

TE  
HAERENGA  
KEI MUA

# The Journey Ahead

Text Version

Consultation Document  
Waitomo District Council

2021–31 Draft 10 Year  
Plan Māhere Tekau Tau

  
Waitomo  
District Council

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## Timeline: 10 Year Plan 2021 -2031

*[to be illustrated in graphic]*

**Council approve draft 10 Year Plan for public consultation**

16 April 2021

**Consultation opens**

21 April 2021

**Consultation closes**

21 May 2021

**Hearings** (An opportunity for you to talk directly to Elected Members)

27-28 May 2021

**Deliberations** (when Elected Members discuss your feedback)

9 June 2021

**10 Year Plan adopted by Council**

29 June 2021

## HAVE YOUR SAY

Now is your chance to share your views on what we are proposing for the journey ahead. If we don't hear from you, we won't know what you think.

### **Sharing your opinion is easy**

There are loads of ways to share your views.

Complete the submission form at the back of this document and return it to us by mail, email or drop it into our office. You are also welcome to make a submission online <<link>>.

### **Attend a meeting**

Hear from your elected members at public meetings across the district.

<<details to be added>>

Te Kuiti

Piopio

Maniaiti/ Benneydale

Mokau

Waitomo Village

Draft for Audit Review

## OUR FUTURE BEGINS WITH YOU

Tēnā koutou katoa, greetings

On behalf of the elected members of the Waitomo District Council, I am pleased to present this draft ten year plan for your consideration.

This plan sets out our goals for the Council through to 2031. It is both an aspirational and a financial plan.

We have formed it in a climate of uncertainty – a time when the pandemic continues to hurt the economic fabric of parts of our community, the housing market is under stress, and central government is considering significant reform of council operations.

It is therefore important to keep in mind that while the first two to three years of the financial part of this plan will be reasonably reliable, the forecasts for later years will likely be revised through the next 10 Year Plan (2024-2034).

Elected members have made a number of choices for the journey ahead. Importantly, we've considered carefully the Council's financial and infrastructure challenges alongside the issues of affordability of rates and council debt levels.

Over the life of this plan, we expect rate increases to be low. Next year's total rates collected will be just under those collected in this current year – meaning a slight rate decrease overall.

This plan forecasts debt dropping by \$9 million to \$31 million in 2027, and to \$15 million in 2031. Dividends from Inframax Construction Limited (which is wholly owned by Council) have not been factored into this forecast, but should dividends be received they will be used to reduce debt further.

We continue to invest in our core infrastructure. A well maintained road network is especially important to our rural economy. Looking after all community assets and ensuring that they are well maintained and fit-for-purpose is a priority under this plan.

Our ten year forecasts will be revisited by the next Council in preparation for the 10 Year Plan 2023-24. By then, there should be more certainty around central government's water reforms and the effects of the pandemic and we will know better where borrowing costs and pressures on the cost of capital works are heading.

Finally, I want to make a plea to all residents about a matter that I am passionate about. The costs to Council of waste disposal are increasing. These include emissions charges imposed by central government. We can and must look at ways to reduce waste through recycling and composting. Please help reduce the waste that goes into our landfill. In the second year of this 10 Year Plan, we will be reviewing Council's "Waste Minimisation Plan." We will consult with you and seek your ideas as we undertake this review.

Elected members are keen to hear your feedback on this plan. I invite you to share your thoughts by submitting online, in writing or in person at our hearings and at public meetings across the District.

Help us shape the journey ahead for our District.

**John Robertson, QSO**

**Mayor of Waitomo District.**

## OUR JOURNEY

# Past to Present

[represented by graphics]

## 2018 to 2020

- Completed election process in 2019.
- Developed and adopted Exceptions Annual Plans and Annual Reports.
- Adoption and implementation of the Vibrant Safe Waitomo Action Plan with 36 separate actions being provided from both regional and local groups.
- Provided continued support to community groups and organisations via community grants.
- Support of Youth Council.
- Continued support of district promotion via the Hamilton & Waikato Regional Tourism organisation.
- Promotion of Economic Development in the Waitomo District in collaboration with the Regional Economic Development Agency, Te Waka.
- Review of the District Plan continued.
- Adoption of the Town Concept Plans (TCPs) for Te Kuiti, Maniaiti/Benneydale, Piopio, Mokau and Waitomo Caves Village.
- Enabling the Te Kuiti chapter of Menzshed by way of an agreement to use the hall for community projects.
- Technology upgrades and building renovations undertaken at the Waitomo District Library.
- Continued delivery of District events such as the Great NZ Muster and the Waitomo District Christmas Parade.
- Continued promotion and support of an active and healthy community in partnership with Sport Waikato.
- Delivery of Waste Minimisation Workshops.
- Undertaken road rehabilitation programme of 1.4km long section of Totoro Road.
- 970m of previously narrow footpaths were widened and 610 meters of new footpaths were constructed.
- Renewed 1110 meters of drainage and culverts and 193 meters of kerbs.
- Maintained urban roads 50km of sealed and 3km of unsealed.
- Re-metalled 51km of unsealed roads and resurfaced 25.7km of sealed roads.
- Maintenance of 162 bridges.
- Maintained and / or replaced 323 road signs/markers and 345 posts.
- Started the construction of the new pedestrian railway overbridge.
- Completed planned upgrades to the Les Munro Centre.
- Upgrades to the Senior Citizens Hall and Piopio Hall.
- Sale and removal of Historic Society building in Queen Street, Te Kuiti.
- Upgrades to the Domain building.
- Upgraded CCTV safety cameras for Te Kuiti CBD.
- Installed improved safety features at Transfer Stations.
- Renewal of road seal at Waitomo District Landfill Kiosk and improvements to site security.
- Temporary portable toilets set up in Mokau to assist visitors through peak season.
- Safety upgrades undertaken at the Aerodrome – demolition of two unsafe buildings.
- Completed remedial work at Te Maika and Mokau jetties.
- Upgrades to Brook Park (Holiday Park) and retrofitted Marokopa Holiday park with KiwiCash booking technology.
- Upgrades to public toilets in Te Kuiti, Piopio, Mokau and Maniaiti/Benneydale.
- Marokopa Reserve Playground refurbished.
- Redesign of Redwood Park Playground completed.
- New playground equipment installed in Maniaiti / Benneydale.
- Basketball area installed in Eketone Street in Te Kuiti.
- Native planting at Motakiora /Brook Park.
- The Te Kuiti New Cemetery extension progressed with the gifted land amalgamated with the cemetery block.
- Several upgrades undertaken for the Te Kuiti Stormwater network, including the completion of an Asset Criticality Assessment.
- Completion of the upgrade for the Te Kuiti Water Treatment Plant and other capital works undertaken at the Piopio Water Treatment Plant and Maniaiti / Benneydale Water Supply Scheme.
- Continued improvement to the Supervisory and Data Acquisition (SCADA) System across all treatment plants.
- Upgrades and minor works completed for the wastewater system networks in Te Kuiti, Maniaiti/Benneydale, Te Waitere and Piopio.
- Installation of additional monitoring instruments in the Mokau and Piopio Water Treatment Plants enabling us to provide compliance data which will be assessed against the NZ Drinking Water Standards.
- Completed repairs to the lower Water Storage Dam at Mokau.
- Completed investigation into an alternative water supply (bore) for Te Kuiti.

**we have achieved a lot**

## CONTINUING OUR JOURNEY

Over the last 10 years, we have invested heavily in core infrastructure to ensure we deliver health and wellbeing outcomes for our residents as well as comply with legislation. We have worked hard to invest in our District in a way which is affordable for our ratepayers, while still ensuring we have a great place to live, work and play.

