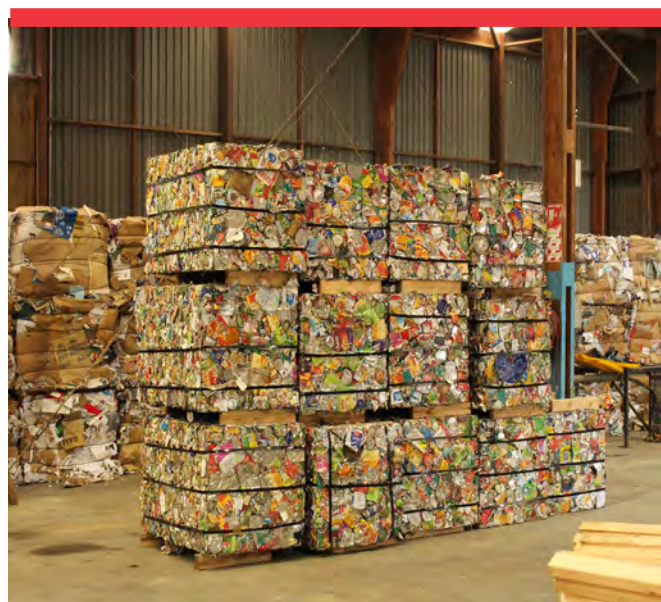
## Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised. Non-current assets are not depreciated or amortised while they are classified as held for sale (including those that are part of a disposal group).

## Derivative financial instruments

Derivative financial instruments are used to manage exposure to interest rate risks arising from the Council's financing activities. In accordance with its treasury policies, the Council does not hold or issue derivative financial instruments for trading purposes. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance date. The associated gains or losses are recognised in the surplus or deficit. The fair value of the derivative is classified as current if the contract is due for settlement within 12 months of balance date. Otherwise derivatives are classified as non-current.



## Other financial assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit.

### Term deposits, and community and other loans (loans and receivables)

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. For loans to community organisations, the difference between the loan amount and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant expense.

After initial recognition, term deposits and community and other loans are measured at amortised cost using the effective interest method. Where applicable, interest accrued is added to the investment balance.

At year-end, the assets are assessed for indicators of impairment. Impairment is established when there is evidence that the Council will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, receivership or liquidation and default in payments are indicators that the asset is impaired.

If assets are impaired, the amount not expected to be collected is recognised in the surplus or deficit.

### Investments in Council Controlled Organisations and other entities (fair value through other comprehensive revenue and expense)

Shares in Council Controlled Organisations and other entities are designated at fair value through other comprehensive revenue and expense.

After initial recognition, the shares are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to the surplus or deficit.

For shares, a significant or prolonged decline in the fair value of the shares below its cost is considered to be objective evidence of impairment. If impairment evidence exists, the cumulative loss recognised in other comprehensive revenue and expense is transferred to the surplus or deficit. Impairment losses on shares recognised in the surplus or deficit are not reversed through the surplus or deficit.

## Property, plant and equipment

Property, plant and equipment consist of:

- Operational assets - These include land, buildings, plant and machinery, furniture and equipment, computer equipment, and library collections.
- Restricted assets - Restricted assets are mainly parks and reserves owned by the Council that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
- Infrastructure assets - Infrastructure assets are the fixed utility systems owned by the Council. Each asset class includes all items that are required for the network to function. For example, wastewater reticulation includes reticulation piping and wastewater pump stations.
- Land (operational and restricted) is measured at fair value, and buildings (operational and restricted), and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

### Revaluations

Land and buildings (operational and restricted), and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years.

Revaluation movements are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class-of-asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.





### Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Work in progress is recognised at cost less impairment and is not depreciated. In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Council and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

### Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

### Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment (other than land and the library collection), at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The library collection is depreciated on a diminishing value basis.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:



Operational assets	Useful Life	Depreciation rate
<b>Buildings</b>	2 to 100 years	1% - 50%
<b>Restricted assets (buildings)</b>	2 to 100 years	1% - 50%
<b>Plant and machinery</b>	2 to 15 years	6% - 50%
<b>Furniture and equipment</b>	2 to 20 years	5% - 50%
<b>Computer equipment</b>	3 to 10 years	10% - 33%
<b>Server hard drives</b>	1 year	100%
<b>Library collection</b>	2 to 9 years	11% - 50%
<b>Infrastructural assets</b>		
<b>Road network</b>		
<b>Street lighting</b>	10-25 years	4% - 10%
<b>Formation carriageway</b>	100 years	1%
<b>Pavement surfacing</b>	5 to 50 years	2% - 20%
<b>Pavement structure</b>	60 to 90 years	1% - 2%
<b>Footpaths</b>	5 to 50 years	2% - 20%
<b>Drainage</b>	60 to 80 years	1% - 2%
<b>Bridges</b>	60 to 90 years	1% - 2%
<b>All other</b>	1 to 70 years	1% - 100%
<b>Utility assets</b>		
<b>Buildings</b>	2 to 100 years	1% - 50%
<b>Wastewater mains</b>	50 to 100 years	1% - 2%
<b>Wastewater other</b>	80 to 100 years	1% - 2%
<b>Wastewater pump station equipment</b>	1 to 120 years	1% - 100%
<b>Wastewater service lines</b>	50 to 100 years	1% - 2%
<b>Water mains</b>	40 to 88 years	1% - 3%
<b>Water valves</b>	35 to 80 years	1% - 3%
<b>Water hydrants</b>	80 years	1%
<b>Water nodes</b>	80 years	1%
<b>Water pump station equipment</b>	3 to 100 years	1% - 33%
<b>Water service lines</b>	40 to 88 years	1% - 3%
<b>Stormwater mains</b>	51 to 100 years	1% - 2%
<b>Stormwater manholes</b>	100 years	1%
<b>Stormwater pumps</b>	15 years	7%
<b>Stormwater service lines</b>	60 to 100 years	1% - 2%
<b>Swale drains</b>	Indefinite	0%

The residual value and useful life of an asset is reviewed and adjusted if applicable, at each balance date.

### Impairment of non-financial assets

Property, plant and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount.

For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

### Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

### Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return. The value in use for cash-generating assets is the present value of expected future cash-flows.

## Intangible assets

### Computer software

Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs associated with staff training and maintaining computer software are recognised as an expense when incurred.

### Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit. Computer software is estimated to have a useful life of 1 to 15 years and is amortised at a rate of 6.67% to 100%.

### Impairment

Refer to the policy for impairment of property, plant and equipment. The same approach applies to the impairment of intangible assets.

### Payables and deferred revenue

Short-term creditors and other payables are recorded at their face value.

### Borrowings

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and recognised in accrued expenses. Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.



## Employee entitlements

### Short term employee entitlements

Employee benefits that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

### Long term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the year in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis. The calculations are based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information; and
- The present value of the estimated future cash flows.

### Presentation of employee entitlements

Sick leave, annual leave, long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liabilities. All other employee entitlements are classified as a non-current liabilities.

### Defined contribution superannuation scheme

Employer contributions to Kiwisaver, the Government Superannuation Fund, are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

### Provisions

A provision is recognised for future expenditure of uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of future economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in 'finance costs'.

### Equity

Equity is the community's interest in the Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

- Accumulated funds
- Other reserves - other reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

Other reserves include:

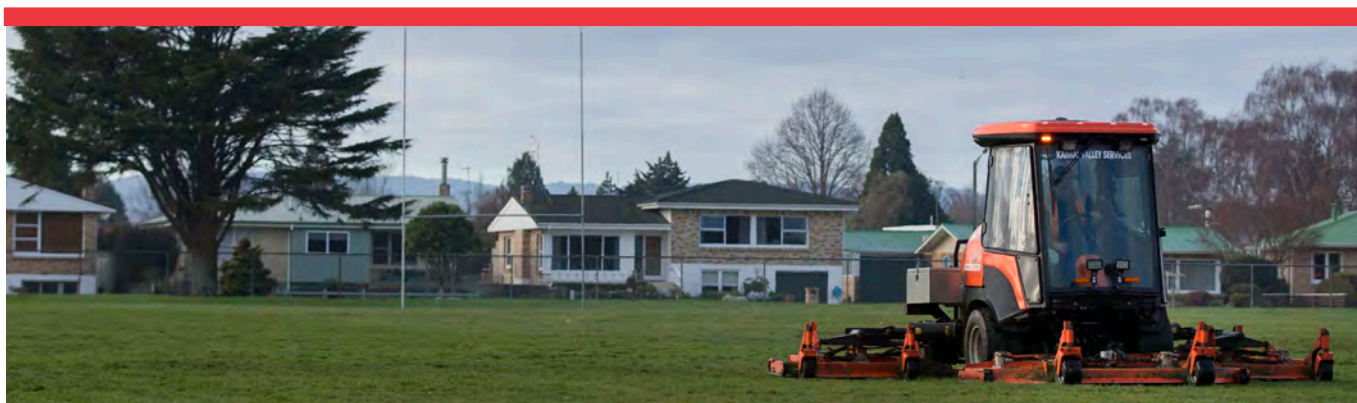
**Council created reserves** - reserves established by Council decision. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at Council's discretion.

**Restricted reserves** - those reserves subject to specific conditions accepted as binding by Council and which may not be revised without reference to the Courts or third party. Transfers from these reserves may be made only for certain specified purposes or when certain conditions are met.

**Asset revaluation reserves** - represent unrealised gains on assets owned by Council. The gains are held in the reserve until such time as the gain is realised and a transfer can be made to retained earnings.

### Fair value through other comprehensive revenue and expense reserve

- this reserve comprises the cumulative net change in the fair value of assets classified as fair value through other comprehensive revenue and expense.





### Goods and service tax (GST)

Items in the financial statements are stated exclusive of GST, except for receivables and payables which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to or received from the IRD, including GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

### Foreign currency transactions

Foreign currency transactions (including those subject to forward foreign exchange contracts) are translated into NZ\$ (the functional currency) using the spot exchange rate at the dates of the transactions.

Foreign exchange gains and losses resulting for the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

### Cost allocation

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs, which cannot be identified in an economically feasible manner, with a specific significant activity. Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area. The allocation of indirect costs to the activities of Council has also been benchmarked against neighbouring local authorities for moderation.

### Critical accounting estimates and assumptions

In preparing these forecast financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the period of the LTP follows.

#### Infrastructural assets

There are a number of assumptions and estimates used when performing depreciated replacement cost valuations on infrastructural assets. These include:

The physical deterioration and condition of an asset, for example we could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets, which are not visible,

for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by us performing a combination of physical inspections and condition modelling assessments of underground assets; estimating any obsolescence or surplus capacity of an asset.

Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then we could be over or under estimating the annual depreciation charge recognised as an expense in the statement of comprehensive revenue and expense.

To minimise this risk, our infrastructural assets useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of our asset management planning activities, which gives us further assurance over its useful life estimates. Experienced independent valuers perform or undertake a peer review of our infrastructural asset revaluations.

#### Provisions for landfill aftercare and Tui Mine site monitoring

The cash outflows for landfill after care and site monitoring costs are expected to occur over 25 years or more. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provisions have been estimated taking into account existing technology and discounted using a discount rate of 6%.

The following assumptions have been made in the calculation of the provisions: obligations for the work are for the period of the resource consents for these sites. Costs have been estimated based on best information and technology known at this point.

### Critical judgments in applying accounting policies

Management has exercised the following critical judgments in applying accounting policies:

#### Classification of property

We own a number of properties held to provide housing to elderly persons. The receipt of rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of our social housing policy. The properties are therefore accounted for as property, plant and equipment.

#### Waikato Regional Airport Limited

As an increasing portion of Waikato Regional Airport Limited's (WRAL's) balance sheet is carried at fair value, Council are able to reliably measure its investment in WRAL at fair value using the net asset backing of the company.

# OTHER LEGISLATIVE DISCLOSURES

## BALANCING THE BUDGET

The statement of comprehensive revenue and expense indicates that there will be a surplus in each of the 10 years of the plan.

The main reasons for these surpluses are:

- Assets that are vested to us from developers through the subdivision process, and external revenue received for capital projects.
- Interest earned on reserve funds that we allocate to these reserves to be used for a specified purpose in the future.
- We have used part of the Power New Zealand investment as a source of internal borrowing to activities. Some of the loans will be repaid during the 10 year period. As the loans are internal loans, the repayments are treated as reserve transfers.
- Development contributions which fund capital expenditure are shown in the statement of comprehensive revenue and expense but the capital expenditure is not.

These surpluses are partially offset by our decisions to:

- Not fully fund depreciation on some activities and/or assets.
- Ring-fence the financial performance for some activities (i.e. activities that are expected to be self-funding).



These activities are listed as follows:

### Self funding activities - Housing and rural halls

Council considers that elderly person housing, owner-occupier housing and rural halls should be ring-fenced operations. In other words the cost of the activities should be funded from income from those activities. In the case of rural halls this includes Targeted Rates over the hall rating areas.

Any surplus or deficit is held against the activities and recovered or used in future years.

We can reduce costs or increase charges to ensure the balance does not become unmanageable. For example, we review the financial position and rental/charges with elderly persons housing tenants and owner-occupier owners annually.

The projected annual deficit for self-funding activities is in the following tables:

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Housing										
Annual deficit for self funding housing	98	93	128	129	162	186	169	155	190	173

### Non-funded depreciation

#### Halls

Rural halls operate on the basis that funding is provided from the local communities through Targeted Rates or hall hire revenue. The halls were built by these communities from locally raised funds. We are comfortable allowing those communities to decide if the halls are to be maintained and/ or replaced in the future. For this reason we have decided that we will not fund depreciation for halls. The table below lists the annual deficit arising from non-funded depreciation on halls:

Annual deficit from non-funded depreciation on halls	221	227	233	239	245	251	258	265	272	279
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#### Community buildings and other assets

There are a number of situations where community groups have built, moved buildings on to our land or constructed stock underpasses under our local roads. We are comfortable with the situation but we have decided we will not fund the depreciation on the assets and will leave the users of these facilities to determine how major upgrades or replacement may be funded in future. We also own buildings that are considered to be redundant/non-essential to the delivery of agreed levels of service. The table below lists the annual deficit arising from non-funded depreciation:

Annual deficit from non-funded depreciation on community buildings	54	55	57	58	60	61	63	65	66	68
Annual deficit from non-funded depreciation on stock underpasses	31	32	32	33	34	35	36	37	38	39

## Other considerations

We must give consideration to four areas when choosing not to set a balanced budget:

### Levels of service

We believe that desired levels of service will be maintained over the 10 years.

### Funding

We believe that the projected funding for these services is appropriate and prudent.

### Intergenerational equity

Council believes that the intergenerational equity is achieved by ensuring that:

- The current generation does not fund replacement of assets that are not considered essential to the desired levels of service.
- That the groups using these assets will fund upgrades or replacement if and when they may consider it is necessary.

### Consistency with revenue and financing policies

Our approach is consistent with the Revenue and Financing Policy.

