

TE MĀHERE TEKAUTAU

2024 – 2034

# LONG TERM PLAN

# 2024-2034

*Te hanga tahi o tātou Takiwa*

*Shaping our District together*





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2024-2034



# HE KŌRERO WHAKATAKI INTRODUCTION

## HE KUPU NĀ TE MEA

### FROM THE MAYOR

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Tēnā koutou katoa, greetings

I am pleased to present Waitomo District Council's Long Term Plan 2024-2034.

The document outlines the direction for the Waitomo District Council for the next ten years. It sets a pathway for Council to work towards achieving its community outcomes through strategies and actions.

This is the first Long Term Plan of the Council elected in 2022. Together we have faced several challenging issues.

From high inflation, to changes in legislation, to severe weather events, all have had a significant impact on our plan for the next 10 years.

We asked for your views and feedback about these issues through our consultation process. With 132 submissions we heard your ideas and suggestions for how we could better approach things.

At a local level we need to ensure that our infrastructure can be relied on to support our residents, our businesses and our industries. We plan to invest in our drinking water infrastructure and into the development of the Waitomo District Landfill.

We have ramped up investment in Te Kūiti's stormwater network to reduce the likelihood of buildings being flooded during storm events.

Our roading network also requires significant investment over the next 10 years. Our primary sector industries rely on our local roads.

One of the most significant challenges we face is the impact on our local roads from logging trucks as the volume trees harvested increases dramatically. We sought guidance from the community and the forestry industry on how we

might best fund the additional road maintenance required.

We received helpful feedback. Industry players offered to contribute to maintain the roads most directly affected. In addition to this, most forested properties will have their roading rate increased by a factor of three.

Maintaining and improving our assets comes at a cost. Our debt will increase in the first four years of this plan. By year ten of the plan however, it will drop to land at a similar level to the debt held today, being \$31.7 million.

The additional costs placed on our operations in this period of inflation need to be covered. Rates will increase on average by 11.07% above the current year's rate take. We recognise the burden that this places on ratepayers.

There is some uncertainty as to how water services will be delivered in the future. Discussions with neighbouring Councils are underway to see if there is a more efficient way to deliver these services.

Our thanks to those of you who provided feedback and submissions during the consultation period on this Plan. Your feedback provided valuable input into our decision making process.



John Robertson, QSO

**Mayor of Waitomo District**

*Kotahi te kōhao o te ngira e kuhuna ai te miro mā, te miro pango, te miro wheno. I muri, kia mau ki te aroha, ki te ture, ki te whakapono.*

*Through the eye of the needle pass the white threads, the black threads, and the red threads. Afterwards, looking to the past as you progress, hold firmly to your love, the law, and your faith.*

## YOUR COUNCIL



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## SUMMARY

### OUR LONG TERM PLAN

Every three years all councils must provide a detailed plan setting out their direction for the next ten years. This document outlines our community outcomes, priorities, plans and budgets for the Waitomo District for the next ten years, with a specific focus on the next three years.

We are still recovering from the impacts of the severe weather events in our District. We operate within a heavily regulated environment with constant changes and the imposition of new requirements. We have pending legislative changes coming through such as the 3 Waters reform, reform of the resource management legislation and other rules and regulations being changed by central government.

This Long Term Plan 2024-2034 (LTP) we have needed to address a number of challenges that are significant. We have invested where needed to build resilience and ensure we have a district where people want to work, live and play. Included in this LTP is:

- Continued investment in repairs to our roading network from storm damage and regular maintenance to meet the current level of service.
- A renewals and maintenance programme for water supply and wastewater to look after and replace existing assets when needed.
- Water meters to be installed to create a user pays system and better network monitoring.
- Significant investment in our stormwater network in the first 5 years to address flooding issues and the likelihood of more frequent severe weather events.
- We have nearly reached capacity in our Wastewater Treatment Ponds with decades of sludge accumulated. Disposing of this sludge to our landfill we consider at this point that it is the most economical approach.
- With the increase in sludge removal adding to our waste stream development of the next cell is in the Waitomo District landfill is required in Years 1 and 2. If no alternative disposal method is found further cells will be developed, these are allowed for in this LTP.

This Long Term Plan 2024-2034 also includes an update to our Financial Strategy. The changes we make to our Financial Strategy will allow us to address the challenges we face and minimise the rate impact. Council is still committed to reducing debt over the duration of this Long Term Plan to ensure we can further invest in our District in future years.

- We are placing more emphasis on users paying for the services they receive. This lessens the burden on ratepayers. Our fees and charges have been reviewed to closely align to the costs associated with providing those services.
- We are not forecasting any revenue from any dividends.
- We are not going to be fully rate-funding depreciation for Te Kūiti stormwater in Years 1-2, Te Kūiti wastewater and water supply assets during Years 1-4 of the LTP. The shortfall in rate-funded depreciation will be recovered in the remaining years of the LTP after taking into account rates affordability.
- We will fund the local share of cost of renewals of local roads and loan repayments each year.
- We have deferred the funding of the principal repayment for the Solid Waste Activity in the first year of the plan and will phase this in from Year 2.
- We will be increasing the overall Depreciation Reserve Balance by approximately \$17 million.
- We are projecting to increase external debt to \$48.8 million in Year 4, then reduce debt to \$31.7 million by Year 10.

We have engaged with our community in preparing this LTP. In the following pages you will see more detail about the challenges we have considered, what the community has had to say about them and how we have responded through this Plan.

## OUR CHALLENGING STRATEGIC ISSUES

### A CHALLENGING REGULATORY ENVIRONMENT

Council operates within a heavily regulated environment. Laws, 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. Legislation changes in some instances have been reversed or paused while further changes are considered. Councils must work with the legislation of the current day however with the number of changes in progress it is important we do what we can to prepare and adjust as necessary.

In recent years, we have been required to respond to a number of regulatory changes, including:

- Water Services Reform
- Resource Management Act reform and fast-tracked consenting
- Freshwater Management
- Speed Management

### WATER SERVICES REFORM

The new Governments' 'Local Water Done Well' policy will generate a number of changes which will enforce minimum standards to be met and make sure Councils renew and upgrade treatment plants and networks appropriately.

Legislation will also be introduced that will allow Councils to form Council Controlled Organisations (CCOs) to achieve the efficiencies of scale to make the delivery of 3 water services more affordable for ratepayers and offering long-term borrowing options. Before joining a regional CCO we would need to evaluate if this would be the best option for our community. Making this decision will take time and further consultation with the community.

Legislation just introduced to Parliament requires Councils to submit a Water Service Delivery Plan to the Department of Internal Affairs which outlines how Council will fund, invest, and deliver 3 water services including any joint arrangements.

Our 30-year Infrastructure Strategy and our 10-year Financial Strategy assume the status quo (that we could continue to own and deliver water services).

### CLIMATE CHANGE

We can't deny our climate is changing, the causes may be debateable but the outcomes less so.

In the last three years New Zealand has experienced several intense weather events impacting our communities locally and throughout the country. Lives have been lost and many people have been displaced from their homes, some unable to return. The recovery from these events will be on going for decades and in some cases tough choices are being made to relocate.

We cannot afford to ignore this changing environment so we must work together to find solutions that work for our community. The risk of intense rainfall events and sea level rise are ever increasing so we must work with what we know today to plan for tomorrow.

The new Government has a philosophy of local decision making and that is what this LTP sets out to achieve, local people making local decisions for their future. Below are the issues we are faced with and must decide how to tackle in the coming 10, 20, and 30+ years and beyond.

- **Extreme rainfall events.** Very extreme events higher than 2 year average occurrence are likely to happen more often<sup>1</sup>.
- **Changes in average annual rainfall.** In the Waitomo District average annual rainfall is expected to increase, this could be up to 5% in the winter months by 2070<sup>1</sup>.
- **Sea-level rise.** The coastline in our district is likely to be impacted by sea level rise which on under a best case and worst-case emissions scenarios is 0.2m to 0.6m by 2070<sup>2</sup>.

<sup>1</sup> Waikato Regional Climate Impact Report Applying CMIP6 Data - 26 November 2021

<sup>2</sup> NZ SeaRise - Takiwā platform  
<https://searise.takiwa.co/map>



- **Storm surges.** A high emissions scenario resulting in a 0.5m sea level rise by 2070<sup>3</sup>. would cause a high tide storm surge of 3.6m to 3.7m along our coastline.

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

#### Challenges:

- **Water Supply:** Climate change scenarios predict spring and autumn to be drier in the Waitomo District, managing water demand during drought periods will become more critical.
- **Wastewater:** Increased frequency of heavy rain during winter could impact the amount of inflow and infiltration entering our wastewater networks. This could overload pump stations and treatment plants more regularly.
- **Stormwater:** Our stormwater network capacity only allows for rainfall intensity expected once every two years. These types of events are predicted to occur more frequently and events with higher intensity. The solutions are more complex than simply installing bigger pipes.
- **Roads and Footpaths:** High emission scenarios that lead to a rise in sea levels and storm surges will affect several coastal roads in our District.
- **Coastal Communities:** Rising sea levels and storm surges will increase the risk of erosion and inundation in low-lying coastal areas.
- **Emissions from the Landfill:** Finding better solutions to reduce emissions from disposal of waste is better for our environment and will reduce the cost of waste disposal. Reducing waste streams and increasing diversion rates will have the most impact.

#### Climate Change – What we are doing

There are varying scenarios for what is predicted with climate change. We are following the mid-

range scenario for immediate planning and the high range scenario for long term planning. It is important we consider climate change when we plan and design for core infrastructure.

We currently allow for the effects of climate change (including natural hazards) within our Asset Management Plans and the Waitomo District Plan.

We will keep assessing how best to manage these challenges, but we are already planning:

- **Water Supply:** Resilience project for Te Kūiti to mitigate the effects of climate change and ensure security of supply. Installation of water meters to manage demand and better network monitoring.
- **Wastewater:** To reduce inflow and infiltration during intense rain events we are addressing gully traps that are connected to the network and other inflow sources. Sludge removal at the wastewater treatment ponds will ensure capacity to hold overflow during extreme or prolonged rain events.
- **Stormwater:** Te Kūiti has experienced multiple flooding events which require short, medium, and longer-term remedies. These involve retention ponds, further modelling, and some network upgrades. Modelling will inform later LTPs.
- **Roads and Footpaths:** It is predicted that in the next 80-100 years 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 may need to either raise the level of these roads or re-route them to 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. Our Long Term Plan forecasts include \$6.4 million over 10 years to meet our obligations relating to landfill emissions This is a huge financial burden for our community, and we need to find alternatives for the disposal of waste.
- **Electric Vehicles:** Council will support the establishment of public charging stations for electric vehicles and work alongside The Lines Company to ensure these are well located.

<sup>3</sup> Waikato Regional Council Coastal Inundation tool  
- <https://coastalinundation.waikatoregion.govt.nz/>

## OUR STRATEGIC DIRECTION

Our Vision:

# Te hanga tahi o tātou Takiwa Shaping our District together

## Our Community Outcomes

What we want for our community



### A prosperous district

We enable a thriving and sustainable economy to create greater benefits for everyone.



### A district for all people

Our district is a great place to live because it is accessible, safe, affordable, and inclusive. We promote health, wellbeing, and participation.



### A district that cares for its environment

We ensure the wise use and management of all land and resources, now and for future generations.



### A district that values culture

We value the whakapapa of our district, and we promote cultural, creative, and recreational activities where traditions, heritage and arts are celebrated.

## Our priorities for the next three years

### Strengthening Relationships

We will continue to shape our relationships with all our community, iwi, and mana whenua groups to build partnerships that will benefit the district.

### Preparing for the future

We will ensure we are ready for the future by adapting to changes at a global, national, and local level. Demonstrating great leadership to support all the services we deliver.

### Effective management of resources

We manage all of our resources effectively delivering value to our community, we keep sustainability and affordability at the forefront of what we do.

## **FOSTERING MĀORI PARTICIPATION IN COUNCIL DECISION MAKING**

Waitomo District Council's (WDC's) relationships with Ngāti Maniapoto me ōna hapū maha and mātāwaka<sup>4</sup> are guided by the principles and values of mana atua (spiritual authority), mana whenua (customary authority), mana tangata (individual authority), rangatiratanga (authority), kaitiakitanga (guardianship), and manākitanga (hospitality). Our partnerships with Māori recognise our shared common ground. Council's responsibilities toward Māori are set out in law.

Council was pleased to see the Treaty of Waitangi settlement signed between the Crown and Ngāti Maniapoto in late 2022. This has provided for the creation of the iwi entity Te Nehenehenui who have received settlement money and are making plans for distribution and investments to benefit its people. Council looks forward to continuing to grow its relationship with Te Nehenehenui.

The past term saw the introduction of Te Rāngai Whakakaupapa Kōrero committee (TRWK), made up of two councillors and the mayor. The committee's purpose is to provide guidance and support to WDC on matters specific to iwi and mana whenua relationships, it is also an approachable committee where topics of particular interest to Māori can be heard.

As part of its current processes, Council seeks the views of Māori, iwi, and mana whenua on any issues of particular interest to Māori and seeks Māori perspectives on any significant Council work programmes.

In 2023 Council began its review of Māori participation in Council decision making, which included consideration of whether to introduce Māori wards. After consultation with the community and meetings with Whare (committees of marae representatives), the Council decided not to introduce Māori wards. TRWK has been tasked with continuing to work with Whare to develop a model for Māori participation at Council, meetings with Whare will continue over the next year.

Under the Treaty of Waitangi, WDC exercises statutory responsibilities to the Ngā Wai o Maniapoto (Waipā River) Act 2012 and the 2012 Co-Management Deed. We are jointly responsible to implement the Waipā River Joint Management Agreement (JMA) with Waikato, Waipā, and Ōtorohanga District Councils and the Waikato Regional Council. The schedules for the JMA are under development.

Council intends to continue initiatives to foster Māori participation and grow our relationships with Māori and mana whenua:

- work with iwi and Te Arawhiti (the Office for Māori Crown Relations).
- provide information to local Māori through Te Nehenehenui, Whare, and other channels to enable engagement in consultation processes for key aspects of Council work such as future planning (LTPs).
- be available to engage on issues important to iwi, mana whenua and Māori.
- participation and support for national Tuia programme, a Māori rangatahi (youth) leadership programme.
- developing cultural competence among staff and elected representatives to better respect, understand, and communicate with the community we serve

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<sup>4</sup> Hapū maha refers to the many hapū of Ngāti Maniapoto, and mātāwaka the groups within that.

## LISTENING TO OUR COMMUNITY

### SHAPING OUR FUTURE

The last three years have been particularly challenging as we recover from the impact of COVID-19. We have also been hit with some severe weather events that have caused significant damage to properties and our infrastructure. The change in government has bought its own challenges with legislative changes, the need to meet compliance, and the need to build resilience into our networks. This required us to carefully consider our activities and how to best deliver these services. With increasing costs and high inflation, we need to ensure we invest where needed and consider the way these are funded.

#### Finances

The total amount of rates required to operate Council business for Year 1 is \$2,537,000 more than this year (equivalent to an average rate increase of 11.07%.) The rates increase required for Years 2 and 3 are 7.78% and 5.29% respectively.

The proposed rates increase includes the additional roading damage caused by logging and further road renewals and maintenance which adds \$1.2 million to next year's costs. Investment in our 3 waters also accounts for additional costs in the early years on the LTP. Increased operating costs and records management add to the overall costs of delivering the services and infrastructure Council provides.

Council has forecasted an average rate increase of 2.7% in Years 4-10, but this may change when the LTP is reviewed and updated for 2027-2037.

### OUR CHALLENGES

#### Water Supply

Water is a precious resource that we should value and use wisely, it is also costly to produce compliant drinking water. We considered how to deliver quality drinking water affordably across all our schemes. One of the most effective ways to reduce demand is to create a user pays system. Installing water meters will mean those using larger volumes of water will pay more. It will also improve visibility of leaks so less water will be lost.

We asked our community to provide feedback on installing water meters for which we received 37 responses with only 10 opposed, from local responses it was split evenly with 5 in agreement

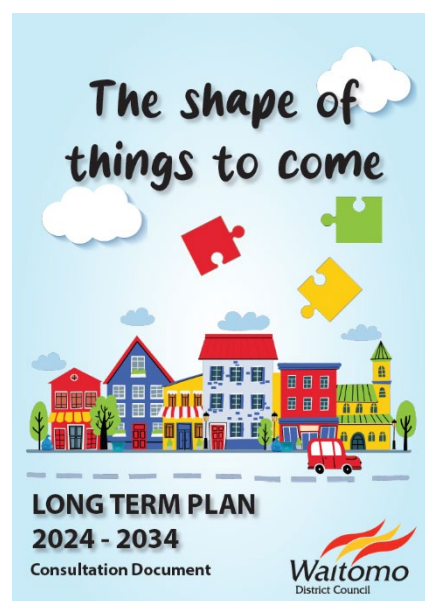
and 5 opposed. Council considered these responses alongside the benefits of water meters for the environment and operationally. The installation of water meters was considered the best approach and is retained as outlined in the LTP.

We considered our level of investment in water supply and wastewater treatment networks and an 'as needed' approach is being taken so that communities only pay for what is absolutely necessary. This is especially so while cost of living is impacting people's ability to pay. A total of 50 responses were made 40 being in favour of the 'as needed' approach from the 12 local responses, nine were in favour. Therefore, Council has kept this approach for the LTP water and wastewater work programme.

#### Landfill and Sludge

Our wastewater treatment ponds which collect the solid component left after wastewater is treated (sludge) have nearly reached capacity. Significant volumes of sludge now need to be removed. The most common disposal method is to mix with municipal waste and dispose of it into a landfill.

This adds additional volume to our waste stream which makes developing the next cell of the Waitomo District landfill potentially a more viable option. This will require gas capture to be installed to reduce the emissions being released from the landfill. If the sludge disposal does not come to our landfill we would need to consider if the municipal solid waste streams could be disposed of more economically at out of district facilities.



## OUR PROPOSALS

We presented six proposals to the community asking for feedback on Council's preferred options. We received a total of 132 submissions, a number of these were from outside the District so a capture of submissions received from addresses with the Waitomo District was included.

### Rural Hall ownership

Council own eight rural halls which are run and supported by rural hall committees. We proposed to work with local rural hall committees to transfer ownership to the committees with the support of their local community. This would formalise the arrangements and widen the funding opportunities for the committees.

We received 30 responses in support of option 1 to retain Council ownership and 33 in support of option 2 for hall committee ownership and 3 supporting option 3 closure of the rural halls. Submissions from those within the district were more strongly in favour of hall committee ownership with 11 supporting option 2, and 3 supporting option 1. The comments were in favour of hall committees deciding what would work best for them.

Elected members and Council staff meet with five hall committees and the response to this proposal was generally positive. In consideration of the submissions and the meetings had with the rural hall committees Council will progress with discussions to transition hall ownership to those committees and communities who wish to do so.

### Te Kūiti Flooding – invest in medium and longer term remedies

In response to the recent flooding events in Te Kūiti Council proposed to invest \$6.7 million over the first five years of the LTP. The investment would include creating retention ponds, specialist modelling and increasing network capacity.

We received 67 responses in total 37 of these favouring increased investment. Local responses were also in favour of this option with 10 in support while five preferred low-level investment.

The project assessment was given high priority by Council and with community responses favouring the increased investment this will be included in our LTP. Design plans and engineering reports will be considered by Council to ensure the investment will deliver the benefits the community expects.

### Elder Persons Housing (EPH) – rent levels and considering specialist providers

Council owns 20 units which are provided as affordable housing for elderly residents. Council proposed increasing the weekly rents more substantially to a level where eligible residents can access the government's Accommodation Supplement (AS) to offset this increase. The increased rent would generate more rental income with minimal impact on residents. These increases would occur over two years and this stage ratepayers would not be contributing to EPH. Council also asked for feedback from the community on who would be the best provider of EPH.

We received 67 responses in total for both topics, of these 14 were from Waitomo district addresses.

The responses were split overall and locally 50/50 for rent increases to continue as regular modest increases or more substantive increase over the next two years to achieve nil general rate requirement.

For the provider question the responses favoured exploring an alternative provider such as a Community Housing Provider which may offer more wrap around services and potential to expand the number of units in the District. There were 40 in favour of this approach overall with 10 of those being local responses.

Elected members and Council staff met with residents and discussed the rent movements and AS so that residents understood the approach and were aware of being able to assess their eligibility for the AS. There was some concern from residents on an alternative provider with residents being comfortable with Council providing this service however potential benefits were also appreciated.

Based on the meetings with residents and submissions Council will progress with moving the rents more substantially over the next two years while ensuring the residents are supported during and after this change. Council will also progress with exploring alternative providers on the basis of there being significant benefit in doing so.

### **Forestry rate – add differential for forestry properties**

Our district has approximately 20,000 hectares of exotic forestry. Our local roads are being increasingly damaged during the harvest by the logging truck movements. To recover the costs to repair this damage Council put forward a proposal to introduce a differential rate or targeted rate but also asked that alternative solutions be presented.

There was significant feedback with 110 submissions received on this proposal. The majority were opposed to introducing additional rates for exotic forestry properties with 89 responses either preferring option 1 or being opposed. There were 17 responses in favour introducing a rate or preferring option 2 or 3. By local responses there were 17 opposed and 9 agreeing with the proposal.

Through the submission process, discussions with forestry owners, managers, and operators there was generally agreement that forestry harvesting activities were causing roading damage. The strong key messages from submissions were that the proposed differential of 12 times the roading rate was too high and did not account for the benefits forestry brings to the district and that alternative approaches could be found to keep the roads in good repair.

Council took into consideration the suggestions and alternatives that were presented while also taking into account the fairness of who should pay, the complexity of road damage caused by logging, and how much could be recovered through alternative methods. From these considerations Council resolved to introduce a differential rate at 3 times for forestry exotic properties including those on State Highways and for mixed use properties applying the 3 times differential only on the capital value exotic forested areas of 20 hectares or more.

Council also resolved to put resource into working with the forestry industry to obtain harvest plans and implement agreements to maintain roads during harvest.

Council wants to recognise the benefits that forestry does offer to the district and show a willingness to work with the industry for solutions.

### **Stormwater rate – change the boundary to better reflect network.**

Council reviewed the current urban boundary and found that it did not accurately reflect the infrastructure and properties benefitting from the network.

Council proposed to update the boundary with some properties being removed and others added. Impacted property owners were written to with the proposed changes and inviting feedback through the consultation process.

There were 67 responses with 14 being local, of these 39 in total supported the change in rating boundary and 10 local responses were also in support. Some submissions opposed the change and raised issues with the boundary changes for properties on the outskirts of the urban area that were more rural and of larger capital value. The attributed benefit to these properties was also raised as a submission point and by property owners during a public drop-in session in Te Kūiti.

On consideration of the points raised an alternative boundary was proposed that made refinements based on the level of service received by properties. Council resolved to make this change to the new boundary which resulted in some rural properties moving outside the boundary and some urban properties remaining inside the boundary.

### **Rate structure simplification.**

A few of Council's activities that have districtwide benefit have complex splits on how they are funded through rates. How the General Rate and Uniform Annual General Charge are portioned adds even more complexity.

To address this Council proposed to remove the Aquatic Centre and District Development Rates with these activities to be General Rate and UAGC funded. A more straight forward approach can then be taken on setting the level of the UAGC by combining the two and working out the percentage split which achieves the desired mix of rates.

We received 67 responses to this proposal with 15 local responses. Overall 34 were in favour of not changing the rating approach compared to 33 supporting changing. From local responses there was more support for change with nine in favour of the simplification, those who commented on this topic were generally supportive.

Council considered the submissions and comments made and alignment to the Revenue and Finance Policy. Council decided that making these changes would be beneficial for administration efficiency, transparency for ratepayers and adherence to Policy.

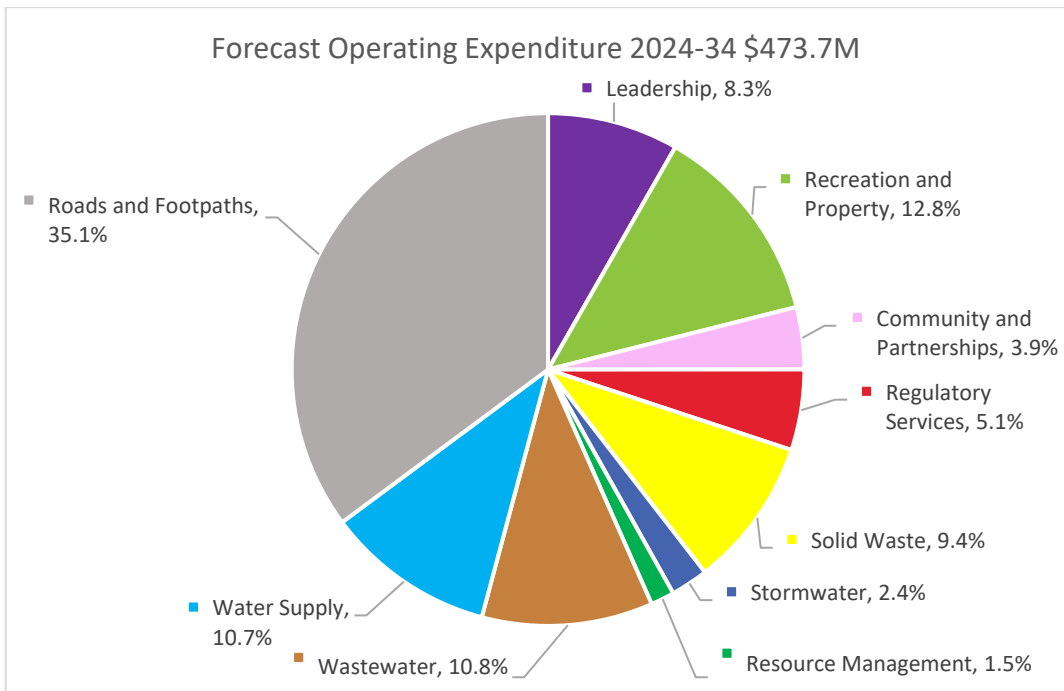
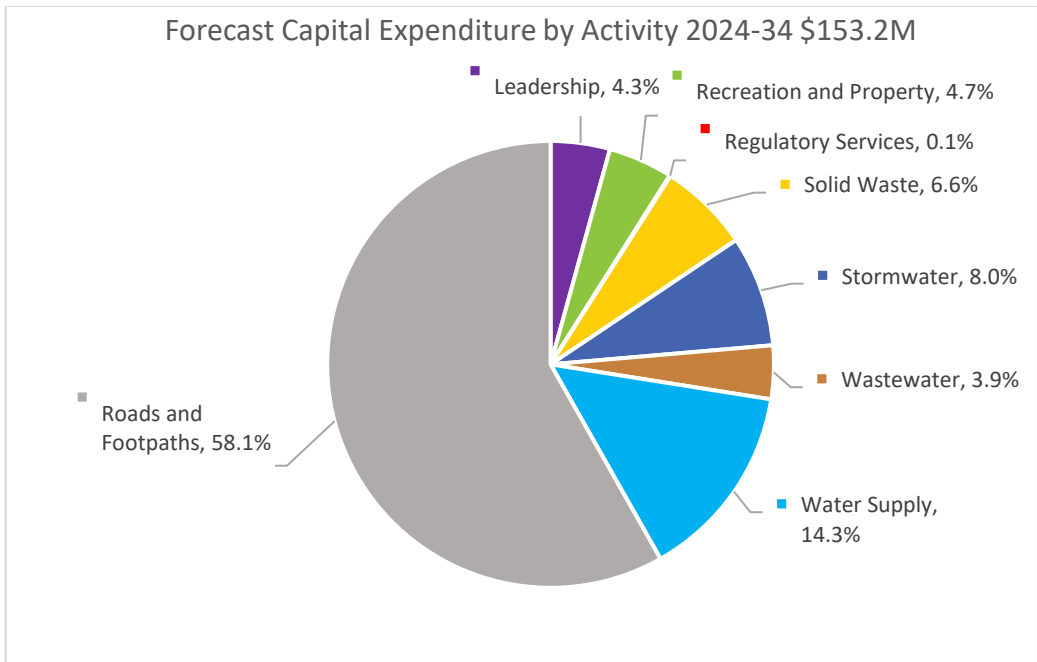
# FINANCIAL SUMMARY

## WHAT WILL IT COST?

Council looks after about \$678 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 managing, regulating and monitoring all the activities that contribute to where and how you live, work and play in our District. That includes things like playgrounds, dog control, community halls, libraries, swimming pool and more.