A significant challenge across the whole of New Zealand is providing safe and cost-effective drinking water to local communities. In the last few years, we've seen instances where a lack of robust regulation, inconsistent enforcement and under-investment in water infrastructure has had a serious impact on local communities.

This is not the case for Waitomo District Council. In the last decade, Council has invested proactively in its core infrastructure, putting \$78.4 million into our capital works programme. We've used funding made available by Central Government to invest responsibly including investment in our drinking water and wastewater infrastructure. This has reduced the cost for our ratepayers and means we do not have to keep investing the same amount in the future.

We are confident our network is resilient and robust and that Waitomo's three-waters infrastructure is in good shape.

Council has been very careful in the way it has used debt to help spread the costs of operating. Reducing public debt is a focus of our Financial Strategy. This is in response to ratepayer's concerns regarding a potential future cost of debt risk.

Council intends to reduce public debt by \$24.5 million (a 62% reduction) over the next 10 years. To achieve this, net principal repayments of \$14 million and cash surpluses of \$11 million have been used to reduce the need to borrow externally.

Council has set the target to reduce public debt to \$15 million by 2031.

In the last three years Council has significantly improved its financial position with outcomes achieved exceeding forecast targets. Because of our prudent financial position, we require lower rates than we might have previously.

### This Plan is about continuing our journey

**We're continuing what we started** – Council has invested strongly in core infrastructure over the last ten years, therefore there are no new critical items that Council needs to invest in, in the near future. It's about carrying on with the major projects that were outlined in our 2018-28 Ten Year Plan. Many of those projects are already underway.

**Managing affordability** – the cost of doing business is increasing. There is a lot of pressure on Council's budget.

We know that paying rates is hard, especially for those on a fixed or low income. Council has options available to assist with easing the burden on rates in certain circumstances (see Council's Rates Remission Policy on our website). However, rates are a reality that we can't avoid. Council does its best to keep rates as low as possible, while at the same time providing levels of service that the community expects and enjoys.

While Council funds its activities from a range of sources other than rates, there is only so much we can do to minimise the impact on rates. Council recognises the ongoing impact of COVID-19, especially on local businesses and employment, and has made a conscious effort to keep proposed rates as low as possible for Year 1 and 2 of the 10 Year Plan.

The total amount of rates required to run Council business for year 1 is \$109,000 less than this year or a reduction of 0.53%. The rates increase required for year 2 and 3 are 2.04% and 4.38% respectfully. The proposed rates in year 3 reflects the increased operating costs of water and wastewater services and the development cost of the next 10 Year Plan. We may look at reviewing this outlier when more information about government's three waters reform is available.

Council has proposed an average rate increase of 2.46% in years 4-10, but this may change when the 10 Year Plan is reviewed and updated for 2024-2034.

**Waitomo – a vibrant district** - this 10 Year Plan maps out the next steps in our journey, a journey we're excited to be on with our community.

## OUR VISION, COMMUNITY OUTCOMES AND PRIORITIES

**Our vision is 'Waitomo – a vibrant district'.**

### **Our Community Outcomes / What we want for our community**

- **A prosperous district:** we will continue to enable a thriving and sustainable economy.
- **A district for people:** we welcome all. It is accessible safe, accessible, affordable, inclusive. It promotes health, wellbeing and participation.  
**A district that cares for its environment:** We plan for the wise use and management of all land and resources, now and for future generations.
- **A district that works with you:** we work with you to collectively focus on the right things at the right time for the greater benefit of the district

### **Our Priorities / Our focus for the next three years**

- **Provide value for money:** residents and ratepayers get best value for money because we find efficient and effective ways to deliver fit for purpose infrastructure, assets and services that meets legislative requirements.
- **Support our communities:** we will continue to enhance a safe vibrant community where people want to live and feel safe.  
**Enabling a thriving community:** we will continue to enable the growth of our local economy by effectively promoting our District's local businesses and projects

## OUR PLAN FOR THE JOURNEY AHEAD

Our journey to get where we are today has been ambitious. The 2020 year was challenging in ways many of us could never have imagined. When the COVID-19 global pandemic reached New Zealand, none of us knew exactly what the impact would be.

The lockdown reinforced the important role Council play in our residents' day to day lives. It helped us gain a better understanding of where our investment is most needed to continue to make Waitomo District a vibrant district.

Over the past three years we have kept rate increases to a minimum. We are acutely aware of issues of affordability for our ratepayers.

In this draft 10 Year Plan, we have taken into account the impact of COVID-19 and its continuing disruption to our normal lives and the effect it is having on our community. Given the challenges ahead, we are prioritising keeping our rates affordable.

Our plan for the next 10 years is to:

- Focus on renewing and maintaining critical, core infrastructure.

- Deliver on work programmes that address priorities like – important community spaces and facilities, roading, water, wastewater, stormwater and regulatory services.
- Keep rates affordable.
- Continue to plan for what we will need for our District in the next 30 years.

## ON THE HORIZON

### A challenging regulatory environment

Council operates within a heavily regulated environment, in which legislation, regulations and other requirements are constantly changing. As these requirements change, we must incorporate them into our policies and processes and in some cases, undertake work to meet new requirements. This can mean increased costs and can sometimes means expensive infrastructure upgrades.

In recent years, there have been a number of significant regulatory changes we have been required to respond to.

Recent regulatory changes:

- New drinking-water standards for New Zealand.
- Earthquake-prone building standards – national framework for identifying and remediating high-risk, earthquake-prone buildings.
- National Policy Statement on Freshwater Management – provides direction to councils on managing the activities that affect the health of freshwater.
- Introduction of a new Water Services Regulator, Taumata Arowai, which comes into effect in the second half of 2021.
- More stringent resource consent requirements – for example, discharge consents for wastewater.

Over the next few years, the Three Waters Reform Programme will create uncertainty around the delivery of the three water services, including whether this responsibility will continue to remain with councils or be transferred to another agency.

### Three Waters Reform (3-WRP)

A significant challenge facing New Zealand is the safe and cost-effective provision of drinking water to local communities. Several events around the country in the last few years have demonstrated a lack of robust regulation, inconsistent enforcement and under-investment in relation to three water infrastructures.

This is not the case for Waitomo District Council. In the last decade, Council has invested proactively in its core infrastructure, including the three waters, and is confident in the resilience of our network to provide safe drinking water now and in the future.

Over the past three years, central and local government have been considering solutions to challenges facing the regulation and delivery of the three water services. This has seen the development of new legislation to create the new 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.

The review is considering options for new service delivery arrangements, hopefully achieving safer, more affordable and reliable three waters services across the country. The Government's preference is for a much smaller number of new, much larger water entities of a multi-regional scale. Those entities would replace 67 separate councils (or their agencies) which currently, each manage three waters activities, independently.

A three-year, three-tranche reform programme has been developed, with Tranches One and Two optional. Tranche Three will be compulsory for those opting-in to Tranche Two. All Councils,



including Waitomo District Council, are part of Tranche 1. Because of that, our Council has received approved Government funding of \$3.5 million to help with water projects in our District.

A decision on whether our Council opts into Tranche Two will be made towards the end of 2021. If so, it would mean Waitomo District Council's ownership, management and delivery of at least its water supply and wastewater services, and possibly stormwater, would transfer to a new multi-region scale water supply authority. Before this decision was made, we would consult with our community. The reform process creates a level of uncertainty around how drinking water and wastewater services will be delivered to the community in the future. Our 30-year Infrastructure Strategy and the 10-year Financial Strategy in Council's draft 10 Year Plan assume the status quo (Council ownership and delivery). Should this change, we would have to revisit this issue.