## Forecast depreciation and amortisation expense by group of activity

	Annual Plan 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
<b>Directly attributable depreciation and amortisation expense by group of activity</b>											
Community facilities	2,527	2,822	2,884	3,109	3,536	3,795	4,191	4,473	4,675	5,066	5,440
Roading	5,803	6,143	6,367	6,594	6,790	7,004	7,224	7,492	7,739	7,986	8,226
Rubbish and recycling	31	33	33	146	246	296	306	313	320	331	339
Stormwater	723	802	833	870	900	926	952	979	1,009	1,040	1,070
Wastewater	2,803	2,576	2,745	2,847	2,941	3,094	3,279	3,717	4,194	4,656	4,778
Water	1,793	1,959	2,064	2,150	2,323	2,734	2,843	2,918	3,000	3,084	3,166
Strategy and engagement	3	1	1	1	1	1	1	1	1	1	1
Consent and licensing	8	8	8	9	9	9	9	10	10	10	10
Depreciation and amortisation not directly related to groups of activities	980	997	1,026	1,053	1,078	1,107	1,136	1,163	1,196	1,229	1,261
<b>Total depreciation and amortisation expense</b>	<b>14,671</b>	<b>15,341</b>	<b>15,961</b>	<b>16,779</b>	<b>17,824</b>	<b>18,966</b>	<b>19,941</b>	<b>21,066</b>	<b>22,144</b>	<b>23,403</b>	<b>24,291</b>

## Reserve funds

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by us. Restricted reserves are those reserves subject to conditions accepted as binding by us which may not be revised by us without reference to the Courts or third party. Transfers from these reserves may be made only for certain specified purposes or when certain conditions are met.

Council created reserves are established by Council decision. We may alter them without reference to any third party or the Court. Transfers to and from these reserves are at our discretion. Asset revaluation reserves represent unrealised gains on assets owned by us. The gains are held in the reserve until such time as the gain is realised and a transfer can be made to retained earnings. Details of specific reserve funds held by us are as follows:

Reserve funds	Purpose	Activities related to	Forecast balance 1 July 2021	Transfers in	Funds will come from	Transfers out	Funds will be applied to	Forecast balance 30 June 2021
<b>Council created reserves</b>								
Community purposes reserve	Funds received and set aside for use on community facilities or for community purposes eg grants.	All Council activities	3,013	-	No additional funding anticipated for this LTP	(1,583)	To cover district plan change costs	1,430
COVID-19 recovery reserve	Funds set aside to aid in the economic recovery of the district or to support hardship of qualifying community groups following the impact of COVID-19.	All Council activities	700	-	No additional funding anticipated for this LTP	-	No expenditure anticipated for this LTP	700
Power New Zealand reserve fund	Funds received and set aside on behalf of the community from the dissolution of the local power board co-operative in 1998. The fund is utilised for internal borrowing or external investment, with returns used to subsidise rates.	All Council activities	23,795	4,335	External interest from the invested portion of the fund and internal interest from the internally borrowed portion of the fund	(4,335)	Subsidy of rates	23,795
Wastewater capital contribution reserve	Capital contribution funds received from industry and set aside to offset future depreciation.	Wastewater	1,778	1,821	Annual targeted rates charged to Fonterra and Greenleas Morrinsville	(1,190)	Subsidy of rates	2,409
Depreciation reserves	Funds set aside for the replacement of assets and used to fund internal borrowing.	All Council activities	15,319	192,281	Depreciation funding	(148,725)	Replacement of assets	58,875
Stormwater improvement reserve	Funds set aside to fund stormwater projects	Stormwater	217	500	Targeted rates funding	-	No expenditure anticipated for this LTP	717
Te Aroha Wastewater de-sludging project	Funds set aside for the desludging of the Te Aroha wastewater ponds.	Wastewater	399	-	No additional funding anticipated for this LTP	-	No expenditure anticipated for this LTP	399
<b>Total Council created reserves</b>			<b>45,221</b>	<b>198,937</b>		<b>(155,833)</b>		<b>88,325</b>

Restricted reserves								
Endowment land sales reserve	Funds set aside in respect of the sale of endowment land in Te Aroha. The proceeds must be used for the provision or improvement of services and public amenities for the benefit of the inhabitants of Te Aroha.	Community facilities	110	-	No additional funding anticipated for this LTP	-	No expenditure anticipated for this LTP	110
Reserves Development	Funds set aside from reserves contributions to be used for parks and reserves.	Development of parks and reserves	224	609	Financial contribution	-	No expenditure anticipated for this LTP	833
Bequests & trust funds	Funds set aside to be used for the nominated purpose of the bequest or trust fund.	Nominated purposes	26	-	No additional funding anticipated for this LTP	-	No expenditure anticipated for this LTP	26
Waste minimisation	Funds set aside for the purpose of initiatives encouraging the minimisation of waste	Nominated purposes	139	1,466	Government funding of waste minimisation	(1,466)	Apply funding of waste minimisation programme	139
<b>Total restricted reserves</b>			<b>499</b>	<b>2,075</b>		<b>(1,466)</b>		<b>1,108</b>
<b>Asset revaluation reserves</b>	Surpluses from the revaluation of property, plant and equipment	All Council activities	173,067	225,592	Assets revaluation	-	-	398,659
<b>Fair value through other comprehensive revenue and expense reserve</b>	Net change in fair value of financial assets.	All Council activities	14,330	-	Financial asset revaluations	-	-	14,330

## Reconciliation between the funding impact statement and statement of comprehensive revenue and expense

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

	Annual Plan 2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
<b>Funding sources as shown in the overall Council funding impact statement</b>											
Total operating funding	49,011	55,464	56,695	60,408	62,776	66,096	68,613	70,496	73,327	77,067	79,807
Total capital funding	20,112	12,497	13,107	22,861	20,908	15,439	12,684	11,903	8,813	4,312	5,500
<b>Less capital movement</b>											
Increase/(decrease) in debt	14,289	6,993	8,566	18,139	15,716	10,075	7,239	6,464	3,400	(1,074)	108
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
<b>Add non-funded income</b>											
Vested assets	200	200	206	211	216	222	228	233	240	246	253
Other gains	-	-	-	-	-	-	-	-	-	-	-
Income from support activities	408	212	218	226	230	235	239	248	254	260	267
<b>Total funding sources</b>	<b>55,442</b>	<b>61,380</b>	<b>61,660</b>	<b>65,567</b>	<b>68,414</b>	<b>71,917</b>	<b>74,525</b>	<b>76,416</b>	<b>79,234</b>	<b>82,959</b>	<b>85,719</b>
<b>Total income as shown in the statement of comprehensive revenue and expense</b>	<b>55,442</b>	<b>61,380</b>	<b>61,660</b>	<b>65,567</b>	<b>68,414</b>	<b>71,917</b>	<b>74,525</b>	<b>76,416</b>	<b>79,234</b>	<b>82,959</b>	<b>85,719</b>
<b>Application of funding as shown in the overall Council funding impact statement</b>											
Total applications of operating funding	39,229	43,251	44,096	47,143	48,780	50,969	52,251	53,888	55,738	58,369	60,316
Total applications of capital funding	29,894	24,710	25,706	36,126	34,904	30,566	29,046	28,511	26,402	23,010	24,991
<b>Less capital movements</b>											
Capital expenditure	31,856	24,711	25,710	36,134	34,914	30,579	29,061	28,526	26,422	23,033	25,019
Increase/(decrease) in reserves	(1,962)	(1)	(4)	(8)	(10)	(13)	(15)	(15)	(20)	(23)	(28)
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
<b>Add non-funded expenditure</b>											
Depreciation and amortisation	14,671	15,341	15,961	16,779	17,824	18,966	19,941	21,066	22,144	23,403	24,291
Other losses	-	-	-	-	-	-	-	-	-	-	-
Expenses from support activities	408	212	218	226	230	235	239	248	254	260	267
<b>Total funding application</b>	<b>54,308</b>	<b>58,804</b>	<b>60,275</b>	<b>64,148</b>	<b>66,834</b>	<b>70,170</b>	<b>72,431</b>	<b>75,202</b>	<b>78,136</b>	<b>82,032</b>	<b>84,874</b>
<b>Total expenditure as shown in the statement of comprehensive revenue and expense</b>	<b>54,308</b>	<b>58,804</b>	<b>60,275</b>	<b>64,148</b>	<b>66,834</b>	<b>70,170</b>	<b>72,431</b>	<b>75,202</b>	<b>78,136</b>	<b>82,032</b>	<b>84,874</b>



## FUNDING IMPACT STATEMENT

## Funding impact statement for 1 July 2021 to 30 June 2031 for whole of Council

[illegible]

## Calculation of rates

For 1 July 2021 to 30 June 2031

These rates shown are inclusive of GST. For information on rating unit projections please see Section 5.

Source	General Rates		Targeted Rates	
	General Rate	Uniform annual general charge	Stormwater	Waste management
Category	All rateable land in the Matamata-Piako District		Rating units within serviced areas	Rating units within serviced areas
How the rate will be calculated	Per dollar of capital value	Uniform charge per rating unit	Uniform charge per rating unit within the townships of Matamata, Morrinsville, Te Aroha and Waharoa	Uniform charge per separately used or inhabited part of a rating unit to which the service is available
Annual Plan 2020/21	0.00115434	730.73	92.15	41.76
2021/22	0.00133135	748.28	123.55	130.83
2022/23	0.00138438	780.71	126.73	141.27
2023/24	0.00157248	731.70	131.80	329.95
2024/25	0.00162975	770.75	134.94	333.14
2025/26	\$ 0.00166328	823.78	136.38	336.48
2026/27	0.00172744	846.66	137.69	340.08
2027/28	0.00175826	887.11	138.77	343.99
2028/29	0.00181004	926.67	139.81	352.03
2029/30	0.00184194	984.43	141.01	360.27
2030/31	0.00190598	1024.23	141.75	368.11



		Targeted Rates							
Source	Wastewater (sewage disposal)								
Category	Connected single residential house	Connected non-single residential, and non-residential properties						Serviceable properties within 30 metres of Council's Wastewater reticulation network	
How the rate will be calculated	Uniform charge per connected rating unit	Uniform charge per rating unit for the first pan on all connected properties, and	Additional uniform charge per pan (excluding the first pan) for properties with up to 4 pans	Or additional uniform charge per pan (excluding the first pan) for properties with up to 10 pans	Or additional uniform charge per pan (excluding the first pan) for properties with up to 15 pans	Or additional uniform charge per pan (excluding the first pan) for properties with up to 20 pans	Or additional uniform charge per pan (excluding the first pan) for properties with more than 20 pans	Uniform charge per rating unit to which the service is available (but not connected)	
Annual Plan 2020/21		648.48	648.48	648.48	551.2	518.78	486.36	453.93	324.24
2021/22		650.29	650.29	650.29	552.74	520.23	487.71	455.20	325.14
2022/23		698.90	698.90	698.90	594.07	559.12	524.18	489.23	349.45
2023/24		718.03	718.03	718.03	610.33	574.43	538.52	502.62	359.02
2024/25		735.12	735.12	735.12	624.85	588.10	551.34	514.58	367.56
2025/26	\$	767.20	767.20	767.20	652.12	613.76	575.40	537.04	383.60
2026/27		806.31	806.31	806.31	685.37	645.05	604.74	564.42	403.16
2027/28		907.27	907.27	907.27	771.18	725.81	680.45	635.09	453.63
2028/29		979.12	979.12	979.12	832.25	783.30	734.34	685.39	489.56
2029/30		1145.06	1145.06	1145.06	973.30	916.05	858.80	801.54	572.53
2030/31		1197.87	1197.87	1197.87	1018.19	958.30	898.41	838.51	598.94

Targeted Rates									
Source	Industry contributions to the Morrinsville wastewater treatment plant upgrade		Water supply			Water supply (metered) *			
	18 Allen Street, Morrinsville	38 Pickett Place Morrinsville	Connected properties	Serviceable properties within 100 metres of Council's water reticulation network	Metered supply (general)	Metered supply raw water Pohomihi water line	Metered supply Braeside Aquaria 1981	Matamata farm properties **	
Category					Charge per cubic metre of water consumed (as measured by meter)	Charge per cubic metre of water consumed (as measured by meter) over and above the first 63 cubic metres consumed per quarter or the first 21 cubic metres consumed per month in the Te Aroha West (Pohomihi) supply area	Charge per cubic metre of water consumed (as measured by meter) over and above the first 63 cubic metres consumed of water per quarter or the first 21 cubic metres consumed per month for Braeside Aquaria	Charge per cubic metre of water consumed (as measured by meter) over and above the first 63 cubic metres consumed per quarter or the first 21 cubic metres consumed per month for Matamata farm properties that contain the Matamata trunk main from Tills Road	
How the rate will be calculated	Uniform charge per specified rating unit		Uniform charge per separately used or inhabited part of a rating unit to which the service is connected and provided	Uniform charge per separately used or inhabited part of a rating unit to which the service is connected	above 63 cubic metres of water consumed per quarter or the first 21 cubic metres consumed per month				
Annual Plan									
2020/21	582,909.45	185,043.99	367.59	183.79	1.47	1.06	0.76	1.47	
2021/22	565,905.07	179,645.97	365.43	182.71	1.46	1.05	0.76	1.46	
2022/23	565,905.07	179,645.97	382.87	191.43	1.50	1.08	0.78	1.50	
2023/24	565,905.07	179,645.97	399.93	199.97	1.54	1.11	0.80	1.54	
2024/25	565,905.07	179,645.97	448.25	224.13	1.58	1.14	0.82	1.58	
2025/26	\$ 565,905.07	179,645.97	560.59	280.29	1.62	1.17	0.84	1.62	
2026/27	-	-	583.72	291.86	1.66	1.20	0.86	1.66	
2027/28	-	-	588.64	294.32	1.71	1.23	0.88	1.71	
2028/29	-	-	597.96	298.98	1.75	1.26	0.91	1.75	
2029/30	-	-	608.08	304.04	1.80	1.30	0.93	1.80	
2030/31	-	-	617.51	308.75	1.85	1.33	0.96	1.85	

\*Targeted Rates for a metered water supply are charged in addition to a uniform charge per separately used or inhabited part of a rating unit to which the service is connected and provided.

\*\* A 50% discount will be applied to this rate if the invoice is paid by the due date.