We estimate it will cost around \$626.9 million over the next 10 years to look after what we already have and to provide the services necessary for our District.



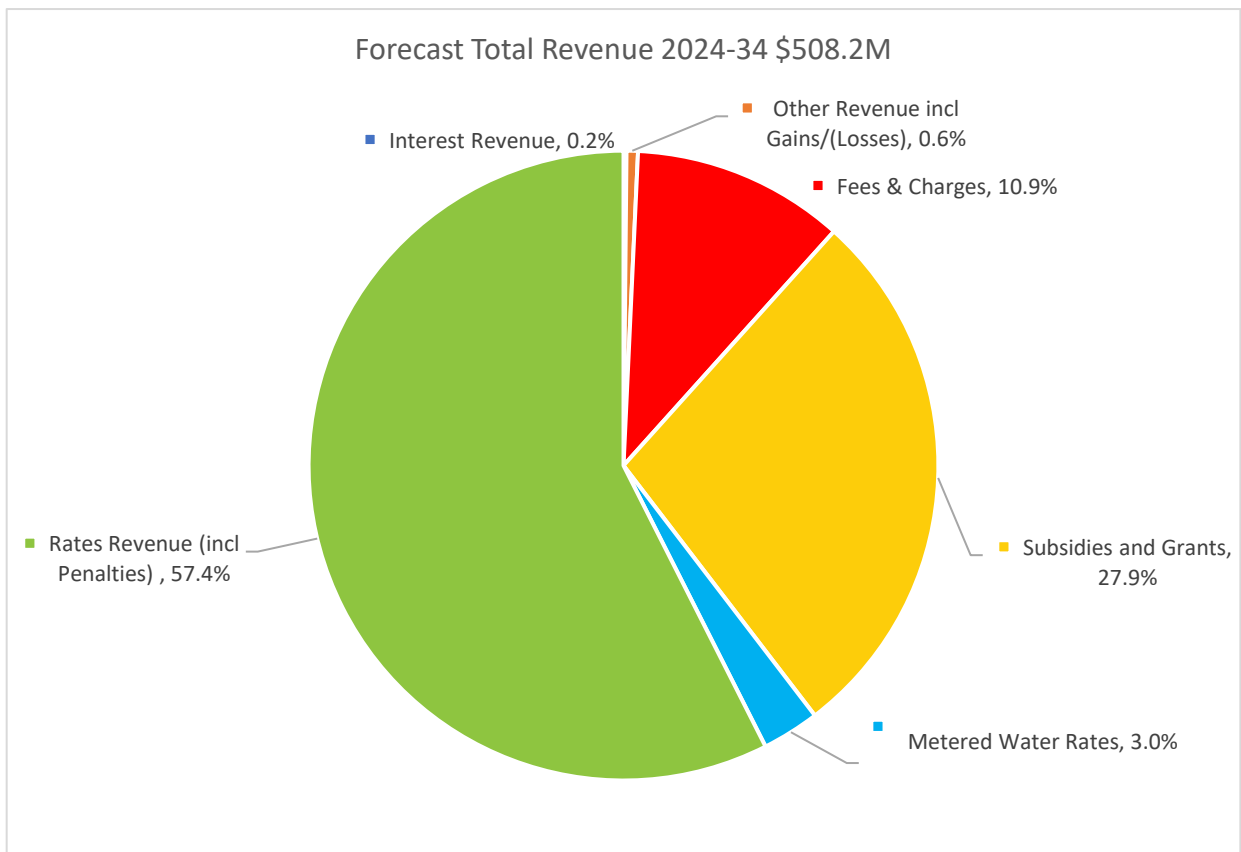
## WHERE DOES THE MONEY COME FROM?

The amount we ask our community to contribute towards our mahi needs to be reasonable. We know some people in our District struggle to afford to pay rates. That is always top of mind for both staff and Elected Members.

The income we receive from rates is not enough to cover the costs to complete all the work we plan to deliver in this LTP, so we will use subsidies, loans and reserves to fund our capital projects. We will also proactively seek to obtain income from other sources wherever possible.

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

Rates revenue (including metered water rates) together with subsidies and grants are our two largest sources of revenue and collectively make up 88.3% of our forecast revenue. Fees and charges are the third largest source at 10.9%. Interest revenue and other revenue make up the remainder of forecast revenue.





## DEBT

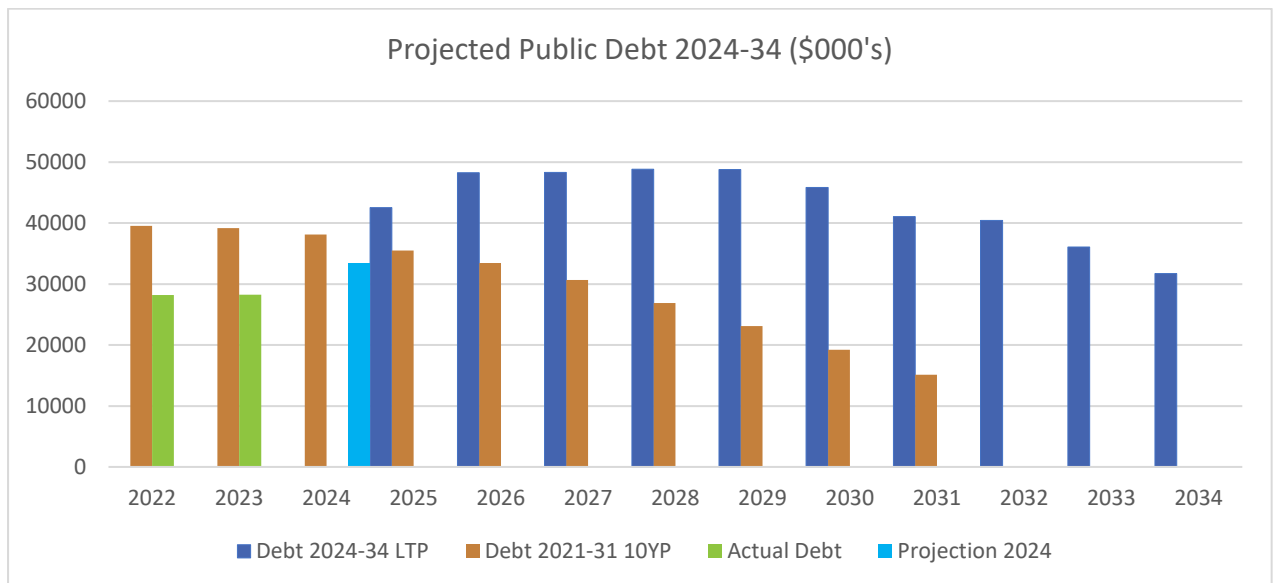
Council's financial performance has improved significantly over the last 10 years. In the five years since July 2018, Council has reduced debt by \$13.4 million from \$41.7 million to \$28.3 million as at June 2023.

We have planned for some significant investment to upgrade our water supply and stormwater networks. We will also need to borrow for development of the Waitomo District Landfill.

The LTP forecasts external borrowings will increase from \$33.4 million in June 2024 to a peak of \$48.8 million in June 2028, then reduces to \$31.7 million by June 2034.

Council is committed to reducing external debt over the duration of the LTP, in order to reduce the debt servicing burden on the community and make headroom for investing in increasing the 'liveability' of the Waitomo District.

Council's current approach is to collect rates from current and future users of infrastructure to fund the future replacement of infrastructure. As this rates revenue is collected, it is used to reduce the total external debt of Council. This means, when in the future, these assets need replacement, the total debt, and therefore interest, will be lower, meaning lower rates.

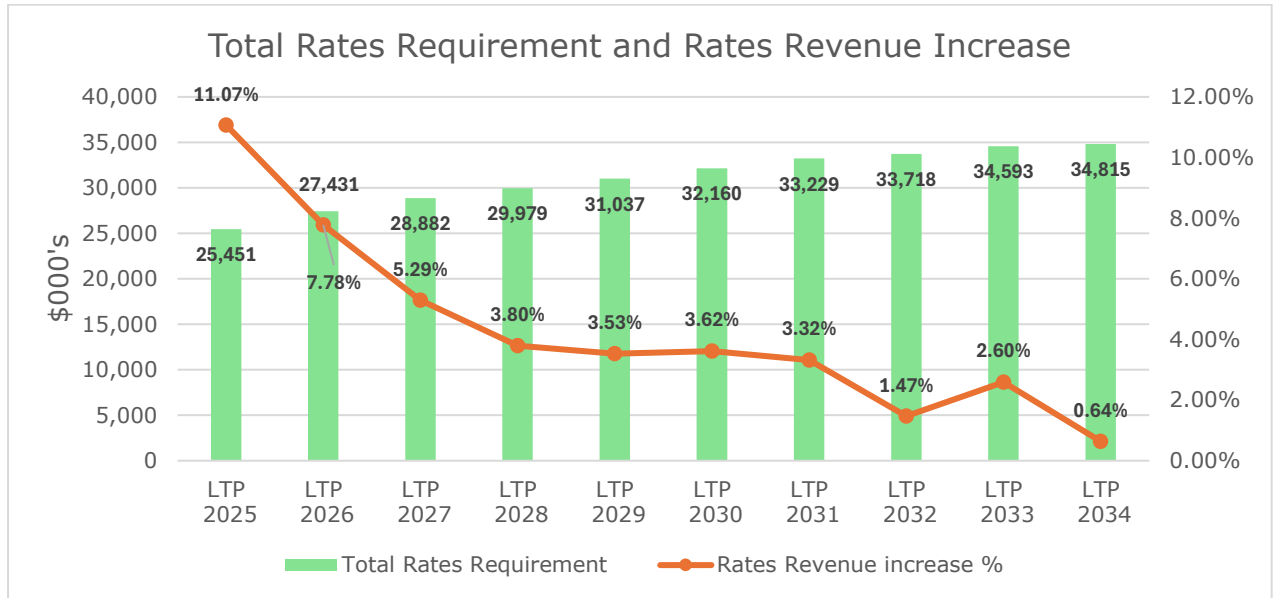


The borrowing costs per rateable property are forecast to increase from \$299 in 2024-25 to \$509 in 2027-28 and then reduce to \$389 by 2033-34.

## 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.



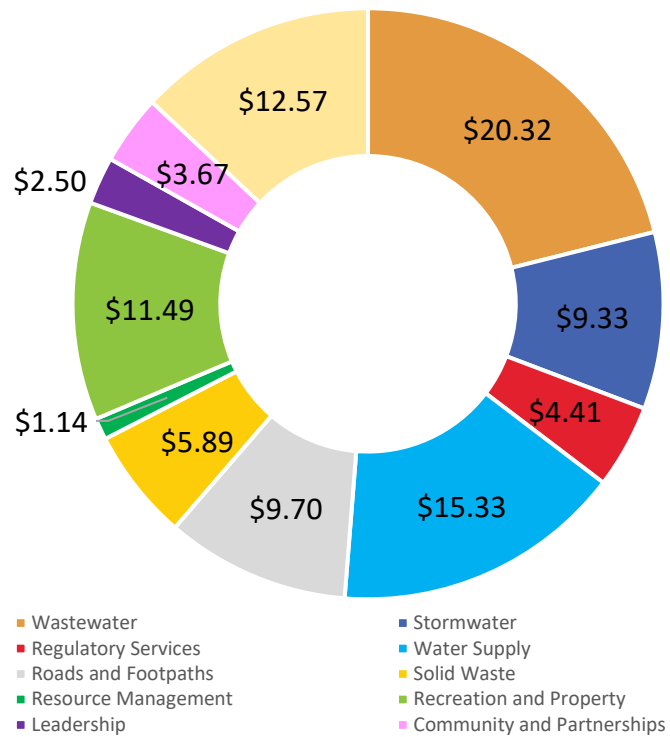
The following table shows the forecast rates increases over the 2024 - 2034 period. Council has set a limit on rates increases, as the average rates increase over the ten years of the plan will not exceed 6%.

	LTP Y1 2024- 2025	LTP Y2 2025- 2026	LTP Y3 2026- 2027	LTP Y4 2027- 2028	LTP Y5 2028- 2029	LTP Y6 2029- 2030	LTP Y7 2030- 2031	LTP Y8 2031- 2032	LTP Y9 2032- 2033	LTP Y10 2033- 2034
<b>Forecast rates revenue increase %</b>	11.07%	7.78%	5.29%	3.79%	3.53%	3.62%	3.32%	1.48%	2.59%	0.64%
<b>Average % increase over 10 years</b>	4.31%									

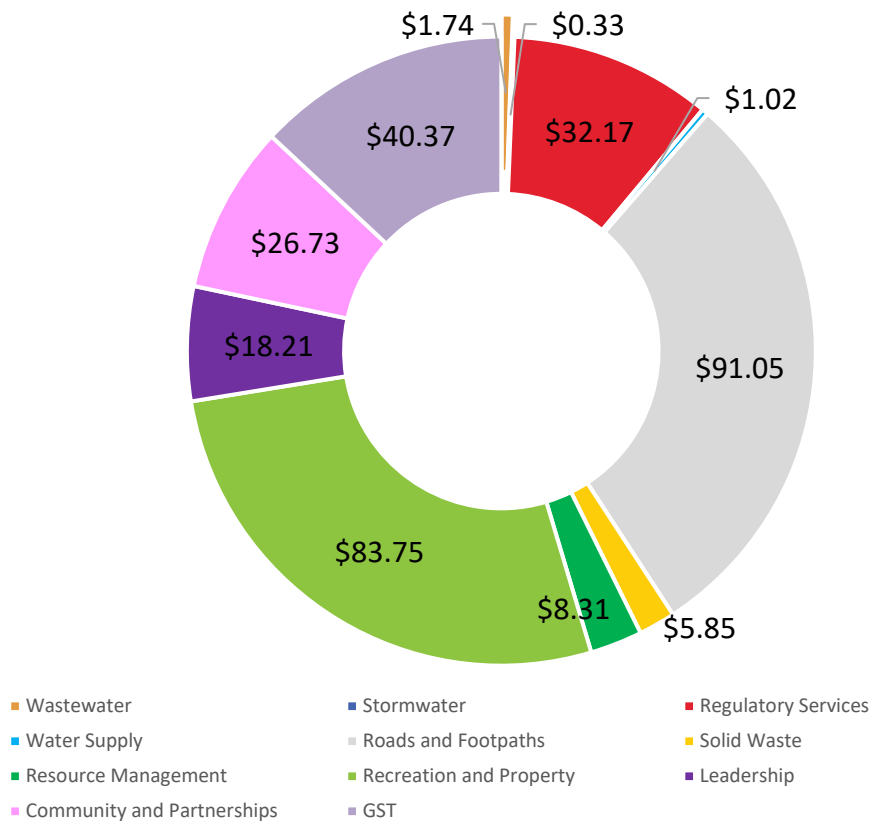
The following table shows the rates revenue as a percentage of total operating expenditure. Council has set the limit on rates income as rates revenue will be limited to an average of 75% of total operating expenditure.

	LTP Y1 2024- 2025	LTP Y2 2025- 2026	LTP Y3 2026- 2027	LTP Y4 2027- 2028	LTP Y5 2028- 2029	LTP Y6 2029- 2030	LTP Y7 2030- 2031	LTP Y8 2031- 2032	LTP Y9 2032- 2033	LTP Y10 2033- 2034
<b>Rates revenue limit</b>	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
<b>Forecast rates revenue as a % of expenditure</b>	58%	62%	64%	65%	65%	66%	67%	67%	67%	67%

**Te Kūiti residential property with CV of \$440,000 paying \$96.35 per week**



**Rural Drystock Property with a CV of \$4.1m paying \$309.53 per week**



NGĀ RATONGA A TE KAUNIHERA

# SERVICES WE PROVIDE



In the following pages we look at the 10 services areas that contribute to the delivery of our community outcomes.

We outline what we do, our plans, what you can expect from us, how much it will cost and show how we will measure our progress.

# LEADERSHIP

## WHAT WE DO AND WHY

### Our Activities:

- Representation
- Strategy and Engagement
- Investments

In carrying out this activity we enable, promote, and support local democracy by providing governance advice and democratic services to elected members, the public and staff.

We support public engagement with the mayor, councillors and with our democratic processes. This includes facilitating local government elections, by-elections, council and committee meetings and official information requests. This activity also includes providing induction, training and administration support for the mayor and councillors, as well as civic functions.

This activity involves research, analysis, and policy development, and provides advice to support development of the District. We focus on strategies, plans, policy, and bylaws to address the top issues facing our community. We also coordinate and undertake community engagement and consultation on a variety of issues.

We provide leadership to Council's investment portfolio which oversees the investment in Waikato Local Authority Shared Services (CoLab), Civic Financial Services Ltd, Inframax Construction Ltd and Council owned quarries.

## CONTRIBUTION TO COMMUNITY OUTCOMES

### PRIMARY



**A district for all people**

### SECONDARY

- A prosperous district**
- A district that values culture**
- A district that cares for its environment**

## LOOKING AHEAD

- Conduct the Representation review and Triennial Local Government elections every three years, next in October 2025.
- Draft, consult and adopt Annual Plans in interim years of the Long Term Plan.
- Prepare Annual Reports for each year demonstrating performance against the plans set in the Long Term Plan.
- Draft, consult and adopt the Long Term Plan 2027 – 2037 (LTP).
- Consider shared delivery options for 3 waters services.
- Review of Bylaws and policies to meet legislative and community needs.



**Our governance services are robust and transparent.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
The percentage of Council agendas that are publicly available before a Council meeting.	<b>Target:</b> 100% <b>Result:</b> 94% Not achieved	<b>Target:</b> ≥ 60% available 4 working days prior and 100% available 2 working days prior.	<b>Target:</b> ≥ 70% available 4 working days prior and 100% available 2 working days prior.	<b>Target:</b> ≥ 80% available 4 working days prior and 100% available 2 working days prior.	<b>Target:</b> ≥ 90% available 4 working days prior and 100% available 2 working days prior.

**We communicate effectively with our community.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
Percentage of residents satisfied that they received or could find Council information when they needed it.	New Measure	<b>Target:</b> Between 60 – 100 %	<b>Target:</b> Between 70 – 100%	<b>Target:</b> Between 80 – 100%	<b>Target:</b> Between 90 – 100%

**We communicate regularly with our community about what matters.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
The number of posts on our Facebook page per week.	New Measure	<b>Target:</b> ≥ 5 each week for at least 45 weeks	<b>Target:</b> ≥ 5 each week for at least 45 weeks	<b>Target:</b> ≥ 5 each week for at least 45 weeks	<b>Target:</b> ≥ 5 each week for at least 45 weeks

**We get back to our customers to let them know the outcome of their service requests.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
The percentage of service requests where an officer has contacted the customer to inform them of the outcome of their request.	New Measure	<b>Target:</b> Set baseline	<b>Target:</b> Increasing trend	<b>Target:</b> Increasing trend	<b>Target:</b> Increasing trend

**SIGNIFICANT NEGATIVE EFFECTS**

<b>Effect</b>	<b>Mitigation</b>
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It is possible that decisions made for the community have a negative impact on the wellbeing of some individuals and groups within the district.

Council tries to ensure that it adequately weighs up the competing demands of the different interest groups and makes decisions that will be in the best interest of the District as a whole.





## PROSPECTIVE FUNDING IMPACT STATEMENT | LEADERSHIP

\$000's	AP 2024 (Restated)	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	3,799	3,341	3,474	3,577	3,631	3,743	3,832	3,830	3,941	4,039	4,020
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	20	270	20	0	0	0	0	0	0	0	0
Fees and charges	104	105	107	109	111	113	115	117	120	122	124
Internal charges and overheads recovered	9,678	7,857	8,128	8,381	8,333	8,511	8,756	8,702	8,875	9,188	9,139
Local authorities fuel tax, fines, infringement fees and other receipts	15	66	72	69	73	74	76	84	84	86	87
<b>Total operating funding (A)</b>	<b>13,616</b>	<b>11,639</b>	<b>11,801</b>	<b>12,136</b>	<b>12,148</b>	<b>12,441</b>	<b>12,779</b>	<b>12,733</b>	<b>13,020</b>	<b>13,435</b>	<b>13,370</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	11,550	9,290	9,263	9,414	9,308	9,556	9,850	9,852	10,110	10,417	10,402
Finance costs	249	365	376	377	434	437	441	472	470	473	471
Internal charges and overheads applied	2,601	2,086	2,167	2,295	2,265	2,320	2,425	2,380	2,432	2,552	2,501
<b>Total applications of operating funding (B)</b>	<b>14,400</b>	<b>11,741</b>	<b>11,806</b>	<b>12,086</b>	<b>12,007</b>	<b>12,313</b>	<b>12,716</b>	<b>12,704</b>	<b>13,012</b>	<b>13,442</b>	<b>13,374</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(784)</b>	<b>(102)</b>	<b>(5)</b>	<b>50</b>	<b>141</b>	<b>128</b>	<b>63</b>	<b>29</b>	<b>8</b>	<b>(7)</b>	<b>(4)</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	532	127	28	(25)	(116)	(103)	(38)	(3)	18	34	33
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	41	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>573</b>	<b>127</b>	<b>28</b>	<b>(25)</b>	<b>(116)</b>	<b>(103)</b>	<b>(38)</b>	<b>(3)</b>	<b>18</b>	<b>34</b>	<b>33</b>
<b>Applications of capital funding</b>											
Capital expenditure - to improve the level of service	61	41	31	31	32	32	33	34	34	35	36
Capital expenditure - to replace existing assets	1,074	667	589	641	605	702	654	511	509	721	625
Increase (decrease) in reserves	(1,346)	(683)	(597)	(647)	(612)	(709)	(662)	(519)	(517)	(729)	(632)
<b>Total applications of capital funding (D)</b>	<b>(211)</b>	<b>25</b>	<b>23</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>25</b>	<b>26</b>	<b>26</b>	<b>27</b>	<b>29</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>784</b>	<b>102</b>	<b>5</b>	<b>(50)</b>	<b>(141)</b>	<b>(128)</b>	<b>(63)</b>	<b>(29)</b>	<b>(8)</b>	<b>7</b>	<b>4</b>
<b>Funding Balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

AP 2024 comparator has been restated to include rates charged on council properties, in rates revenue funding and payments to staff and suppliers. Previously rates on council properties were excluded.

## **COMMUNITY AND PARTNERSHIPS**

### **WHAT WE DO AND WHY**

#### **Our Activities:**

- Community Development
- District Development
- Waitomo District Library Services
- Customer Support Services
- Council Recreation Services

The Community and Partnerships group of activities represent a group of collaborative and partnership approaches and initiatives involving many agencies and organisations. These activities involve the common theme of promoting a better quality of life and a better living environment within the district.

We work with local organisations and private providers to deliver a variety of community-based services and activities. This includes providing grants to community groups through the Community and Partnerships Fund Policy.

We work in collaboration with a range of community partners via the Vibrant Waitomo framework; a community led collaboration that provides leadership and direction, with everyone working in partnership for the benefit of the community.

We work in partnership with Sport Waikato for the delivery of services that support access to sport, recreation, physical activity and play opportunities within the Waitomo district.

We support district promotion opportunities and outcomes.

We engage with our youth, promoting youth leadership, sound social responsibility and positive actions for youth within the district.

We provide a customer service one-stop-shop centrally located in the main street of Te Kūiti . Information services are also available, providing residents and visitors access to quality, up to date information and advice for activities, attractions, accommodation, and events in the district.

We provide a wide range of services and facilities at the Waitomo District Library including physical and online educational and recreational materials, programmes, events, internet and wi-fi services, technology lessons and online services.

We engage operators specialising in facility management to manage the Waitomo District Aquatic Centre and Gallagher Recreation Centre.

### **CONTRIBUTION TO COMMUNITY OUTCOMES**

#### PRIMARY



**A district for all people**

#### SECONDARY

- A prosperous district**
- A district that values culture**
- A district that cares for its environment**

### **LOOKING AHEAD**

- Delivery of the Vibrant Waitomo Strategy and Action Plans.
- Provision of community grants in accordance with the Community and Partnerships Fund Policy.
- Youth engagement.
- Delivery of district events.
- District promotion activities.
- Continue to enhance services and facilities available at the Waitomo District Library.
- Delivery of the Waitomo Housing Strategy.
- Development of an Age Friendly Communities Strategy.
- Delivery of the Waitomo District Play, Active Recreation and Sport Plan in conjunction with Sport Waikato.

## WHAT YOU CAN EXPECT FROM US

**We facilitate strong and sustainable partnerships to support improved outcomes for our community.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
All contestable grant funding is disseminated fairly and equitably in accordance with our Policy.	New measure	<b>Target:</b> Achieved	<b>Target:</b> Achieved	<b>Target:</b> Achieved	<b>Target:</b> Achieved

**We will work in partnership with others on projects or events that enhance the culture and wellbeing of residents.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
The number of projects or events that promote culture or wellbeing delivered in partnership with other organisations.	New Measure	<b>Target:</b> ≥ 2	<b>Target:</b> ≥ 2	<b>Target:</b> ≥ 3	<b>Target:</b> ≥ 4

**We provide a comprehensive and well used Library service for our community.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
The number of active library members.	New Measure	<b>Target:</b> ≥ 2% on the year previous	<b>Target:</b> ≥ 2% on the year previous	<b>Target:</b> ≥ 2% on the year previous	<b>Target:</b> ≥ 2% on the year previous

**We deliver a range of well attended activities and programmes at the Waitomo District Library.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
The number of participants in Library programmes and activities.	New Measure	<b>Target:</b> ≥ 5% on the year previous	<b>Target:</b> ≥ 5% on the year previous	<b>Target:</b> ≥ 5% on the year previous	<b>Target:</b> ≥ 5% on the year previous

**Our customer service team are friendly and helpful.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
The percentage of residents satisfied their initial interaction with council customer services was friendly and helpful.	New Measure	<b>Target:</b> Set baseline	<b>Target:</b> Increasing trend	<b>Target:</b> Increasing trend	<b>Target:</b> Increasing trend

## SIGNIFICANT NEGATIVE EFFECTS

Effect	Mitigation
Potential for groups to become reliant on Council funding support.	Encourage community groups to apply for funding from multiple sources.
Insufficient funding support could limit the support to community led initiatives.	