## Climate Change

In December 2020, the Government declared a climate emergency, noting the devastating impact that volatile and extreme weather will have on New Zealand. The declaration included a requirement for the public sector to lead by example and reduce their own emissions to achieve carbon neutrality by 2025.

Current predictions of the effects of climate change on the west coast of New Zealand include:

- Increased frequency and intensity of extreme rainfall. Intensity of extreme rainfall may increase by up to 8% by 2040 and up to 16% by 2090. The risk of localised flooding would increase.
- Changes in average annual rainfall. In the Waitomo District average annual rainfall is expected to increase by up to 2.5% by 2040. We could expect increases in winter rainfall and decreases in spring rainfall with the potential for extended drought periods in summer.
- Sea-level rise. New Zealand tide records show an average rise in relative mean sea level of 1.7 mm per year over the 20th century. Globally, the rate of rise has increased, and further rise is expected in the future.

Climate change is likely to present numerous challenges along with potential opportunities for Council and the community, as outlined below.

### Challenges:

- **Water:** Climate change is one of the main drivers of future demand for Council's water services. Extended drought periods over summer may impact on water storage capacity and increase the risk of water supply shortages, particularly at Te Kuiti.
- **Wastewater:** Increased frequency of heavy rain during winter could eventually impact on the amount of inflow and infiltration entering our sewerage networks. This could overload pump stations and treatment plants.
- **Stormwater:** Increases in rainfall intensity and higher flows might reduce the wastewater system's ability to cope, particularly if outlets are within tidal zones. This may trigger demand for more and better stormwater control systems.
- **Roading and footpaths:** Climate change will lead to a rise in sea levels that will affect several coastal roads in our District within the 2021-51 planning period.
- **Coastal communities:** Rising sea levels and storm surge will increase the risk of inundation in low-lying coastal areas.
- **Emissions from the landfill:** The Climate Change Act 2002 established the NZ Emissions Trading Scheme and further regulations that set the operational detail for auctioning of emission units came into force in January 2021.

## Climate Change – What we’re doing

There is some uncertainty about the extent and impact of climate change. So, we are considering a range of possible futures when assessing how to respond. We know it is prudent to consider climate change impacts in the design and planning of all major long-life infrastructure.

Council’s current approach allows for the effects of climate change within Activity Management Plans, which focus on structures with a remaining life of 25 years or longer which will likely need to be renewed or replaced. We are considering existing natural hazards which are likely to be exacerbated by climate change, in particular the risk to infrastructure with the longest life.

We will keep assessing how best to manage these challenges but our specific responses for the current planning period include:

- **Water:** Options for alternative water sources or raw water storage will be investigated for Te Kuiti to mitigate the effects of climate change and ensure security of supply.
- **Wastewater:** Provision for a temporary coffer dam and causeway to protect the Piopio wastewater treatment plant from the risk of inundation, followed by construction of a new treatment plant to replace the existing treatment plant when required.
- **Stormwater:** The longer-term consequences of climate change will be considered when our resource consent is renewed in 2024. Our consent discharge volume may need to be increased to accommodate extreme weather (i.e. more rainfall), noting that the capacity of the existing stormwater infrastructure is already below current standards for drainage protection.
- **Roading and footpaths:** We will determine the desired level of resilience of Council’s roading assets, and continued asset improvements will be undertaken to achieve this by 2050. It is predicted that parts of Kawhia Harbour Road, Marokopa Road, Soundy Road and Te Mahoe Road will be below sea level. Council will consult with affected communities and will likely need to either raise the level of these roads or re-route them onto higher ground.
- **Landfills:** The Climate Change Act 2002 established the NZ Emissions Trading Scheme and requires landfill owners to purchase emission trading units to cover emissions. The 10 Year Plan forecasts includes \$5.89M over 10 years to meet our obligations relating to landfill emissions (previously budgeted at \$300K per annum). The financial impact of this, particularly when combined with the landfill waste disposal levy, has prompted us to investigate alternatives for the disposal of residual waste.
- **Electric vehicles:** While not directly responsible, Council will help facilitate the establishment of public charging stations for electric vehicles.

## WHAT ELSE ARE WE PLANNING?

### Postponing the Harmonisation of Water Rates

Through the development of the 2018-28 10 Year Plan, the historical funding of our water and wastewater schemes across the district was reviewed. There was inconsistency in the way these schemes were funded, meaning each community paid a different rate for drinking water and wastewater services.

Council consulted on harmonising these rates on the basis that communities (specifically Te Kuiti, Te Waitere, Mokau, Piopio, Maniaiti/Benneydale) should pay the same rate for the same services. Council also confirmed that 10% of costs will be funded by the entire District. Wastewater rates were harmonised in 2018/19.

We began phasing in the harmonised rate for Water Supply in 2018/2019 over four years to make sure that the rates were affordable. The first three years have been completed and Council is

proposing postponing the last year of harmonisation to Year 4 of this 10 Year Plan (2021-2031) in consideration of the uncertainties around 3-WRP and rates affordability for Te Kuiti.

## District Plan Review

Council is currently reviewing the Waitomo District Plan. A District Plan is hugely influential for place making and place shaping and is a fundamentally important tool for enabling sustainable economic development and achieving the vision for our District. It does this by setting the direction, form and shape of our urban and rural communities, while ensuring that we promote the sustainable management of natural and physical resources, protect our cultural and historic heritage, outstanding landscapes and significant natural features. The District Plan will also ensure that significant risks from natural hazards and contaminated land are appropriately managed.

Developing a District Plan is resource intensive and takes time to complete. During this 10 Year Plan, the District Plan Review will be completed.

Scoping for the review was undertaken in 2016, and this highlighted the need for a full review given the significant changes in the legislative environment from when the Operative District Plan was first developed. The review commenced in 2017 and was expanded to include additional complementary projects including Reserve Management Planning and Town Concept Plans which has not been costed elsewhere.

The District Plan review project has been budgeted in the 2021-31 10 Year Plan at \$2.5 million (inclusive of 2020/21 costs). This includes direct expenditure of \$1.3 million and the remainder in internal costs. The total cost of the project has not increased from what was stated in the 2018 – 2028 10 Year Plan.

## Te Kuiti Alternative Source of Water

The Te Kuiti water supply scheme takes water from Mangaokewa Stream which is then treated and disinfected. Treated water is then pumped to five storage reservoirs and the reticulation network.

Because we are reliant on a single stream source, our community is vulnerable to declining minimum stream flows caused by climate change. Low stream flow also have an adverse effect on stream habitat, and heighten the risk of an unstable upstream catchment.

We want to future-proof the water supply for Te Kuiti. We will need to complete investigations into the availability of a suitable alternative water source (in 2020/21). Then we will need to reassess our future supply arrangements to mitigate risks and improving resilience for our community. We will also need to consider whether further treated water storage is needed.

**Here are some of the projects we're proposing to deliver in the next 10 years.**

*[Note: this section will be designed – graphic representation]*

## Leadership, Community and Partnerships

- Improvements and renewals in **Information Services capacity** [**\$309K**] in Year 1, and a similar average spend across the remaining years. Renewals of hardware and end user devices planned over the ten years along with updates to our **aerial photography** data.
- Complete a quarry assessment and commence safety improvements for the **Quarry** from Year 2 at an average of \$46K per year based on outcome of quarry assessment project. *It is anticipated that this work will be funded by a contribution from the leasee.*
- Renewal of the **vehicle fleet and mower equipment** [**\$278K**] in Year 1, and an average cost of \$325K forecast expenditure required in each of the remaining years.
- Deliver phase 2 of the **Digitisation Project**.