Targeted Rates						
Source	Targeted rural hall rates will apply to all land within the hall rating area as listed					
Category	Tauhei	Hoe-O-Tainui	Springdale	Kiwitahi	Patetonga	Wardville
How the rate will be calculated	Per dollar of land value					
Annual Plan 2020/21	0.00010159	0.00002682	0.00001481	0.00001951	0.00003045	0.00001934
2021/22	0.00011717	0.00002682	0.00001481	0.00001951	0.00003045	0.00001934
2022/23	0.00012058	0.00002760	0.00001524	0.00002008	0.00003134	0.00001990
2023/24	0.00012365	0.00002830	0.00001563	0.00002059	0.00003214	0.00002041
2024/25	0.00012672	0.00002901	0.00001602	0.00002110	0.00003293	0.00002092
2025/26	0.00013001	0.00002976	0.00001643	0.00002165	0.00003379	0.00002146
2026/27	0.00013332	0.00003052	0.00001685	0.00002220	0.00003465	0.00002201
2027/28	0.00013673	0.00003130	0.00001728	0.00002277	0.00003553	0.00002257
2028/29	0.00014049	0.00003216	0.00001776	0.00002339	0.00003651	0.00002319
2029/30	0.00014435	0.00003304	0.00001825	0.00002404	0.00003751	0.00002383
2030/31	0.00014811	0.00003390	0.00001872	0.00002466	0.00003849	0.00002445

Targeted Rates								
Source	Targeted rural hall rates will apply to all land within the hall rating area as listed							
Category	Tahuna	Mangateparu	Kereone	Tatuanui	Walton	Okauia	Hinuera	Piarere
How the rate will be calculated	Uniform charge per rating unit				Per dollar of capital value			
Annual Plan 2020/21	38.20	34.80	41.50	61.80	30.00	0.00001549	0.00001401	0.00001781
2021/22	38.20	34.80	41.50	61.80	30.00	0.00001549	0.00001401	0.00001781
2022/23	39.31	35.81	42.71	63.60	30.87	0.00001594	0.00001442	0.00001833
2023/24	40.31	36.73	43.80	65.22	31.66	0.00001635	0.00001479	0.00001880
2024/25	41.31	37.64	44.88	66.84	32.45	0.00001675	0.00001515	0.00001926
2025/26	42.39	38.62	46.05	68.58	33.29	0.00001719	0.00001555	0.00001976
2026/27	43.46	39.60	47.22	70.32	34.13	0.00001762	0.00001594	0.00002026
2027/28	44.58	40.61	48.43	72.12	35.01	0.00001808	0.00001635	0.00002078
2028/29	45.80	41.73	49.76	74.10	35.97	0.00001857	0.00001680	0.00002135
2029/30	47.06	42.87	51.13	76.14	36.96	0.00001908	0.00001726	0.00002194
2030/31	48.29	43.99	52.46	78.12	37.92	0.00001958	0.00001771	0.00002251



Targeted Rates					
Source	Targeted rural hall rates will apply to all land within the hall rating area as listed				
Category	Mangaiti	Waihou	Elstow	Manawaru	Te Poi
How the rate will be calculated	Uniform charge per separately used or inhabited part of a rating unit				
Annual Plan					
2020/21	12.65	28.00	21.60	25.80	36.80
2021/22	12.65	20.20	21.60	30.80	36.80
2022/23	13.02	20.79	22.23	31.70	37.87
2023/24	13.35	21.32	22.80	32.50	38.84
2024/25	13.68	21.85	23.36	33.31	39.80
2025/26	\$ 14.04	22.41	23.97	34.18	40.83
2026/27	14.39	22.98	24.58	35.04	41.87
2027/28	14.76	23.57	25.21	35.94	42.94
2028/29	15.17	24.22	25.90	36.93	44.12
2029/30	15.58	24.89	26.61	37.95	45.34
2030/31	15.99	25.53	27.30	38.93	46.52

## GST

The calculation of rates is shown inclusive of GST at the current rate of 15%. Any future changes in the rate of GST would need to be applied to these rates as appropriate.

## Revenue and Financing Policy

The rationale for the selection of various funding sources is set out in our Revenue and Financing Policy.

## Separately used or inhabited part of rating unit

A separately used or inhabited part of a rating unit is any part of a rating unit that is or is able to be separately used or inhabited by the ratepayer, or by any other person or body having a right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement.

## Stormwater Serviced Areas

These are the rating units within the residential, business and industrial zones in Council's Operative District Plan within the townships of Matamata, Morrinsville, Te Aroha and Waharoa.

## Waste Management Serviced Areas

These areas are detailed in the Waste Management Serviced Areas Map (June 2015) which can be found in the pages following and on our website: [www.mpd.govt.nz/plans/LTP](http://www.mpd.govt.nz/plans/LTP)

## Hall Rating areas

These areas are detailed in the Hall Rating Areas Map (1989) which can be found in the pages following and on our website [www.mpd.govt.nz/plans/LTP](http://www.mpd.govt.nz/plans/LTP).

## Lump sum contributions

The Council does not invite lump sum contributions for any targeted rates.

### Examples of the impact of rates for 2021/22

Our District has a mix of rural and urban properties, and the rates outlined in this Funding Impact Statement affect each property differently because of the differing services that are provided or available to each. Any changes made to the General Rate have a greater impact on higher valued properties as they are calculated as a percentage of the capital value of the property. Changes in the uniform annual general charge affect properties equally as everyone pays the same amount. Changes to Targeted Rates mainly affect urban services.

Examples of how a range of properties are impacted by the rates for 2021/22 are outlined below. (Note that this is in an average District-wide example intended to be indicative only.) There will be minor variances for various wards or rating areas due to differing rural hall rates applied. The indicative rates below include GST.

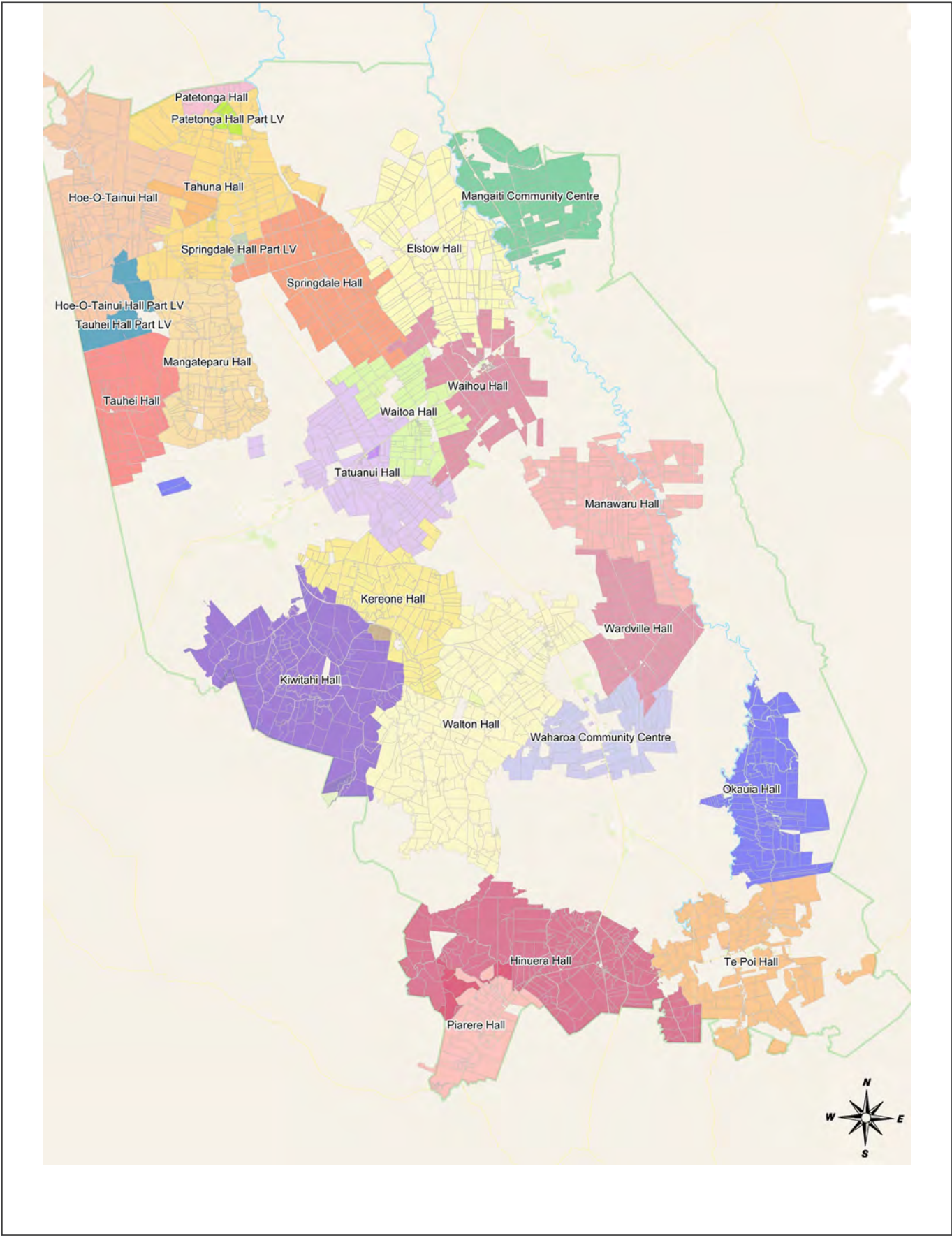
	Rates 2020/21	Forecast rates 2021/22	Increase from the previous year
Urban home worth \$350,000 (connected to all services)	\$2,285	\$2,484	8.74%
Urban home worth \$550,000 (connected to all services)	\$2,516	\$2,751	9.34%
Urban home worth \$850,000 (connected to all services)	\$2,862	\$3,150	10.07%
Rural lifestyle property worth \$600,000 (services not available)	\$1,423	\$1,547	8.69%
Rural lifestyle property worth \$1,000,000 (services not available)	\$1,885	\$2,080	10.32%
Commercial property worth \$500,000 (with additional two pans and connected to all services)	\$3,755	\$3,985	6.12%
Commercial property worth \$800,000 (with additional two pans and connected to all services)	\$4,101	\$4,384	6.90%
Rural property worth \$5million (services not available)	\$6,502	\$7,405	13.88%
Rural property worth \$8million (services not available)	\$9,965	\$11,399	14.39%



# Hall Rating Areas

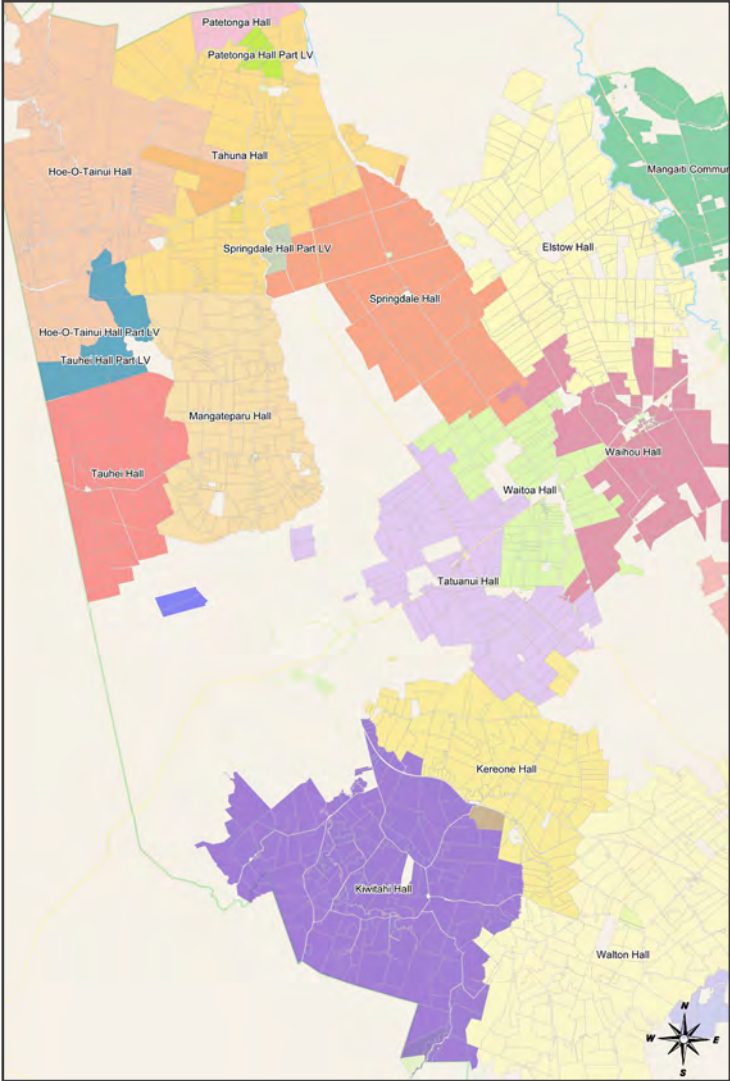
Please visit our website [mpdc.govt.nz](http://mpdc.govt.nz) and refer to the Hall Rating Areas (1989) for this information.