## PROSPECTIVE FUNDING IMPACT STATEMENT | COMMUNITY AND PARTNERSHIPS

\$000's	AP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	1,335	1,570	1,626	1,670	1,688	1,715	1,742	1,753	1,780	1,813	1,827
Targeted rates	355	13	13	14	14	14	14	15	15	15	16
Subsidies and grants for operating purposes	910	735	62	10	10	10	10	10	10	10	10
Fees and charges	4	4	4	4	5	5	5	5	5	5	5
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding (A)</b>	<b>2,604</b>	<b>2,322</b>	<b>1,705</b>	<b>1,698</b>	<b>1,717</b>	<b>1,744</b>	<b>1,771</b>	<b>1,783</b>	<b>1,810</b>	<b>1,843</b>	<b>1,858</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	1,747	1,907	1,220	1,150	1,116	1,134	1,152	1,169	1,186	1,203	1,220
Finance costs	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads applied	848	556	576	587	589	599	610	610	620	637	634
<b>Total applications of operating funding (B)</b>	<b>2,595</b>	<b>2,463</b>	<b>1,796</b>	<b>1,737</b>	<b>1,705</b>	<b>1,733</b>	<b>1,762</b>	<b>1,779</b>	<b>1,806</b>	<b>1,840</b>	<b>1,854</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>9</b>	<b>(141)</b>	<b>(91)</b>	<b>(39)</b>	<b>12</b>	<b>11</b>	<b>9</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>4</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	0	0	0	0	0	0	0	0	0	0	0
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum Contribution	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of capital funding</b>											
Capital expenditure - to improve the level of service	0	3	0	0	0	0	0	0	0	0	0
Capital expenditure - to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	9	(144)	(91)	(39)	12	11	9	4	4	3	4
<b>Total applications of capital funding (D)</b>	<b>9</b>	<b>(141)</b>	<b>(91)</b>	<b>(39)</b>	<b>12</b>	<b>11</b>	<b>9</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>4</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(9)</b>	<b>141</b>	<b>91</b>	<b>39</b>	<b>(12)</b>	<b>(11)</b>	<b>(9)</b>	<b>(4)</b>	<b>(4)</b>	<b>(3)</b>	<b>(4)</b>
<b>Funding Balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## RECREATION AND PROPERTY

### WHAT WE DO AND WHY

#### Our Activities:

- Parks and Recreation
- Housing and Property
- Community Facilities
- Public Facilities

The District has a range of recreation facilities and open green spaces for the community to enjoy. We provide and maintain 421.31 hectares in the District. These areas include recreation facilities such as playgrounds, play spaces (i.e., skate parks), natural areas, open spaces, and community amenities such as public toilets and furniture.

We provide and maintain cemeteries. As part of this management, we make burial records available to the public.

We provide a swimming pool in the District, which is dedicated to promoting health and recreation through swimming and water related activities.

The Gallagher Recreation Centre serves as a central hub for a range of indoor sports, fostering physical well-being and community engagement through organised sports activities.

We own facilities that may be booked and used by local organisations, private providers and communities.

We acknowledge that we have an ageing population in the District and therefore ensure that we provide some elder persons housing.

### CONTRIBUTION TO COMMUNITY OUTCOMES

#### PRIMARY



**A district for all people**

#### SECONDARY

**A prosperous district**  
**A district that values culture**  
**A district that cares for its environment**

### LOOKING AHEAD

- Our aim is to offer accessible, secure, and welcoming spaces that encourage physical activity and will foster participation from all members of the district.
- We intend to carry out various improvement and maintenance projects throughout the duration of this plan, which include picnic table and bin renewals, CCTV upgrade and renovating and upgrading some of our properties and facilities.



## WHAT YOU CAN EXPECT FROM US

**We provide parks and open spaces across our district.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/2023	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
Percentage of residents satisfied with our parks and open spaces.	<b>Target:</b> Maintain or increase from 89% <b>Result:</b> 83% Not Achieved	<b>Target:</b> ≥ 85%	<b>Target:</b> ≥ 85%	<b>Target:</b> ≥ 85%	<b>Target:</b> ≥ 85%

**We provide community facilities that are compliant with legislative standards.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/2023	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
Ensure facilities with compliance schedules have current Building Warrant of Fitness (BWOFF).	<b>Target:</b> Achieve <b>Result:</b> Achieved	Achieve	Achieve	Achieve	Achieve

**We provide clean public toilets for our community and visitors.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/2023	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
Percentage of residents satisfied with the cleanliness of public toilets.	<b>Target:</b> ≥ 85% <b>Result:</b> 89% Achieved	≥ 85%	≥ 85%	≥ 85%	≥ 85%



## SIGNIFICANT NEGATIVE EFFECTS

Effect	Mitigation
Legislative constraints through the Public Works Act (1977) can limit Council's ability to move quickly to maximise market opportunities during land dealings.	The relevant activity management plan provides the mechanism for forecasting future requirements ahead of need.
Discharge of chemicals for swimming pool water – impact on the environment.	Procedure and infrastructure in place to neutralise and safely dispose of potential contaminants.
Noise of the activity e.g., Aerodrome.	Facilities have been located in appropriate planning zones. E.g., the aerodrome is located in the rural zone, with sufficient buffer distance from the main population of Te Kūiti, is compatible with the nature of the operation and is protected by a designation in Council's District Plan.
Potential pollution from burial grounds.	Potential adverse effects from cemeteries are mitigated by locating cemeteries with sufficient separation distance from waterways and protecting the location and land use through an appropriate designation in Council's operative District Plan.





## PROSPECTIVE FUNDING IMPACT STATEMENT | RECREATION AND PROPERTY

\$000's	AP 2024 (Restated)	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	3,743	4,486	4,637	4,891	4,930	5,030	5,195	5,267	5,349	5,437	5,489
Targeted rates	312	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	351	101	1	1	1	1	2	2	2	2	2
Fees and charges	635	667	720	742	758	778	794	809	857	840	895
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding (A)</b>	<b>5,041</b>	<b>5,254</b>	<b>5,358</b>	<b>5,634</b>	<b>5,689</b>	<b>5,809</b>	<b>5,991</b>	<b>6,078</b>	<b>6,208</b>	<b>6,279</b>	<b>6,386</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	2,169	2,793	2,673	2,832	2,829	2,812	3,012	3,069	3,145	3,080	3,234
Finance costs	172	132	155	175	191	185	182	181	152	148	133
Internal charges and overheads applied	1,766	1,207	1,249	1,301	1,291	1,317	1,354	1,360	1,387	1,410	1,399
<b>Total applications of operating funding (B)</b>	<b>4,107</b>	<b>4,132</b>	<b>4,077</b>	<b>4,308</b>	<b>4,311</b>	<b>4,314</b>	<b>4,548</b>	<b>4,610</b>	<b>4,684</b>	<b>4,638</b>	<b>4,766</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>934</b>	<b>1,122</b>	<b>1,281</b>	<b>1,326</b>	<b>1,378</b>	<b>1,495</b>	<b>1,443</b>	<b>1,468</b>	<b>1,524</b>	<b>1,641</b>	<b>1,620</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	396	446	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	169	68	(269)	(238)	(290)	(196)	(255)	(219)	(220)	(190)	(10)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>565</b>	<b>514</b>	<b>(269)</b>	<b>(238)</b>	<b>(290)</b>	<b>(196)</b>	<b>(255)</b>	<b>(219)</b>	<b>(220)</b>	<b>(190)</b>	<b>(10)</b>
<b>Applications of capital funding</b>											
Capital expenditure - to improve the level of service	557	825	172	134	184	183	207	208	258	216	267
Capital expenditure - to replace existing assets	650	268	365	512	332	564	602	441	384	521	654
Increase (decrease) in reserves	292	543	475	442	572	552	379	600	662	714	689
<b>Total applications of capital funding (D)</b>	<b>1,499</b>	<b>1,636</b>	<b>1,012</b>	<b>1,088</b>	<b>1,088</b>	<b>1,299</b>	<b>1,188</b>	<b>1,249</b>	<b>1,304</b>	<b>1,451</b>	<b>1,610</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(934)</b>	<b>(1,122)</b>	<b>(1,281)</b>	<b>(1,326)</b>	<b>(1,378)</b>	<b>(1,495)</b>	<b>(1,443)</b>	<b>(1,468)</b>	<b>(1,524)</b>	<b>(1,641)</b>	<b>(1,620)</b>
<b>Funding Balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

AP 2024 comparator has been restated to include rates charged on council properties, in rates revenue funding and payments to staff and suppliers. Previously rates on council properties were excluded.

## REGULATORY SERVICES

### WHAT WE DO AND WHY

#### Our Activities:

- Building Services
- Alcohol Licensing
- Environmental Health
- Bylaw Administration
- Animal and Dog Control
- Emergency Management

We undertake many activities that contribute to keeping our community safe (wellbeing) and help to make Waitomo District a safe place to be.

Our regulatory activities are governed and directed by national legislation, regional and local policies, and bylaws.

**Building Services** - responsible for processing and monitoring building consents and issuing Code of Compliance Certificates pursuant to the Building Act. This activity also covers the monitoring and enforcement of earthquake-prone building requirements, and swimming pools.

**Alcohol Licensing** - responsible for administering the Sale and Supply of Alcohol Act 2012 at a local level by way of the Waitomo District Licensing Committee on behalf of the Alcohol Regulatory and Licensing Authority, which encourages the responsible sale and use of alcohol through licensing, monitoring of premises and enforcement of the Act.

**Environmental Health** - provides a range of services to ensure food outlets maintain high food safety standards, and that noise and nuisance complaints, hazardous substances and contaminated sites are all managed.

**Bylaw Administration** - involves managing a range of bylaws to allow Council to manage issues associated with community nuisance, protect public health and manage Council's assets.

**Animal and Dog Control** - delivers animal control services in the areas of dog registration, complaint response, wandering stock, and general animal control, as required by the Dog Control Act 1996, Impounding Act 1955 and Council's Dog Control Policy and Bylaw. This is achieved through active enforcement of requirements and via the education of dog owners and the general public.

**Emergency Management** - Through emergency management we work to help the community be resilient and ready to deal with an emergency. We also support the Waikato Region Civil Defence and Emergency Management Group.

### CONTRIBUTION TO COMMUNITY OUTCOMES

#### PRIMARY



**A district for all people**

#### SECONDARY

**A prosperous district**  
**A district that values culture**  
**A district that cares for its environment**

### LOOKING AHEAD

- We will continue to undertake regulatory services as required by legislation.
- We will continue to monitor the various legislative review processes, with significant changes considered and responded to as part of future annual and long term plans.



## WHAT YOU CAN EXPECT FROM US

### Building Consents are processed in a timely fashion.

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
All building consents are processed within 20 working days.	<b>Target:</b> Achieve <b>Result:</b> 99% Not Achieved	Achieve	Achieve	Achieve	Achieve

### We provide regulatory services for alcohol licences.

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
All premises that sell alcohol are licensed.	<b>Target:</b> 100% Compliance <b>Result:</b> 100% Achieved	<b>Target:</b> 100% Compliance	<b>Target:</b> 100% Compliance	<b>Target:</b> 100% Compliance	<b>Target:</b> 100% Compliance

### We provide regulatory services for food licences.

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
All premises that sell food are licensed and registered.	New Measure	<b>Target:</b> 100% Compliance	<b>Target:</b> 100% Compliance	<b>Target:</b> 100% Compliance	<b>Target:</b> 100% Compliance

### We provide Land Information Memorandum Services (LIMs) efficiently.

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
LIM applications are processed within 10 working days.	<b>Target:</b> 100% Compliance <b>Result:</b> 98% Not Achieved	<b>Target:</b> 100% Compliance	<b>Target:</b> 100% Compliance	<b>Target:</b> 100% Compliance	<b>Target:</b> 100% Compliance

### We will process, inspect, and certify building work in the Waitomo District.

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
WDC maintains building control systems and processes to meet IANZ Audit requirements.	<b>Target:</b> BCA accreditation maintained <b>Result:</b> BCA accreditation maintained Achieved	<b>Target:</b> BCA accreditation maintained	<b>Target:</b> BCA accreditation maintained	<b>Target:</b> BCA accreditation maintained	<b>Target:</b> BCA accreditation maintained

### We provide an effective Animal Control service.

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
Percentage of residents satisfied with the provision of the Animal Control service.	<b>Target:</b> ≥75% <b>Result:</b> 77% Achieved	<b>Target:</b> ≥ 75%	<b>Target:</b> ≥ 75%	<b>Target:</b> ≥ 75%	<b>Target:</b> ≥ 75%

**WDC is resourced and staff trained to effectively support operations of Civil Defence Headquarters during an emergency.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
The evaluation of annual exercise as a measure of effectiveness of training.	<p><b>Target:</b> Baseline assessment</p> <p><b>Result:</b> 66% 'Advancing' Achieved</p>	<p><b>Target:</b> ≥ 61% (comprehensive score)</p>	<p><b>Target:</b> ≥ 61% (comprehensive score)</p>	<p><b>Target:</b> ≥ 61% (comprehensive score)</p>	<p><b>Target:</b> ≥ 61% (comprehensive score)</p>

**SIGNIFICANT NEGATIVE EFFECTS**

Effect	Mitigation
Legislation, Bylaws and Policies may be seen by some members of the Community as restrictive.	Council endeavours to resolve enforcement issues by utilising the minimum enforcement necessary to achieve the required outcome where possible.



## PROSPECTIVE FUNDING IMPACT STATEMENT | REGULATORY SERVICES

\$000's	AP 2024 (Restated)	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	878	1,420	1,545	1,561	1,599	1,607	1,646	1,649	1,696	1,710	1,738
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	549	705	704	733	732	762	759	790	787	818	814
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	24	25	25	26	26	27	27	28	28	29	30
<b>Total operating funding (A)</b>	<b>1,451</b>	<b>2,150</b>	<b>2,274</b>	<b>2,320</b>	<b>2,357</b>	<b>2,396</b>	<b>2,432</b>	<b>2,467</b>	<b>2,511</b>	<b>2,557</b>	<b>2,582</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	424	1,200	1,226	1,252	1,278	1,304	1,329	1,354	1,379	1,404	1,430
Finance costs	0	0	1	1	1	2	2	2	2	2	2
Internal charges and overheads applied	1,121	995	1,032	1,050	1,061	1,078	1,090	1,098	1,117	1,136	1,135
<b>Total applications of operating funding (B)</b>	<b>1,545</b>	<b>2,195</b>	<b>2,259</b>	<b>2,303</b>	<b>2,340</b>	<b>2,384</b>	<b>2,421</b>	<b>2,454</b>	<b>2,498</b>	<b>2,542</b>	<b>2,567</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(94)</b>	<b>(45)</b>	<b>15</b>	<b>17</b>	<b>17</b>	<b>12</b>	<b>11</b>	<b>13</b>	<b>13</b>	<b>15</b>	<b>15</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(1)	9	9	8	7	7	8	7	7	6	6
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>(1)</b>	<b>9</b>	<b>9</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>6</b>
<b>Applications of capital funding</b>											
Capital expenditure - to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to replace existing assets	20	10	10	10	11	11	11	11	11	12	12
Increase (decrease) in reserves	(115)	(46)	14	15	13	8	8	9	9	9	9
<b>Total applications of capital funding (D)</b>	<b>(95)</b>	<b>(36)</b>	<b>24</b>	<b>25</b>	<b>24</b>	<b>19</b>	<b>19</b>	<b>20</b>	<b>20</b>	<b>21</b>	<b>21</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>94</b>	<b>45</b>	<b>(15)</b>	<b>(17)</b>	<b>(17)</b>	<b>(12)</b>	<b>(11)</b>	<b>(13)</b>	<b>(13)</b>	<b>(15)</b>	<b>(15)</b>
<b>Funding Balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

AP 2024 comparator has been restated to include rates charged on council properties, in rates revenue funding and payments to staff and suppliers. Previously rates on council properties were excluded.

## RESOURCE MANAGEMENT

### WHAT WE DO AND WHY

#### Our Activities:

- District Planning
- District Plan Administration

The District Planning activity involves setting the direction, form, and shape of our urban and rural communities to ensure growth and development is sustainably managed, while protecting our cultural and historic heritage, outstanding landscapes, and significant natural features. We also undertake District Plan reviews when required. We cover planning functions under the Resource Management Act 1991, including the processing, issuing, and monitoring of resource consents, designations, and other application types. This activity also includes monitoring compliance with the Waitomo District Plan and the Resource Management Act 1991.

### CONTRIBUTION TO COMMUNITY OUTCOMES

#### PRIMARY



**A district that cares for its environment**

#### SECONDARY

**A prosperous district**  
**A district for all people**  
**A district that values culture**

### LOOKING AHEAD

The single biggest project being undertaken within this Group is the review of the Waitomo District Plan. During this next Long Term Plan (LTP) the Proposed District Plan will be operative.

It is anticipated that the District Plan Administration functions undertaken within this activity will remain relatively static over the term of this LTP. However, central government is reforming the Resource Management Act 1991, and this will need to be addressed during the LTP 2024-2034.



**WHAT YOU CAN EXPECT FROM US**

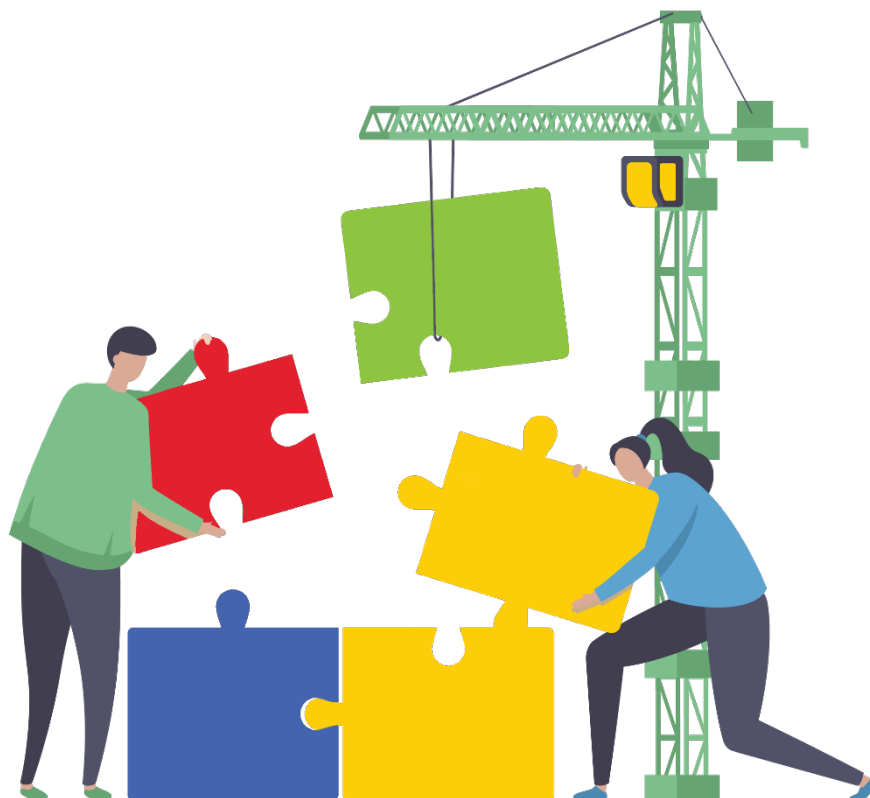
**Resource Consents are processed in accordance with legislation.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
All non-notified land use consent and subdivision consents are processed within 20 days.	<b>Target:</b> Achieve  <b>Result:</b> Achieved	<b>Target:</b> Achieve	<b>Target:</b> Achieve	<b>Target:</b> Achieve	<b>Target:</b> Achieve



## SIGNIFICANT NEGATIVE EFFECTS

Effect	Mitigation
Customers may not be happy with levels of service provided, or cost of compliance with regulatory requirements.	Council will have adequate staff resources and where required resource management consultants will be engaged to meet additional resourcing demands.
Central Government could introduce additional legislative requirements which impose a further regulatory burden on Council.	Council endeavours to minimise costs by having effective and efficient systems and processes in place.
The conditions of resource consents approved may not be adhered to, leading to adverse environmental effects.	Council has a programme for the regular monitoring of resource consents.
The time taken to process resource consent and other applications may be considered excessive by applicants.	Council meets the timelines required by legislation. Processes are reviewed for continuous improvement opportunities.





## PROSPECTIVE FUNDING IMPACT STATEMENT | RESOURCE MANAGEMENT

\$000's	AP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	417	445	654	690	701	706	712	710	707	717	653
Targeted rates	0	0	0	0	0	0	0	0	0	0	0
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	215	216	221	225	230	235	239	244	248	253	257
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding (A)</b>	<b>632</b>	<b>661</b>	<b>875</b>	<b>915</b>	<b>931</b>	<b>941</b>	<b>951</b>	<b>954</b>	<b>955</b>	<b>970</b>	<b>910</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	505	562	370	117	119	122	124	126	129	131	133
Finance costs	65	67	81	88	94	87	82	75	59	53	44
Internal charges and overheads applied	693	408	420	428	431	439	447	448	457	469	468
<b>Total applications of operating funding (B)</b>	<b>1,263</b>	<b>1,037</b>	<b>871</b>	<b>633</b>	<b>644</b>	<b>648</b>	<b>653</b>	<b>649</b>	<b>645</b>	<b>653</b>	<b>645</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(631)</b>	<b>(376)</b>	<b>4</b>	<b>282</b>	<b>287</b>	<b>293</b>	<b>298</b>	<b>305</b>	<b>310</b>	<b>317</b>	<b>265</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	585	376	(4)	(282)	(287)	(293)	(298)	(305)	(310)	(317)	(265)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>585</b>	<b>376</b>	<b>(4)</b>	<b>(282)</b>	<b>(287)</b>	<b>(293)</b>	<b>(298)</b>	<b>(305)</b>	<b>(310)</b>	<b>(317)</b>	<b>(265)</b>
<b>Applications of capital funding</b>											
Capital expenditure - to improve the level of service	0	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to replace existing assets	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in reserves	(46)	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (D)</b>	<b>(46)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>631</b>	<b>376</b>	<b>(4)</b>	<b>(282)</b>	<b>(287)</b>	<b>(293)</b>	<b>(298)</b>	<b>(305)</b>	<b>(310)</b>	<b>(317)</b>	<b>(265)</b>
<b>Funding Balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## SOLID WASTE

### WHAT WE DO

#### Our Activities:

- Kerbside Collection
- Waste Disposal
- Waste Minimisation

We are responsible for the kerbside collection and safe management of domestic rubbish, and recycling. Weekly rubbish and recycling collections are provided to the residents of Te Kūiti, Piopio, Awakino, Mokau and Waitomo Village area.

We operate a landfill at Te Kūiti and waste transfer stations are provided at the communities of Maniaiti/Benneydale, Piopio, Marokopa, Kinohaku, and Mokau/Awakino.

We work hard to minimise waste and to encourage more recycling and reuse through education programmes and promoting waste minimisation. Effective and efficient waste minimisation is a requirement of all councils under a range of legislation.



### CONTRIBUTION TO COMMUNITY OUTCOMES

#### PRIMARY



**A district that cares for its environment**

#### SECONDARY

**A prosperous district**  
**A district for all people**  
**A district that values culture**

### LOOKING AHEAD

- We will be implementing our new Waste Minimisation and Management Plan which includes waste minimisation education and accessing relevant grants to achieve this.
- By implementing comprehensive risk mitigation measures and adopting proactive reduction strategies, we can minimise the environmental, social, and economic impacts associated with landfill. A holistic approach to waste management is crucial for achieving long-term sustainability goals and preserving the well-being of our community.
- We are continuing with the development of the next landfill cell as this is the most cost-effective option to dispose of our municipal waste and sludge from wastewater treatment. If an alternative is found for the sludge disposal (such as consented land based) we would need to reevaluate the viability of keeping our own landfill versus out of district waste disposal.
- Any changes to the landfill would be consulted with the community and made through our Annual Plan process.

## WHAT YOU CAN EXPECT FROM US

**We will provide a reliable kerbside rubbish collection to stop rubbish becoming a health risk\***

*\*services offered in Te Kūiti , Waitomo Village, Piopio and Mokau*

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
The number of justifiable complaints per week about uncollected rubbish.	<b>Target:</b> <10 per week <b>Result:</b> 0.35 Achieved	<b>Target:</b> <7 per week	<b>Target:</b> <7 per week	<b>Target:</b> <7 per week	<b>Target:</b> <7 per week

**We provide effective and fit for purpose solid waste facilities.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
Percentage of users that are satisfied with the rural transfer service stations.	<b>Target:</b> Maintain or increase from the previous rating <b>Result:</b> 91% Achieved	<b>Target:</b> ≥ 90%	<b>Target:</b> ≥ 90%	<b>Target:</b> ≥ 90%	<b>Target:</b> ≥ 90%
Percentage of users that are satisfied with the Waitomo District Landfill.	<b>Target:</b> new measure	<b>Target:</b> ≥ 90%	<b>Target:</b> ≥ 90%	<b>Target:</b> ≥ 90%	<b>Target:</b> ≥ 90%

**We encourage waste minimisation by providing recycling services to reduce waste sent to landfill.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
Diversion rate* of the District's waste to landfill.  <i>*Diversion means not sending unwanted materials to disposal facilities. Instead, materials are repurposed through the process of <b>reuse, recycling, or recovery</b>. The diversion rate is found by dividing the weight of diverted waste only by the weight of all waste and multiplying this by 100 to get a percentage.</i>	New Measure	<b>Target:</b> Increasing trend of diversion rate to ≥ 50%	<b>Target:</b> Increasing trend of diversion rate to ≥ 50%	<b>Target:</b> Increasing trend of diversion rate to ≥ 50%	<b>Target:</b> diversion rate is ≥ 50% of the districts waste to landfill

## SIGNIFICANT NEGATIVE EFFECTS

Effect	Mitigation
Public health impacts are increased in the absence of a well-managed and accessible waste collection and disposal system.	Maintain and improve public health and well-being by providing access to essential waste management services and facilities.
User charges can be a disincentive to responsible social behaviour, leading to fly-tipping.	Waste reduction promoted by various education programmes.
High volumes of waste disposal reduces the life of landfills and minimises opportunity for resource recovery.	Good planning and design contribute to maximum resource recovery and minimises the impact of waste disposal on the environment energy resources.
Cost of compliance with applicable standards.	Provide an effective and efficient collection and disposal service for residual solid wastes.
Malodour from landfill can impact on quality of life and amenity.	Daily processing and covering of landfill waste.
Leachate from landfills and transfer stations sewers has the potential for negative impact on the environment.	Leachate collections systems installed.
Additional costs of Emissions Trading Scheme will impact on viability of district landfill.	Through waste reduction to the landfill promoted by various education programmes and ensuring that the increased cost is transferred to the user (user pay principle).