- Investigate the development of a Marketing Strategy.
- Integration of WDC customer services with the i-SITE services in the CBD main street.

## Recreation and Property

- **Parks and Recreation:** replacement of damaged bollards at Centennial Park in Year 1 [\$25K] and establishing a Motakiora/Brook Park development plan in Year 3 [\$50K].
- Investigate options for **campground facilities** at Marokopa.
- **Playground** renewals over the life of the plan with \$33k included for Year 4 for the Mokau playground.
- Ongoing minor renewals are included for the **library building, Aquatic Centre and Aerodrome.**
- Improve accessibility for **Surfer's track** at Mokau.
- Replacement of the **Les Munro Centre** air conditioning unit in Year 1 [\$160K].
- Replacement of the boiler at the **Aquatic Centre** and pool resurfacing in year 3 [\$58K].
- Ongoing minor renewals for **public toilets, security cameras.**
- **Public Facilities:** the accessway for the Te Kuiti cemetery extension in 21/22 [\$40K].
- Investigate public access to toilet facilities at Waitomo Village.
- Investigate the development of a Walking and Cycling Strategy.
- **Housing and Property** for the Lawrence Street land subdivision in Te Kuiti in 21/22 [\$200k].
- Review of council owned land and leases.

## Solid Waste

- Continuation of the cell development at **Te Kuiti landfill** [\$1.7M] over four years starting in Year 1.
- Installation of licence plate recognition technology at the Te Kuiti transfer station in Year 2 [\$40K]. Minor ongoing renewal is also planned for the next 10 years.
- Deliver Waste Minimisation **education awareness programmes.**
- Commence review of the **Waste Minimisation Management Plan.**

## INFRASTRUCTURE PROJECTS COMING UP

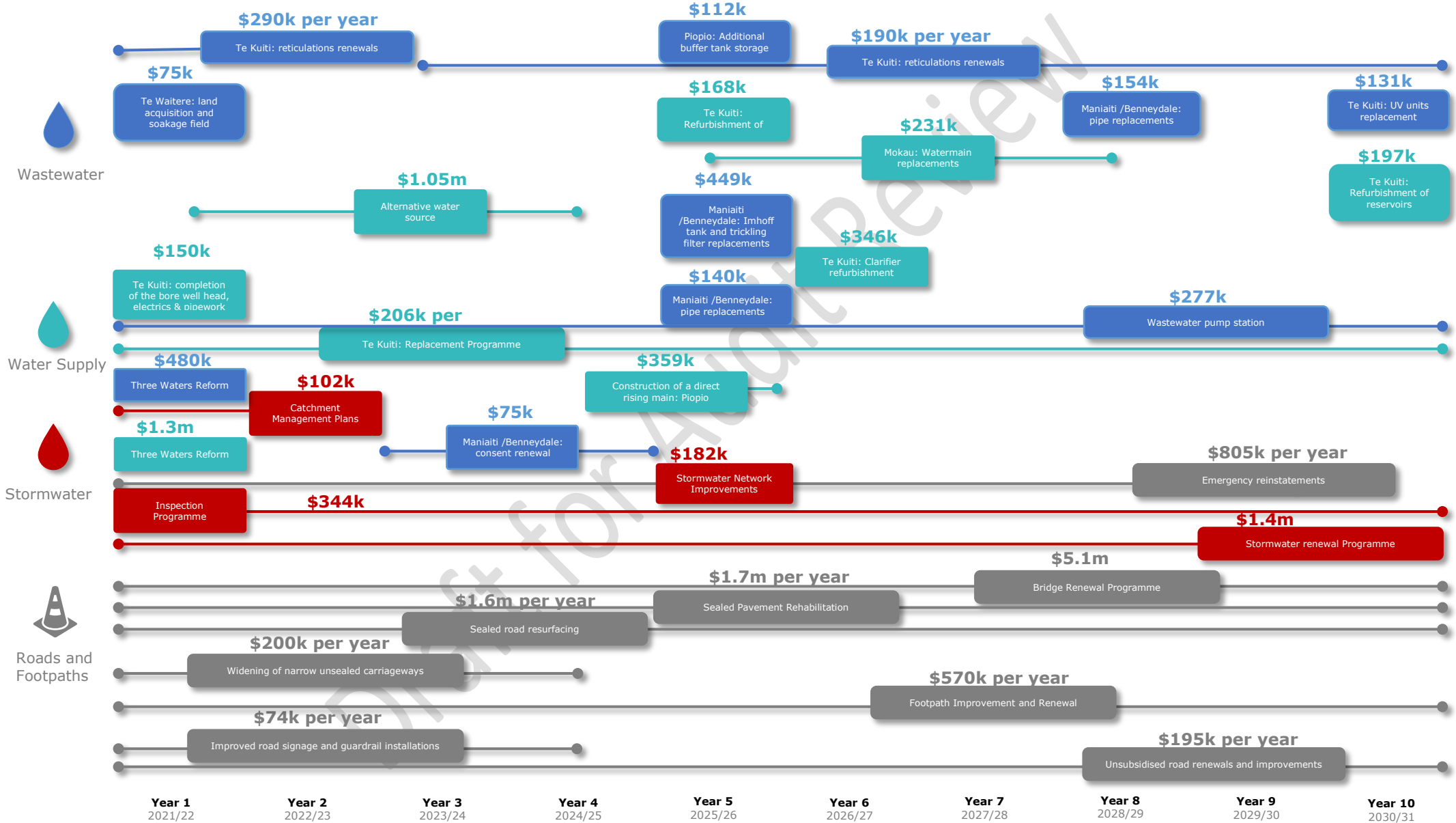
Council's Infrastructure Strategy outlines the key infrastructure management matters for our water supply, wastewater, stormwater and roads and footpaths infrastructure assets over the next 30 years. Detailed planning for these assets is contained in the asset management plans (AMPs).

We've worked hard to upgrade our infrastructure over the last 10 years and there is little projected growth in demand in the future. As a result, we are proposing no capacity-based infrastructure improvements.

However, it will be important to continue to look after the assets that we already have and we have allowed budget to do that. Some updates and investigation have been programmed in the 2021-31 period to improve resilience of our infrastructure and to mitigate risk.

We plan to maintain our overall levels of service over the life of this draft 10 Year Plan.

Here are some of the core infrastructure projects we are planning over the next 10 years.