## Hall ratings Matamata-Piako District

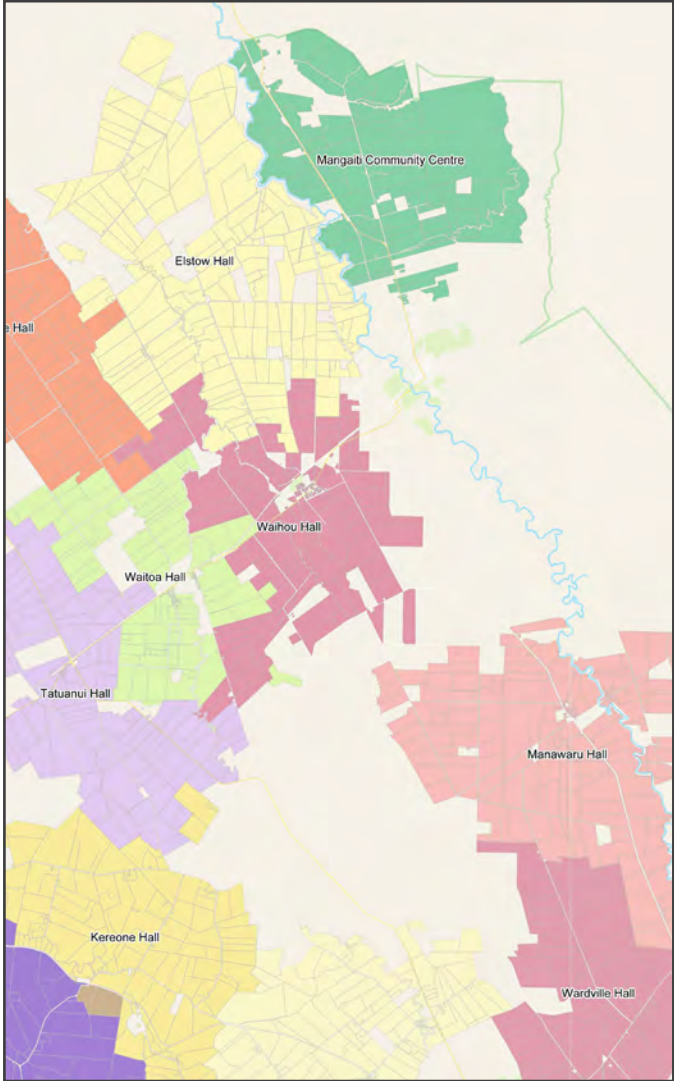




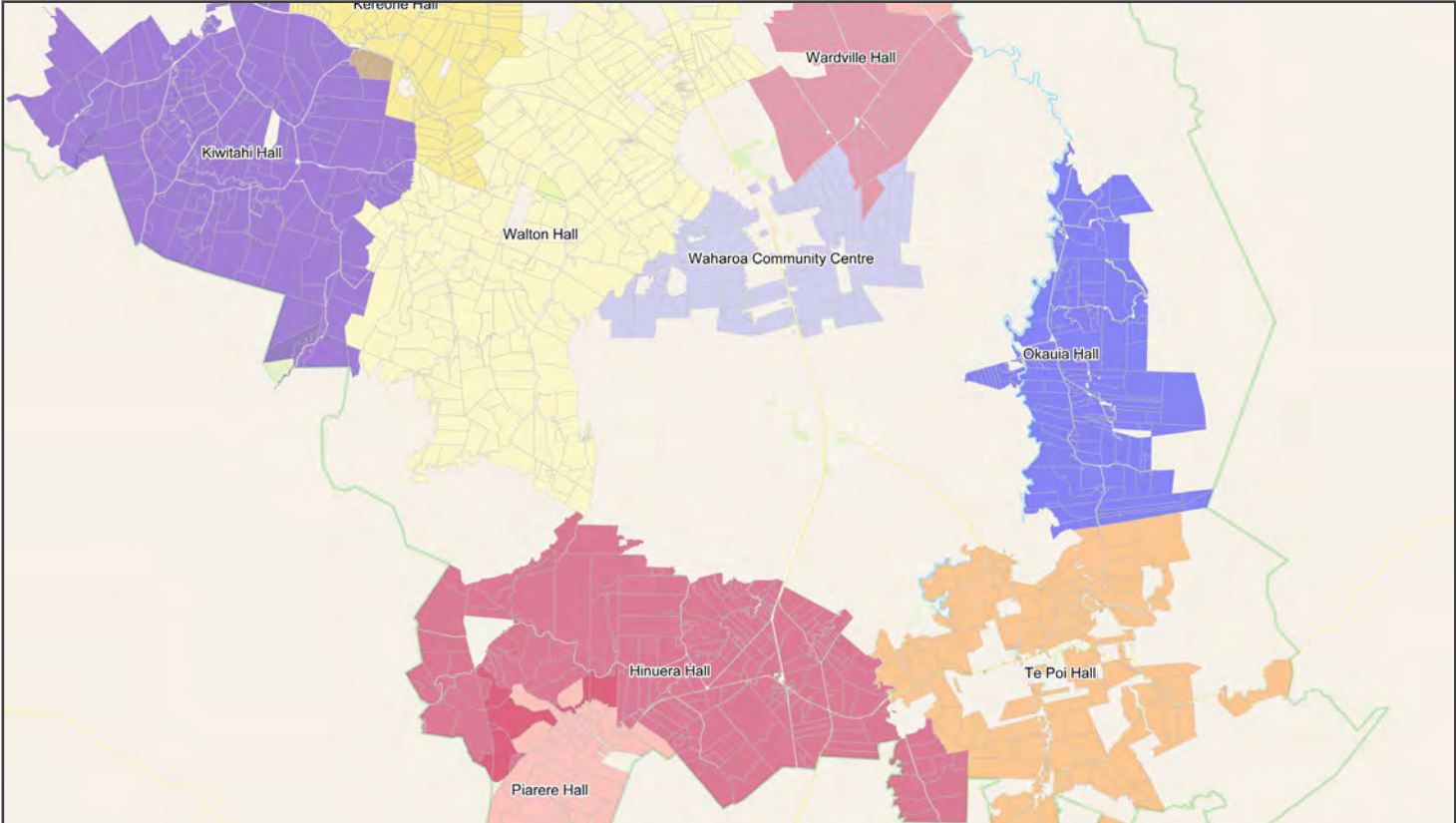
Hall ratings Morrinsville



Hall ratings Te Aroha



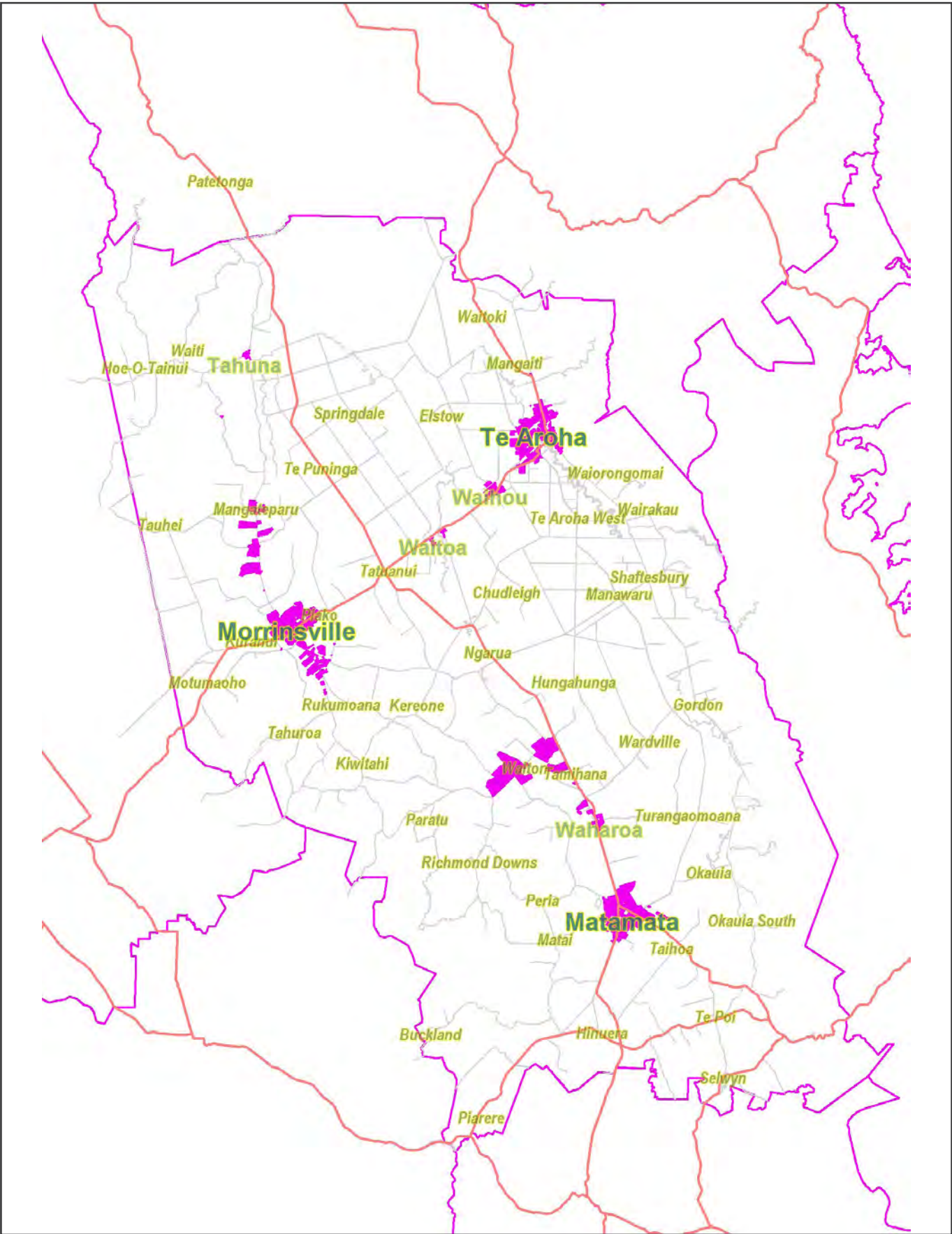
Hall ratings Matamata



# Waste Management Serviced Areas

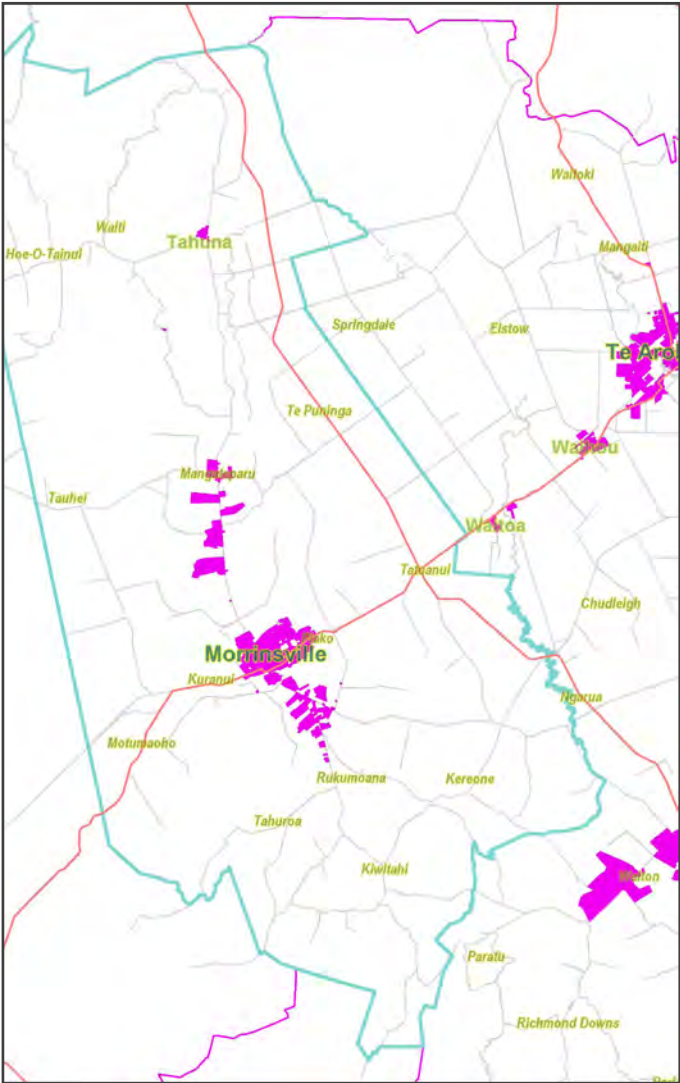
These areas are detailed in the Solid Waste Serviced Areas Map (June 2015) which can be found on our website.

## Waste Management serviced areas Matamata-Piako District

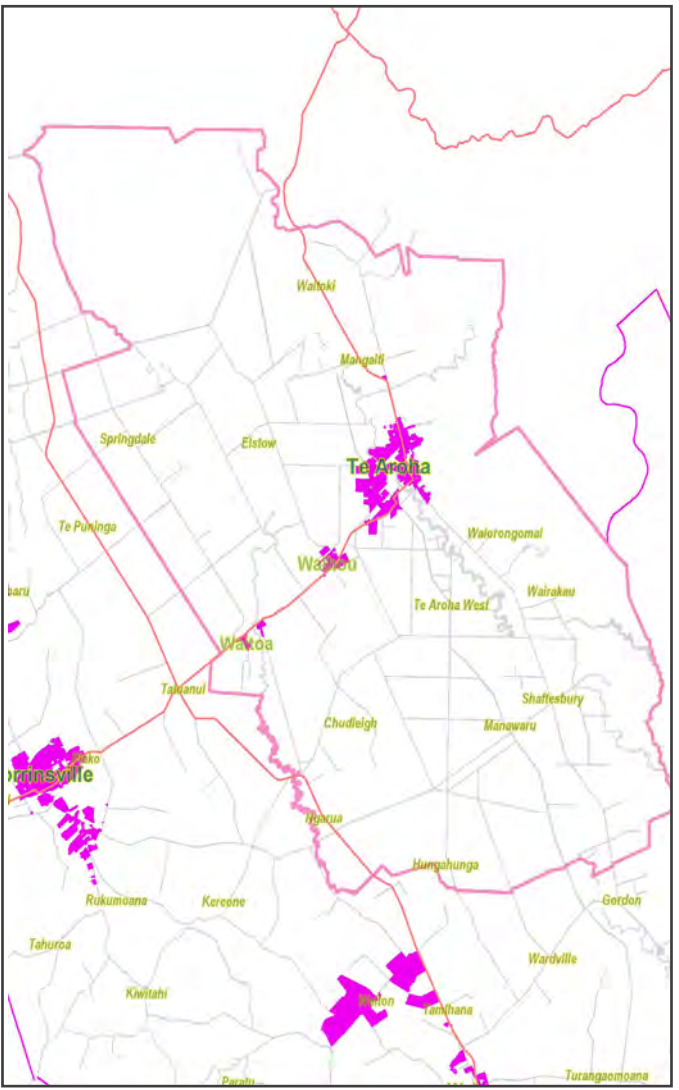




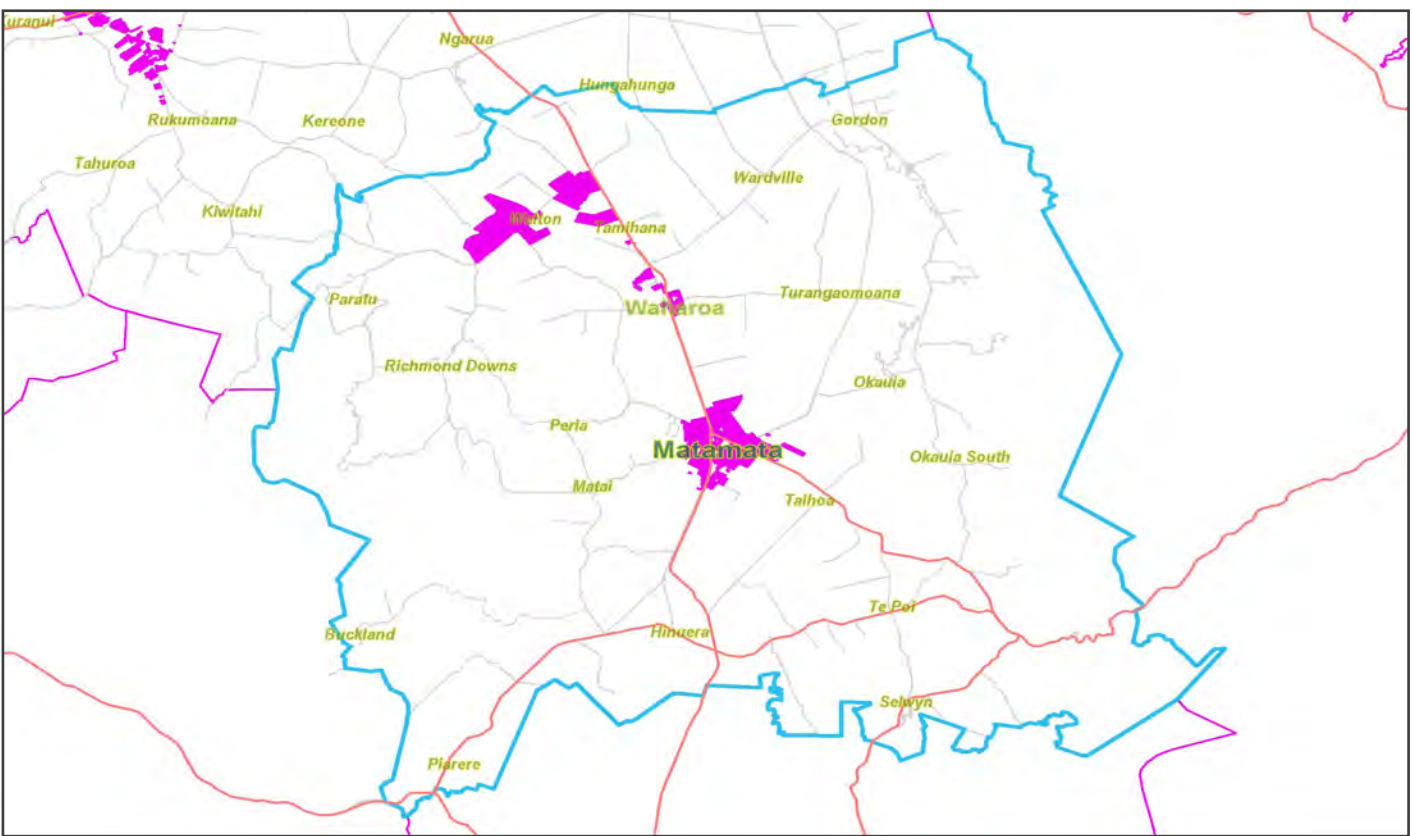
Waste Management serviced areas Morrinsville



Waste Management serviced areas Te Aroha



Waste Management serviced areas Matamata



# LONG TERM PLAN DISCLOSURE STATEMENT



Long term plan disclosure statement for period commencing 1 July 2021

## What is the purpose of this statement?

The purpose of this statement is to disclose the council’s planned financial performance in relation to various benchmarks to enable the assessment of whether we are prudently managing our revenues, expenses, assets, liabilities, and general financial dealings. We are required to include this statement in our LTP in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