## PROSPECTIVE FUNDING IMPACT STATEMENT | SOLID WASTE

\$000's	AP 2024 (Restated)	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	32	66	69	70	71	72	74	74	75	77	77
Targeted rates	1,426	1,567	1,819	1,953	1,997	2,024	2,047	2,400	2,447	2,503	2,557
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	2,057	2,237	2,335	2,435	2,494	2,552	2,608	2,666	2,722	2,781	2,837
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	85	125	125	125	125	125	125	125	125	125	125
<b>Total operating funding (A)</b>	<b>3,600</b>	<b>3,995</b>	<b>4,348</b>	<b>4,583</b>	<b>4,687</b>	<b>4,773</b>	<b>4,854</b>	<b>5,265</b>	<b>5,369</b>	<b>5,486</b>	<b>5,596</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	2,707	3,210	3,341	3,445	3,153	3,294	3,433	3,530	3,645	3,745	3,837
Finance costs	126	124	220	245	266	240	236	231	284	278	234
Internal charges and overheads applied	511	497	520	508	510	521	547	533	545	557	555
<b>Total applications of operating funding (B)</b>	<b>3,344</b>	<b>3,831</b>	<b>4,081</b>	<b>4,198</b>	<b>3,929</b>	<b>4,055</b>	<b>4,216</b>	<b>4,294</b>	<b>4,474</b>	<b>4,580</b>	<b>4,626</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>256</b>	<b>164</b>	<b>267</b>	<b>385</b>	<b>758</b>	<b>718</b>	<b>638</b>	<b>971</b>	<b>895</b>	<b>906</b>	<b>970</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	205	0	0	0	0
Increase (decrease) in debt	3,516	2,792	279	(160)	(475)	(411)	166	(418)	3,429	(108)	(550)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>3,516</b>	<b>2,792</b>	<b>279</b>	<b>(160)</b>	<b>(475)</b>	<b>(411)</b>	<b>371</b>	<b>(418)</b>	<b>3,429</b>	<b>(108)</b>	<b>(550)</b>
<b>Applications of capital funding</b>											
Capital expenditure - to improve the level of service	27	10	10	28	28	29	439	30	31	32	32
Capital expenditure - to replace existing assets	3,850	3,131	745	339	62	99	392	71	3,941	540	74
Increase (decrease) in reserves	(105)	(185)	(209)	(142)	193	179	178	452	352	226	314
<b>Total applications of capital funding (D)</b>	<b>3,772</b>	<b>2,956</b>	<b>546</b>	<b>225</b>	<b>283</b>	<b>307</b>	<b>1,009</b>	<b>553</b>	<b>4,324</b>	<b>798</b>	<b>420</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(256)</b>	<b>(164)</b>	<b>(267)</b>	<b>(385)</b>	<b>(758)</b>	<b>(718)</b>	<b>(638)</b>	<b>(971)</b>	<b>(895)</b>	<b>(906)</b>	<b>(970)</b>
<b>Funding Balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

AP 2024 comparator has been restated to include rates charged on council properties, in rates revenue funding and payments to staff and suppliers. Previously rates on council properties were excluded.

# STORMWATER

## WHAT WE DO AND WHY

### Our Activities:

- Stormwater Network

We provide the collection, diversion and disposal of surface water runoff following rainfall.

The stormwater network covers the urban stormwater infrastructure, which includes the associated reticulation network, and disposal systems.

The majority of Council's stormwater infrastructure is located at Te Kūiti with limited infrastructure available at our rural townships. Rural area coverage includes Maniaiti/Benneydale, Piopio, Mokau, Awakino, Marokopa and Te Waitere.

To meet our obligations to monitor the effects of stormwater on the environment, we carry out compliance testing as required under our consent conditions.

Investment in infrastructure has been made to improve public safety of manholes and outlets.

## CONTRIBUTION TO COMMUNITY OUTCOMES

### PRIMARY



**A district for all people**

### SECONDARY

- A prosperous district**
- A district that values culture**
- A district that cares for its environment**

## LOOKING AHEAD

Te Kūiti has been impacted by extreme weather events that have overwhelmed the stormwater network resulting in flooded floors for homes and businesses.

We will address the flooding with short (with one year), medium (2-3 years) and long term (4+ years) remedies. Work will continue on small scale infrastructure such as wingwalls and scruffy domes to improve entry points to the stormwater network.

In the medium to long term we need to slow the rate of flow into the network by building retention ponds that will hold and slowly release stormwater during intense or prolonged rain events.

Catchment modelling will provide the information we need to upgrade the stormwater pipes to get stormwater away from properties as quickly as possible.

The modelling will improve our asset management planning, we will be working towards maintaining the resilience, sustainability and compliance of the stormwater network over the next ten years.

We will be putting forward an application to renew our comprehensive stormwater consent in 2024, which is likely to require more stringent reporting and compliance.

We anticipate that we will need to comply with increased legislative and regulatory requirements in terms of our existing assets.

Any changes needed to meet these requirements will be addressed through our Annual Plan process.



## WHAT YOU CAN EXPECT FROM US

**We maintain and operate the stormwater network in a way that minimises the likelihood of stormwater entering habitable buildings.**

*\*flooding event means an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor. Habitable floor refers to the floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages.*

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
The number of flooding events* that occur in the district in a financial year.	<b>Target:</b> 0 <b>Result:</b> 2 Not Achieved	<b>Target:</b> ≤ 2	<b>Target:</b> ≤ 2	<b>Target:</b> ≤ 2	<b>Target:</b> ≤ 1
For each flooding event* the number of habitable floors affected in a financial year.	<b>Target:</b> ≤ 1 per 1,000 properties <b>Result:</b> 5.3 Not Achieved	<b>Target:</b> ≤ 5 per 1,000 properties	<b>Target:</b> ≤ 5 per 1,000 properties	<b>Target:</b> ≤ 5 per 1,000 properties	<b>Target:</b> ≤ 3 per 1,000 properties

**We comply with our resource consent conditions and minimise the impact of stormwater on the environment.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
The number of abatement notices, infringement notices, enforcement orders and convictions related to the management of the stormwater system.	<b>Target:</b> ≤ 2 infringement notices <b>Result:</b> 0 Achieved  <b>Target:</b> 0 Abatement, enforcement or conviction actions <b>Result:</b> 0 Achieved	<b>Target:</b> ≤ 2 infringement notices  <b>Target:</b> 0, abatement, enforcement, or conviction actions	<b>Target:</b> ≤ 2 infringement notices  <b>Target:</b> 0, abatement, enforcement, or conviction actions	<b>Target:</b> ≤ 2 infringement notices  <b>Target:</b> 0, abatement, enforcement, or conviction actions	<b>Target:</b> ≤ 2 infringement notices  <b>Target:</b> 0, abatement, enforcement, or conviction actions

**We will respond within a reasonable timeframe to flooding.**

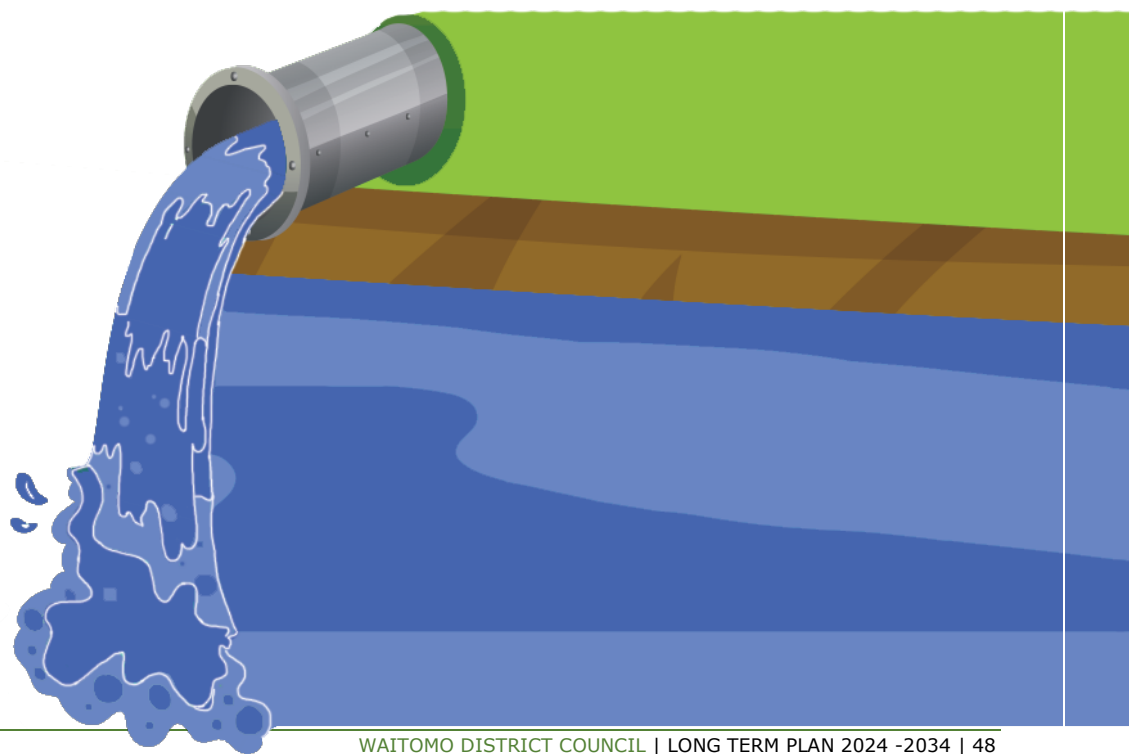
WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
The median response time to attend a flooding event*, (measured from the time that the notification is received to the time that service personnel reach the site).	<b>Target:</b> ≤ 180 minutes (3hrs) <b>Result:</b> 60 days 14 hours and 31 mins Not Achieved	<b>Target:</b> ≤ 180 minutes (3hrs)	<b>Target:</b> ≤ 180 minutes (3hrs)	<b>Target:</b> ≤ 180 minutes (3hrs)	<b>Target:</b> ≤ 180 minutes (3hrs)

**We provide a reliable stormwater system.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
The number of complaints received about the performance of the Council's urban stormwater system per 1,000 properties connected.	<b>Target:</b> ≤ 4 complaints per 1,000 properties <b>Result:</b> 6 per 1000 connections Not Achieved	<b>Target:</b> ≤ 5 complaints per 1,000 properties	<b>Target:</b> ≤ 5 complaints per 1,000 properties	<b>Target:</b> ≤ 5 complaints per 1,000 properties	<b>Target:</b> ≤ 5 complaints per 1,000 properties

## SIGNIFICANT NEGATIVE EFFECTS

Effect	Mitigation
Open drains in urban areas can lead to infestations of insects and vermin and can become a safety hazard.	Maintaining / improving community health and wellbeing by providing effective surface drainage of urban land and property.
Carbon emissions, dust and spillages of contaminants on urban roading carriageways can enter the drainage network and have an adverse effect on the receiving water.	Good stormwater drainage planning and design mitigates the effects of the discharge on the environment.
Road flooding and property inundation can result in delays to the supply of goods and daily access to places of employment.	Effective drainage facilitates the use of land for commercial and industrial development.





## PROSPECTIVE FUNDING IMPACT STATEMENT | STORMWATER

\$000's	AP 2024 (Restated)	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	545	918	1,023	1,207	1,196	1,258	1,279	1,308	1,282	1,337	1,271
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	0	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding (A)</b>	<b>545</b>	<b>918</b>	<b>1,023</b>	<b>1,207</b>	<b>1,196</b>	<b>1,258</b>	<b>1,279</b>	<b>1,308</b>	<b>1,282</b>	<b>1,337</b>	<b>1,271</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	253	466	485	534	463	479	478	481	479	504	464
Finance costs	15	40	88	141	200	226	223	229	185	184	154
Internal charges and overheads applied	93	185	191	229	210	215	204	212	220	220	213
<b>Total applications of operating funding (B)</b>	<b>361</b>	<b>691</b>	<b>764</b>	<b>904</b>	<b>873</b>	<b>920</b>	<b>905</b>	<b>922</b>	<b>884</b>	<b>908</b>	<b>831</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>184</b>	<b>227</b>	<b>259</b>	<b>303</b>	<b>323</b>	<b>338</b>	<b>374</b>	<b>386</b>	<b>398</b>	<b>429</b>	<b>440</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	719	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	216	608	1,334	1,386	1,286	1,554	388	403	412	404	393
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>216</b>	<b>1,327</b>	<b>1,334</b>	<b>1,386</b>	<b>1,286</b>	<b>1,554</b>	<b>388</b>	<b>403</b>	<b>412</b>	<b>404</b>	<b>393</b>
<b>Applications of capital funding</b>											
Capital expenditure - to improve the level of service	240	1,240	1,271	1,306	1,339	1,373	272	278	284	290	296
Capital expenditure - to replace existing assets	235	548	514	637	360	372	356	378	393	392	389
Increase (decrease) in reserves	(75)	(234)	(192)	(254)	(90)	147	134	133	133	151	148
<b>Total applications of capital funding (D)</b>	<b>400</b>	<b>1,554</b>	<b>1,593</b>	<b>1,689</b>	<b>1,609</b>	<b>1,892</b>	<b>762</b>	<b>789</b>	<b>810</b>	<b>833</b>	<b>833</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(184)</b>	<b>(227)</b>	<b>(259)</b>	<b>(303)</b>	<b>(323)</b>	<b>(338)</b>	<b>(374)</b>	<b>(386)</b>	<b>(398)</b>	<b>(429)</b>	<b>(440)</b>
<b>Funding Balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

AP 2024 comparator has been restated to include rates charged on council properties, in rates revenue funding and payments to staff and suppliers. Previously rates on council properties were excluded.

## WASTEWATER

### WHAT WE DO

#### Our Activities:

- Wastewater collection, treatment, and disposal.

Wastewater from showers, baths, sinks, washing machines, dishwashers and toilets is collected and transferred through a network of pipes and pump stations to the Wastewater Treatment Plants at Te Kūiti , Piopio, Maniaiti/Benneydale and a soakage field at Te Waitere.

Each wastewater scheme comprises a reticulation network, pump stations, treatment plant or process and effluent disposal system. Te Kūiti is the largest of the four schemes, containing 77% of the total length of reticulation which is approximately 51km.

### CONTRIBUTION TO COMMUNITY OUTCOMES

#### PRIMARY



**A district for all people**

#### SECONDARY

**A prosperous district**  
**A district that values culture**  
**A district that cares for its environment**

### LOOKING AHEAD

- Te Kūiti Treatment Plant priority renewals – reactor liner and UV Unit replacements. The Activated Sludge reactor liner is old and becoming damaged. Replacing the liner will ensure wastewater contamination to the ground water is mitigated. The current UV units are over 10 years old, normally these are replaced every 5-7 years due to reliability and efficiency.
- Reticulation renewals for Te Kūiti based on inflow and infiltration investigation work, pipe condition, and age.
- Improvements to Te Kūiti 's reticulation pump stations with new pumps and installing more Programmable Logic Control systems to effectively operate the pumps.
- Maniaiti/Benneydale Wastewater Treatment plant resource consent renewal by May 2025.
- Maniaiti/Benneydale Wastewater Treatment Plant upgrade and renewals. The upgrade will provide effective treatment processes and compliance certainty.
- Te Waitere additional soakage field.
- Installation of Piopio's Wastewater Treatment Plant inflow storage tank. This tank will provide storage buffer during heavy rainfall events. This will allow flow rates to be regulated to ensure an effective and efficient treatment process. The buffer tank will also ensure compliance with daily flow volume discharge, chemical and bacteriological parameters as required by our resource consent conditions.
- Provision has been made for significant sludge removal over the LTP period.

## WHAT YOU CAN EXPECT FROM US

**Our wastewater system is optimised to reduce the risk of harm to the community and environment.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
Number of dry weather overflows in a financial year.	<p><b>Target:</b> ≤10 complaints per 1,000 connections</p> <p><b>Result:</b> 0 Achieved</p>	<b>Target:</b> ≤5 complaints per 1,000 connections	<b>Target:</b> ≤5 complaints per 1,000 connections	<b>Target:</b> ≤5 complaints per 1,000 connections	<b>Target:</b> ≤5 complaints per 1,000 connections

**Our wastewater system is operated and maintained to minimise odour and blockages.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
The number of complaints about wastewater odour, system faults or blockages and complaints about our response to issues with the wastewater system in <b>Piopio</b> .	<p><b>Target:</b> ≤35 per 1,000 connections</p> <p><b>Result:</b> 219 per 1000 connections Not Achieved</p>	<b>Target:</b> ≤200 per 1,000 connections	<b>Target:</b> ≤200 per 1,000 connections	<b>Target:</b> ≤200 per 1,000 connections	<b>Target:</b> ≤200 per 1,000 connections
The number of complaints about wastewater odour, system faults or blockages and complaints about our response to issues with the wastewater system in the <b>rest of the District</b> .	<p><b>Target:</b> ≤35 per 1,000 connections</p> <p><b>Result:</b> 36.2 per 1000 Not Achieved</p>	<b>Target:</b> ≤35 per 1,000 connections	<b>Target:</b> ≤35 per 1,000 connections	<b>Target:</b> ≤35 per 1,000 connections	<b>Target:</b> ≤35 per 1,000 connections

**We comply with our resource consent conditions and minimise the impact of wastewater on the environment.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
The number of abatement notices, infringement notices, enforcement orders and convictions issued for overflow from the wastewater system.	<p><b>Target:</b> 0</p> <p>Abatement, infringement, enforcement or conviction actions</p> <p><b>Result:</b> 1 Not Achieved</p>	<b>Target:</b> 0	<b>Target:</b> 0	<b>Target:</b> 0	<b>Target:</b> 0

**We will attend and resolve issues with the wastewater system within a reasonable timeframe.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
The median attendance time for call-outs, from the time that we received notification to the time that our service personnel reach the site.	<p><b>Target:</b> ≤180 minutes</p> <p><b>Result:</b> 1hr 46 mins Achieved</p>	<b>Target:</b> ≤180 minutes	<b>Target:</b> ≤180 minutes	<b>Target:</b> ≤180 minutes	<b>Target:</b> ≤180 minutes

**We will attend and resolve issues with the wastewater system within a reasonable timeframe.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
<p>The median resolution time of callouts* in <b>Piopio.</b></p> <p><i>* Call-out times measured from the time that we received notification to the time that our service personnel confirm the fault or interruption has been resolved.</i></p>	<p><b>Target:</b> ≤ 540 minutes <b>Result:</b> 4 hrs 40 mins Achieved</p>	<p><b>Target:</b> ≤ 540 minutes</p>	<p><b>Target:</b> ≤ 480 minutes</p>	<p><b>Target:</b> ≤ 450 minutes</p>	<p><b>Target:</b> ≤ 450 minutes</p>
<p>The median resolution time of callouts in the <b>rest of the District.</b></p>	<p><b>Target:</b> ≤ 540 minutes <b>Result:</b> 4 hr 31 mins Achieved</p>	<p><b>Target:</b> ≤ 540 minutes</p>	<p><b>Target:</b> ≤ 480 minutes</p>	<p><b>Target:</b> ≤ 450 minutes</p>	<p><b>Target:</b> ≤ 450 minutes</p>

Effect	Mitigation
Malodour from pumping stations and treatment plants can impact on quality of life and amenity.	Health and wellbeing maintained / improved through the provision of an effective wastewater collection, treatment, and disposal system.
Sewage overflows from pumping stations or blocked sewers and impacts of the final effluent quality at the point of discharge, have the potential for negative impact on the environment.	Robust wastewater planning and design avoids adverse effects on the environment and ensures efficient use of non-renewable energy resources.
Cost of compliance with applicable standards plus the cost of sewerage rates and fees can be a significant burden for local industry.	Council sewerage schemes provide an efficient and effective option for the disposal of trade wastes compared with individual, on-site treatment.
Discharges from sewage treatment plants can have a damaging effect on both the physical and cultural attributes of the receiving environment.	Adverse effects can be mitigated through careful design and operation of the treatment and disposal system.

## PROSPECTIVE FUNDING IMPACT STATEMENT | WASTEWATER

\$000's	AP 2024 (Restated)	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	2,436	2,713	2,936	3,342	3,670	3,833	4,283	4,631	4,688	4,917	4,989
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	776	796	816	838	860	881	901	922	942	962	982
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding (A)</b>	<b>3,212</b>	<b>3,509</b>	<b>3,752</b>	<b>4,180</b>	<b>4,530</b>	<b>4,714</b>	<b>5,184</b>	<b>5,553</b>	<b>5,630</b>	<b>5,879</b>	<b>5,971</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	2,088	2,625	2,715	2,827	2,914	2,937	3,034	3,128	3,187	3,253	3,298
Finance costs	250	217	259	303	365	353	358	356	297	289	253
Internal charges and overheads applied	812	588	612	637	649	642	659	674	676	686	676
<b>Total applications of operating funding (B)</b>	<b>3,150</b>	<b>3,430</b>	<b>3,586</b>	<b>3,767</b>	<b>3,928</b>	<b>3,932</b>	<b>4,051</b>	<b>4,158</b>	<b>4,160</b>	<b>4,228</b>	<b>4,227</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>62</b>	<b>79</b>	<b>166</b>	<b>413</b>	<b>602</b>	<b>782</b>	<b>1,133</b>	<b>1,395</b>	<b>1,470</b>	<b>1,651</b>	<b>1,744</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	(57)	(133)	(86)	8	585	(320)	(157)	(120)	(402)	(370)	(321)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>(57)</b>	<b>(133)</b>	<b>(86)</b>	<b>8</b>	<b>585</b>	<b>(320)</b>	<b>(157)</b>	<b>(120)</b>	<b>(402)</b>	<b>(370)</b>	<b>(321)</b>
<b>Applications of capital funding</b>											
Capital expenditure - to improve the level of service	116	75	67	121	427	83	17	249	18	91	18
Capital expenditure - to replace existing assets	527	418	528	556	826	332	529	386	391	399	394
Increase (decrease) in reserves	(638)	(547)	(515)	(256)	(66)	47	430	640	659	791	1,011
<b>Total applications of capital funding (D)</b>	<b>5</b>	<b>(54)</b>	<b>80</b>	<b>421</b>	<b>1,187</b>	<b>462</b>	<b>976</b>	<b>1,275</b>	<b>1,068</b>	<b>1,281</b>	<b>1,423</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(62)</b>	<b>(79)</b>	<b>(166)</b>	<b>(413)</b>	<b>(602)</b>	<b>(782)</b>	<b>(1,133)</b>	<b>(1,395)</b>	<b>(1,470)</b>	<b>(1,651)</b>	<b>(1,744)</b>
<b>Funding Balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

AP 2024 comparator has been restated to include rates charged on council properties, in rates revenue funding and payments to staff and suppliers. Previously rates on council properties were excluded.

## WATER SUPPLY

### WHAT WE DO AND WHY

#### Our Activities:

- Water treatment, storage, and distribution

We treat, store, distribute and manage the District's water supply. We make sure that water is properly treated to provide a high standard of drinking water.

We operate and maintain water schemes in Te Kūiti, Maniaiti/Benneydale, Piopio and Mokau. We look after the treatment plants, water storage reservoirs, pump stations, hydrants pipelines and water meters.

Monitoring and managing risks to the quality and safety of water is an important part of this service. We undertake planning to manage future capacity needs.

Legally, we must ensure our water is used sustainably. We do this in many ways including water conservation when demand is high, encouraging residents to conserve our precious water resource. We also invest in infrastructure to improve monitoring of water quality and doing things more efficiently and effectively.

### CONTRIBUTION TO COMMUNITY OUTCOMES

#### PRIMARY



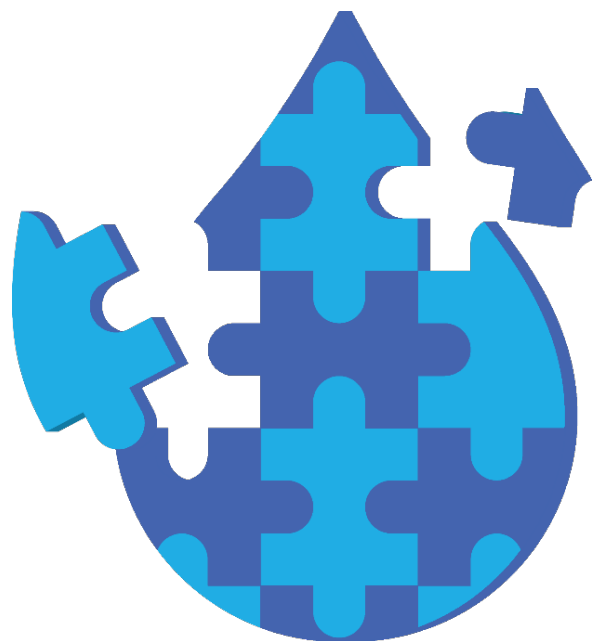
**A district for all people**

#### SECONDARY

**A prosperous district**  
**A district that values culture**  
**A district that cares for its environment**

### LOOKING AHEAD

- Continue district wide installation of new backflow prevention devices to all residential, commercial and industrial properties.
- Better management of water loss and non-revenue water for Te Kūiti and Piopio by installing property water meters and reticulation zone flow meters. Billing would be phased in so consumers can adjust water use and address leaks. The meters will provide data to locate the water loss, so investigation and repair work can be undertaken.
- Improve resilience in our treated water capacity for Te Kūiti with a dedicated rising main and additional reservoir. This will provide sufficient treated water storage for emergency situations.
- New pumping line to Piopio drinking water reservoir.
- Watermain renewals based on age and condition of pipes.
- Implementation of improvement actions that were identified in the water safety plans and source water risks management plans as high and medium risk that have potential to cause non-compliance with drinking water legislation and standards.



## WHAT YOU CAN EXPECT FROM US

**We provide water that is safe to drink and hygienic to use which meets the drinking water standards.**

The New Zealand Drinking Water Standards are monitored by Taumata Arowai as a national standard for public safety.