## What we're delivering beyond 10 years.

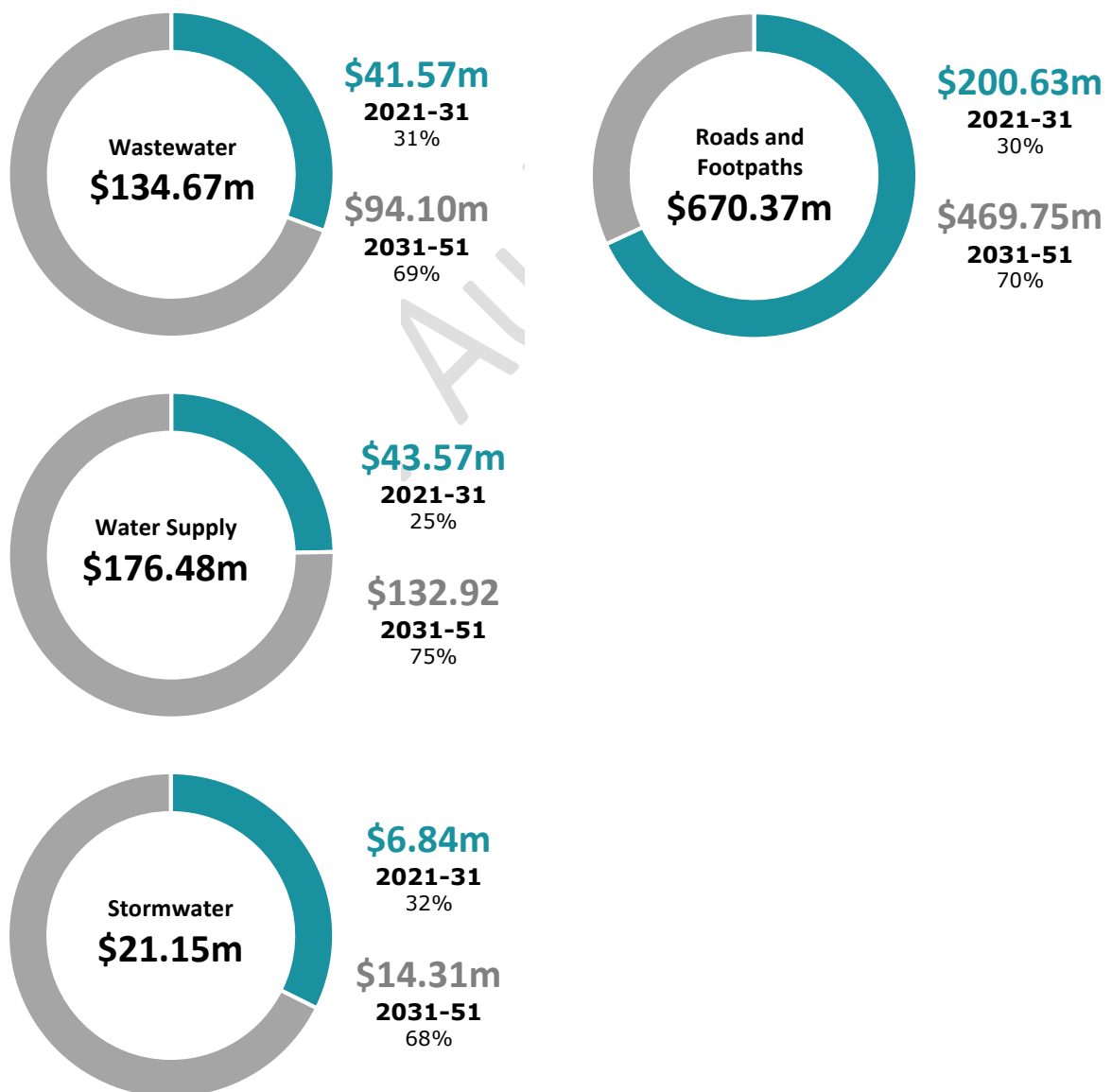
We are preparing for the future by taking note of population trends, climate changes and improved technology and asset management practices. We want to ensure our infrastructure continues to be up to standard and meets the needs of our community.

Council's asset management strategy over the past 10 years, particularly around water supply and wastewater infrastructure, has been focused on improving asset condition and performance to support public health and environmental outcomes. We have taken a prudent approach to financial management.

Our declining population projections will put pressure on affordability. However, there is little scope to scale back Council's involvement in providing core infrastructure and regulatory services. We must meet minimum environmental and public health standards and continue to prioritise the wellbeing of our community.

**We are looking beyond 2021 to make sure that our infrastructure will still be providing the levels of service that our community expect and need.**

## Forecasting to invest and operate our infrastructure



## OUR FINANCIAL STRATEGY

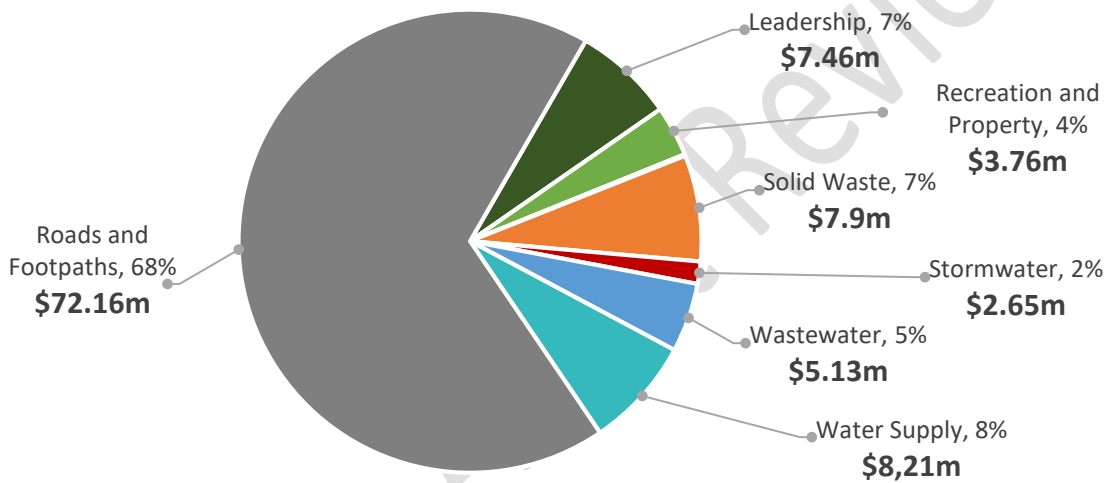
### What will it cost?

Council looks after about \$362.7 million worth of infrastructure, assets and facilities. That includes our wastewater, stormwater, water supply and roading networks, right down to the pipes we use.

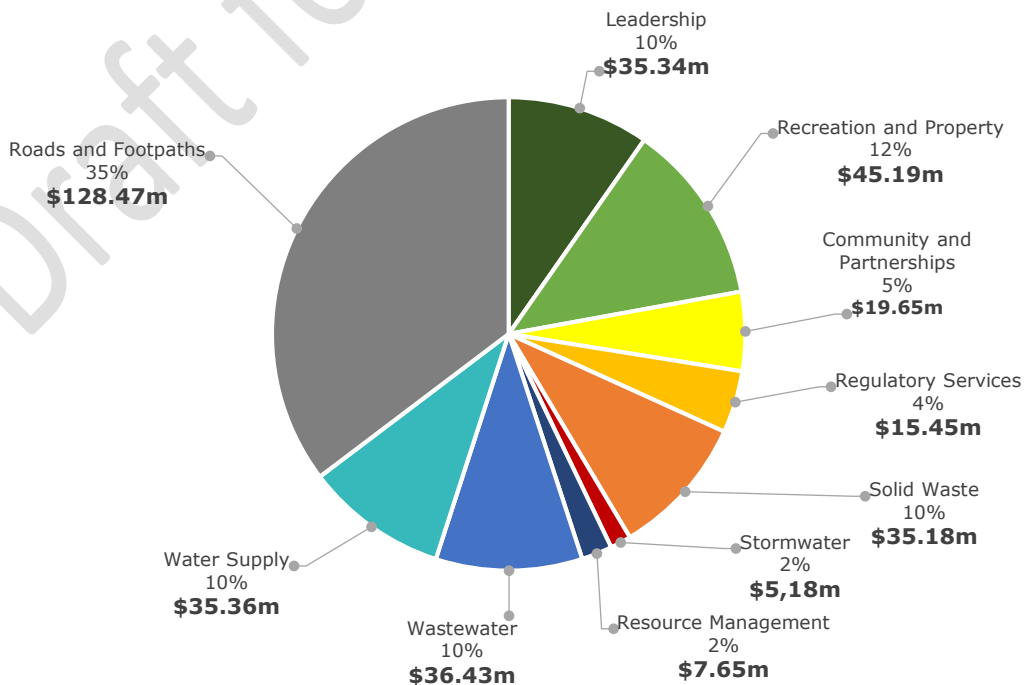
We also undertake the massive task of running, regulating and monitoring all the goings-on that contribute to where and how you live, work and play in our district. That includes things like playgrounds, dog control, community halls, libraries ...and more.