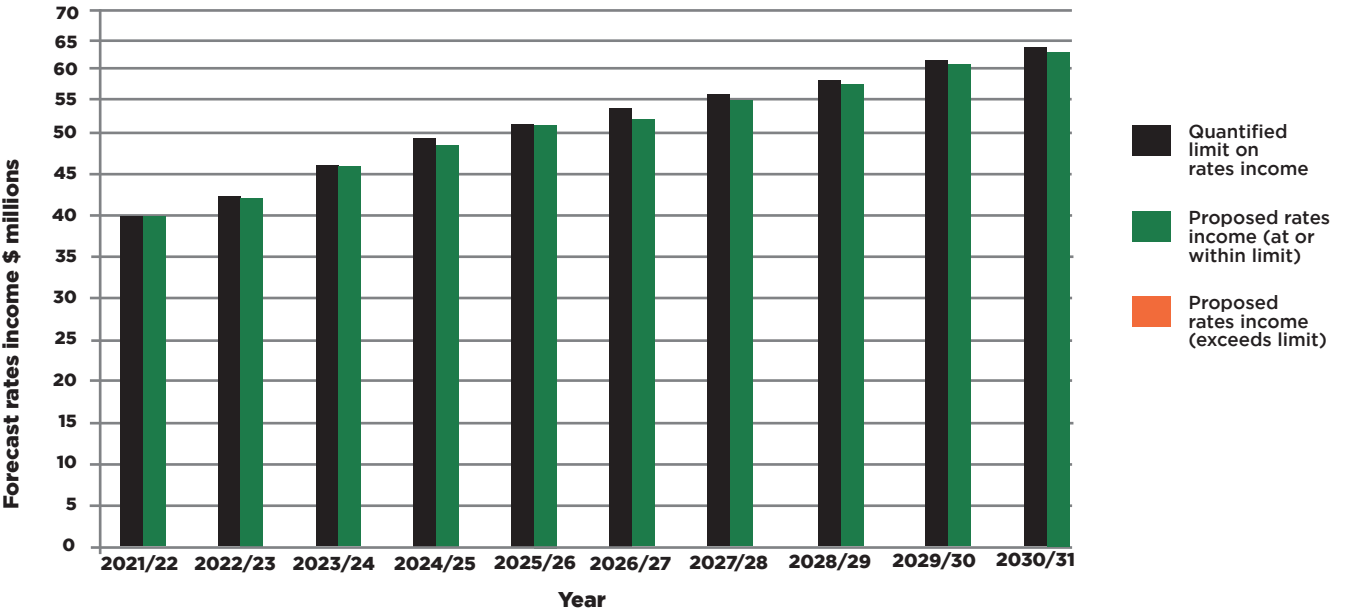
## Rates affordability benchmark

The Council meets the rates affordability benchmark if:

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

## Rates (income) affordability

The following graph compares the Council’s planned rates with a quantified limit on rates contained in the financial strategy included in this LTP. The quantified limit is: Annual rates revenue<sup>1</sup> will not increase by more than 6%, other than for year 1 and 3 as indicated.

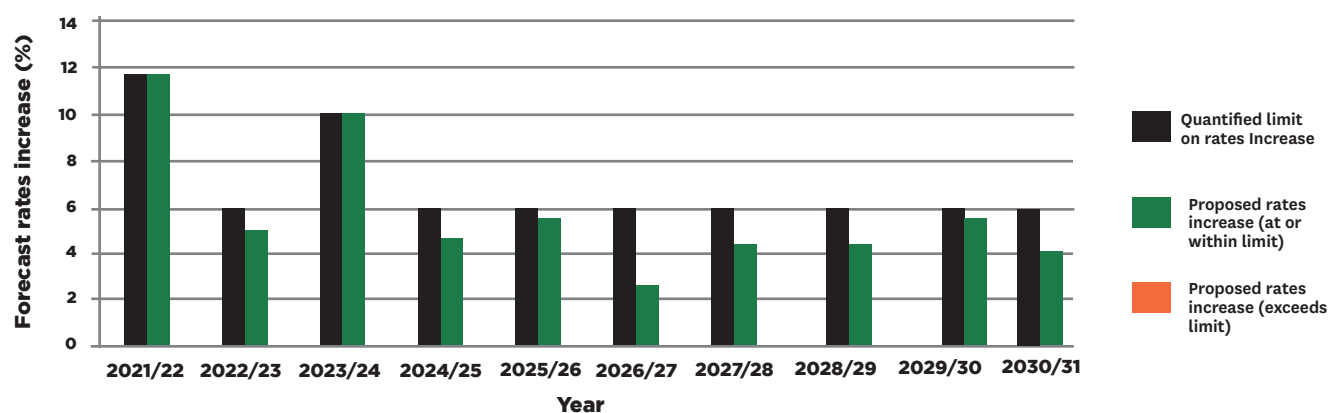


<sup>1</sup> For the purposes of this calculation, rates revenue excludes penalties (which are not budgeted for), and the rate revenue from metered water supplies (the majority of which come from a few large industrial users). These items are excluded as the level of revenue received is not within Councils’ direct control.



## Rates (increases) affordability

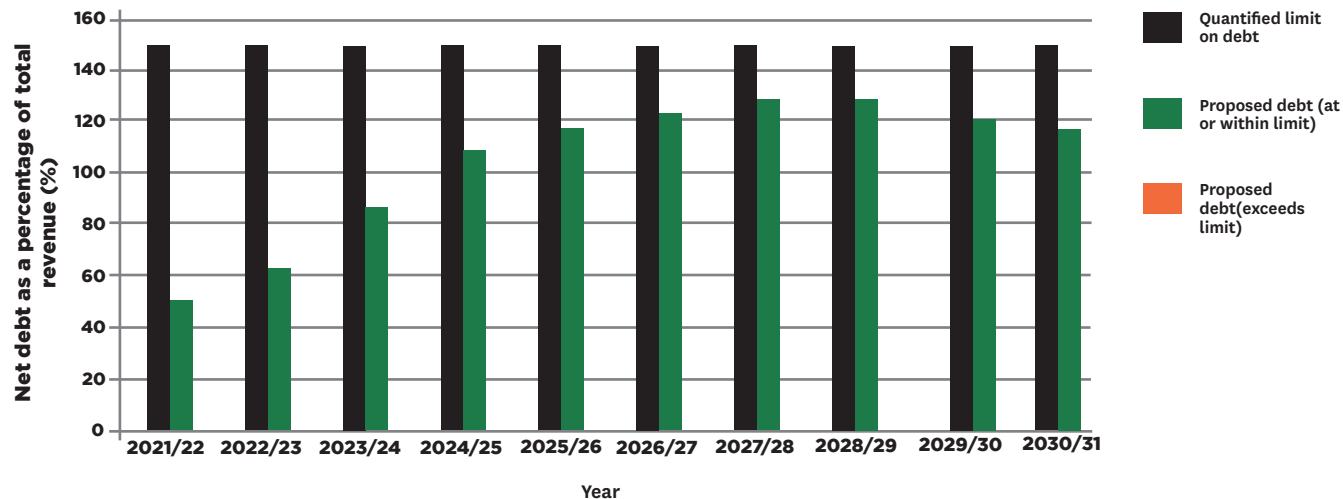
The following graph compares the council's planned rates increases with a quantified limit on rates increases contained in the financial strategy included in this LTP. The quantified limit is: Annual rates revenue<sup>1</sup> will not be more than 6%, other than year 1 and 3 as indicated.



<sup>1</sup> For the purposes of this calculation, rates revenue excludes penalties (which are not budgeted for), and the rate revenue from metered water supplies (the majority of which come from a few large industrial users). These items are excluded as the level of revenue received is not within Councils' direct control.

## Debt affordability benchmark

The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. The following graph compares the council's planned debt with a quantified limit on borrowing contained in the financial strategy included in this LTP. The quantified limit is: Net debt as a percentage of total revenue will not exceed 150%.<sup>2</sup>



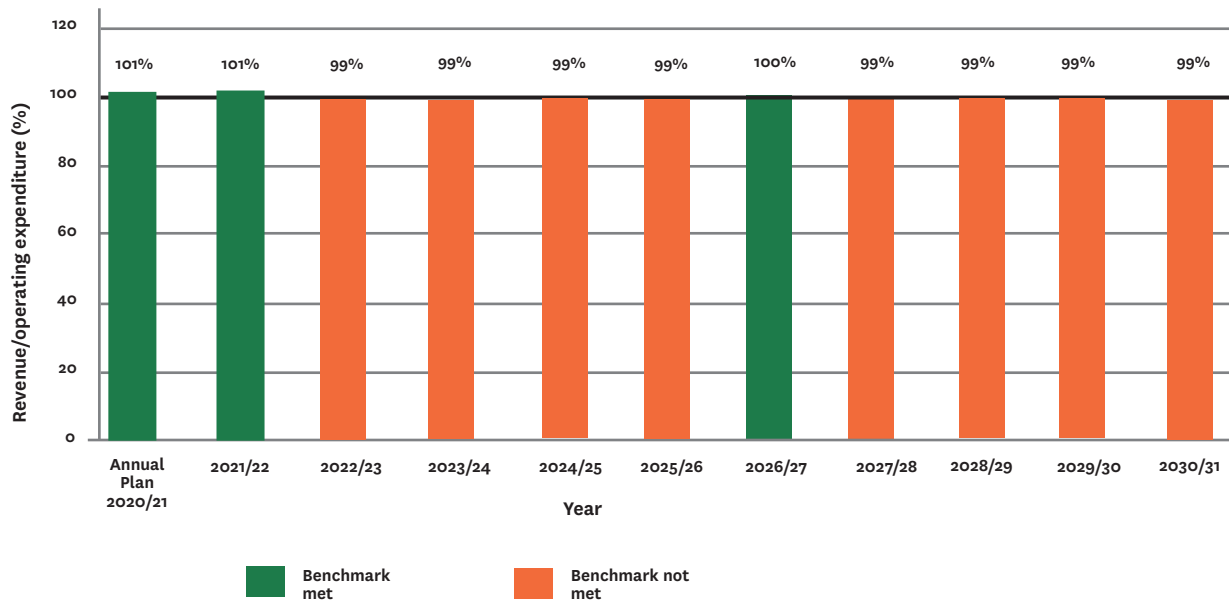
<sup>2</sup>Consistent with our Liability Management Policy:

- net debt is calculated as external debt less cash, bank deposits and investments realisable in the short term
- total revenue excludes development and financial contributions, vested and found assets and other gains.

## Balanced budget benchmark

The following graph displays the council's planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, and equipment). The council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.

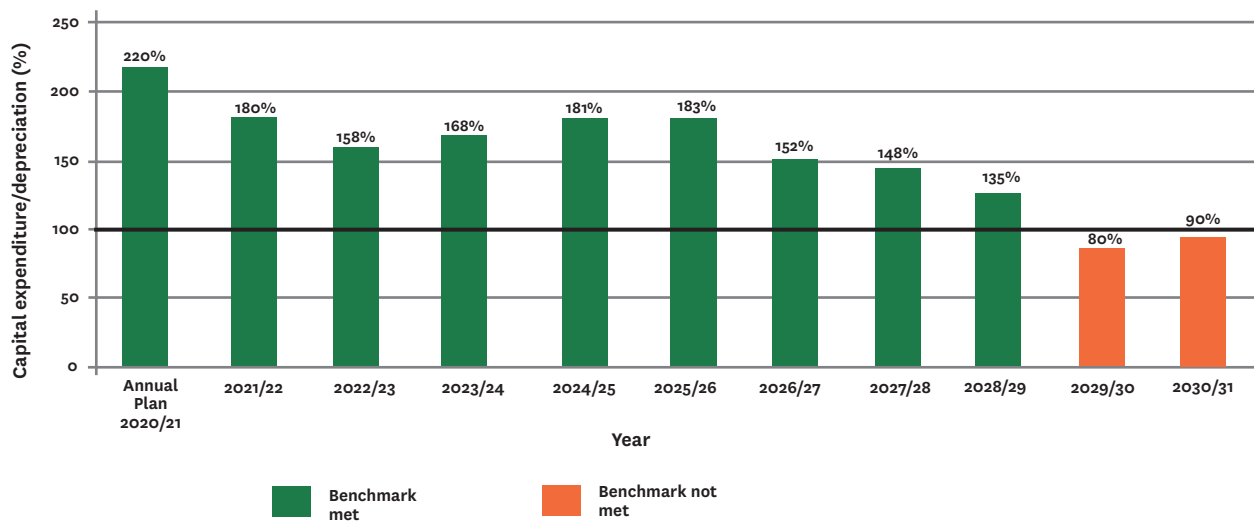
**Comment** - Council has resolved to not fully fund depreciation on some assets including community halls, some community buildings and stock underpasses. Therefore projected operating revenue is slightly less than the projected operating expenses over most years of the LTP.



## Essential services benchmark

The following graph displays the council's planned capital expenditure on network services as a proportion of expected depreciation on network services. The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

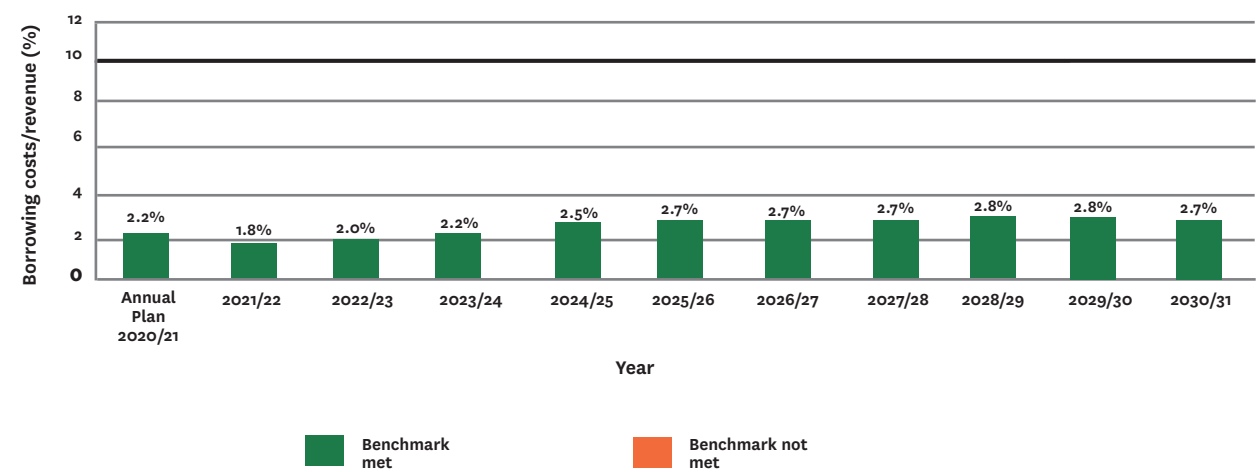
**Comment** - While the graph highlights that we will not meet the essential services benchmark for two of the 10 years of this plan, this is only due to the planned timing of our capital and renewal work to be undertaken. On an overall basis, we are planning to spend \$202 million in capital on our network services over the next ten years, and collect \$141 million in depreciation over the same time.





## Debt servicing benchmark

The following graph displays the council’s planned borrowing costs as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, and equipment). Because Statistics New Zealand projects the council’s population will grow more slowly than the national population is projected to grow, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.





# NGĀ KAUPAPAHERE POLICIES



# REVENUE AND FINANCING POLICY

The revenue and financing policy describes how we will fund operating expenses and capital expenditure from the funding sources specified in section 103 of the Local Government Act 2002.

## Policy considerations

We will select funding sources for each activity after having regard to the following:

- The community outcomes to which the activity primarily contributes, and
- The distribution of benefits between the whole community, separate communities, and individuals, and
- The period over which benefits are expected to occur, and
- The extent to which the actions or inactions of particular individuals or groups contribute to the need to undertake the activity (referred to as exacerbator issues), and
- The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities and
- The impact that selected funding mechanisms have on the current and future community wellbeing.

The following is a summary of how we have approached these considerations.

## The community outcomes to which the activity primarily contributes

The primary outcomes for each activity are included in the activity tables further on in this policy.