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
Water quality complies with the drinking water standards for bacteria.	<b>Target:</b> Achieved Compliance <b>Result:</b> Not Achieved Compliance Not Achieved	<b>Target:</b> Achieve Compliance	<b>Target:</b> Achieve Compliance	<b>Target:</b> Achieve Compliance	<b>Target:</b> Achieve Compliance
Water quality complies with the drinking water standards for protozoa.	<b>Target:</b> Achieved Compliance <b>Result:</b> Not Achieved Compliance Not Achieved	<b>Target:</b> Achieve Compliance	<b>Target:</b> Achieve Compliance	<b>Target:</b> Achieve Compliance	<b>Target:</b> Achieve Compliance

**We provide an efficient and effective water supply. We will achieve this by undertaking activities such as water leakage detection and maintaining the network of water pipes.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
Percentage of real water loss from Council's networked reticulation system.  <i>(*Water Losses' includes real losses through leaks in the network and apparent losses through metering inaccuracies or water theft. This does not include unauthorised consumption).</i>	Te Kūiti <b>Target:</b> ≤ 20% <b>Result:</b> 13.14% Achieved	Te Kūiti <b>Target:</b> ≤ 20%	Te Kūiti <b>Target:</b> ≤ 20%	Te Kūiti <b>Target:</b> ≤ 20%	Te Kūiti <b>Target:</b> ≤ 20%
	Mokau <b>Target:</b> ≤ 5% <b>Result:</b> 1.1% Achieved	Mokau <b>Target:</b> ≤ 5%	Mokau <b>Target:</b> ≤ 5%	Mokau <b>Target:</b> ≤ 5%	Mokau <b>Target:</b> ≤ 5%
	Piopio <b>Target:</b> ≤ 5% <b>Result:</b> 0.67% Achieved	Piopio <b>Target:</b> ≤ 5%	Piopio <b>Target:</b> ≤ 5%	Piopio <b>Target:</b> ≤ 5%	Piopio <b>Target:</b> ≤ 5%
	Maniaiti/Benneydale <b>Target:</b> ≤ 10% <b>Result:</b> 8.64% Achieved	Maniaiti/Benneydale <b>Target:</b> ≤ 5%	Maniaiti/Benneydale <b>Target:</b> ≤ 5%	Maniaiti/Benneydale <b>Target:</b> ≤ 5%	Maniaiti/Benneydale <b>Target:</b> ≤ 5%

**We will respond within a reasonable timeframe to issues with the water supply.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
The median attendance time for urgent call-outs. * *The median attendance time for urgent call-outs from the time that we received notification to the time that our service personnel reach the site.	<b>Target:</b> ≤ 180 minutes (3hrs) <b>Result:</b> 1 hr 54 mins Achieved	<b>Target:</b> ≤ 180 minutes (3hrs)	<b>Target:</b> ≤ 180 minutes (3hrs)	<b>Target:</b> ≤ 180 minutes (3hrs)	<b>Target:</b> ≤ 180 minutes (3hrs)

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
<p>The median resolution time of urgent call-outs.*  <i>* The median resolution time of urgent call-outs, from the time that we received notification to the time that our service personnel confirm the fault or interruption has been resolved.</i></p>	<p><b>Target:</b> ≤ 540 minutes (9 hrs)  <b>Result:</b> 9 hrs 22 mins            Not Achieved</p>	<p><b>Target:</b> ≤ 540 minutes (9 hrs)</p>	<p><b>Target:</b> ≤ 540 minutes (9 hrs)</p>	<p><b>Target:</b> ≤ 540 minutes (9 hrs)</p>	<p><b>Target:</b> ≤ 540 minutes (9 hrs)</p>
<p>The median attendance time, in working days, for non-urgent call-outs.*  <i>*The median attendance time, in working days, for non-urgent call-outs, from the time that we received notification to the time that our service personnel reach the site.</i></p>	<p><b>Target</b> ≤ 660 minutes (11 hrs)  <b>Result:</b> 21 hrs 35 mins            Not Achieved</p>	<p><b>Target</b> ≤ 24 hours (1 day)</p>	<p><b>Target</b> ≤ 24 hours (1 day)</p>	<p><b>Target</b> ≤ 24 hours (1 day)</p>	<p><b>Target</b> ≤ 24 hours (1 day)</p>
<p>The median resolution time, in working days, of non-urgent call-outs.*  <i>*The median resolution time, in working days, of non-urgent call-outs, from the time we received notification to the time that our service personnel confirm the fault or interruption has been resolved. (working days are defined as Monday – Friday, excluding public holidays. If notification is received on the weekend or public holiday the timeframes starts from the next working day)</i></p>	<p><b>Target:</b> ≤ 96 hours (4 days)  <b>Result:</b> 27 hrs 31 mins            Achieved</p>	<p><b>Target:</b> ≤ 96 hours (4 days)</p>	<p><b>Target:</b> ≤ 96 hours (4 days)</p>	<p><b>Target:</b> ≤ 96 hours (4 days)</p>	<p><b>Target:</b> ≤ 96 hours (4 days)</p>

**We provide water that is wholesome and is reliably supplied. The measure indicates customers and community satisfaction with the quality of the water.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
<p>The number of complaints received relating to drinking water about clarity.</p>	<p><b>Target:</b> clarity ≤ 20 per 1000 connections  <b>Result:</b> 3.4 per 1000 connection            Achieved</p>	<p><b>Target:</b> ≤ 5 per 1000 connections</p>	<p><b>Target:</b> ≤ 5 per 1000 connections</p>	<p><b>Target:</b> ≤ 5 per 1000 connections</p>	<p><b>Target:</b> ≤ 5 per 1000 connections</p>
<p>The number of complaints received relating to drinking water about taste.</p>	<p><b>Target:</b> ≤ 5 per 1000 connections  <b>Result:</b> 0.8 per 1000 connection            Achieved</p>	<p><b>Target:</b> ≤ 2 per 1000 connections</p>	<p><b>Target:</b> ≤ 2 per 1000 connections</p>	<p><b>Target:</b> ≤ 2 per 1000 connections</p>	<p><b>Target:</b> ≤ 2 per 1000 connections</p>



WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
The number of complaints received relating to drinking water about odour.	<p><b>Target:</b> odour ≤ 5 per 1000 connections</p> <p><b>Result:</b> 0.4 per 1000 connection Achieved</p>	<p><b>Target:</b> ≤ 2 per 1000 connections</p>	<p><b>Target:</b> ≤ 2 per 1000 connections</p>	<p><b>Target:</b> ≤ 2 per 1000 connections</p>	<p><b>Target:</b> ≤ 2 per 1000 connections</p>
The number of complaints received relating to drinking water continuity of supply.	<p><b>Target:</b> ≤15 per 1000 connections</p> <p><b>Result:</b> 0.38 per 1000 connection Achieved</p>	<p><b>Target:</b> ≤ 5 per 1000 connections</p>	<p><b>Target:</b> ≤ 4 per 1000 connections</p>	<p><b>Target:</b> ≤ 3 per 1000 connections</p>	<p><b>Target:</b> ≤ 2 per 1000 connections</p>
The number of complaints received relating to drinking water continuity of supply and water pressure flow.	<p><b>Target:</b> ≤ 15 per 1000 connections</p> <p><b>Result:</b> 1.9 per 1000 connection Achieved</p>	<p><b>Target:</b> ≤ 10 per 1000 connections</p>	<p><b>Target:</b> ≤ 5 per 1000 connections</p>	<p><b>Target:</b> ≤ 5 per 1000 connections</p>	<p><b>Target:</b> ≤ 5 per 1000 connections</p>
The number of complaints received relating to drinking water about Council's response to any of these issues.	<p><b>Target:</b> ≤20 per 1000 connections</p> <p><b>Result:</b> 0.75 Achieved</p>	<p><b>Target:</b> ≤ 7 per 1000 connections</p>	<p><b>Target:</b> ≤ 5 per 1000 connections</p>	<p><b>Target:</b> ≤ 2 per 1000 connections</p>	<p><b>Target:</b> ≤ 2 per 1000 connections</p>

**We provide efficient management of demand for water for our community.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
The average consumption of drinking water per Waitomo District resident, per day.	<p><b>Target:</b> ≤ 400 litres per person per day</p> <p><b>Result:</b> 470l Not Achieved</p>	<p><b>Target:</b> ≤ 400 litres per person per day</p>	<p><b>Target:</b> ≤ 400 litres per person per day</p>	<p><b>Target:</b> ≤ 400 litres per person per day</p>	<p><b>Target:</b> ≤ 400 litres per person per day</p>

## SIGNIFICANT NEGATIVE EFFECTS

Effect	Mitigation
Inadvertent contamination of public water supplies from microbiological organisms can adversely impact on public health.	Public health protected from water borne diseases through the identification of risks and implementation of measures and monitoring systems to avoid, remedy or mitigate those risks.
Excessive abstraction of raw water at the point of intake has the potential for negative impact on the environment.	Robust assessment of effects carried out in support of resource consent application to take water. Rate of abstraction and impact.
Cost of compliance with applicable standards plus the cost of water supply rates and fees can be a significant burden for local industry.	Council water supply schemes provide an efficient and effective option for the provision and management of potable water supply systems.
Council provided water supplies can adversely affect the effluent disposal capacity of unsewered areas, leading to potentially damaging effects on both the physical and cultural attributes of the receiving environment.	Reticulated wastewater disposal systems should be developed in parallel with reticulated public water supply systems to ensure that onsite wastewater systems are not placed under unacceptable strain.
Accidental discharge.	Procedures in place to shut extraction down until contaminant has passed.



## PROSPECTIVE FUNDING IMPACT STATEMENT | WATER SUPPLY

\$000's	AP 2024 (Restated)	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	3,151	3,714	4,295	4,385	4,842	5,288	5,477	5,630	5,706	5,878	5,996
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Fees and charges	2	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0	0
<b>Total operating funding (A)</b>	<b>3,153</b>	<b>3,714</b>	<b>4,295</b>	<b>4,385</b>	<b>4,842</b>	<b>5,288</b>	<b>5,477</b>	<b>5,630</b>	<b>5,706</b>	<b>5,878</b>	<b>5,996</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	1,328	2,199	2,317	2,126	2,282	2,459	2,402	2,424	2,538	2,578	2,642
Finance costs	333	377	582	674	827	892	909	913	785	788	715
Internal charges and overheads applied	925	667	694	660	699	720	696	700	712	730	741
<b>Total applications of operating funding (B)</b>	<b>2,586</b>	<b>3,243</b>	<b>3,593</b>	<b>3,460</b>	<b>3,808</b>	<b>4,071</b>	<b>4,007</b>	<b>4,037</b>	<b>4,035</b>	<b>4,096</b>	<b>4,098</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>567</b>	<b>471</b>	<b>702</b>	<b>925</b>	<b>1,034</b>	<b>1,217</b>	<b>1,470</b>	<b>1,593</b>	<b>1,671</b>	<b>1,782</b>	<b>1,898</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Increase (decrease) in debt	4,682	4,938	4,799	(307)	1,560	1,892	(275)	(444)	(536)	(300)	313
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>4,682</b>	<b>4,938</b>	<b>4,799</b>	<b>(307)</b>	<b>1,560</b>	<b>1,892</b>	<b>(275)</b>	<b>(444)</b>	<b>(536)</b>	<b>(300)</b>	<b>313</b>
<b>Applications of capital funding</b>											
Capital expenditure - to improve the level of service	4,699	4,602	4,666	37	511	17	18	19	19	116	883
Capital expenditure - to replace existing assets	540	797	862	583	2,010	2,942	902	695	653	829	731
Increase (decrease) in reserves	10	10	(27)	(2)	73	150	275	435	463	537	597
<b>Total applications of capital funding (D)</b>	<b>5,249</b>	<b>5,409</b>	<b>5,501</b>	<b>618</b>	<b>2,594</b>	<b>3,109</b>	<b>1,195</b>	<b>1,149</b>	<b>1,135</b>	<b>1,482</b>	<b>2,211</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(567)</b>	<b>(471)</b>	<b>(702)</b>	<b>(925)</b>	<b>(1,034)</b>	<b>(1,217)</b>	<b>(1,470)</b>	<b>(1,593)</b>	<b>(1,671)</b>	<b>(1,782)</b>	<b>(1,898)</b>
<b>Funding Balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

AP 2024 comparator has been restated to include rates charged on council properties, in rates revenue funding and payments to staff and suppliers. Previously rates on council properties were excluded.

## ROADS AND FOOTPATHS

### WHAT WE DO AND WHY

#### Our Activities:

- Subsidised roading
- Unsubsidised roading

Our transport network integrates different modes of transport including heavy vehicles, cars, biking and walking.

We manage and operate the transport network within the District to ensure the maintenance and renewal of existing transport infrastructure as well as plan and invest in new transport infrastructure. We currently maintain 459.2km of sealed roads and 546.5km of unsealed roads.

The Government, through Waka Kotahi (New Zealand Transport Agency), partners with us in operating the State Highways running through the District, as well as co-investing in our transport infrastructure services.

However, Council has sole financial responsibility towards services such as maintaining amenity lights, street cleaning and maintenance of on-street car parks.

### CONTRIBUTION TO COMMUNITY OUTCOMES

#### PRIMARY



**A district for all people**

#### SECONDARY

- A prosperous district**
- A district that values culture**
- A district that cares for its environment**

### LOOKING AHEAD

A key focus for the upcoming year is embedding our new maintenance contract while continuing the routine maintenance of the transport network. We are also working with the forestry industry on harvest planning and road repair agreements where appropriate.

Our four main objectives that are the focus over the next 10 years are:

#### Resilience

- Increase drainage renewals and maintenance.
- Increased budget for emergency first response.

#### Economy

- Increasing heavy maintenance including sealed road resurfacing.
- Increase grading cycle on key routes.

#### Safety

- Increased unsealed road metalling.
- Continue to support the National road safety initiatives.
- Removal of hazardous trees.
- Increased bridge replacement, structural upgrades, and components.

#### Access

- Rail crossing warning device increased maintenance.



## WHAT YOU CAN EXPECT FROM US

We are working towards a safe network with a vision of a decreasing trend of deaths and serious injuries on Waitomo District roads within ten years. We aim to achieve this by delivering projects that are focused on maintaining, upgrading or changing the conditions of the roading environment to keep our community safe.

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
The change from the previous financial year in the number of fatalities and serious injury crashes on Waitomo District's local road network.	<p><b>Target:</b> ≤ 1</p> <p><b>Result:</b> 4</p> <p>Change in serious injury crashes: 2</p> <p>Change in fatal crashes: 0</p> <p>Not Achieved</p>	<p><b>Target:</b> Maintain or decrease from previous year.</p>	<p><b>Target:</b> Maintain or decrease from previous year.</p>	<p><b>Target:</b> Maintain or decrease from previous year.</p>	<p><b>Target:</b> Maintain or decrease from previous year.</p>

We aim for a smooth road that provides comfort for road users and improves the safety of the roads.

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
The average smooth travel exposure rating across the sealed road network (Percentage of measured sealed road lane kilometres not exceeding a NAASRA* roughness count rating of 150 to be at least 90%. * NAASRA is a generally acceptable measure of road roughness. A NAASRA count of less than 150 indicates an acceptable level of ride comfort.)	<p><b>Target:</b> 90% (of total)</p> <p><b>Result:</b> 90% Achieved</p>	<p><b>Target:</b> ≥ 80%</p>	<p><b>Target:</b> ≥ 80%</p>	<p><b>Target:</b> ≥ 80%</p>	<p><b>Target:</b> ≥ 80%</p>

We will maintain the road network by resealing it as needed. Resurfacing is only undertaken as required depending on the condition of the surface in that financial year.

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
The percentage of Waitomo District's sealed local road network that is resurfaced each year.	<p><b>Target:</b> 7% (of total)</p> <p><b>Result:</b> 7.2% Achieved</p>	<p><b>Target:</b> 5% (of total)</p>	<p><b>Target:</b> 5% (of total)</p>	<p><b>Target:</b> 5% (of total)</p>	<p><b>Target:</b> 5% (of total)</p>

We will provide footpaths that are well maintained.

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
The percentage of footpaths that fall within a condition rating of 3.	<p><b>Target:</b> 90%</p> <p><b>Result:</b> 97% (2022) Achieved</p>	<p><b>Target:</b> ≥ 85%</p>	<p><b>Target:</b> ≥ 85%</p>	<p><b>Target:</b> ≥ 85%</p>	<p><b>Target:</b> ≥ 85%</p>

**We will investigate and respond to customers service requests relating to road and footpath issues.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
The percentage of customer service requests relating to roads and footpaths responded to within ten working days.	<b>Target:</b> 85% <b>Result:</b> 96% Achieved	<b>Target:</b> ≥ 90%	<b>Target:</b> ≥ 90%	<b>Target:</b> ≥ 90%	<b>Target:</b> ≥ 90%

**We will maintain the overall condition of the unsealed roads to a specified adequate standard.**

WHAT WE WILL MEASURE	LATEST RESULT 2022/23	TARGETS			
		YR 1 2024/25	YR 2 2025/26	YR 3 2026/27	YR 4-10 2027/34
The percentage of unsealed road metalled each year.	<b>Target:</b> 10% (of total) <b>Result:</b> 22.2% Achieved	<b>Target:</b> ≥ 15% (of total)	<b>Target:</b> ≥ 15% (of total)	<b>Target:</b> ≥ 15% (of total)	<b>Target:</b> ≥ 15% (of total)

**SIGNIFICANT NEGATIVE EFFECTS**

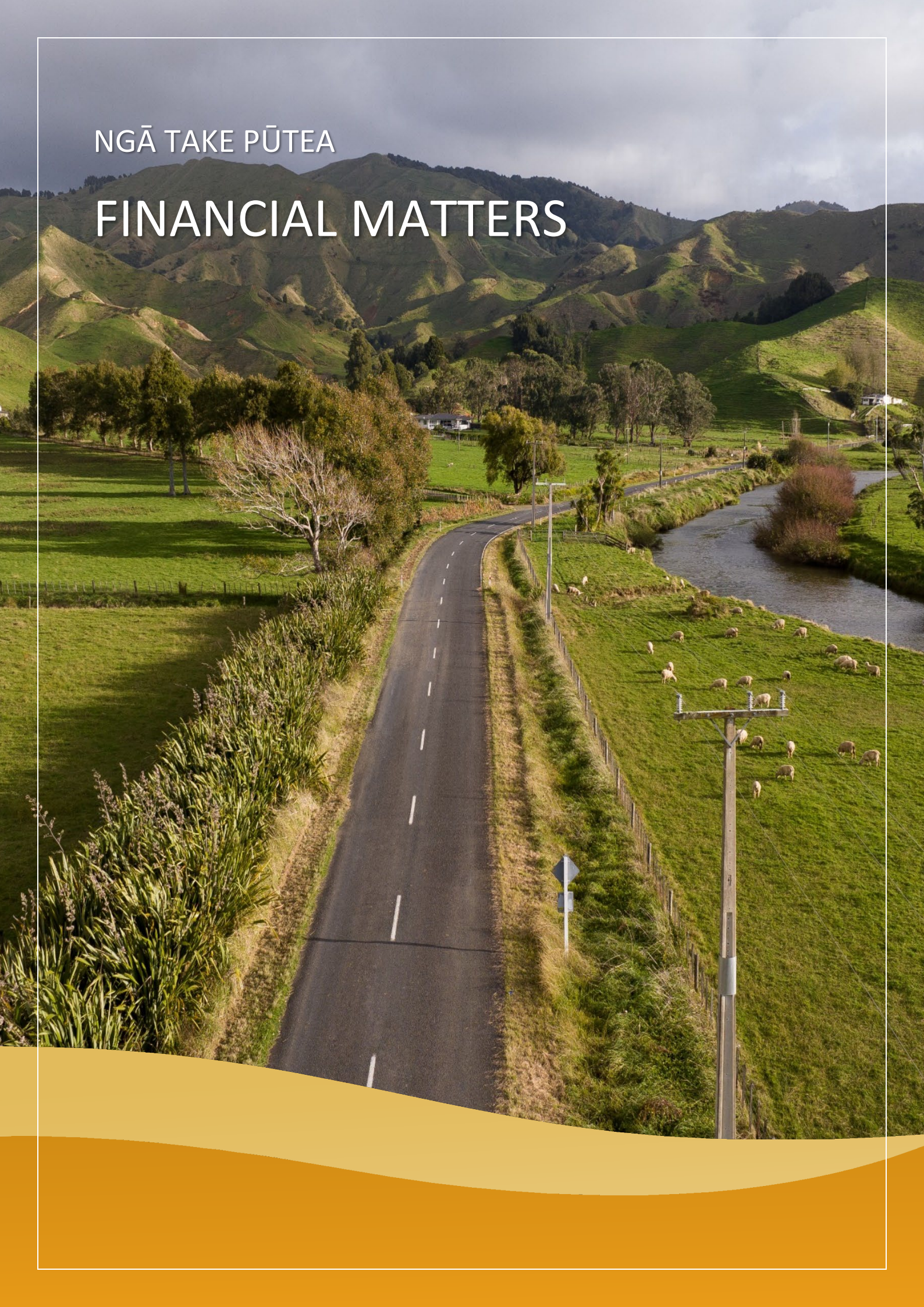
Effect	Mitigation
Road safety related impacts include loss of life and serious injury and associated financial costs. Road blockages and slips impact on everyday movements of people between home and schools, work and recreation.	Provision of a safe and efficient roading network.
Carbon emissions, noise, dust and consumption of non-renewable energy resources.	Good transport planning and design contributes to efficient use of non- renewable energy resources.
Cost of compliance with applicable standards.	Increased efficiencies through improved design and construction techniques offset the costs of compliance.  Compliance costs are a necessary by-product of environmental enhancement.
Road blockages and damage can result in delays to the supply of goods and daily access to places of employment.	Responding to damage and blockages in a timely and appropriate manner.
The reverse effect of an efficient land transport network is the regionalisation of employment related opportunities.	Promotion and marketing of the District as a desirable place to live, work and for recreation.  Support the roll-out of high-speed broad band into the District.

## PROSPECTIVE FUNDING IMPACT STATEMENT | ROADS AND FOOTPATHS

\$000's	AP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	0	0	0	0	0	0	0	0	0	0	0
Targeted rates	4,481	5,197	5,339	5,523	5,640	5,747	5,859	5,962	6,032	6,150	6,183
Subsidies and grants for operating purposes	6,394	6,851	6,805	6,961	7,155	7,299	7,443	7,580	7,724	7,867	8,002
Fees and charges	165	165	168	172	175	179	182	186	189	193	194
Internal charges and overheads recovered	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	140	140	143	146	149	153	156	159	162	165	168
<b>Total operating funding (A)</b>	<b>11,180</b>	<b>12,353</b>	<b>12,455</b>	<b>12,802</b>	<b>13,119</b>	<b>13,378</b>	<b>13,640</b>	<b>13,887</b>	<b>14,107</b>	<b>14,375</b>	<b>14,547</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	7,662	8,307	8,219	8,400	8,667	8,835	8,997	9,192	9,359	9,511	9,712
Finance costs	418	299	343	386	418	392	372	345	273	246	195
Internal charges and overheads applied	1,056	1,131	1,165	1,201	1,198	1,229	1,266	1,257	1,289	1,337	1,322
<b>Total applications of operating funding (B)</b>	<b>9,136</b>	<b>9,737</b>	<b>9,727</b>	<b>9,987</b>	<b>10,283</b>	<b>10,456</b>	<b>10,635</b>	<b>10,794</b>	<b>10,921</b>	<b>11,094</b>	<b>11,229</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,044</b>	<b>2,616</b>	<b>2,728</b>	<b>2,815</b>	<b>2,836</b>	<b>2,922</b>	<b>3,005</b>	<b>3,093</b>	<b>3,186</b>	<b>3,281</b>	<b>3,318</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	8,065	6,578	6,139	6,516	5,944	6,036	6,338	6,317	8,008	7,317	6,478
Increase (decrease) in debt	(675)	(265)	(508)	(542)	(685)	(735)	(789)	(847)	(340)	(666)	(991)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>7,390</b>	<b>6,313</b>	<b>5,631</b>	<b>5,974</b>	<b>5,259</b>	<b>5,301</b>	<b>5,549</b>	<b>5,470</b>	<b>7,668</b>	<b>6,651</b>	<b>5,487</b>
<b>Applications of capital funding</b>											
Capital expenditure - to improve the level of service	398	386	440	494	519	530	541	552	563	574	585
Capital expenditure - to replace existing assets	9,521	8,520	7,885	8,335	7,552	7,666	8,061	8,025	10,272	9,343	8,209
Increase (decrease) in reserves	(485)	23	34	(40)	24	27	(48)	(14)	19	15	11
<b>Total applications of capital funding (D)</b>	<b>9,434</b>	<b>8,929</b>	<b>8,359</b>	<b>8,789</b>	<b>8,095</b>	<b>8,223</b>	<b>8,554</b>	<b>8,563</b>	<b>10,854</b>	<b>9,932</b>	<b>8,805</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,044)</b>	<b>(2,616)</b>	<b>(2,728)</b>	<b>(2,815)</b>	<b>(2,836)</b>	<b>(2,922)</b>	<b>(3,005)</b>	<b>(3,093)</b>	<b>(3,186)</b>	<b>(3,281)</b>	<b>(3,318)</b>
<b>Funding Balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

NGĀ TAKE PŪTEA

# FINANCIAL MATTERS





## **FINANCIAL STRATEGY**

This Strategy has been prepared in accordance with the requirements of Section 101A of the Local Government Act 2002 (LGA). The Act's stated purpose of a financial strategy is to:

- Facilitate prudent financial management by the local authority by providing a guide for the local authority to consider proposals for funding and expenditure against; and
- Provide a context for consultation on the local authority's proposals for funding and expenditure by making transparent the overall effects of those proposals on the local authority's services, rates, debt, and investments.

The Financial Strategy outlines how Council will manage its finances over the ten years of its Long Term Plan (LTP). It sets out the general approach and principles that will be followed, and it provides a guide to assess spending proposals. The financial strategy includes limits on rates levels, rates rises and borrowing and aims to promote financial stability, affordability and value for money over the short, medium and long term.

The strategy also helps Council to engage transparently with the community about the impact of our proposals on service levels, rates, debt and investments.

Council's guiding principles underpinning the strategy strive to:

- Provide amenities, facilities and services to the District community that contribute to and align with Council's vision.
- Undertake good asset stewardship and management to ensure all community and infrastructure assets are fit for purpose and available for future generations.
- Manage all of our resources effectively, delivering value to our community, keeping sustainability and affordability at the forefront of what we do when setting rates.

## **STRATEGIC CONSIDERATION**

Factors expected to have a significant impact on Waitomo District over the LTP period include the following:

### **POPULATION AND LAND USE CHANGES**

Planning assumptions for the 2024-2034 period show that the usually resident population of Waitomo District as a whole will grow at an average rate of 0.3% per year through to 2031 reducing to 0.1% per year between 2031 and 2041, and -0.3% per year between 2041 and 2054. The proportion of people aged over 65 is projected to increase from 15% in 2018 to over 25% in 2053 and the number of people aged between 15 and 64 years of age is projected to decrease. This may have a flow-on effect on the make-up of the work force in the district. Factors such as the ageing population will contribute to a decline in the average household size, from approximately 2.61 residents per household in 2021 to under 2.55 in 2054. This decline assumes there will be sufficient dwellings available. If fewer dwellings are made available, for example due to lower levels of new dwelling construction, then fewer households will be able to form, and the average household size may be higher.

In terms of geographic spread of growth, the Te Kūiti is expected to experience the strongest growth due to the greater availability of serviced and zoned land. Maniaiti/Benneydale and Waitomo Village are also expected to experience growth in the next 10 years due to employment opportunities. the Waitomo Rural Ward. Population and dwelling growth flows through to rating units.

The District's rating units are predominantly Residential and Residential Lifestyle, with nearly two thirds of the total rating units falling under these two categories. Therefore, any rating unit growth is heavily dependent on dwelling growth. No significant land use changes are expected over the 10 year planning horizon.

Population and development projections are important in the context of rating and rates affordability. The number of rating units is currently 5,950 as at 31 January 2024, rating units are trending at 0.5% per year with the dwelling growth with new households on the same trajectory the average trend of 0.5% per year. This growth projection will be applied over the first 10 years after this point population growth is expected to slow and then the population is predicted to reduce. The rating units are also expected to follow this stagnating

trend however it is unlikely rating units will reduce and there may still be land development changes that create some increases therefore years 11-30 a small increase of 0.1% per year has been applied.