We estimate it will cost around \$470.3 million over the next 10 years to look after what we have and provide the services necessary for our District.

Forecast Capital Expenditure by Activity 2021-31 **\$106.4m**



Forecast Operating Expenditure 2021-31 **\$363.9m**



## Where will the money come from?

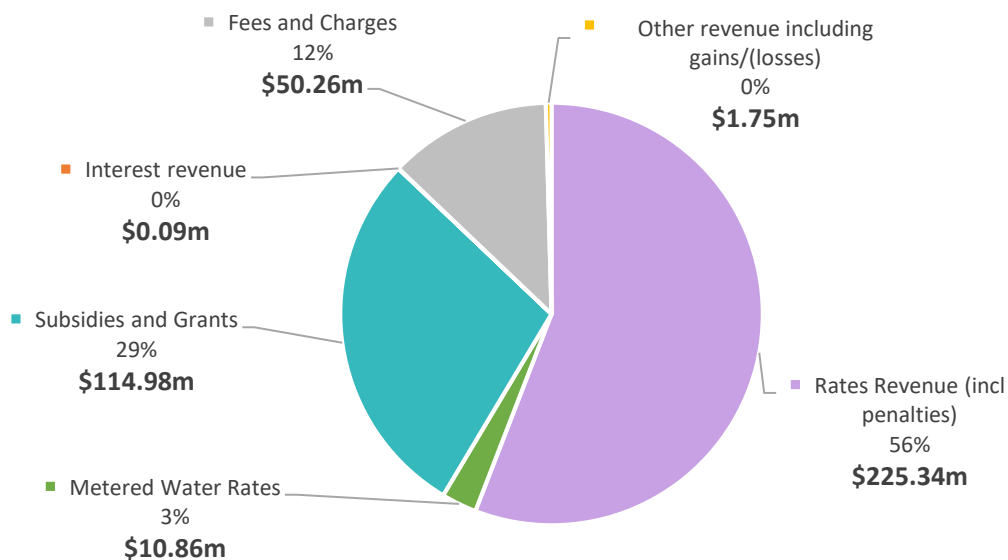
The amount we ask our community to put towards our mahi needs to be reasonable. We are acutely aware that some people in our district struggle to afford to pay rates. That is always top of mind for both staff and Councillors.

The income we receive from rates is not enough to cover the costs to complete all the work we propose to deliver in this 10 Year Plan, so we will use subsidies, loans and reserves to fund our capital projects and will proactively seek to increase our income from other sources wherever possible.

We will add new fees and charges to cover a greater portion of the cost it takes to administer some services and monitor consents.

Rates revenue (included metered water rates) and subsidies and grants are the two largest sources of revenue, they make up 88% of the forecast revenue. Fees and charges is the third largest source at 12%. Interest revenue and other revenue make up the remainder of forecast revenue.

Forecast Total Revenue 2021-31 **\$403.3m**



## Debt

Council's financial performance has progressed significantly over the last 10 years. This is despite a significant investment (and the need to borrow \$20.5 million) to upgrade the water supply and wastewater network components.

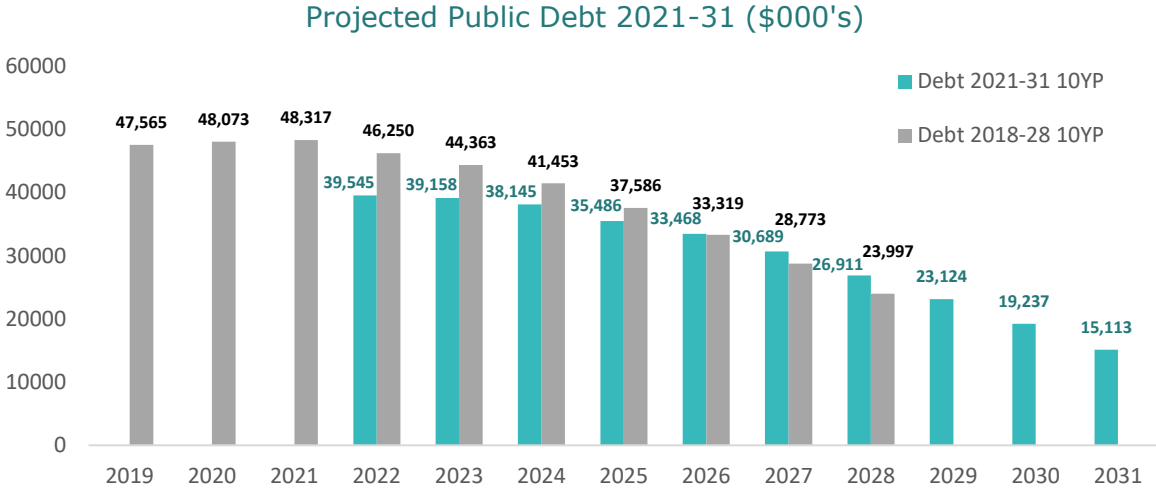
External debt is the money we borrow to pay for the construction of infrastructure assets (like upgrading the water or wastewater treatment plant) and some operational expenditure with long term benefits such as the district plan review. The repayment of this debt spreads the cost over many years – meaning that the residents who receive the benefit from the investment pay for it. This is fair because it means that the cost of major infrastructure isn't falling solely on current ratepayers.

The progress has been the result of Council's multi-pronged approach of increasing operating income where possible (particularly from grants and subsidies), improving its reserves balance, efficiency in spending and a focus on reducing cost of borrowing.



Council continues its commitment to reduce external debt over the duration of the 10 Year Plan, in order to reduce the debt servicing burden on the District community and make headroom for investing in increasing the 'liveability' of the Waitomo district.

In the 5 years since July 2015 Council has reduced debt by \$8.9 million from \$46.1 million to \$37.2 million.