## The distribution of benefits between the whole community, separate communities, & individuals

### We have taken the following general approaches to relate benefits to funding sources:

- Activities that are available to every person in the District are funded across the whole community (e.g. roading or parks and reserves)
- Services that we make available to specific areas are funded across those areas, on a District wide basis. This applies to services for water, wastewater, stormwater and rubbish and recycling. The Targeted Rates are uniform across the District, irrespective of location.
- Rural halls are funded from the local hall communities
- Fees and Charges are used as the funding source for individual or group benefits where either:
  - A direct relationship can be efficiently established between the provisions of a service and the charge (e.g. admission to a swimming pool), or
  - The benefits derived are beyond the level generally available to the general community (e.g. the exclusive use of sports facilities), or
  - The individual or group causes us to incur additional costs beyond the level that would be required for the general community.

### We have expressed the allocation of benefits in the first part of the consideration process in the following terms:

- High – generally above 75%
- Medium – 40 – 75%
- Low – below 40%

See also the 'other policy considerations' section.

The revenue and financing policy describes how we will fund operating expenses and capital expenditure from the funding sources specified in section 103 of the Local Government Act 2002.

## The period over which benefits are expected to occur

During the development of this plan we received feedback from the community on the types and levels of services expected from us. The overall conclusion is that the community expects the current services to continue to be available now and in the future.

### This is reflected in this plan, as are the following principles:

- Current and future generations will benefit from each activity.
- We will implement appropriate accounting and funding policies to ensure intergenerational equity (so one generation does not benefit at the expense of another).
- We may encounter extraordinary situations that involve addressing legacy issues (e.g. environmental issues from old landfill sites). In cases like this we may not be able to impose the cost of addressing the issues on the people who caused the problem. We will consider funding options to minimise the impact of these issues on current and future generations. This might involve the use of retained earnings or proceeds from the sale of assets.

## The extent to which the actions or inaction of particular individuals or groups contribute to the need to undertake the activity (exacerbator issues)

We encounter situations where the actions or inactions of individuals or groups cause us to utilise additional resources.

### These can be generally categorised as follows:

- Non complying behaviour, for example, graffiti, illegal waste disposal, wandering dogs, non compliance with consent conditions.
- High cost activities - e.g. sports field maintenance (as opposed to open space maintenance).

### We will consider:

- The impact that these situations have on the overall activity.
- The level of additional cost incurred.
- The potential to realistically recover the additional costs.
- The effect on the activity outcomes.

We may then apply funding mechanisms that recover all or part of the additional costs incurred (e.g. fines)

## The costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities

We have a desire for a simple rating structure that can be easily understood by the community.

We believe that transparency and accountability can be enhanced where the community can make a direct link between the services received and the charges we impose. User charges and Targeted Rates are examples where we believe this connection can be made.

### Targeted Rates are preferred where:

- Services are made available to some properties or communities and not others (e.g. water supply is provided to urban properties and only some rural properties).
- Local communities have a strong sense of identity and accountability for an activity (e.g. rural halls, where the local communities fund and operate the halls).
- Activities that are intended to benefit a specific area (e.g. rural halls).

We can create numerous Targeted Rates to separately represent the full range of our activities however this would compromise our desire for a simple rating system. After allowing for the various Targeted Rates and user charges, the remaining Council activities are mainly funded from General Rates.

Our view is that rates are a form of tax and the quantum an individual pays does not necessarily reflect the level of benefit received. The use of additional Targeted Rates may inflate individual expectations about the level of benefit that should be received. This does not promote accountability. We promote transparency by disclosing the amount funded from General Rates for all activities with rates assessments. This has a low administration cost and is considered to achieve the same outcome as the use of numerous targeted rates.

## The impact that selected funding mechanisms have on the current and future community wellbeing

We have considered the overall revenue allocation needs on the current and future social, economic, environmental, and cultural well-being of the community. We have selected funding mechanisms after having regard to the outcomes sought for each activity and the following considerations:

- The primary outcomes sought for each activity and the potential impact the funding sources have on the activity outcome. This allows us to reflect on the current and future wellbeing of the community.
- Sustainability - will the selected funding mechanisms affect the sustainability of the activity? For example setting a high level for user charges may reduce patronage, at the expense of community wellbeing.
- Achievable funding levels - are the targeted levels achievable? We have identified targeted levels for user charges that may not be achievable in the short to medium term. In these cases a target range will be set.

## Other policy considerations

### Funding 'public good'

The selection of funding sources is influenced by the categorisation of the benefits arising from activities, into public and private good.

Activities that have significant public good are considered to have the following two characteristics:

- Non rivalry - an individual utilising an activity does not affect the opportunity of other individuals to utilise the same activity. Street lighting is an example of an activity that is non rival. The fact that one person may benefit from street lighting, does not affect other people from enjoying the same benefit. As opposed to water, where consumption by an individual reduces the amount of water available for other individuals.
- Non excludable - the extent to which it is possible to exclude people from enjoying an activity. An activity with public good characteristics is one where it is difficult to exclude people from enjoying or utilising. For example, a public footpath would be non excludable. It is not practical to exclude people from making use of a footpath. People can be excluded from utilising a public swimming pool, by imposing entry fees.

Activities that have significant public good characteristics, are typically funded from General Rates.

### There are two types of General Rates:

General Rates based on rateable property values; and,  
The Uniform Annual General Charge.

The Uniform Annual General Charge is levied on each rateable property as a fixed sum. The General Rate is based on the capital value of rateable properties. The Uniform Annual General Charge is subject to a statutory maximum. Our policy is that the Uniform Annual General Charge can be set at a range between 75-100% of the maximum. This percentage will be reviewed annually. A change in the level of the Uniform Annual General Charge will change the level of the capital value based General Rate.

### Funding 'private good'

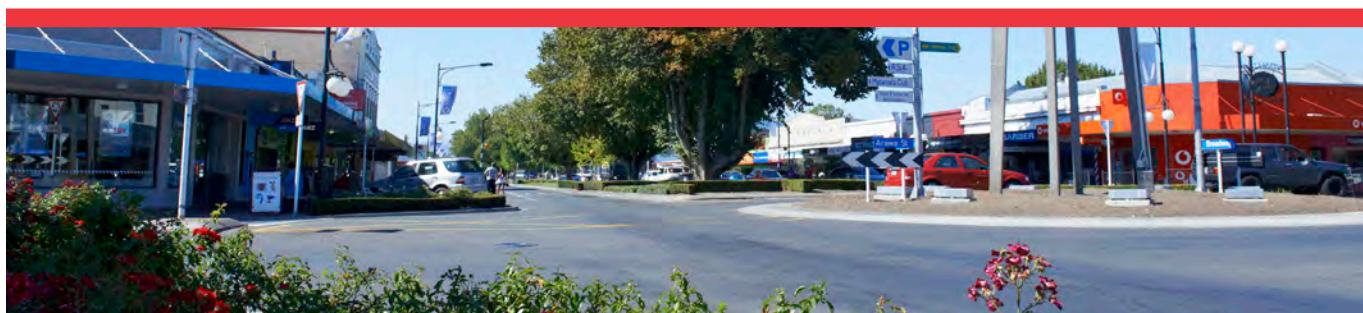
Activities with strong private good characteristics are typically neither non rival or non excludable. We hold the view that a rating system is primarily a taxation system and not a system inherently based on a principle of user pays. We will utilise Targeted Rates to represent user charges and recover private benefits. Targeted Rates may also be utilised to recognise 'community specific' benefits.

### Differential General Rates

We consider that public goods are available to be enjoyed equally by the whole community. General Rates should therefore be levied on the same basis across the District. For this reason, we do not consider that there are any compelling arguments to utilise differential rating for General Rates. The use of Targeted Rates and user charges provides an appropriate way to differentiate for our services.

### Valuation system

The capital value rating system has been in place in this District since 1990. We acknowledge that this system is not an accurate representation of 'ability to pay', however, we do not consider that the alternatives (land or annual value) offer any advantages over capital value. Our community is familiar with the current system and there are no compelling reasons to change at this time.



Capital expenditure

Capital expenditure will be funded in a manner that as far is practicable and prudent takes account:

- Of the expected lives of assets, and/or
- The impacts on operating costs of our activities.

The available funding sources for capital expenditure are:

- Borrowing (either internal or external)
- Development and financial contributions as per the Developments/ Financial Contributions Policies (including interest costs as per the policy) private contributions as may be agreed from time to time with individuals/ organisations. This will apply where we have entered into a partnership or arrangement to undertake capital development.
- Lump sum contributions in accordance with the Local Government (Rating) Act 2002.
- Targeted Rates in accordance with the Local Government (Rating) Act 2002.
- Subsidies (where applicable).
- Specific revenue streams we determine.
- The proceeds of the sale of assets.
- Retained earnings (special funds and depreciation reserves).

Considerations

The following considerations will apply in selecting the appropriate funding source:

We wish to allocate the cost of capital expenditure over the period that benefits are generated from the expenditure. Loan or accumulated depreciation reserves will be the normal source of funding for capital expenditure.

The annual loan costs will be met from the underlying funding sources for each significant activity. The considerations that apply for operating expenditure will by default, apply to capital funding, (for example a targeted rate for an activity will meet the annual loan repayments).

The primary factors giving rise to the need for capital expenditure will influence our choice of funding mechanism. For example:

- Development contributions must be used for the specified capital project.
- The needs of a specific community may result in funding being raised from that community.
- Special funds created for specific activities will be used for those activities.

The costs and benefits of different funding sources will be assessed within the context of our LTP. We can then assess the potential impact of the selected funding source against the community outcomes. We may resolve to utilise a funding source that is not included in this policy.

Group Activity	Borrowing	Financial contributions	Development contributions	General and special reserves	Lump sum contributions	Grants and subsidies	Targeted Rates*
Community facilities	✓	✓		✓		✓	
Consents and licensing							
Roading	✓		✓	✓		✓	
Rubbish and recycling	✓			✓			
Stormwater	✓		✓	✓			
Wastewater	✓		✓	✓	✓	✓	✓
Water	✓		✓	✓			✓
Strategy and engagement				✓			

\* Targeted Rates are charged to industries considered to have a high impact on Council's wastewater and water systems, in order to recover a share of the cost of capital upgrades to our systems.



## Operating costs

Operating costs are the annual operating costs as contained within our LTP and/or Annual Plan. The following tables summarise our considerations for each activity.

## Community facilities and property funding considerations

Funding considerations	Carparks and street furniture	Cemeteries	Housing and property management		
			Housing	Rural halls	Corporate/general
<b>Primary outcomes</b>	We encourage the use and development of our facilities.	We promote and protect our arts, culture, historic, and natural resources.	Quality infrastructure is provided to support community wellbeing.	Quality infrastructure is provided to support community wellbeing.	We encourage the use and development of our facilities.
<b>Distribution of benefits</b>	Community at large - high.	Total community benefit - medium (access and availability) Individuals - medium (burials and plot utilisation).	Individuals - high (private occupancy).	Community within rural hall areas - high. Individuals and area groups private hire - high.	Community at large 90% - (access and availability) Private individuals 10% - individual or group utilisation.
<b>Periods over which benefits occur</b>	Current and future.	Current and future.	Current and future.	Current and future.	Current and future.
<b>Exacerbator issues</b>	None.	None.	None.	None.	Minor issues relating to extraordinary demands from specific users.
<b>Transparency and accountability</b>	Not affected by selected funding sources.	Fees and Charges for burials. Use of General Rate does not affect accountability.	Direct user charges reinforce accountability and transparency in the management of the activity.	Separate funding sources link to community management of assets.	Not affected by selected funding source.
<b>Overall impact on social, economic, environmental and cultural wellbeing of the District</b>	100% public funding to ensure achievement of desired outcomes is sustainable.	Selected funding sources assist with the achievement of the desired outcomes.	User charges to be set to recover costs. Economies of scale achieved to ensure costs are competitive and therefore charges below market levels are achieved.	Selected funding sources assist with the achievement of the desired outcomes. The local communities within the major rating areas are the major users of the halls. The percentage recovery from Fees and Charges is a realistic amount. The local hall rates account for the difference.	Selected funding sources assist with the achievements of the desired outcomes.
<b>Funding sources</b>	General Rates 100%.	General Rates 30-60% Fees and Charges 40-70%.	User charges 100%.	Targeted hall rates on varying bases for each of the rating areas 80%. Fees and Charges on varying bases for each of the rating areas.	General Rates 80-90% Fees and Charges 10-20%.



<b>Funding considerations</b>	<b>Libraries</b>	<b>Parks and tracks</b>	<b>Pools and spas</b>	<b>Public toilets</b>	<b>Recreation facilities and heritage</b>
<b>Primary outcomes</b>	We promote and protect our arts, culture, historic, and natural resources.	We encourage the use and development of our facilities.	We encourage the use and development of our facilities.	We encourage the use and development of our facilities.	We encourage the use and development of our facilities.
<b>Distribution of benefits</b>	Community at large - medium (access and availability) Private individuals - high (personal use of library resources).	Community at large - high (access and availability).	Community at large - medium Private individuals - high.	Community at large - high.	Community at large - medium Private individuals - high.
<b>Periods over which benefits occur</b>	Current and future.	Current and future.	Current and future.	Current and future.	Current and future.
<b>Exacerbator issues</b>	None.	Some users result in the need for higher costs (e.g. sports fields) than would otherwise be necessary.	Some users result in lost opportunities for revenue and impose higher administration costs.	None.	Some users result in lost opportunities for revenue and impose higher administration cost.
<b>Transparency and accountability</b>	Fees and Charges reinforce accountability to individual customers for library resources. The charges also promote the need for Council to demonstrate 'value' to Library customers.	Fees and Charges reinforce accountability to individuals and groups.	Not affected by selected funding source.	Not affected by selected funding source.	Not affected by selected funding source.
<b>Overall impact on social, economic, environmental and cultural wellbeing of the District</b>	Setting the level of individual recovery too high will result in the decline in the utilisation of the libraries. Council has assessed a realistic and achievable target for user fees. A higher level would be preferred and this is reflected in the range below.	Setting the level of individual or group recovery too high will be counter- productive to the outcomes Council is seeking to achieve. Council has assessed a realistic and achievable target for user fees. Council will recover additional costs where possible.	Setting the level of individual or group recovery too high will be counter- productive to the outcomes Council is seeking to achieve. Council has assessed a realistic and achievable target for user fees. A higher level would be preferred and in individual facilities, this may be achievable without compromising utilisation.	100% public funding to ensure achievement of desired outcomes is sustainable.	Setting the level of individual or group recovery too high will be counter- productive to the outcomes Council is seeking to achieve. Council has assessed a realistic and achievable target for user fees. A higher level would be preferred and in individual facilities, this may be achievable without compromising utilisation.
<b>Funding sources</b>	General Rate 90-99% Fees and Charges 1-10%.	General Rates 90-100% Fees and Charges 0-10%.	General Rates 50-70% Fees and Charges 30-50%.	General Rates 100%.	General Rates 85-90% Fees and Charges 10-15%.