It is also projected that the current pattern of limited subdivision and building development will continue over the 10 year period. Council will continue to increase the availability of housing and land for development in line with the Housing Strategy developed in 2023. Overall, there is projected to be little change in demand for Council provided services through population or land use changes. There are three areas which will require additional investment to maintain or provide the level of service expected by the community, these are stormwater, roading and solid waste.

Recent flooding events have overwhelmed the stormwater network in Te Kūiti, much of the network is only designed with the capacity for a 1 in 2 year storm event. Significant investment is required to improve the stormwater network's ability to cope with high intensity rainfall events. Climate change scenarios predict that these events will occur more often with more intensity so investment in stormwater is high priority.

The roading network has also been impacted by severe weather events causing over 300 sites needing repair ranging from extensive to minor. Much of the current and future roading programmes will include investment to remedy and rebuild these damaged sites. Where possible the approach is to 'build back better' to provide more resilience in the network for future events. What is difficult to gauge is the sites or areas that are now more at risk or unstable and are therefore more likely to fail due to the cumulated effect of the weather events. Because of limited Waka Kotahi subsidy funding and the impact on our rates this may result in reduced investment in other roading activities such as resealing and re-metalling.

The impact of forestry harvest operations on parts of the roading network, scheduled to occur over the planning period. A new differential on the district roading rate will provide funding for the additional maintenance and rehabilitation required to maintain current levels of services on the affected sections of local roads. Without additional funding the level of service for these roads would be affected.

The third significant investment will be in options for disposing of solid waste. Council is reviewing its current approach of building a new landfill cell to create additional capacity. Further community engagement on the options for the disposal of solid waste and the sludge from the Te Kūiti Wastewater ponds may be undertaken later if disposal of sludge to the landfill is not the

preferred option. Investment in waste minimisation in terms of improved diversion of waste and the potential use of wheelie bins for kerbside collection of rubbish and recyclables is planned for a potential implementation in 2030.

## **INFRASTRUCTURE STRATEGY FOR MAINTAINING CURRENT LEVELS OF SERVICE**

### **Network infrastructure**

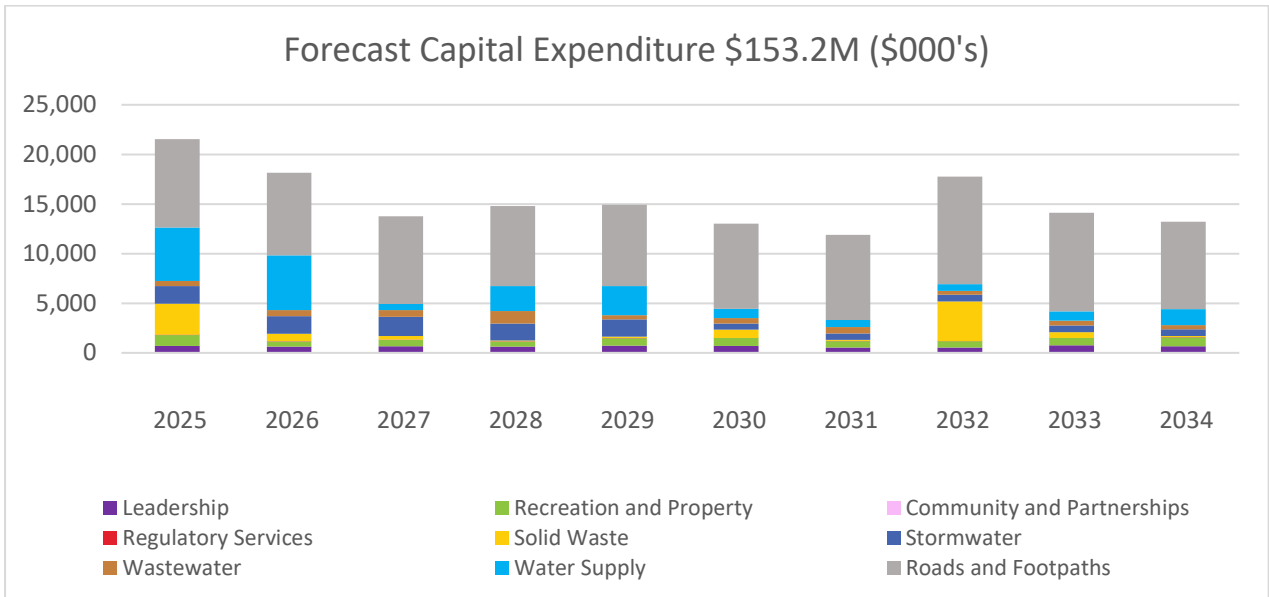
The purpose of the Infrastructure Strategy is to identify the significant network infrastructure issues (roading and 3 waters) facing Waitomo district and options for managing them over a period of at least 30 years.

A number of infrastructure upgrades have been undertaken in the last 10 years and with little projected growth in demand, there are no population driven infrastructure improvements that the District will need to provide for, moving forward. For stormwater and roading networks improvements have been driven by the impact of severe weather events and a need to address these issues due to the increasing likelihood they will occur more frequently in the future.

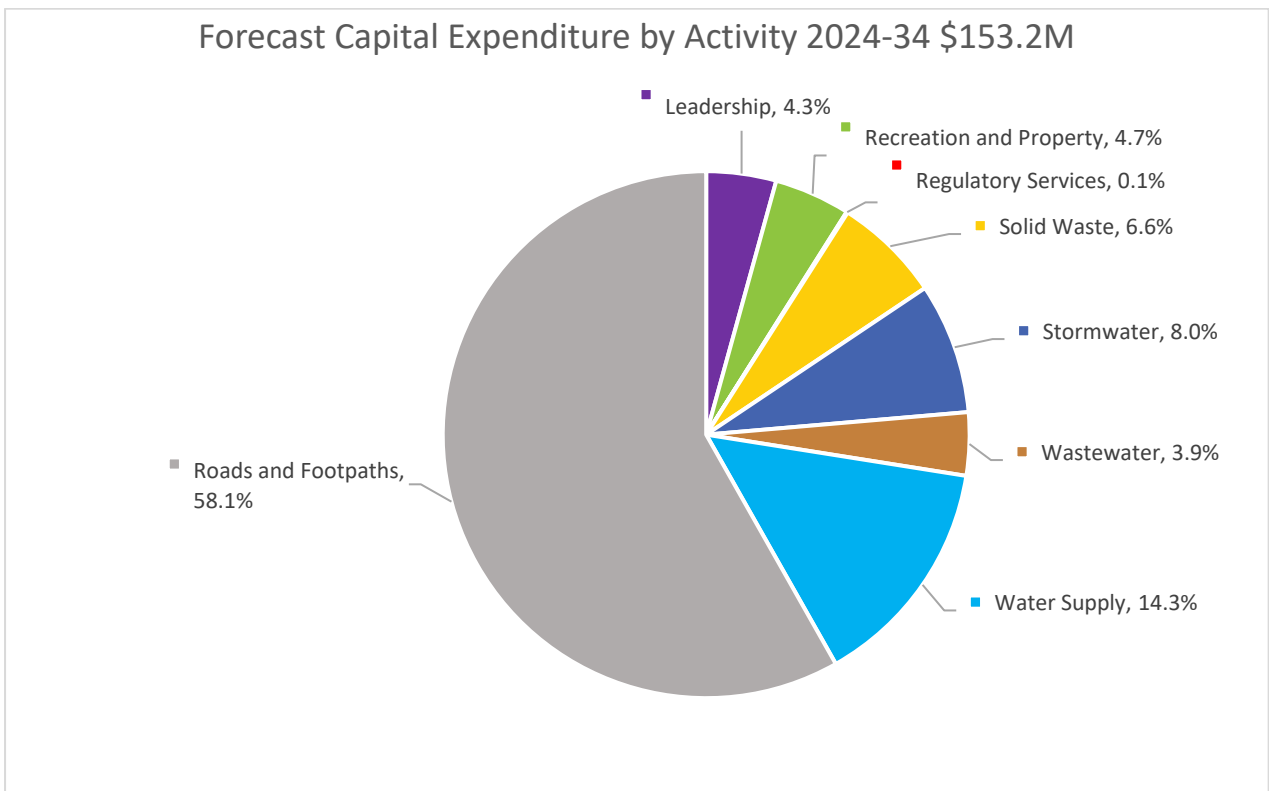
It will also be important to consistently meet renewal needs of network assets in a timely manner, to ensure there is no loss of service due to condition deterioration over time and to ensure public safety, consent conditions and legislative compliance are maintained. Some investigations have been programmed in the 2024-2034 period, in order to identify options for improving the resilience of our infrastructure and for risk mitigation reasons.

The forecast capital expenditure profile is steady over the life of the infrastructure strategy. The emphasis on asset renewals is consistent with the objective of maintaining current levels of service over the life of the LTP.

The total of the 10 year capital expenditure planned for the 2024-2034 period is \$153.2 million. The following graph differentiates the capital expenditure by activity.



Over the 10 years, the total planned capital expenditure by activity is shown in the following graph:



## OTHER FACTORS

Infometrics prepared the population report in September 2022 for WDC to inform a range of long-term planning activities. The projections follow a cohort-component population projection approach, in which the starting population is broken up into age and gender cohorts. Each cohort is analysed and projected separately – considering the probabilities of different life events occurring for each cohort including fertility, mortality, migration, household formation, and labour force participation. We develop districtwide projections first, in consideration of demographic trends and labour market shortfalls. Sub-district projections are used in consideration of the capacity for household growth and historic trends.

Factors such as housing affordability in metropolitan areas, an improved national state highway network, increased use of public transport, central government strategies around regional development, and local government's efforts in the provision of networks and community services and community development could well see the smaller regions becoming more desirable places to live and work, in the future. All other factors detailed in the Planning Assumptions for the LTP have been considered in the development of this Financial Strategy.

### Three Waters Reform

There have been recent changes to the legislation for three waters with the repeal of the Water Services Bill which puts the water, wastewater and stormwater assets back under control of local authorities.

The new government's approach to ensure water, wastewater and stormwater is delivered effectively gives control to local councils while using regulators to enforce rules around investment and compliance. This is outlined in the policy 'Local Water Done Well'.

The expectation is that three waters service delivery will be self-sustaining and paid for by users through revenue, rates or a combination of both. This will need to cover cost of maintenance required to meet compliance and expected levels of service and the future replacement of infrastructure. An Infrastructure Regulator will also ensure that sufficient investment is made to meet minimum standards and to allow for growth.

The option to form Regional Council Controlled Organisations comprised of the water and wastewater service delivery and assets will be available which is likely to offer economies of scale and long-term borrowing separated from council's balance sheet. A business case for the development of a regional or sub-regional water

services entity across the Waikato is being developed.

This LTP does not assume that WDC join a Regional CCO, the investment in 3 waters has been based on the available information at the time. The level of investment is prioritised to the most critical issues that could impact public health and safety and resilience for the future. WDC has a stable population base and projections indicated a small amount of growth in the first 10 years followed by a decline to return to current population numbers in 30 years. Infrastructure investment is not a limiting factor to the expected growth at the projected rate.

The LTP has therefore been developed as a "business as usual" approach, due to the limited information available on the actual process and the impacts of the likely future model on local management and control over the delivery of the three waters services.

Council currently has a number of projects underway or planned funded by the 'Better-Off' fund distributed to councils as part of the 3 Waters Reform programme. This funding was to invest in activities other than 3 Waters, although the focus from Central Government has now changed. The projects have a direct contribution to community wellbeing and Council's strategic direction, a refresh of the Town Concepts Plans was undertaken to prioritise these projects which cover traffic calming, walkways, community and cultural hub, improvements to town amenities and social good programmes.

### Economic Impacts of COVID-19

The COVID-19 pandemic brought about the sharpest decline in economic activity on record. Nationally, gross domestic product (GDP) in the June 2020 quarter declined by 12.4% compared to the June 2019 quarter. In Waitomo, the decline in GDP in June 2020 was less than the national average. Waitomo's GDP has been declining since a peak in 2016 and is continuing to trend down however at a much lesser rate than during the pandemic. In the year ended March 2023 GDP reduced by 1.3%, GDP reduced by 4.9% in 2021. Waitomo's GDP is dominated by Primary and Mining sectors.

Areas that were more directly impacted by the pandemic are now showing very positive trends or have returned to pre-pandemic levels.

Business growth has increased at a rate not seen for 10 years at 2.5% in 2023 with the number of business units returning to 2019 levels sitting at 1617 units for 2023.

Unemployment has also improved after a rise in 2021 to 4.1% reducing to 3.0% in 2022 and 3.1% in 2023. These levels have not been

achieved since prior to the Global Economic Crisis when unemployment was at 2.9%.

Tourism expenditure domestically has returned to pre-COVID levels at \$67 million in 2023 but international spend is still lagging at \$25.5 million compared to \$46-47 million annually in 2018-2020. The total spend in 2023 of \$93.1 million is a 70.8% increase on 2022 indicating a very positive trend.

**Delivering on council’s vision and maintaining affordability**

The purpose of the LGA is to enable democratic local decision-making and action by, and on behalf of, communities; and to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

Council, through it’s strategic direction, set a vision for the District as ‘Te hanga tahi o tātou Takiwa, Shaping our District together’. At the heart of the vision is the intent that the Council

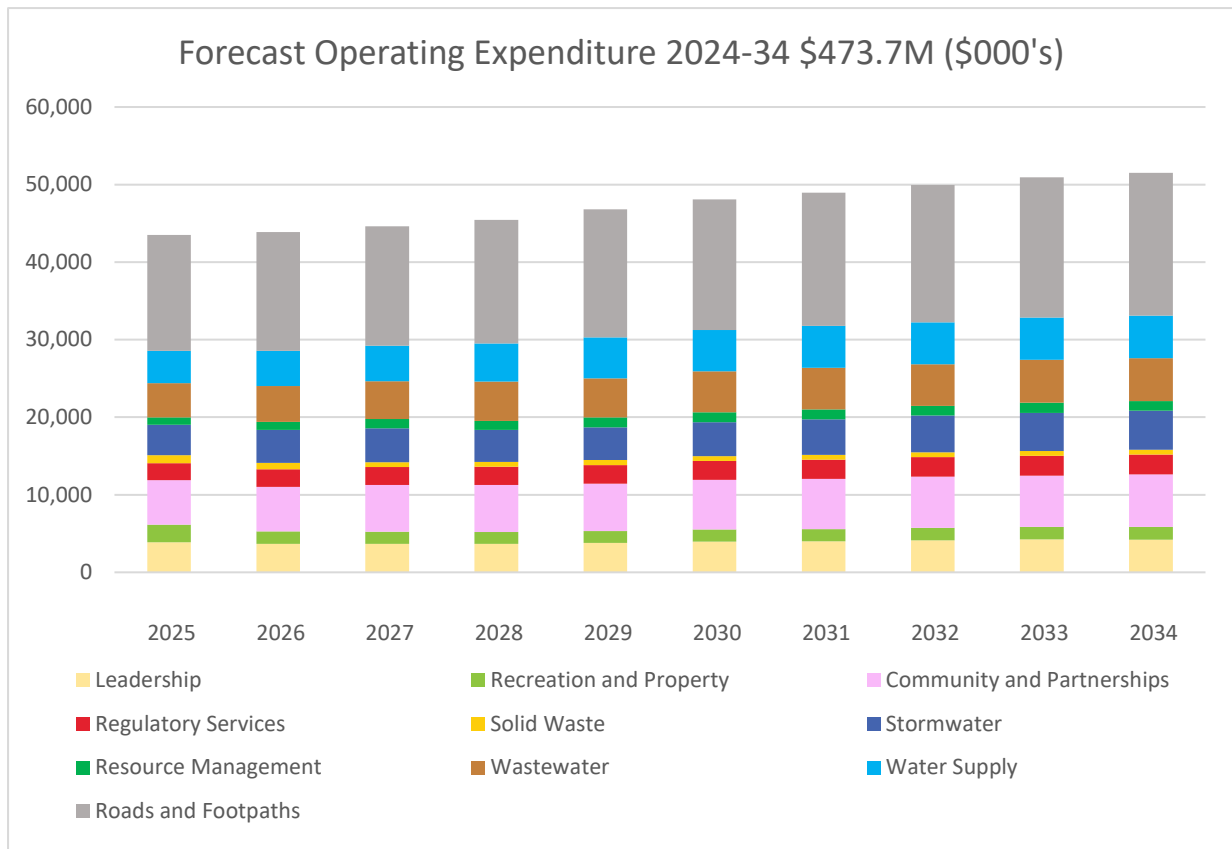
and all residents work together to create a District that is prosperous, inclusive, cares for the environment and values culture.

Council takes direction from other Plans and Strategies when considering the Financial Strategy such as the District Plan, Town Concept Plans, Infrastructure, Vibrant Waitomo and Housing Strategies.

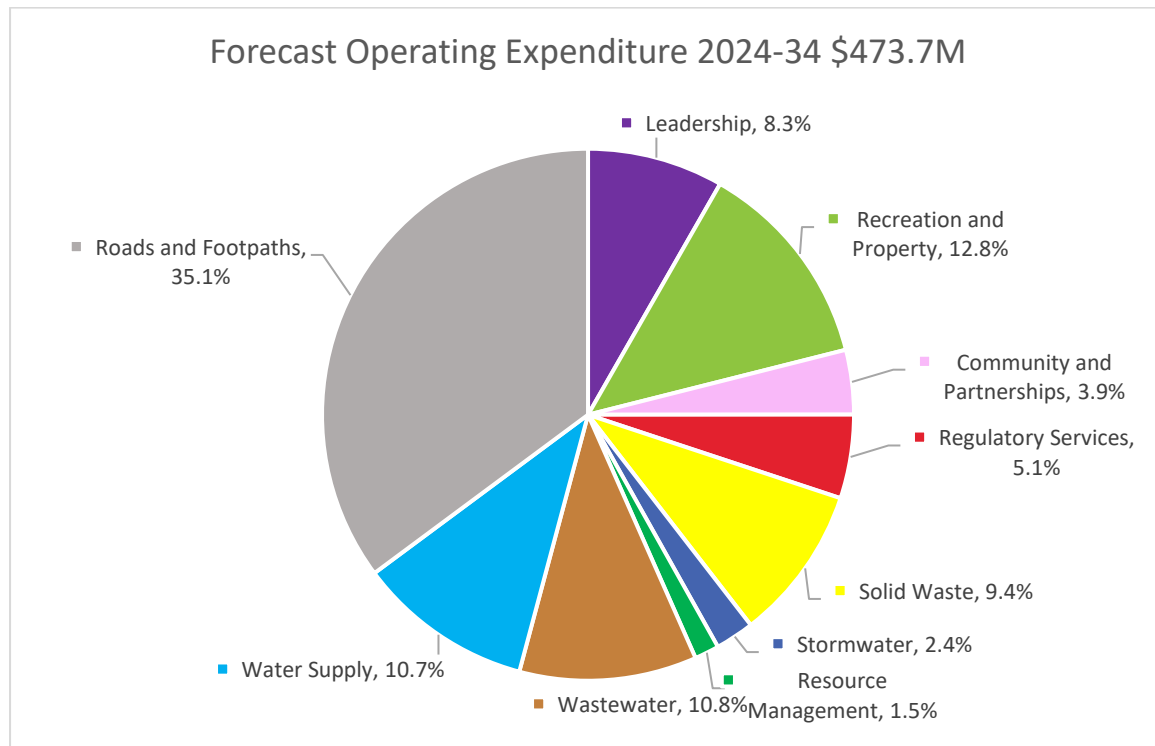
The strategic direction has been reviewed for the LTP, retaining the principles and values of the previous community outcomes and priority areas. The LTP recognises that the effective delivery of Council’s strategies can and will influence the make-up and well-being of the community over time.

Council is also clear that all this has to be achieved in a financially prudent and affordable manner, while delivering a level of service expected by the community.

The following graph shows Council’s forecast levels of operating expenditure over the 2024 - 2034 period.



The following graph shows the overall forecast operational expenditure over the 10 years by activity:



### Balanced budget

Over the life of the LTP, Council's objective is to set total operating income at a level that meets, or is greater than, total operating expenditure. This is to ensure that there is access to enough funding to enable the services to continue to be provided long term, and to meet additional demand for services within rates limits.

However, there are activities where this approach may not be practical or prudent on a year-by-year basis due to the activity's long term nature, e.g. wastewater, roads and footpaths, water supply. Over the next ten years Council intends to:

- Temporarily run activity deficits/ surpluses in order to avoid large variations in rates increases
- Use operational reserves and/or activity balances to fund some specific operational expenditure where appropriate

Council considers this to be a 'prudent' approach to financial management in that it provides for assets to be maintained and renewed, debt levels kept reasonably conservative, and rate increases limited to an affordable level now and in future.

Whilst Council is projecting surpluses over the life of the plan, the majority of these surpluses are attributed to subsidy received for capital projects, additional rate funding for forestry

damage to local roads (capital) and rate funding for loan repayments.

From the forecast surpluses, the revenue directly related to capital (ie, NZTA roads subsidy and Better Off Funding), loan repayments and the share of depreciation expense for road assets that are funded by NZTA road subsidy, has to be deducted to determine our operational result. Operational losses are forecast across the life of the plan, however the balanced budget measure is achieved by Year 9. These forecast losses are due to mostly to:

- using prior year reserves to fund expenditure (particularly for sludge disposal costs),
- using loans to fund operational spends for district plan development and cloud migration costs (as the benefits attribute over more than one year) in the first three years of the plan, and
- not fully funding depreciation on all assets (see funding of depreciation section for more detail)

The following table illustrates that Council's planned revenue (excluding revenue to fund capital and loan repayments) as a proportion of planned operating expenses (excluding the share of depreciation on roads assets that are funded by NZTA subsidy). This table indicates that planned revenue is less than planned expenditure.

	LTP Y1 24/25	LTP Y2 25/26	LTP Y3 26/27	LTP Y4 27/28	LTP Y5 28/29	LTP Y6 29/30	LTP Y7 30/31	LTP Y8 31/32	LTP Y9 32/33	LTP Y10 33/34
Total operating revenue (excl revenue to fund capital and loan repayment)	36,584	37,485	38,958	39,979	41,307	42,830	43,787	44,629	45,767	46,272
Total expenditure (excl share of depreciation on roads assets funded by NZTA subsidy)	39,631	39,730	40,598	41,240	42,298	43,495	44,232	44,913	45,756	46,179
<b>Revenue as a % of Expenditure</b>	<b>92%</b>	<b>94%</b>	<b>96%</b>	<b>97%</b>	<b>98%</b>	<b>98%</b>	<b>99%</b>	<b>99%</b>	<b>100%</b>	<b>100%</b>

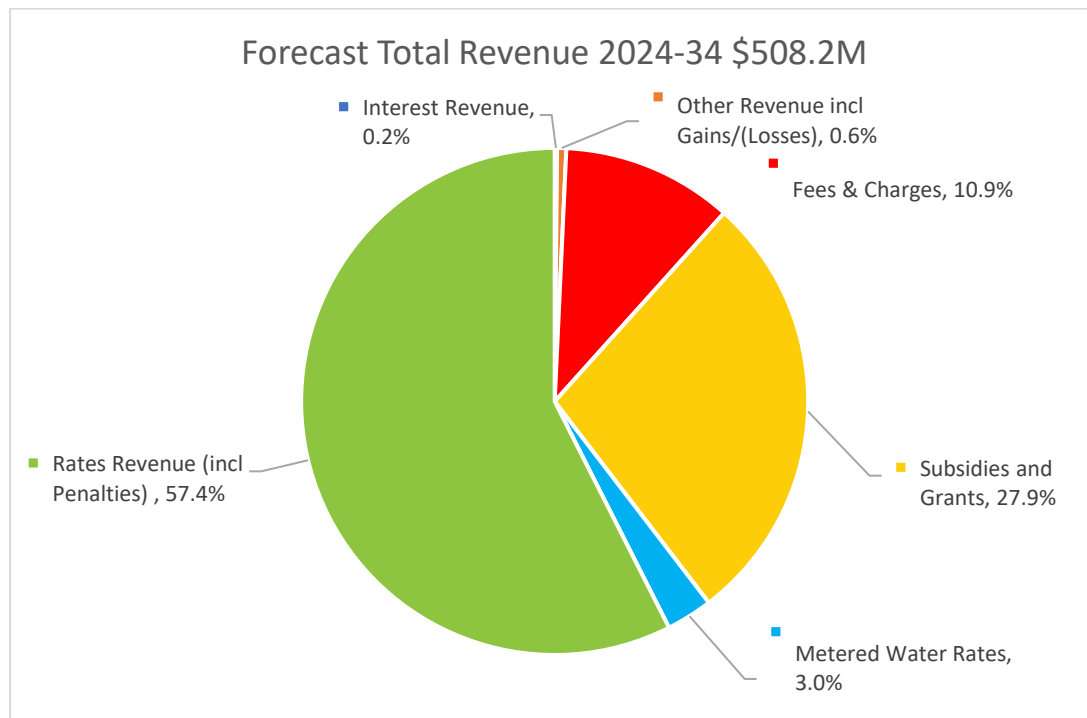
Under the Financial Reporting and Prudence Benchmarks as prescribed by the Local Government (Financial Reporting and Prudence) Regulations 2014, Council will achieve the balanced budget benchmark measure as the regulations prescribe that revenue to fund capital expenditure and loan repayments are included in the measure. The table above however, shows a more accurate view of the

operational losses forecast in the first eight years of the plan. The balanced budget measure improves in the outer years of the plan as rate funding, particularly for wastewater sludge disposal costs, is phased in over the plan as well as fully funding waters depreciation from Year 6 (2029-30). Forecast rate funding from Year 7 onwards is also provided to restore the under-funded depreciation forecast in the early years.

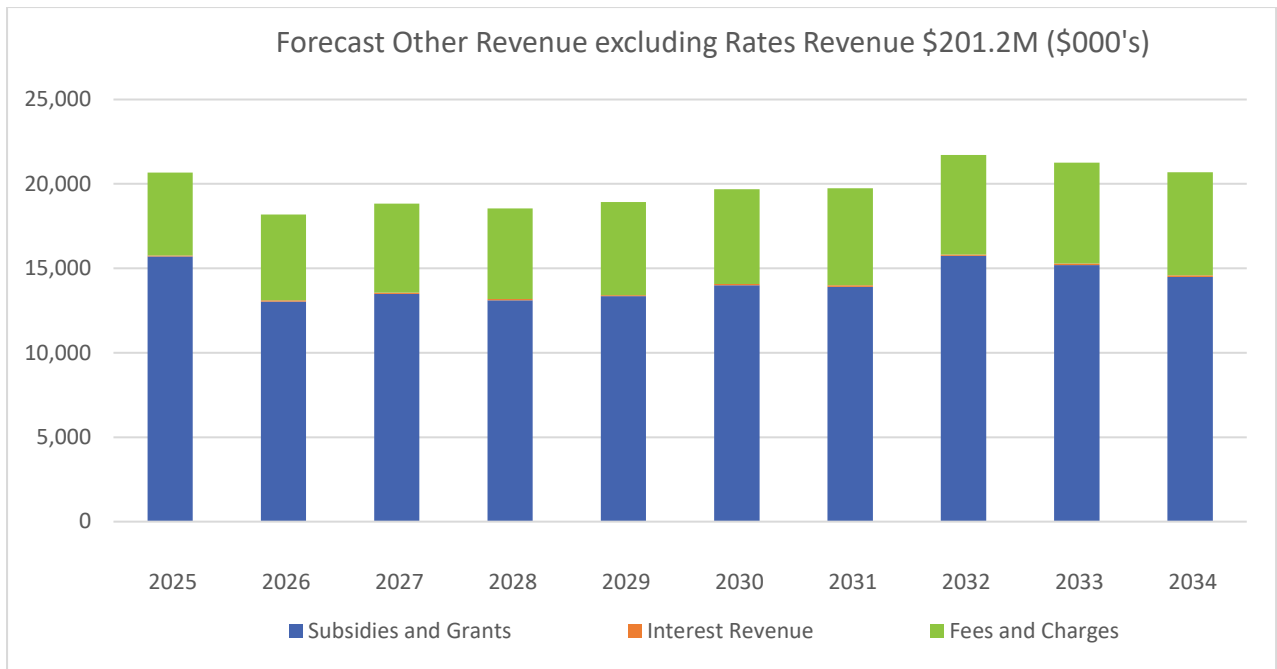
## COUNCIL'S PLANNED FINANCIAL FUTURE

### REVENUE STREAMS

Sources of funding for the planned services and operations in the 2024-2034 period are shown in the graph below.