**The borrowing costs will be 37% less per rateable property over this period from \$201 in 2022 to \$127 in 2031.**

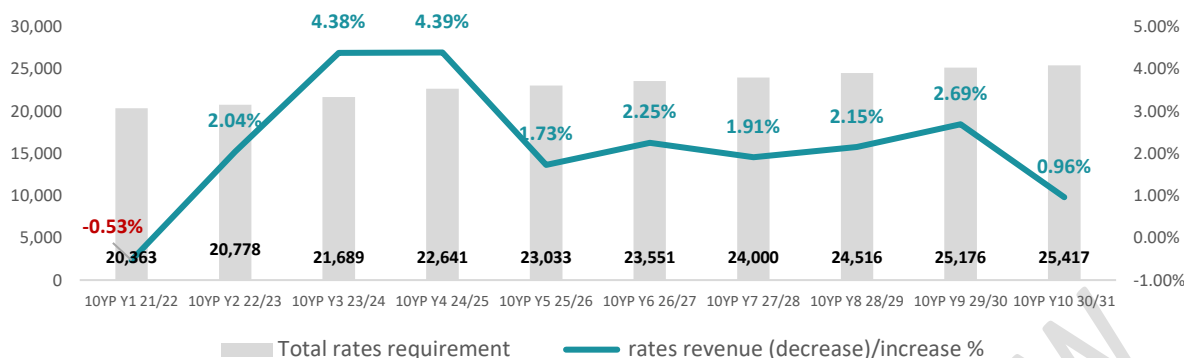
**Our direction of travel**

- We are not forecasting revenue from any dividends.
- We have removed accelerated debt repayment from subsidised roads.
- We are not going to be funding depreciation fully for newly built assets, Te Kuiti water supply network and Te Kuiti wastewater network in the first four years of the plan, with the shortfall in depreciation funding being recovered in the remaining years of the 10 year plan after taking into account rates affordability.
- We will only fund the depreciation of roads and footpaths to the extent of the local share of renewals (25%) and loan repayments.
- We are placing more emphasis on users paying for the services they receive and lessening the burden on ratepayers. Our fees and charges have been reviewed to closely align to the costs associated with providing services.
- We are deferring the completion of the harmonisation of water supply to year 4 of the 10 Year Plan.
- We have deferred the funding of the principal repayment for the Solid Waste activity in the initial years of the plan, this will start phasing in from year 4 of the 10 Year Plan.
- We will be increasing the overall depreciation reserve balance approximately by \$10 million.
- We will be funding our net internal loan repayments of approximately \$13.9 million.

**What does it mean for your rates?**

We will be collecting rates each year to cover the costs in our budget, pay back debt and store some away for future renewals (depreciation).

It means a change to your rates annually.



- 2,342 properties in the district will receive a rates decrease
- Around 2,367 properties in the district will receive an increase of less than 1%.
- 346 properties will have a rates increase of between 1-2%
- Most properties in Te Kuiti will have an increase of less than 1% (1,664 properties)
- 394 properties in the district will have an increase of between 2-4%

How much you pay can depend on a number of things like, changes to the value of your property, the services your property is rated for and changes to the amount we charge for those rates.

In 2018, rates revaluations were completed for all properties in the district. These valuations take into account the trends in the market value for properties and provide Council with the land and capital values that we calculate your rates on.

The next valuation will be undertaken in September 2021. The new property values, resulting from the 2021 district revaluation, will be used for rating purposes from 1 July 2022 (year 2 of the 10YP). Council's appointed Valuation Service Provider, Quotable Value, will undertake these valuations on behalf of Council.

The total forecast rates requirement for 21/22 is \$20.36m, a decrease of \$109k. The main drivers for decrease in the rates revenue from the current year 20/21 are:

**(graphics for the following)**

**Forecast increases to rates requirement = \$2.352m**

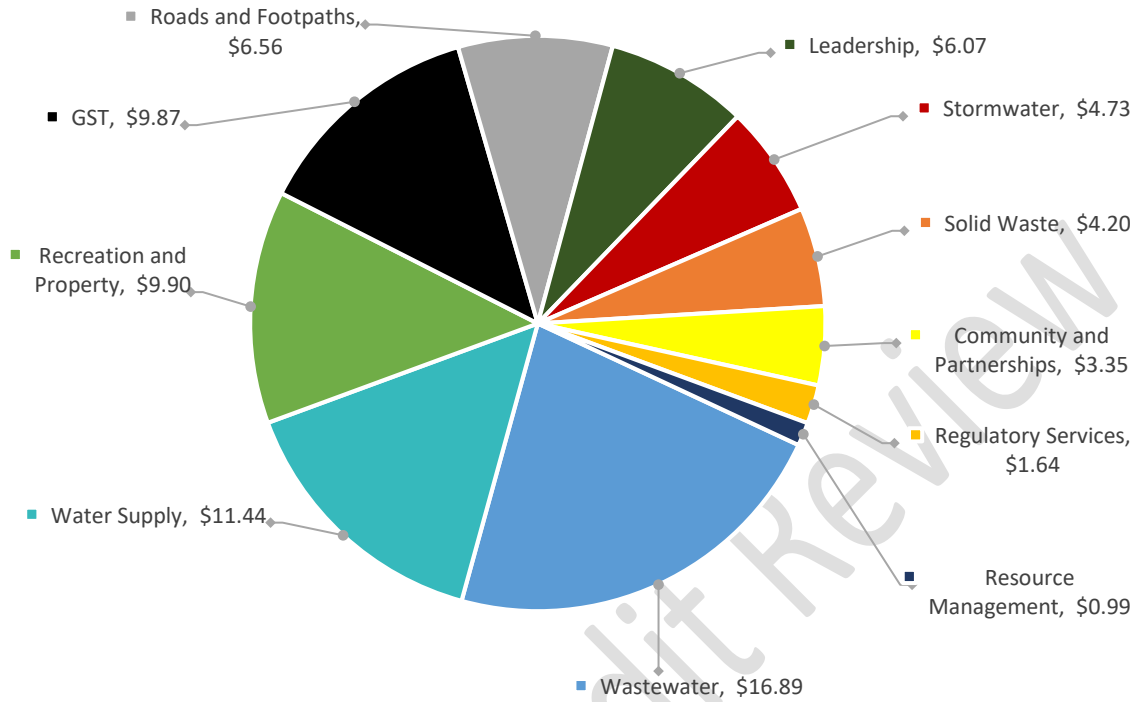
- Forecast increase in payments to suppliers of \$747k
- Forecast depreciation increase \$771k
- Principal repayment funded by rates \$149k
- Forecast internal resources cost increase by \$685k

**Forecast reduction to rates requirement = \$2.461m**

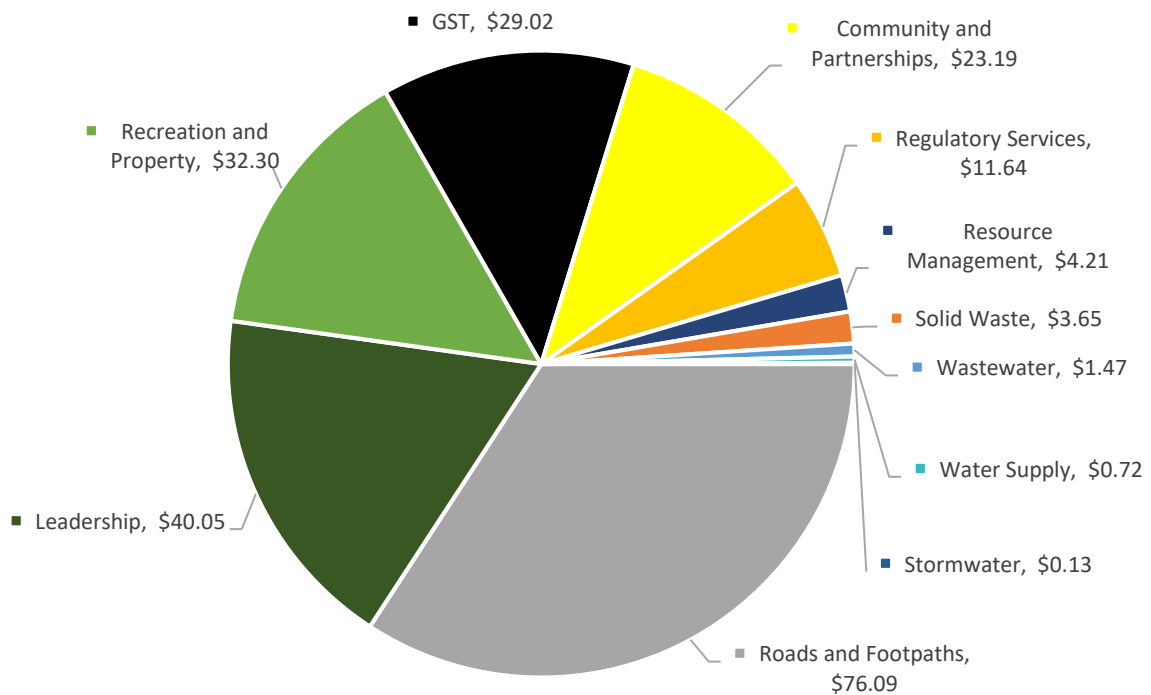
- Removal of accelerated debt repayment \$322k
- Increase in fees and charges \$62k
- Forecast decrease in cost of funds \$308k
- Forecast increase in operational subsidy \$527k
- Not fully funding depreciation from rates \$1.225m