## Consents and licencing funding considerations

Funding considerations	Animal control	Building consents and monitoring	Licensing and enforcement			Resource consents and monitoring
			Health	Alcohol	Noise control	
<b>Primary outcomes</b>	Our community is safe, healthy and connected.	Our community is safe, healthy and connected.	Our community is safe, healthy and connected.	Our community is safe, healthy and connected.	Our community is safe, healthy and connected.	Development occurs in a sustainable and respectful manner considering kawa/protocol and tikanga/customs.
<b>Distribution of benefits</b>	Community at large – medium (public safety) Individuals - medium.	Community at large - medium (managed/appropriate development) Individuals - medium.	Community at large - high Private individuals - medium.	Community at large - high.	Community at large - high.	Community at large – medium (managed/appropriate development) Individuals - medium (resource consents).
<b>Periods over which benefits occur</b>	Current and future.	Current and future.	Current and future.	Current and future.	Current and future.	Current and future.
<b>Exacerbator issues</b>	The need for this activity arises from the expectation that animal ownership will not negatively impact on public safety.	Non-compliance with conditions by some individuals result in the need for extraordinary monitoring and enforcement.	Non-compliance with conditions by some individuals result in the need for extraordinary monitoring and enforcement.	Non-compliance with conditions by some individuals result in the need for extraordinary monitoring and enforcement.	Non-compliance with conditions by some individuals result in the need for extraordinary monitoring and enforcement.	The District Plan captures the community's collective view on the types of development it desires as of right. People who propose development outside these parameters impose additional costs on Council. Non-compliance with some individuals result in the need for extraordinary monitoring and enforcement.
	Irresponsible owners create higher demands on this activity.					
<b>Transparency and accountability</b>	Fees and Charges promote owner accountability and transparency on Council's part.	Building fees promote transparency and accountability on Council to individual customers.	Not affected by selected funding sources.	Not affected by selected funding sources.	Not affected by selected funding sources.	Planning fees promote transparency and accountability on Council to individual customers.
<b>Overall impact on social, economic, environmental and cultural wellbeing of the District</b>	Council is satisfied that imposing the majority of the costs of the activity on animal owners promotes public safety. It is in the interests of the owners to reduce their ownership costs by being responsible. People who are irresponsible will pay a higher level again. The General Rates funding is set at a level that Council believes that the community is willing to pay to have a safe environment.	Council can demonstrate a strong linkage between the level of fees charged and the services received. Council is satisfied that the level of funding is consistent with the desired outcome to achieve managed and appropriate development for the community.	Fees and Charges for the activity are set largely by statute. The General Rates funding must fund the balance.	Selected funding source assists with the achievement of desired outcomes.	Selected funding source assists with the achievement of desired outcomes.	Council can demonstrate a strong linkage between the level of fees charged and the services received. Council is satisfied that the level of funding is consistent with the desired outcome to achieve managed and appropriate development for the community.
<b>Funding sources</b>	General Rates 20% Fees and Charges (including fines) 80%.	General Rates 40-60% Fees and Charges 40-60%.	Licence processing – 100% user pays Enquires / complaints / enforcement – 100% funded by rates.	Licence processing – fees set by legislation Enquiries / complaints / enforcement – 100 % funded by rates.	100% General Rates.	Planning Resource Consent Processing and monitoring – 100% user pays Enquiries/complaints / enforcement – 100 % funded by rates.

## Roading and Rubbish & Recycling funding considerations

Funding considerations	Roading	Rubbish and recycling	
		Waste management facilities (Transfer Stations/Resource Recovery Centres)	Kerbside collection services
Primary outcomes	Infrastructure and services are fit for purpose and affordable, now and in the future.	Infrastructure and services are fit for purpose and affordable, now and in the future.	
	Quality infrastructure is provided to support community wellbeing.	Quality infrastructure is provided to support community wellbeing.	
	We have positive partnerships with external providers of infrastructure to our communities.	We engage with our regional and national partners to ensure positive environmental outcomes for our community.	
Distribution of benefits	Community at large – medium	Community at large - medium (access, availability, healthy environment)	
	Private individuals - high.	Individuals - high.	
Periods over which benefits occur	Current and future.	Current and future.	Current and future.
Exacerbator issues	Heavy traffic and some commercial activities can negatively impact on network maintenance.	Individuals generate waste and through their actions or inaction can significantly impact the waste volume. Some activities generate hazardous wastes or large volumes of waste.	Individuals generate waste and through their actions or inaction can significantly impact the waste volume.
	Council has limited ability to directly recover the private benefits other than through rates. Government subsidy contributes a significant portion of the total funding.	User charges for the use of waste management facilities is transparent and promotes accountability on waste generators.	Targeted rate for properties to which Council is prepared to provide collection, promotes transparency and accountability linking a service provided to a specific Council rate.
Transparency and accountability		Selected funding sources assist with the achievement	
	Selected funding sources assist with the achievement of the desired outcomes.	of the desired outcomes Council's ability to use General Rate funding acknowledges the wider community benefits generates from the activity.	Selected funding sources assist with the achievement of the desired outcomes.
Overall impact on social, economic, environmental and cultural wellbeing of the District			21/22 to 22/23
	Subsidy - as determined by Government agency.	21/22 to 22/23	Kerbside collection - targeted rate 50%-70% on
	Council has resolved to allocate interest earned from external investments to fund the Roothing activity to reduce the rates requirement. Council will determine the budgeted interest allocation on an annual basis. General Rates - balance of funding.	General Rate 35%-55%	a uniform basis for serviced properties
		Fees & Charges 45%-65% - transfer station fees	Fees & Charges 30%-50% - rubbish bags sales
		23/24 to 30/31*	23/24 to 30/31*
Funding sources		General Rate 55%-75%	Targeted rate 90%-100% on a uniform basis for serviced properties
		Fees and Charges 25%-45% - transfer station fees	Fees and Charges 0%-10%

\*Funding sources are expected to change from 2023/24 due to the implementation of a new solid waste contract

## Three waters funding considerations

Funding considerations	Stormwater	Wastewater	Water
<b>Primary outcomes</b>	Infrastructure and services are fit for purpose and affordable, now and in the future.  Quality infrastructure is provided to support community wellbeing.	Infrastructure and services are fit for purpose and affordable, now and in the future.  Quality infrastructure is provided to support community wellbeing.	Infrastructure and services are fit for purpose and affordable, now and in the future.  Quality infrastructure is provided to support community wellbeing.
<b>Distribution of benefits</b>	Community at large - low (approximately 14% of the networks service public areas - roads, parks etc.).  Township and property owners - high.	Community at large - medium.  Individuals - high.	Community at large - low-medium.  Private individuals - high.
<b>Periods over which benefits occur</b>	Current and future.	Current and future.	Current and future.
<b>Exacerbator issues</b>	Some issues where particular activities result in pollutants entering stormwater reticulation.	Properties connected to the sewer generate the waste. Rating legislation prevents residential properties being charged for more than one pan. Properties with more than one pan and with a higher intake of water are assumed to have a higher impact on the network. Some industries and businesses create high loading on the network.	Activities that generate extraordinary levels of water utilisation.  Properties that are serviced by the reticulation, but not connected.
<b>Transparency and accountability</b>	Targeted rate for properties within urban areas serviced by stormwater promote transparency and accountability, linking a service provided to a specific Council rate.	Targeted Rates for properties within urban areas serviced by waste water reticulation promote transparency and accountability, linking a service provided to a specific Council rate. Charging on a pan basis and modifying this by way of remission, further promotes accountability. Trade waste agreements address high impact activities.	Targeted rate for properties within urban areas serviced by public water reticulation and water meter charging promote transparency and accountability, linking a service provided to a specific Council rate.
<b>Overall impact on social, economic, environmental and cultural wellbeing of the District</b>	Selected funding sources assist with the achievement of the desired outcomes.	Selected funding sources assist with the achievement of the desired outcomes.  Council's ability to use General Rate funding acknowledges the wider community benefits the activity generates.	Selected funding sources assist with the achievement of the desired outcomes. Council's ability to use General Rate funding acknowledges the wider community benefits the activity generates.
<b>Funding sources</b>	General Rates 14%  Targeted rate on a uniform basis for serviced urban areas 86%.	Fees and Charges through trade waste agreements The balance of funding after Fees and Charges will come from either:  General Rates 0-6%, or  Targeted rate on a per pan basis (using a scale of charges) for serviced urban areas 94-100% Factors - properties connected Properties able to connect but not connected Council will determine the actual percentages within the allowable range on an annual basis.	Targeted Rates from metered water (including residential and from industry).  The balance of funding after metered water will come from either:  General Rates 0-6%, or  Targeted Rates on a uniform basis for serviced urban areas 94-100%  Factors - properties connected properties able to be connected but not connected Council will determine the actual percentages within the allowable range on an annual basis.



## Strategy and engagement funding considerations

Funding considerations	Civil defence	Communications and events	Community leadership	Strategies and plans
<b>Primary outcomes</b>	Our community is safe, healthy and connected.	We encourage community engagement and provide sound and visionary decision making.	<p>We provide leadership and advocacy to enable our communities to grow.</p> <p>We value and encourage strong relationships with iwi and other cultures, recognising wāhi tapu and taonga/significant and treasured sites and whakapapa/ancestral heritage.</p> <p>Tangata Whenua with Manawhenua status (those with authority over the land under Māori lore) have meaningful involvement in decision making.</p>	<p>We are a business friendly council.</p> <p>Our future planning enables sustainable growth in our District.</p>
<b>Distribution of benefits</b>	Community at large – high.	Total community benefit- high.	Total community benefit- high.	Total community benefit- high.
<b>Periods over which benefits occur</b>	Current and future.	Current and future.	Current and future.	Current and future.
<b>Exacerbator issues</b>	<p>Actions of some individuals can give rise to emergency response (e.g. rural fires).</p> <p>Council will attempt to recover these costs from the individual land owner.</p>	None.	None.	None.
<b>Transparency and accountability</b>	Not affected by selected funding sources.	<p>Not affected by selected funding sources.</p> <p>Other accountability processes in place.</p>	<p>Not affected by selected funding sources.</p> <p>Other accountability processes in place.</p>	Not affected by selected funding sources.
<b>Overall impact on social, economic, environmental and cultural wellbeing of the District</b>	Selected funding sources assist with the achievement of the desired outcomes.	100% public funding to ensure achievement of desired outcomes is sustainable.	Selected funding sources assist with the achievement of the desired outcomes.	100% public funding to ensure achievement of desired outcomes is sustainable.
<b>Funding sources</b>	General Rates 100% Exacerbator charges where possible.	General Rates 100%.	General Rates 100%.	General Rates 100%.

# SUMMARY OF THE SIGNIFICANCE AND ENGAGEMENT POLICY

The Significance and Engagement Policy was first adopted in 2014, and reviewed in 2017 and 2020. The Policy helps us determine what the important issues are to the community and how we will involve the community in making those decisions.

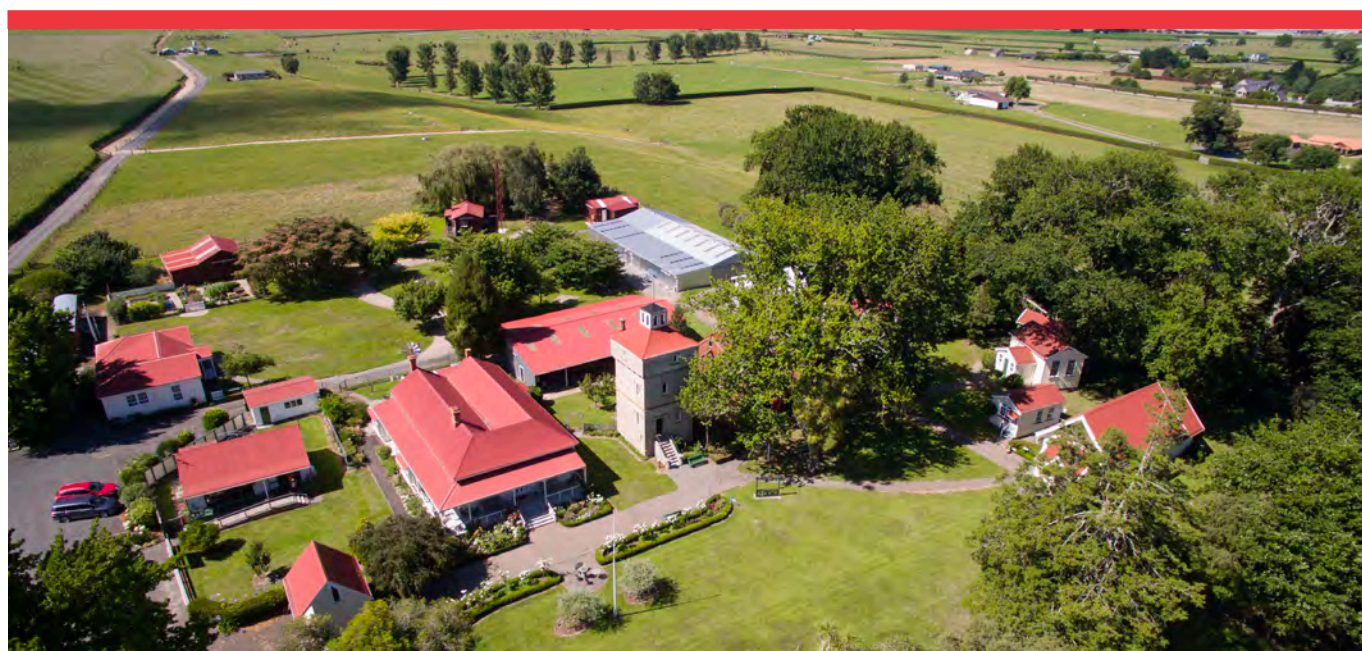
The purpose of the Significance and Engagement Policy is to:

- enable Council and the community to identify the degree of significance of particular issues;
- provide clarity about how and when the community can expect to be engaged in the decision making process; and
- inform Council from the beginning of the decision making process about the level and type of engagement required.

In general, the more significant an issue, the greater the need for community engagement - however each issue will be dealt with on a case by case basis when determining the level and type of engagement required.

Schedule one of the Significance and Engagement Policy lists our strategic assets. Our Premier Parks (such as Firth Tower Reserve and Te Aroha Domain), Sport and Recreation Parks (such as Morrinsville Recreation Ground) and our cemeteries have been included in the policy as strategic assets. Also included are our elderly persons housing, offices, pools and spas and event centres, key infrastructure assets as a whole and the shares we own in the Hamilton Airport.

You can find a copy of the Significance and Engagement Policy on our website [mpdc.govt.nz](http://mpdc.govt.nz), and at our offices and libraries.



# **NGĀ WHAKAWHANAUNGATANGA MATUA**

## **KEY RELATIONSHIPS**



# COUNCIL CONTROLLED ORGANISATIONS

Council controlled organisations (CCOs) are described in the Local Government Act 2002 as any organisation in which one or more councils control 50% or more of the voting rights or appoint one or more of the directors. The Local Government Act 2002 requires us to include in the LTP information on certain council controlled organisations in which we are a shareholder.

This includes information on:

Our policies and objectives that relate to the ownership and control of the organisation.

The nature and scope of the activities to be provided by the council controlled organisation.

The key performance targets and other measures by which performance may be judged.

We do not have any significant policies or objectives about ownership and control of council controlled organisations. Appointment of a director to a council controlled organisation, who represents the Matamata-Piako District Council, aligns with our policy on appointment of directors.

## Waikato Regional Airport Limited (WRAL)

### Ownership

WRAL is jointly owned by five local authorities: Hamilton City, Waikato District, Waipa District, Otorohanga District and Matamata-Piako District Councils. Matamata-Piako's shareholding is 15.625%.

### Why does it exist

Waikato Regional Airport Limited replaced the Airport Authority in 1989, which previously ran the airport. We consider that the airport is a significant infrastructural asset for the region and important for economic growth and development. The Local Government Act 2002 defines shareholding in an airport as a strategic asset.