The following graph shows the forecast other revenue (excluding rates and penalties) to be received over the 10 year period:



## RATES

Council recognises the need to keep rates sustainable and increases in rates affordable over time and will endeavour to keep the income required from rates steady. Council's direction for achieving affordability of rates are:

- Managing costs through efficiency gains and increasing other revenue sources e.g., user fees and charges, subsidies and grants.
- Specific considerations for funding of depreciation
- Council is forecasting the introduction of metered water across the district. The project will commence in Year 4 and 5 with the installation of meters in Piopio and Te Kūiti, with charging by meter commencing in the later years after installation of the meters is largely complete and a period of monitoring and public education.
- Council is also looking to simplify the rating structure to make rates more understandable, equitable and transparent. This includes removal of the District Development and Aquatic Centre rates, implementation of a roading rate differential to ensure that the cost to repair damage to local roads from forestry operations is funded from the forestry land owners as well as incorporating additional rate funding in the financial forecasts to fund these repairs. See Revenue and Financing Policy for more details.

## Funding depreciation

Council funds depreciation to allow for the replacement of Council's capital assets. Over the life of the LTP we are forecasting \$119.9 million of depreciation. The cost of depreciation is a substantial part of the total rates requirement over the LTP. In keeping with Council's focus on prudent financial management, and ensuring that rates are affordable and sustainable, Council will apply the following to the funding of depreciation:

- To fund depreciation for Community Halls and Housing for Elderly only to the extent required for minor renewals. This is because Council considers that future renewals would be from community sources and/or grants and subsidies. These facilities are community occupied, have a life in excess of 50 years and renewals would be dependent on future choices.
- To defer depreciation or fund only to the level required to meet annual loan repayments on some stormwater, water and wastewater assets. Council has primarily considered this from an affordability perspective for the current ratepayers and considers this fair and equitable since the current ratepayers are carrying the debt servicing costs anyway. Council does not intend to build up surplus depreciation reserves in the initial years because some assets are brand new with relatively long lives and low risk of failure. The recent revaluations have also increased the waters asset values substantially,



thereby increasing depreciation expense. The funding of depreciation policy has been extended for 2024/25 (Year 1) for waters to not fund the increase in depreciation from the most recent valuation of water assets.

- c) Instead of rate-funding depreciation for subsidised roads, Council has elected to fund an amount equal to WDC’s share (25%) of the renewal expenditure projects for the subsidised road network each year and annual loan repayments for subsidised roads. Waka Kotahi - NZ Transport Agency will fund 75% of asset improvements, renewals and maintenance for the local roading network. For significant bridges and culverts, Council has elected to loan fund the local share in the year the expenditure is incurred.
- d) To not fund depreciation on the kerbside collection wheelie bins purchased in Year 6 of the LTP, as any replacement bins will be funded through user charges revenue.
- e) To not fund amortisation of the service concession asset for the right to use the Gallagher Recreation Centre or the depreciation on the furniture/fit-out. This is because Council considers that future renewals of the asset would be from the revenue generated from the centre, contributions from the Board of Trustees and Ministry of Education for long term maintenance, as well as community sources and/or grants and subsidies.

The cumulative effect of the non-funded depreciation is significant and as asset replacement reserve funding is also utilised for principal repayment on internal loans there are times that the depreciation reserve is not

sufficient for planned renewals. Loan funding is used for the shortfall, particularly for water and wastewater asset renewals. The LTP forecasts an increase rate funding in the later years of the plan to restore the under-funded depreciation from the initial years of the plan.

In making these proposals (pursuant to section 100(2) of the LGA), Council has considered the overall impact of its financial management policies, levels of service and ensured the cash flow is positive over the life of the LTP (excluding major projects).

**Limits on rates increases**

Council has set a limit on rates income that **rates revenue will be limited to an average of 75% of total operating expenditure.**

Council has set a rates increase limit for the LTP. The limit is the **average rates increase over the ten years of the plan will not exceed 6%.**

The limit on annual rate increases will not apply where there is an increase in the existing level(s) of service (LoS) of any activity in consultation with the community. This exclusion includes unforeseen events that may occur during the period of the LTP.

The rates increases limit is based on the average rates increase over 10 years which results in a 10 year average of 4.31%. The annual rates increase per year may exceed 6% as the limit is based on the average increase over 10 years.

The following table illustrates the forecast rates increases over the 2024-34 period and tests these against the rates increase and rates income limits set by Council.

	LTP Y1 24/25	LTP Y2 25/26	LTP Y3 26/27	LTP Y4 27/28	LTP Y5 28/29	LTP Y6 29/30	LTP Y7 30/31	LTP Y8 31/32	LTP Y9 32/33	LTP Y10 33/34
<b>Forecast rates revenue increase %</b>	11.07%	7.78%	5.29%	3.80%	3.53%	3.62%	3.32%	1.47%	2.60%	0.64%
<b>Average % increase over 10 years</b>	<b>4.31%</b>									

	LTP Y1 24/25	LTP Y2 25/26	LTP Y3 26/27	LTP Y4 27/28	LTP Y5 28/29	LTP Y6 29/30	LTP Y7 30/31	LTP Y8 31/32	LTP Y9 32/33	LTP Y10 33/34
<b>Rates revenue limit</b>	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
<b>Forecast rates revenue as a % of expenditure</b>	58%	62%	64%	65%	65%	66%	67%	67%	67%	67%

## Ability to maintain levels of service

The service levels core infrastructure in some instances may change over the 2024-2034 period. The sealed and unsealed road network (which is the largest expenditure area for Council) is currently in reasonable condition because of current investment in maintenance, rehabilitation and reseals. Increasing costs and damage to the network means current levels of service cannot be maintained with the same level of expenditure.

Council has been careful to invest in infrastructure upgrades for water supply and wastewater that are essential to give effect to public health and environmental standards. Significant investment for water supply and stormwater has been included in years 2024-2029. Whilst a projected increase in population may slightly improve affordability, there is a need for significant investment to increase resilience and reduce the risk to public health. The water supply and wastewater networks have been designed to, what can be termed, the minimal standards required for a municipal supply in New Zealand under current legislation and regulation. The new government has indicated that minimum standards will be required, while some investment has been included for this the exact quantum required is unknown.

Many of the other public services provided by Council (particularly in the areas of regulation, resource management) are also governed by legislation, regulation, and industry standards and as a result there are limited options for

The following tables illustrate that Council is well within these limits in the 2024-2034 period.

	LTP Y1 24/25	LTP Y2 25/26	LTP Y3 26/27	LTP Y4 27/28	LTP Y5 28/29	LTP Y6 29/30	LTP Y7 30/31	LTP Y8 31/32	LTP Y9 32/33	LTP Y10 33/34
Net debt to Total Revenue Limit	165%	165%	165%	165%	165%	165%	165%	165%	165%	165%
<b>Net Debt to Total Revenue %</b>	90%	104%	99%	98%	96%	86%	76%	71%	63%	56%

	LTP Y1 24/25	LTP Y2 25/26	LTP Y3 26/27	LTP Y4 27/28	LTP Y5 28/29	LTP Y6 29/30	LTP Y7 30/31	LTP Y8 31/32	LTP Y9 32/33	LTP Y10 33/34
Net Interest to Annual Rates Limit	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
<b>Net Interest to Annual Rates %</b>	6.21%	7.51%	8.15%	9.22%	8.95%	8.60%	8.30%	7.28%	6.96%	6.16%

Council is committed to reducing external debt over the duration of the LTP, 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.

changes to scale and scope in response to changes in population and development.

The provision of community services such as parks and reserves, housing and property, community facilities, public facilities, community development, community promotion and economic development are the very services that make communities desirable in terms of a place to work, live and play. Specific targeted expenditure to maintain the levels of service has been provided for.

## BORROWING

External borrowing (public debt) is used by Council to fund assets or services that will provide benefit well into the future. This is in accordance with the principle of intergenerational equity. However, the use of borrowing has to be prudent and sustainable and limited to the ability to service and repay the debt. Council approves borrowing by resolution through the Annual Plan or the LTP.

Council recognises the need to manage its finances in a sustainable and affordable manner and has therefore established borrowing parameters to ensure that investment priorities are carefully managed and affordable for the District community. Council has set the following **borrowing limits** in its Treasury Policy:

- The ratio of net debt to total revenue will not exceed 165%.
- Net interest will not exceed 20% of annual rates.

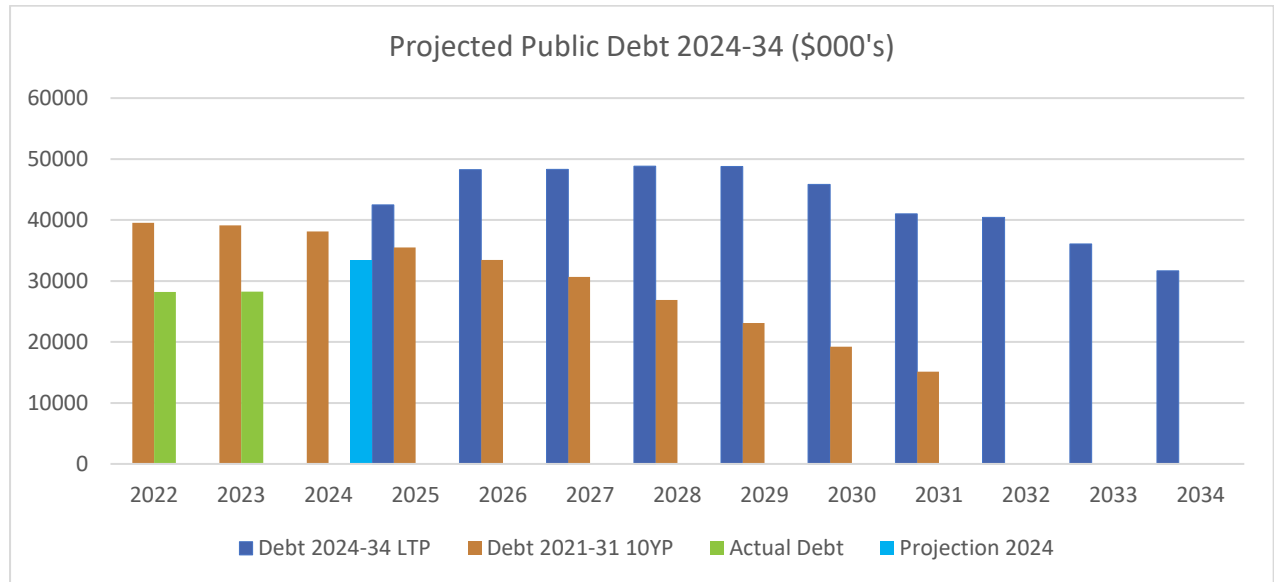
Council's current approach is to collect rates from current and future users of infrastructure to fund the future replacement of infrastructure. As these rates are collected they are used to reduce the total debt of Council. This means that when, in the future, these assets need replacement the

total debt, and therefore interest, will be lower meaning lower rates.

The rate funding of forecast principal repayments for the Solid Waste capital improvements loans are deferred to 2025/26

The following graph illustrates the debt profile over the life of the LTP, compared to the forecast debt from the previous 2021-31 10YP.

due to affordability considerations. The rate-funding of these loan repayments will be phased over several years starting in Year 2, with the principal repayments fully rate funded by Year 7 (2030-31).



The borrowing costs per rateable property are forecast to increase from \$299 in 2024-25 to \$509 in Year 4 (2027-28) then reduce to \$389 by Year 10 (2033-34).

	LTP Y1 24/25	LTP Y2 25/26	LTP Y3 26/27	LTP Y4 27/28	LTP Y5 28/29	LTP Y6 29/30	LTP Y7 30/31	LTP Y8 31/32	LTP Y9 32/33	LTP Y10 33/34
Borrowing cost per rateable property	\$ 299	\$386	\$437	\$509	\$509	\$505	\$502	\$447	\$436	\$389

### COUNCIL'S POLICIES ON GIVING SECURITIES ON ITS BORROWING

Council borrowings are secured over annual rates on every rateable property within the Waitomo District. From time to time, security may be offered over specific assets with Council approval or infrastructural assets where special rating provisions apply.

Council will not borrow, underwrite or guarantee loans on behalf of any other person, association or organisation except the Local Government Funding Agency (LGFA) for which, under various Deeds and a guarantee and indemnity Council guarantees the indebtedness of the LGFA and other guarantors (a requirement of joining the LGFA) and Council offers deemed rates as security for general borrowing programmes.

Any issue of debt securities must be approved by Council and will be in compliance with the relevant legislation.

Securities are not provided for Councils own internal borrowing.

### FINANCIAL INVESTMENTS AND EQUITY SECURITIES

Council is a risk adverse entity and therefore takes a prudent approach to managing its investments. Council seeks to achieve an acceptable rate of return on all its investments. It recognises that, as a responsible local authority, any investments that it does hold will be low risk and that generally lower risk means lower returns. Also, that sometimes investments will need to be held for purposes other than financial returns.

Council’s objectives for holding investments or making any new strategic or equity investments are/will be (one or more):

- a) The expected financial return.
- b) Contribution of the investment in furthering the Waitomo District’s community outcomes as documented in the LTP.
- c) How the investment ‘fits’ within the existing investment portfolio in terms of Council’s preference to spread and minimise risk.
- d) Contribution towards the good of the local government sector either nationally, regionally or within a subgroup of Councils.

The following table lists Council’s shareholding investments, the objectives these align with, and the target rate of return.

Investment	Objective of Holding Equity	Target rate of return
Inframax Construction Limited	Economic benefits like job creation thereby furthering community outcomes	No return on shareholders funds
Co-Lab (Waikato Local Authority Shared Services Ltd)	To ensure Co-Lab remains viable as a provider of shared services within the Waikato region	No return on shareholders funds
Civic Financial Services Ltd	Contribution towards the local government sector	No return on shareholders funds



# SIGNIFICANT FORECASTING ASSUMPTIONS

## INTRODUCTION

The Local Government Act 2002 requires us to disclose all significant forecasting assumptions underpinning our Long Term Plan. These assumptions reflect the best knowledge that we have at the time the plan is prepared and have been subject to audit.

## GLOBAL IMPACT

### CLIMATE CHANGE

Projected climatic changes present significant implications for Waitomo district’s environment, economy and the safety of our communities. Over the next century the Waikato region can expect:

- rising sea levels,
- more extreme weather,
- more droughts in the east,
- more intense rainfall and increased wind in the west,
- warmer, drier summers, milder winters and shifting seasons.

It is also expected that there will be increased risks to communities from natural hazards such as river and coastal flooding, coastal erosion, and severe weather.

Waitomo District Council approach to climate change will be to focus on our adaptation to these changes and where financially prudent for our ratepayers focus on mitigation.

Through the LTP and asset management planning process, Waitomo District Council has made provisions through its activity and asset planning to consider the consequences arising from climate change, including the consequence of new capital work occurring in areas with the potential to be impacted by climate change. The Infrastructure Strategy explicitly considers the resilience of infrastructure in the event of natural disasters, identifies, and provides for the management of risks relating to such disasters, and makes appropriate financial provision for those risks.

As part of the review of the Waitomo District Plan, Council is evaluating the potential risk of climate change on coastal areas and in respect of flood events. The purpose of this work is to help build intergenerational resilience to Climate Change within the District. Initial assessment indicates that an adaptive management strategy is required for coastal townships. Climate change scenarios have been used to model coastal erosion and coastal inundation for coastal towns, and flooding in Te Kūiti and Piopio. The Proposed

District Plan provisions will be drafted to guide and manage the response which will further inform the planning and management phases.

The District has encountered recently more frequent and intense weather events, and the assumption is that this is expected to continue to be the case. The uncertainty levels now sits at medium with the difficulty in predicting when and where these events may occur and at what intensity. The impact level has also increased due to the significant impact these events have on people, infrastructure, and finances.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
The impacts of climate change will be minimal over this LTP planning period.	Medium	Medium

### TECHNOLOGICAL CHANGE

Technology is progressing quickly, at a rate that is, worldwide, overwhelming society’s ability to adapt. Whereas technology in the past replaced muscle, today technology is replacing cognition, which may affect how the workforce of the future is structured through a shift in the demand of skills. Adaption of new technology by the council and our communities will require support to remove barriers to desirable change, the use of tools such as GPT Chat are already demonstrating the rapidly emerging uses of new technology.

Automation in areas such as agriculture, meat processing and mining are becoming more cost effective with the ever present labour shortage and staff costs. Automation in these sectors could have significant impact on the Waitomo District and the availability of employment. The likely timeframe for this change could be in the latter years of this LTP however it is difficult to predict future commercial pressures that would result in this shift in the coming decade.

Use of new technology will be necessary to help provide communities with data, and a way to engage with council. Through technology, subject to cost, communities will be able to be increasingly involved in the council’s work in different ways and be empowered to act. It is important to note, it is the nature of technology that some of the downstream effects of

innovation can be unexpected, and this uncertainty is where the potential for risk lies.

Disruption is, by definition, uncertain. The nature or timing of any disruption is unexpected and is outside the control of the council. However, council can manage this uncertainty by fostering a working environment which allows for agility in decision making and change at both a governance and operational level. For the purposes of these Long Term Plan 2024-2034 non-financial assumptions, this represents a low to medium risk for Waitomo District Council.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
That the impact of technological change or disruption will not adversely affect Council's ability to deliver services.	Medium	Low-Medium

### GLOBAL CRISIS

A positive outcome of the COVID-19 pandemic is WDC has effective systems and procedures in place for many staff to be able to work remotely if needed, however some of the council's activities simply cannot be performed remotely. The likelihood of another global isolation response has reduced however there will continue to be a level of risk and a resulting global economic downturn from future pandemics or global crisis.

Our own state of emergency declared for the Waitomo District in January demonstrated how the Council may be required to stop or reduce many of its business-as-usual activities to focus resources on an Emergency Management response. This was also the case with the response to Cyclone Gabrielle when a National State of Emergency was declared, and WDC staff are made available to support the emergency response for other councils.

There is a medium level of uncertainty on whether another global crisis may eventuate in the next decade, there is reduced uncertainty with the COVID-19 pandemic having moved to an endemic phase.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
(a) Council will be able to deliver its core services at the levels or at a reduced level (depending on the alert level) during a global crisis or pandemic, with sufficient systems and procedures in place to ensure business continuity.	Medium	Low-Medium
(b) Council will be able to adequately resource and support any Emergency Management response in the event of a global crisis or pandemic.		

## NATIONAL IMPACT

### FUTURE PRICE CHANGES – RATES OF INFLATION

For the first year of the LTP (2024/25), all financial statements have been prepared using the 2024 dollars. Price level adjustments for inflation, as prepared by Business and Economic Research Limited (BERL) in their report dated October 2023, have been included in all financial statements for the following nine years of the LTP.

The table below shows the per annum escalation adjustments applied to particular cost groups from year 2-10 of the LTP.

Planning Year	Cost Adjusters				Price indices		Cost Adjuster	
	Planning and regulation	Roads	Community activities	Water and environmental	All salary and wage rates - local government	Local Government Administration	Insurance	Local Government Cost Index (LGCI) Opex + Capex
Group of activities	Regulation Resource Management	Roads	Recreation and property community and partnerships	Water, Wastewater, Stormwater, Solid Waste	Salaries and wages	Leadership		LGCI
2025/26	2.1	2.0	2.0	2.5	2.2	2.1	10.0	2.2
2026/27	2.2	2.3	2.2	2.7	2.1	2.1	10.0	2.3
2027/28	2.1	2.3	2.2	2.6	2.1	2.0	2.4	2.3
2028/29	2.0	2.2	2.1	2.5	2.0	1.9	2.3	2.2
2029/30	1.9	2.1	2.0	2.3	1.9	1.9	2.2	2.1
2030/31	1.9	2.0	1.9	2.3	1.9	1.8	2.1	2.0
2031/32	1.9	2.0	1.9	2.2	1.9	1.8	2.0	2.0
2032/33	1.8	2.0	1.9	2.1	1.8	1.8	2.0	1.9
2033/34	1.8	1.9	1.8	2.1	1.8	1.7	1.9	1.9

#### Fees and charges and other revenue

Inflation is also applied to fees and charges and other revenue. The risk is that fees and charges revenue and other revenue does not grow as assumed in the plan and that has a negative impact on the surplus/deficit and the need for additional rates funding.

Inflation is not applied to interest revenue, alcohol licencing fees revenue, funding received for the maintenance of stock effluent facility and external funding arrangements (such as Mayors Taskforce for Jobs and Better Off Funding).

#### Operating and capital costs

The inflation assumptions will be applied to capital and operating cost forecasts, as the indices include a combined forecast of operating and capital costs. Because of this combination in the composition of the indices, they may either understate or overstate changes in the prices of the operating and capital expenditure.

For insurance costs, a cost adjuster applied to 2025/26 and 2026/27 of 10% based on advice received from the insurance brokers. For the remaining years an average of the BERL cost adjusters for Community activities and Water and Environmental has been applied.

The inflation forecasts do not make allowance for spikes in pricing that traditionally occur during re-tendering or renewal processes for medium to long-term operating and maintenance contracts. From experience, contract tender prices can vary materially from the BERL factors due to the remoteness of parts of the district and the size of contracts that the Council will seek to place. Demand pressures created from economic recovery may also exacerbate this issue. These movements can be as large as 10-20% in the year immediately following contract re-tendering/renewal, due partly to the inherent increase in the levels of service that are introduced to the new contract specifications, either consciously as a change to the scope of the works or as a consequence of contract interpretation over previous years.

The risk associated with this assumption is the rates of inflation may increase at a rate different to that forecast. Rates of inflation greater than those assumed will impact on future cost estimates and the ability of the community to afford the consequential rate increases. Higher than expected inflation may result in additional rates funding required to maintain the existing levels of service, a reduction in service levels or work rescheduled to later years. Higher costs relating to capital expenditure could result in higher debt levels and increased operating costs from interest expense leading to increases in rates.

This risk may be mitigated by revising budget estimates as part of each Annual Plan and inflation estimates when the LTP is reviewed every three years. A number of factors will affect economic performance and certainty around the inflation factors is difficult to judge. BERL has had many years of experience in providing cost adjusters to local government and is the best known source available. However, with volatility within the global economy and the difficulties in predicting inflation over a ten year period, the risk is considered medium.

Inflation rates used over years 11-30 of the infrastructure strategy is the average inflation rate used in this plan for the corresponding activity.

Inflation is not applied to interest expense, grants expenditure, waste minimisation levy expenditure, expenditure related to funding agreements (such as Better Off projects and Mayors Taskforce for Jobs).

Assumption	Level of Uncertainty	Impact on Integrity of LTP
Actual rates of inflation will be consistent with the projected inflation adjusters.	Medium	Low

### NZ TRANSPORT AGENCY WAKA KOTAHI FINANCIAL ASSISTANCE

The Financial Assistance Rate (FAR) received from NZ Transport Agency Waka Kotahi (NZTA) for qualifying road and footpath expenditure is assumed to continue at the previous confirmed rate of 75% over the life of the plan. It is assumed that operating and capital expenditure programmes, which have in the past received NZTA subsidies, will continue to meet the criteria for funding of the life of the plan.

There is a risk that NZTA could change the subsidy contribution and/or the criteria for compliance for funding which could result in less or more revenue. If the actual subsidy revenue is lower than expected, there may be an increased cost to ratepayers or work may be deferred to future years. If the subsidy increases, then the work programme could be completed at a lower cost to the ratepayers.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
NZTA Financial Assistance Rates will continue to be received at 75% on qualifying road and footpath expenditure.	Low Years 1-3  Medium Years 4 -10	Medium

### EXPECTED INTEREST RATES ON BORROWING

Interest costs are estimated by considering both forecast interest rates and projected debt levels. The forecast interest rates are calculated using the following inputs namely; the current debt portfolio, the projected movement in the size of that portfolio over time, interest rate swaps, the LGFA's floating rate note and fixed rate bonds, the inclusion of a margin for risk over future LGFA secured debt, an assumed market forward track for the 3 month BKBM (Bank Bill Benchmark Rate) together with a conservative



margin for risk. The conservative buffer margin is assumed of 0.25% from year 4 onwards of the plan.

The risk associated with this assumption is that interest rates may be different to those forecasts. Any increases in the interest rates above the interest rate forecast may result in increased operational costs and rates funding requirement in those years or alternatively a delay in the start date of some projects to keep overall costs contained within the annual budgets.

The Treasury Policy contains the parameters for external borrowings to limit interest rate risk and provides for the use of interest rate risk management instruments such as interest rate swaps to deliver greater certainty over interest costs.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
The annual interest rate on borrowings will be 4.90% for the period 1 July 2024 to 30 June 2027, 5.75% for 1 July 2027 to 30 June 2030 and 6.10% for 1 July 2030 to 30 June 2034.	Medium	Low

### CENTRAL GOVERNMENT CHANGES TO POLICY OR LEGISLATION

The details of future legislative changes are still uncertain and the impact could be significant. The information that has been made available through various policy announcements to date suggests that the potential risks to materially impact this LTP are high in scale, particularly in regard to the government's Local Water Done Well framework.

Some impacts are known such as the Waste Minimisation Act 2008 amendments to kerbside and recycling services. There is still uncertainty on reforms for water services and Resource Management Act. Indicative timeframes are known, however detail in some instances is still unclear.

Changes to regulations or rules that affect how we operate are uncertain at this point especially the unknown details of formation of Water CCO's (Council Controlled Organisations) and minimum infrastructure standards impact on Council.

The planning approach is to work on the basis of the requirement for Councils to include the delivery of 3 waters services in the LTP and to then begin work on a service delivery plan.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
Impact of Central Government changes to policy or legislation on local government income or expenditure.	High	High

## WAITOMO DISTRICT IMPACT

### EXTERNAL BORROWING

Council joined the Local Government Funding Authority (LGFA) in 2017 as a borrower and guarantor and borrows substantially all its debt fund needs through the LGFA. Council's borrowing options include bank borrowing and obtaining funds from the LGFA.