## Where your rates go

**Te Kuiti Residential Property with a CV of \$270,000**  
(paying \$75.65 per week)



**Rural Drystock Property with a CV of \$3.1m**  
(paying \$222.48 per week)



## PROPERTY EXAMPLES

(graphical representation)

| Te Kuiti Residential                       |                  |
|--|------------------|
| <b>Rates increase</b><br>10YP YR1 2021/22  | <b>0.4%</b>      |
| <b>Valuation</b>                           | <b>\$270,000</b> |
| Actual Rates 2020/21                       | <b>\$3,920</b>   |
| Proposed Rates 2021/22                     | <b>\$3,934</b>   |
| You <b>SAVE \$0.<sup>27</sup></b> per week |                  |

| Te Kuiti Commercial 3 pans                 |                  |
|--|------------------|
| <b>Rates decrease</b><br>10YP YR1 2021/22  | <b>-0.4%</b>     |
| <b>Valuation</b>                           | <b>\$330,000</b> |
| Actual Rates 2020/21                       | <b>\$3,865</b>   |
| Proposed Rates 2021/22                     | <b>\$3,850</b>   |
| You <b>SAVE \$0.<sup>29</sup></b> per week |                  |

| Te Kuiti Wider Rating Area (2 parts)       |                  |
|--|------------------|
| <b>Rates decrease</b><br>10YP YR1 2021/22  | <b>-2.2%</b>     |
| <b>Valuation</b>                           | <b>\$810,000</b> |
| Actual Rates 2020/21                       | <b>\$3,953</b>   |
| Proposed Rates 2021/22                     | <b>\$3,867</b>   |
| You <b>SAVE \$1.<sup>65</sup></b> per week |                  |

| Waitomo Commercial                         |                    |
|--|--------------------|
| <b>Rates decrease</b><br>10YP YR1 2021/22  | <b>-2.2%</b>       |
| <b>Valuation</b>                           | <b>\$1,590,000</b> |
| Actual Rates 2020/21                       | <b>\$8,265</b>     |
| Proposed Rates 2021/22                     | <b>\$8,084</b>     |
| You <b>SAVE \$3.<sup>48</sup></b> per week |                    |

| Maniaiti/ Benneydale Residential           |                 |
|--|-----------------|
| <b>Rates increase</b><br>10YP YR1 2021/22  | <b>0.8%</b>     |
| <b>Valuation</b>                           | <b>\$60,000</b> |
| Actual Rates 2020/21                       | <b>\$3,040</b>  |
| Proposed Rates 2021/22                     | <b>\$3,063</b>  |
| An <b>extra \$0.<sup>44</sup></b> per week |                 |

| Piopio Residential                         |                  |
|--|------------------|
| <b>Rates increase</b><br>10YP YR1 2021/22  | <b>0.5%</b>      |
| <b>Valuation</b>                           | <b>\$205,000</b> |
| Actual Rates 2020/21                       | <b>\$3,691</b>   |
| Proposed Rates 2021/22                     | <b>\$3,709</b>   |
| An <b>extra \$0.<sup>35</sup></b> per week |                  |

| Piopio Wider Rating Area                   |                  |
|--|------------------|
| <b>Rates decrease</b><br>10YP YR1 2021/22  | <b>-0.9%</b>     |
| <b>Valuation</b>                           | <b>\$460,000</b> |
| Actual Rates 2020/21                       | <b>\$2,613</b>   |
| Proposed Rates 2021/22                     | <b>\$2,591</b>   |
| You <b>SAVE \$0.<sup>42</sup></b> per week |                  |

| Mokau Residential                          |                  |
|--|------------------|
| <b>Rates decrease</b><br>10YP YR1 2021/22  | <b>-1.1%</b>     |
| <b>Valuation</b>                           | <b>\$385,000</b> |
| Actual Rates 2020/21                       | <b>\$3,391</b>   |
| Proposed Rates 2021/22                     | <b>\$3,356</b>   |
| You <b>SAVE \$0.<sup>67</sup></b> per week |                  |

| Drystock Rural                             |                    |
|--|--------------------|
| <b>Rates decrease</b><br>10YP YR1 2021/22  | <b>-3.3%</b>       |
| <b>Valuation</b>                           | <b>\$3,130,000</b> |
| Actual Rates 2020/21                       | <b>\$11,964</b>    |
| Proposed Rates 2021/22                     | <b>\$11,568</b>    |
| You <b>SAVE \$7.<sup>62</sup></b> per week |                    |

| Dairy Farm Rural (4 parts)                  |                    |
|---|--------------------|
| <b>Rates decrease</b><br>10YP YR1 2021/22   | <b>-2.7%</b>       |
| <b>Valuation</b>                            | <b>\$5,850,000</b> |
| Actual Rates 2020/21                        | <b>\$24,379</b>    |
| Proposed Rates 2021/22                      | <b>\$23,725</b>    |
| You <b>SAVE \$12.<sup>58</sup></b> per week |                    |

| Te Waitere Residential                     |                  |
|--|------------------|
| <b>Rates increase</b><br>10YP YR1 2021/22  | <b>1.0%</b>      |
| <b>Valuation</b>                           | <b>\$270,000</b> |
| Actual Rates 2020/21                       | <b>\$2,838</b>   |
| Proposed Rates 2021/22                     | <b>\$2,867</b>   |
| An <b>extra \$0.<sup>56</sup></b> per week |                  |

**AUDIT OPINION**

Draft for Audit Review

# Waitomo District – draft 10 Year Plan (2021-2031)

## SUBMISSION FORM

**It's important we receive your feedback before Friday 21 May 2021, 5pm.**

You can give share your views by:

- Completing this submission form and returning it to us by:
  - Visiting our office on Queen Street, Te Kuiti
  - emailing it to: [info@waitomo.govt.nz](mailto:info@waitomo.govt.nz) (scan and pdf or take a photo)
  - Posting to: FREEPOST 112498, Waitomo District Council, PO Box 404, Te Kuiti 3941
- Visiting our website: [waitomo.govt.nz](http://waitomo.govt.nz) and completing an online form

**Full Name:** .....

**Organisation:** .....  
(if responding on behalf of)

**Day time phone number:** .....

**Postal Address:** .....

**Email:** .....

*The Local Government Act 2002 requires submissions to be made available to the public. Your name and/or organisation will be published with your submission and made available in a report to elected members and to the public. Other personal information supplied (such as address / email address) will be used for administration and reporting purposes only.*

**I wish to speak to Council about my submission X (tick box).**  
(Hearings are scheduled for 27 and 28 May 2021. We will contact you to arrange a time.)

**What do you think about our plans for our projects and activities?** (see pages x to x)

.....  
.....

**What do you think about our plans for finances and rates?** (see page x to x) .....

.....  
.....

**Any other comments?** .....

.....  
.....