### What does it do?

The objective of the Waikato Regional Airport Limited is

- Operate an efficient, compliant and resilient airport
- Enhance the traveller experience
- Maintain a viable aeronautical business
- Maximise revenue diversification through its non-aeronautical business opportunities
- Develop and optimise the land holdings of the Group to generate a long-term property income from a diversified portfolio
- Operate the airport hotel to recover from the effects of Covid-19 and achieve revised financial targets. Maintain pre-Covid customer satisfaction targets
- Marketing the Hamilton & Waikato region as a visitor destination to domestic visitors
- Grow the visitor economy through tourism development and destination management.

Performance measure	Actual	Target
	2019/20	2020/21 - 2022/23
<b>Facilitate Health &amp; Safety meetings every two months with representatives from each company department.</b>	Achieved	Facilitate Health & Safety meetings every two months with representatives from each company department.
<b>Zero Work Safe notifiable accidents/injuries.</b>	Achieved	Zero Work Safe notifiable accidents/injuries.
<b>Independently review and audit the Health &amp; Safety system each year.</b>	Achieved	Independently review and audit the Health & Safety system each year.
<b>To achieve the Airport Certification Standards as required by the Civil Aviation Authority and as evidenced by Civil Aviation Authority audit reports.</b>	Achieved	To achieve the Airport Certification Standards as required by the Civil Aviation Authority and as evidenced by Civil Aviation Authority audit reports.
<b>Ensure airport is operationally available for all scheduled passenger services (except for uncontrollable events).</b>	Achieved	Ensure airport is operationally available for all scheduled passenger services (except for uncontrollable events).
<b>Monitor aeronautical noise and facilitate noise management meetings every four months in accordance with the Noise Management Plan.</b>	Achieved	Monitor aeronautical noise and facilitate noise management meetings every four months in accordance with the Noise Management Plan.
<b>Complete construction of the 4th Stage of Titanium Park's Central Precinct and 2nd Stage of Southern Precinct.</b>	New measure	Complete construction of the 4th Stage of Titanium Park's Central Precinct and 2nd Stage of Southern Precinct.
<b>Prepare a private plan change submission to Waipa District Council in relation to the future Northern Precinct Development</b>	New measure	Prepare a private plan change submission to Waipa District Council in relation to the future Northern Precinct Development
<b>Complete construction of Titanium Park's first design-build property on Southern Precinct.</b>	New measure	Complete construction of Titanium Park's first design-build property on Southern Precinct.
<b>Implement a recovery plan to enable a steady return to pre-Covid key metrics such as occupancy, room rates and customer satisfaction in line with the expectations underlying the achievement of a Qualmark 4 Star rating</b>	New measure	Implement a recovery plan to enable a steady return to pre-Covid key metrics such as occupancy, room rates and customer satisfaction in line with the expectations underlying the achievement of a Qualmark 4 Star rating



Performance measure	Actual			Target	
	2018/19	2019/20	2020/21	2021/22	2022/23
<b>Earnings before interest, taxation and depreciation (EBITDA) excluding land sales (\$000)</b>	3,964	2,873	(500)	2,300	2,900
<b>EBITDA including land sales (\$000)</b>	n/a	5,140	300	2,900	3,700
<b>Net profit before tax no less than (\$000)</b>	n/a	n/a	<b>(3,700)</b>	<b>(1,500)</b>	<b>(1,000)</b>
<b>Net operating cash flow (excluding land sales)</b>	2,310	1,932	(1,500)	1,500	2,600
<b>Total debt, excluding funding for design-build properties, not exceeding (\$000)</b>	n/a	n/a	30,000	30,000	30,000
<b>Percentage of non-landing charges revenue of at least</b>	68%	73%	60%	60%	60%
<b>Land sales (\$000)</b>	n/a	5,875	4,000	2,000	3,000
<b>Interest cover of at least</b> <i>(The interest cover measures the number of times the net profit before interest, tax and depreciation (EBITDA) covers interest paid on debt)</i>	7.5	4.7	-4.0	3.0	3.0

## Waikato Local Authority Shared Services Limited (WLASS)

### Ownership

WLASS is a CCO solely owned by the 12 Waikato local authorities – Waikato Region, Hamilton City, Hauraki District, Matamata-Piako District, Otorohanga District, Rotorua District, South Waikato District, Taupo District, Thames-Coromandel District, Waikato District, Waipa District and Waitomo District.

The WLASS Board has 12 Directors; each Director being the Chief Executive, or nominee, of one of the local authorities representing the shareholding Councils. The Directors do not receive any fees or expenses for the work undertaken on behalf of WLASS.

Matamata-Piako's shareholding is 8.33%.

### Why does it exist

The company was established in 2005 to promote shared services between local authorities across the Waikato region. By encouraging and enabling the councils to work together, WLASS helps councils to reduce costs, achieves effectiveness and efficiency gains, reduces duplication of effort, eliminates waste through repetition, promotes and contributes to the development of best practice, and helps to improve customers' experiences.

Council became a shareholder following public consultation during the 2005/06 Annual Plan.

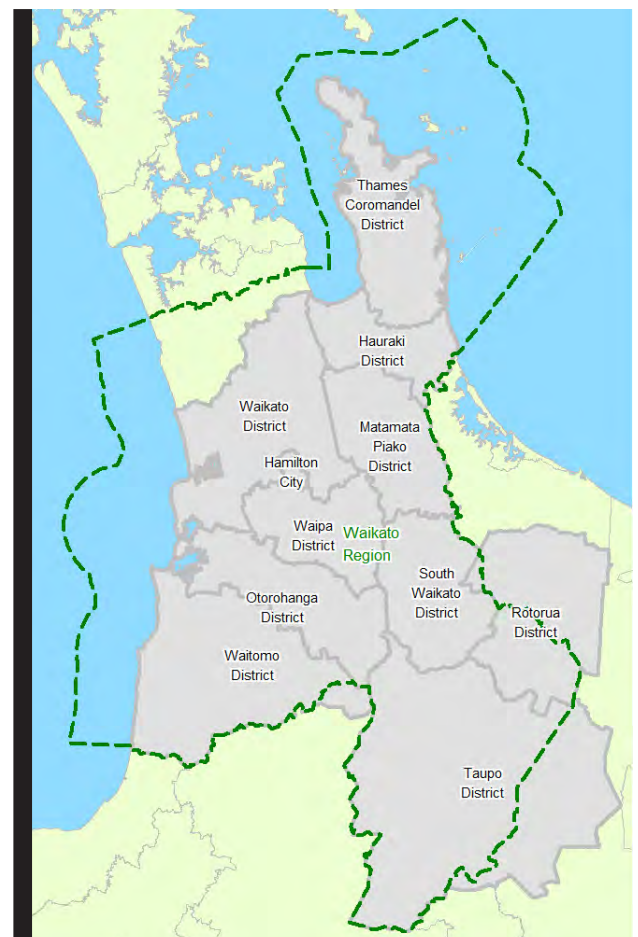
### What does it do?

Much of the work of WLASS is undertaken by Working Parties or Advisory Groups made up of staff from the shareholding councils, with expertise and interest in particular services. WLASS provides a legal entity representing all of the shareholding councils, and can enter into contracts and agreements with external suppliers. The WLASS CEO facilitates and co-ordinates the various Working Parties.

Member councils pay a small annual levy, depending on their size, to run the WLASS. Services obtained by members are funded on a user pays basis, whereby each council pays for and receives the financial benefit of its share of any particular service. The decisions about potential projects or services are made by the Directors, who make up the WLASS Board.

More detailed information about WLASS can be found at [waikatolass.co.nz](http://waikatolass.co.nz).

More detailed  
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**WAIKATOLASS.CO.NZ.**



Performance measure	Actual	Target			
	2019/20	2019/20	2020/21	2018/19	2019/20
<ul style="list-style-type: none"> <li>- Prioritise and develop opportunities that add value to councils by achieving one or more of our objectives</li> <li>- Business cases will include measurable benefits linked to one or more of the outcomes sought</li> <li>- Opportunity assessments are supported by councils (evidenced by Board minutes)</li> </ul>	New measure	Projected savings to councils of \$300,000  75% of councils			
Develop opportunities and deliver projects within agreed budgets and timelines <sup>1</sup> <ul style="list-style-type: none"> <li>- Opportunities / projects are developed / delivered within agreed timelines</li> <li>- Opportunities / projects are developed / delivered, within approved budget</li> </ul>	New measure	80%  90%			
Ensure projects realise their expected benefits <ul style="list-style-type: none"> <li>- Measurable benefits are actively monitored and reported against</li> <li>- Audit &amp; Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised)</li> </ul>	New measure	Six-monthly  \$200,000+ Projects  Within 15 months  90% of projected quantifiable benefits are realised			
Ensure existing services are meeting the needs of councils <ul style="list-style-type: none"> <li>- The services we provide (below) are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey):</li> <li>· RATA – roading &amp; waters</li> <li>· Waikato Building Cluster</li> <li>· Regional Infrastructure Technical Specifications</li> <li>· Energy &amp; Carbon Management</li> <li>· Professional Services Panel</li> <li>· Health &amp; Safety pre-qualification</li> </ul>	New measure	80% of councils			

Performance measure	Actual	Target			
	2019/20	2019/20	2020/21	2018/19	2019/20
Foster and promote crosscouncil collaboration and networking to share ideas on improving efficiencies and best practice - Across these groups, ideas for future consideration and/or initiatives are identified each year	New measure	Six per annum			

# KEY PARTNERSHIPS

We are also involved in other key partnerships that do not come within the council controlled organisation reporting requirements under the Local Government Act 2002. Some of our key partnerships are listed below. They have developed in different forms and structures reflecting the need to develop partnerships that work together in the ways most appropriate to address their specific circumstances.

## Hauraki Rail Trail Charitable Trust

### What type of organisation is it?

The Hauraki Rail Trail Charitable Trust has been created by Hauraki, Thames-Coromandel and Matamata-Piako District Councils, who each can appoint three trustees. Iwi in the three Districts can also appoint three trustees to the Trust.

The Trust falls within the definition of a council controlled organisation, however on 8 November 2017 we exempted the Trust from council controlled organization reporting requirements under the Local Government Act 2002. The exemption must be reviewed every three years and was last reviewed on 28 October 2020.

### Why does it exist?

The Trust's purpose is generally to operate and facilitate the use and enjoyment of the Hauraki Rail Trail. The defined purposes of the Trust include the specific objectives of expanding the Hauraki Rail Trail where possible and maintaining the Hauraki Rail Trail to appropriate standards.

### What does it do?

The trust will oversee the operation and maintenance of the Hauraki Rail Trail by a commercial operator. It will also seek funding from charitable organisations (such as gambling trusts) to fund the extension of the Hauraki Rail Trail.

## Civil Defence Emergency Management Group

### What type of organisation is it?

Under the Civil Defence Emergency Management Act 2002 every regional and local council within that region must unite to establish a Civil Defence Emergency Management Group. The CDEM Group is a joint standing committee under clause 30(1)(b) of Schedule 7 of the Local Government Act 2002.

### Why does it exist?

Civil Defence Emergency Management (CDEM) is the responsibility of regional, city and district councils throughout New Zealand. We work in partnership with emergency services and other organisations to provide local emergency management. Our Civil Defence role is more than just responding in an emergency – it also includes community, organisational and business readiness, including public education and awareness, training and exercises, and local response planning.

### What does it do?

We are part of the Waikato CDEM Group (the Group), which includes the Waikato Regional Council and all ten district/city councils, as well as emergency services, welfare agencies and lifeline utility providers. The Group looks after a 24,000 square kilometre area and works closely with research institutions, utility operators and central government to reduce risks and improve community resilience.

The National Emergency Management Agency was established on 1 December 2019 replacing the Ministry of CCDEM and is charged with providing strong, national leadership of our emergency management system.



## Fire and Emergency New Zealand Local Advisory Committee

### What type of organisation is it?

Under the Fire and Emergency New Zealand Act 2017 Fire and Emergency New Zealand (FENZ) which is a Crown entity under the Crown Entities Act 2004, local advisory committees.

### Why does it exist?

The main purpose of local advisory committees is to provide advice, from a local perspective, to FENZ. While Council may or may not have a direct representative on the local advisory committee for our areas, we will be engaged in providing feedback.

### What does it do?

The functions of the local advisory committees are to:

- undertake efficient and effective local engagement for the board,
- to provide local advice to FENZ on the national strategy, local issues, and local planning,
- to consider and promote the interests of the local area's FENZ volunteers,
- to consider the interests of the industry brigades operating in the local area,
- to consider the provisions of any current operational service agreement and memorandum of understanding that FENZ has and that is relevant to a local area in relation to which the local advisory committee has responsibilities.

## Hamilton and Waikato Tourism Limited

### What type of organisation is it?

Hamilton and Waikato Tourism Limited is a company that is 100% owned by Waikato Regional Airport Limited, of which we are a shareholder.

### Why does it exist?

Hamilton and Waikato Tourism Limited was formed to promote tourism in the Waikato region, through the development of a website and raising the profile of the region in the tourism industry.

### What does it do?

Hamilton and Waikato Tourism Limited operates the website [hamiltonwaikato.com](http://hamiltonwaikato.com), and works with tourist operators and the international tourism sector to promote and raise the profile of the Waikato region as a tourist destination.

## Hauraki Gulf Forum

### What type of organisation is it?

The Forum is a statutory body formed under the Hauraki Gulf Marine Park Act 2000.

It has representatives of the Ministers of Conservation, Fisheries, and Māori Affairs, six representatives of the tangata whenua of the Hauraki Gulf and its islands, seven representatives from Auckland Council and one representative each from Hauraki, Matamata-Piako, Thames-Coromandel, Waikato District and Waikato Regional Councils.

### Why does it exist?

Broadly speaking, the purpose of the Hauraki Gulf Forum is to:

- integrate and promote the conservation and management of the resources of the Hauraki Gulf
- facilitate co-operation on matters relating to the statutory functions of the parties in relation to the Hauraki Gulf
- recognise the relationship of tangata whenua with the Hauraki Gulf.

### What does it do?

The Forum's functions include:

- strategic planning,
- producing a state of the environment report every three years and an Annual Report each year,
- monitoring and sharing information on the state of resources,
- receiving reports and commissioning research on the Hauraki Gulf,
- education and promoting Hauraki Gulf matters.



## Waikato Triennial Forum

### What type of organisation is it?

Section 15 of the Local Government Act 2002 requires all councils within each region to enter into an agreement containing protocols for communication and co-ordination among them during the period until the next local government election. The Waikato Triennial Forum (Forum) includes the elected members from all Waikato councils.

### Why does it exist?

The Forum exists to develop and implement the Waikato Triennial Agreement and to ensure collaboration at a regional level.

### What does it do?

The Forum meets regularly to discuss and collaborate on regional issues.

## Waikato Regional Council Committees

### What type of organisation is it?

We have representatives that sit from time to time on committees that have been created by the Waikato Regional Council under the Local Government Act 2002.

### Why does it exist?

Waikato Regional Council forms committees to ensure that it can work efficiently in its areas of responsibility. The inclusion of regional stakeholders in some committees ensures that these stakeholders have a voice in decisions that affect them.

### What does it do?

The committees work on regional issues that affect the community, for example the regional transport committee looks at regional policy and issues regarding roading and transport.

Waikato Regional Council forms committees to ensure that it can work efficiently in its areas of responsibility. The inclusion of regional stakeholders in some committees ensures that these stakeholders have a voice in decisions that affect them.



**TE AROTAKENGA  
AUDIT OPINION**

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# AUDIT OPINION

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Audit Opinion to be added once public consultation has been completed and Audit New Zealand have completed the final audit in June 2021.