If Council were not able to borrow any additional funding this would result in either project delays or reduced levels of service. Council considers the risk of not being able to access borrowing is minimal as security is provided through its ability to generate an income from rates. Council has a credit facility in place which is renewed annually, and Council is able to borrow through commercial banks and the LGFA.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
Council is able to access external borrowing at levels forecast in the LTP.	Low	Low

### PROJECTED GROWTH AND SOCIETAL CHANGE FACTORS

A population projection report was prepared for the Waitomo District long term planning by Infometrics in September 2022. Waitomo District hit it's lowest population point of 9340 in 2013. The population has been in steady low growth at an average of 0.1% for the last ten years. The population is projected to continue growing to reach a peak of 10,035 in 2039, thereafter easing back to 9,640 in 2054. This means that although growth is forecast over the next 20 years, by the end of the 30-year horizon,

Waitomo is expected to have a similar population level to what it has today.

The key points are:

- The population is projected to continue to increase for the next 15 years, then decline to be back at today’s numbers in 30 years.
- The trend toward an aging population continues. The proportion of people aged 65+ is forecast to increase from 15% in 2018 to 25% 2053.
- The proportion of the population under 15 years of age is forecast to decline from around 19% in 2018 to 17% 2053.
- Waitomo’s average age has risen from 33 years in 1996 to 39 years in 2021 and is projected to rise to 45 years by 2054.

The result of this changing age structure is that the proportion of people aged between 15 and 64 years of age is forecast to decline. This may have a flow-on effect to the make-up of the workforce in the district. An ageing population also contributes to a decline in average household size, there is a slight decline predicted from 2.61 in 2021 to 2.55 in 2031.

In terms of geographic spread of growth, Te Kūiti is expected to experience the strongest growth with the availability of zoned land and employment opportunities. The population and number of dwellings is projected to grow in the Waitomo Rural Ward as international tourism sector recovers driving the need for more workers. Maniaiti/Benneydale is also expected to experience minor growth with strong employment in the area.

Growth is expected to be negative in the other rural communities due to challenges in rural employment and increasing regulation of the agricultural industry and land being converted to carbon farming. The aging population also contributes to the decline in the rural communities.

Population and dwelling growth flows through to rating units. The district’s rating units are predominantly Residential and Residential Lifestyle, with nearly two thirds of the total rating units falling under these two categories. Therefore, any rating unit growth is heavily dependent on dwelling growth.

Household growth and therefore rating units are predicted to grow across the district as the demographics cause household size to fall. This increases the need for more households in the district with 0.5%pa growth predicted for the next 10 years. However, this will only eventuate if suitable dwellings are available to meet demand.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
The impact of population and societal change has been adequately provided for in the financial estimates.	Low	Low

### FORECAST RETURN ON INVESTMENTS AND INVESTMENT VALUE

The financial annual return on Council’s investment in Inframax Construction Limited (ICL) is assessed at zero for the term of the plan. Any investment income would be utilised prudently to accelerate retirement of debt. Due to the uncertainty in determining the future value of the investment, no increase or decrease in the value of the investment has been recognised over the life of the plan.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
The annual financial return on investments is assessed at zero.	Medium	Low

### RESOURCE CONSENTS

Council has assumed that the resource consents it requires for its infrastructural activities will be obtained and/or renewed within the nominated time frames with conditions that can be met within expenditure estimates.

The expenditure estimates have been prepared based on experience and trends with past consent processes and standards. If the consent conditions are more stringent than expected then the levels of rating, debt, capital and maintenance expenditures will be higher and may require compensating reallocation of other expenditure priorities. Similarly, consent application processes that take longer than estimated could result in additional costs due to the need to extend existing operational arrangements.

The financial impact of consent issues is considered to be minor with time delays required to complete consent processes more likely to be a greater issue than additional costs over what has already been allowed for in the financial estimates.

With the uncertainty on 3 Waters Reform and potential impact of new comprehensive stormwater consent the impact has been raised to medium.

The new resource consent for the Te Kūiti Landfill lapses on 24 September 2024 if we do not take up this consent. Options to activate our new Resource Consent and also expand into a new landfill cell are being considered. A Special Consultative Process with the community is planned for after the LTP is adopted to consider the viable options for the future of the landfill and the disposal of wastewater sludge.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
Resource consent acquisition and compliance processes are within estimated timeframes and expenditure estimates.		
3 Waters	Medium	Medium
Landfill and Other Activities	Medium	Medium

### RATING BASE

It has been assumed that there will be an increase in Council's rating base (number of rateable assessments) over the term of the 2024-2034 LTP. The projected household growth rate of 0.5%pa can be assumed for rating unit growth. This assumption is dependent on availability of dwellings as discussed in the projected growth section.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
There is an increase in the rating base over the LTP time period that impacts on other LTP assumptions.	Medium	Low

### REVENUE FOR WATER AND TRADE WASTE SERVICES

There are two major users of Council services built into the financial forecasts. These are the metered water revenue and trade waste revenue received from the two large meat processing companies within the district. The underlying assumption in Council's financial forecasts is that

the companies will continue to operate within the District.

The risk associated with this assumption is that the loss of one or both of these companies would reduce the revenue forecast in the LTP for the first two years. There is no information to suggest the likelihood of the companies closing during the life of the LTP.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
The two major users of water and trade waste services will continue to operate within the district.	Low	Low

### TRANSFER OF OWNERSHIP OF STRATEGIC ASSETS

For the purpose of the 2024-2034 LTP period Council has assumed that there will not be a transfer of significant assets. Central Government's Local Water Done Well Programme and the subsequent legislation will see Council's 3 Waters assets (and associated debt) remain with Council. There will be a non-mandatory option to form Regional Council Controlled Organisations (CCO's) allowing transfer of assets (and associated debt) to the CCO's. There is currently high uncertainty as the legislative changes for this to occur at the time of developing the LTP are not completed.

The ownership of Council owned housing will be considered further to investigate the opportunities for transferring Elder Person Housing assets to a Community Housing Provider.

Council also intends to assess its investment portfolio for optimal use as part of its regular management practice.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
There will not be a transfer of ownership of significant assets.	High	High

### ASSET REVALUATION

Asset revaluation amounts are based on the assumed rates of inflation within this plan.

Infrastructure and land and building assets are revalued by an independent valuer on a 3-yearly basis in accordance with the accounting policies. Asset revaluation cycles differ for each class of asset and the projections within this LTP assume a three yearly staggered revaluation cycle of asset classes. However the timing of the revaluation may differ due to the fair value requirement of the accounting standards. During periods of rapid cost/price increases, it is more likely that out of cycle revaluations may be required to ensure assets continue to be reflected at fair value.

If the value of the asset class increases at a higher rate than the assumed level of inflation this may require an increase in rates funding to ensure we fund the increased depreciation charge or alternatively may impact on the level of services able to be delivered within the forecast funding limits.

If the value of the asset class increases at a lower rate than the assumed level of inflation this may reduce the rates funding requirement as depreciation costs would be less.

No provision has been made in the plan for changes in value for investment properties or assets held for sale as there will be no cash flow implications or any impact on the levels of service provided by the Council's Groups of Activities due to the valuation.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
Asset revaluation amounts are based on the assumed rates of inflation and asset classes revalued on a 3-yearly basis.	Medium	Low

### USEFUL LIVES OF ASSETS

Council has made a number of assumptions about the useful lives of its assets. The detail for each asset category is included in the Statement of Accounting Policies. The useful lives assumed in the 2024-2034 LTP are consistent with the NZ Infrastructure Asset Valuation and Depreciation Guidelines prepared by the National Asset Management Steering (NAMS) Group and adjusted for local conditions based on past experience.

Experienced independent valuers review and confirm the useful lives for existing assets in the three yearly asset revaluation.

The risk associated with this assumption is that variations may occur between actual and

assumed useful asset lives. An incorrect assumption of the useful life will impact on depreciation expense and the relevant asset replacement programme. If the asset useful life assumptions are incorrect, this may lead to asset failure or premature asset replacement. This risk is mitigated by physical inspection of assets, asset replacement programs and ongoing improvement to asset data quality. Council has developed an Infrastructure Strategy detailing the level of investment need to replace, renew or upgrade existing assets over the next 30 years for Roading infrastructure and two years of 3 Waters infrastructure.

The most significant level of uncertainty exists for bridge replacement programme however work on the future capital works projections on major Council owned buildings is also underway. The Forward Works Programme (FWP) is developed based on the age and condition of the bridges and their expected useful life.

The FWP is divided in three categories, a 3-Year, 10-Year and 30-Year programme. This programme is validated every three years based on bridge inspection outcomes within that three year period. When a bridge renewal on the FWP falls within a 10 year period, an investigation is undertaken to further understand options available to either extend asset life or to replace the structure. This investigation can be costly and specialised tests are required to confirm the condition and integrity of the structure. If replacement is the preferred option, an end of life assessment (Present Value end-of-life PVEOL) is initiated. This confirms the replacement option or the alternative may be bridge strengthening. Funding for the future replacement and major works for bridges will be discussed during the LTP process.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
Assets will deliver the required level of service over their document useful life.	Low-Medium	Low

### SOURCES OF FUNDING FOR THE FUTURE REPLACEMENT OF STRATEGIC ASSETS

The funding needed for the future replacement of significant assets is set by Council's Revenue and Financing Policy, that incorporates the balanced budget and intergenerational principles. The funding sources used by Council for the renewal or replacement of assets are subsidies and grants, depreciation reserves and loan funding. Council does not fully fund

depreciation on elderly housing and rural halls, roads assets and water and wastewater assets.

The risk associated with this assumption is that the required actual asset renewal funding varies from the forecast funding required. If asset consumption calculations are insufficient to cover the costs of renewing or replacing the asset, it may lead to reduction in service levels, additional loan funding or a higher rating requirement.

This risk may be mitigated through review of work programmes and revising budget estimates in conjunction with each Annual Plan. Council has also built depreciation reserves over time and generally these reserves have positive balances, so should be sufficient to fund renewals at least in the short term. Council has developed an Infrastructure Strategy detailing the level of investment need to replace, renew, or upgrade existing assets over the next 30 years.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
Subsidy revenue and depreciation reserves will generally be adequate to fund asset renewal expenditure.	Low	Low

## OTHER SOURCES OF EXTERNAL FUNDING

Council is able to access central government funds in some situations to assist with delivery of projects and relies on this external funding to help deliver projects.

### Better Off Funding

A total of \$3.55 million was approved for a number of community projects which commenced in 2022 with a 5-year timeframe for completion. Projects include walkways, traffic calming, social good partnerships and town amenity improvements. During the first two years of the LTP, Better Off Funding totalling \$2.03 million is forecast to be received to fund these projects.

There is a risk that if these projects is not completed by 2026, funding may no longer be available. If costs of the projects increase beyond what is forecast, the shortfall in funding would need to be funded by rates or increased borrowing, the project completion may be deferred to a later time or other external funding sources secured to finish the project.

### Mayor’s Taskforce for Jobs Programme

The Mayors Taskforce for Jobs programme is fully funded from central government. There is a risk that if the levels of funding reduce from current levels there would be an increase in rates to fund the shortfall, the programme scope would be reduced or the service would not be provided.

### Other external funding

A portion of the operation and maintenance of the stock effluent facility is partly funded by Waikato Regional Council. The plan assumes this funding will continue at the present levels. Specific waste minimisation initiatives are funded through the waste minimisation levy revenue including the public education workshops, Enviro-schools and E-waste recycling.

The plan assumes that funding will be in line with any planned increases in the waste minimisation levy. The risk of reduced external funding may mean an increase in rates to fund the shortfall, the programme scope reduced or the programmes deferred to operate within the forecast funding limits.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
External funding assistance will continue to be received at present levels on qualifying expenditure and Council will meet the conditions of each funding agreement.	Low	Low

## DEVELOPMENT/FINANCIAL CONTRIBUTIONS

A Development Contribution Policy (DCP) pursuant to the Local Government Act 2002 is only appropriate where Council proposes to undertake significant new growth-related capital projects. In the absence of growth, the costs of developing and implementing a DCP significantly outweighs the benefits unless the opportunity for significant housing and industrial growth occurs.

The growth projections indicate that there is likely to be a small amount of growth in dwellings and in rating units, which may be stronger than population growth. This is, however, dependant on suitable dwellings being available for the increased demand from aging population and

immigration returns to normal levels. Over the next decade the household growth is predicted to grow at 0.5%pa. in line with population growth peaking in 2039 at 3,900 households. From 2040s the trend will turn negative as the population begins to decline, therefore general stability can be anticipated, and the impact of growth is assumed to be low.

The Resource Management Amendment Act 2020 re-enacted the ability for councils to collect financial contributions from 1 July 2020, therefore financial contributions have been incorporated into the Proposed District Plan. This will allow Financial Contributions to be collected after the implementation of the District Plan. No budgets have been added for this potential revenue stream.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
No material growth related capital expenditure is expected.	Low	Low

### AVAILABILITY OF CONTRACTORS TO COMPLETE CAPITAL PROGRAMME

It is assumed there is sufficient capacity within the professional services and physical works contractor market to undertake the capital programme.

There is a low to medium degree of uncertainty around this assumption as there are high levels of forecasted capital expenditure from other central and local government agencies in the North Island as well as strong ongoing (but now weakening) demand for new housing and development nationally. The impact of this on supply and demand on the contracting sector may impact on price competitiveness. Against that, the civil construction sector is seeing spill-over of out of district contractors seeking to establish local market foothold. The removal of the Tranche 2 funding for 3 Waters Reform has reduced the potential for labour and supply shortages within the timeframe of the LTP.

### INSURANCE

Significant weather events over the past two years has highlighted Council's exposure to increased risk on our infrastructure and other assets within the district. Globally, severe and adverse weather events and natural disasters continue to impact the insurance market.

There is a risk the insurance premiums may increase more than expected, which would require more funding from rates and fees and charges.

Council will continue to work with our insurance partners to stay abreast of, and to mitigate any material changes, and to ensure appropriate levels of insurance are in place with an acceptable tolerance of risk.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
Council will secure adequate insurance cover on council assets over the life of the plan.	medium	medium

### NATURAL DISASTER EVENTS

There are no significant local natural disasters anticipated during the life of the plan.

The district is classified as a medium risk area for earthquakes, as outlined in the Building Act 2004, therefore there is a medium risk of an earthquake affecting our district. In extreme weather events there is also a risk that rainfall events will result in flooding and inundation of properties and our infrastructure.

There is a risk that a natural disaster may occur which will have a significant impact on our infrastructure, the ability to deliver services and the current planned expenditure within this plan. There may also be adverse effects on the community, population and local economy.

It is difficult to predict the likely financial impact of a significant natural disaster however to mitigate some of the risk, Council will continue to obtain insurance cover for key assets and infrastructure and assumes that Central Government will continue to maintain its 60% damage cost cover for local infrastructure. Waka Kotahi also provides an emergency repairs subsidy (FAR + 20%), once a threshold has been

Assumption	Level of Uncertainty	Impact on Integrity of LTP
Availability of contractors to complete capital programme	Low-Medium	Medium

reached, for damage to the roading network from significant natural disasters.

Waka Kotahi are proposing to change the emergency repairs subsidy to FAR + 10% from 1 July 2025. The impact of the proposed change would increase the rate-funded local share of damage to roads from significant local natural disaster events. As no significant local natural disaster events are assumed over the life of the plan there is no impact on the financial forecasts from this proposed change. The feedback period for the proposal closed on 19 June 2024.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
There will be no significant local natural disasters over the life of the plan.	Medium	Medium

## EMISSIONS TRADING SCHEME

Through the operation of the district landfill, Council is a mandatory participant in the Emissions Trading Scheme (ETS). Council is required to surrender carbon credits annually to satisfy the obligations under ETS in May of each year for the emissions on waste disposed at the landfill in the prior calendar year. The amount of the annual emissions obligation is determined by the total waste deposited at the landfill by the default emissions factor (DEF). Significant penalties are imposed if Council does not surrender sufficient carbon credits within the required timeframe. The price of carbon credits is volatile and is sensitive to government announcements around regulatory settings, which can see the price of carbon credits increase or decrease significantly.

The cost of carbon credits is difficult to forecast as changes in legislation or regulation settings can have a significant impact of the market. The price of carbon credits are assumed as follows across the life of the plan.

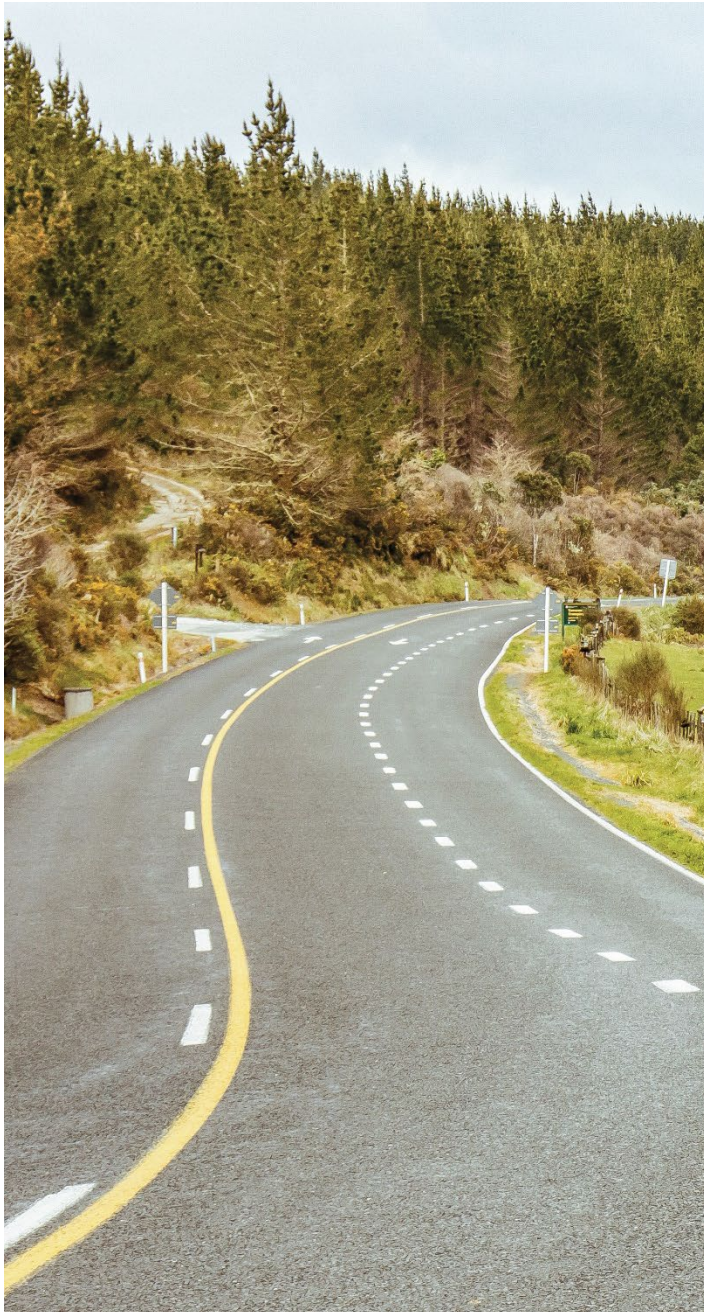
Assumption	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
ETS price	\$85	\$90	\$95	\$100	\$110	\$120	\$130	\$140	\$150	\$160

There is a risk that the price of carbon credits will be higher or lower than what is assumed in the plan. If the price of carbon credits is more than assumed, additional rates funding and fees and charges revenue may be required or less carbon credits may be purchased. If the carbon credits are less than assumed, less rates funding and fees and charges revenue may be required or more carbon credits may be purchased for future years obligations. There is a high level of uncertainty for the carbon credit price over the plan.

The waste tonnages are assumed at 8,600 tonnes per annum including 1,000 tonnes of sludge disposal. There is a risk that waste tonnages will be higher or lower than what is assumed in the plan. If waste tonnages are more than assumed, additional carbon credits will need to be purchased to meet the surrender obligation which will increase rates funding and fees and charges revenue. If waste tonnages are lower, less carbon credits will be needed therefore reducing the rates funding and fees and charges revenue required.

With the forecast installation of gas flaring equipment at the landfill, Council intends to apply for a unique emissions factor (UEF). It is assumed that the UEF will be significantly less than the default emissions factor. The DEF of 1.023 is assumed for the first three years of the plan, reducing to 0.61 from Year 4-6, then 0.46 for the remaining years of the plan. There is a risk that the DEF and UEF will be higher or lower than what is assumed in the plan. This will result in more or less carbon credits required to satisfy the surrender obligation thereby increasing or decreasing the level of rates and fees and charges funding required each year.

Assumption	Level of Uncertainty	Impact on Integrity of LTP
Waste tonnages, the default or unique emission factor and the carbon credit price will be consistent with the projected values.	Medium High – carbon credit price	Medium





## FORECAST FINANCIAL STATEMENTS

### PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR YEARS ENDING 30 JUNE

\$000's	AP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>Revenue</b>											
Rates revenue including rates penalties	21,461	23,807	25,645	27,050	28,098	29,111	30,192	31,215	31,665	32,495	32,671
Metered water rates	1,059	1,251	1,385	1,422	1,459	1,495	1,529	1,564	1,598	1,632	1,666
Subsidies and grants	16,177	15,700	13,027	13,489	13,111	13,346	13,997	13,908	15,743	15,196	14,493
Interest revenue	15	66	72	69	73	74	76	84	84	86	87
Fees and charges	4,514	4,902	5,082	5,268	5,373	5,513	5,613	5,748	5,879	5,981	6,120
Other revenue including gains/(losses)	241	282	285	289	292	296	299	303	306	310	313
<b>Total Revenue and Gains/(Losses)</b>	<b>43,467</b>	<b>46,008</b>	<b>45,496</b>	<b>47,587</b>	<b>48,406</b>	<b>49,835</b>	<b>51,706</b>	<b>52,822</b>	<b>55,275</b>	<b>55,700</b>	<b>55,350</b>
<b>Expenditure</b>											
Employee benefit expenses	6,859	7,788	7,969	8,063	8,233	8,396	8,558	8,720	8,883	9,045	9,207
Depreciation and amortisation expense	9,470	10,018	10,665	10,892	11,262	11,807	12,259	12,619	13,097	13,476	13,774
Finance costs	1,628	1,622	2,103	2,390	2,797	2,813	2,805	2,804	2,507	2,460	2,201
Other expenses	23,193	24,068	23,129	23,291	23,142	23,771	24,478	24,814	25,469	25,966	26,336
<b>Total Expenditure</b>	<b>41,150</b>	<b>43,496</b>	<b>43,866</b>	<b>44,636</b>	<b>45,434</b>	<b>46,787</b>	<b>48,100</b>	<b>48,957</b>	<b>49,956</b>	<b>50,947</b>	<b>51,518</b>
<b>Surplus/(Deficit)</b>	<b>2,317</b>	<b>2,512</b>	<b>1,630</b>	<b>2,951</b>	<b>2,972</b>	<b>3,048</b>	<b>3,606</b>	<b>3,865</b>	<b>5,319</b>	<b>4,753</b>	<b>3,832</b>
<b>Other Comprehensive Revenue and Expense</b>											
Gains/(losses) on revaluation of property, plant and equipment	9,836	2,735	28,163	9,062	0	40,177	9,588	0	39,085	9,243	0
<b>Total Other Comprehensive Revenue and Expense</b>	<b>9,836</b>	<b>2,735</b>	<b>28,163</b>	<b>9,062</b>	<b>0</b>	<b>40,177</b>	<b>9,588</b>	<b>0</b>	<b>39,085</b>	<b>9,243</b>	<b>0</b>
<b>Total Comprehensive Revenue and Expense for the year</b>	<b>12,153</b>	<b>5,247</b>	<b>29,793</b>	<b>12,013</b>	<b>2,972</b>	<b>43,225</b>	<b>13,194</b>	<b>3,865</b>	<b>44,404</b>	<b>13,996</b>	<b>3,832</b>

## PROSPECTIVE STATEMENT OF CHANGES IN EQUITY FOR YEARS ENDING 30 JUNE

\$000's	AP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
Opening balance at 1 July	485,037	698,549	703,796	733,589	745,602	748,574	791,799	804,993	808,858	853,262	867,258
Revaluation of property, plant and equipment	9,836	2,735	28,163	9,062	0	40,177	9,588	0	39,085	9,243	0
Net Income recognised directly in equity	9,836	2,735	28,163	9,062	0	40,177	9,588	0	39,085	9,243	0
Net Surplus/(Deficit) for the year	2,317	2,512	1,630	2,951	2,972	3,048	3,606	3,865	5,319	4,753	3,832
Total Recognised Income for the years ending 30 June	2,317	2,512	1,630	2,951	2,972	3,048	3,606	3,865	5,319	4,753	3,832
Total Comprehensive Revenue and Expense for the year	12,153	5,247	29,793	12,013	2,972	43,225	13,194	3,865	44,404	13,996	3,832
Balance at 30 June	497,190	703,796	733,589	745,602	748,574	791,799	804,993	808,858	853,262	867,258	871,090

## PROSPECTIVE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE

\$'000's	AP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>Equity</b>											
Accumulated funds	246,940	252,708	254,619	257,644	259,593	261,326	263,351	264,565	267,169	269,308	270,132
Council created reserves	21,477	20,555	20,274	20,200	21,223	22,538	24,119	26,770	29,485	32,098	35,106
Investment Reserves	6,416	10,606	10,606	10,606	10,606	10,606	10,606	10,606	10,606	10,606	10,606
Hedging reserves	346	736	736	736	736	736	736	736	736	736	736
Revaluation reserve	222,011	419,191	447,354	456,416	456,416	496,593	506,181	506,181	545,266	554,510	554,510
<b>Total Equity</b>	<b>497,190</b>	<b>703,796</b>	<b>733,589</b>	<b>745,602</b>	<b>748,574</b>	<b>791,799</b>	<b>804,993</b>	<b>808,858</b>	<b>853,262</b>	<b>867,258</b>	<b>871,090</b>
<b>Current Assets</b>											
Cash and cash equivalents	2,352	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553
Other financial assets	169	54	54	54	54	54	54	54	54	54	54
Inventory	120	134	137	140	143	146	149	152	155	158	161
Receivables under exchange transactions	274	466	476	487	497	507	518	528	539	549	560
Receivables under non exchange transactions	4,539	4,758	4,863	4,967	5,077	5,181	5,291	5,396	5,505	5,610	5,714
Derivative financial instruments	0	297	297	297	297	297	297	297	297	297	297
<b>Total Current Assets</b>	<b>7,454</b>	<b>7,262</b>	<b>7,380</b>	<b>7,498</b>	<b>7,621</b>	<b>7,738</b>	<b>7,862</b>	<b>7,980</b>	<b>8,103</b>	<b>8,221</b>	<b>8,339</b>
<b>Current Liabilities</b>											
Payables and deferred revenue under exchange transactions	4,197	5,620	5,743	5,864	5,994	6,117	6,247	6,372	6,501	6,625	6,750
Payables and deferred revenue under non exchange transactions	2,032	1,017	1,039	1,062	1,085	1,108	1,131	1,153	1,177	1,199	1,221
Current portion of borrowings	26,326	14,508	14,241	14,332	14,821	14,797	15,862	16,039	11,425	12,080	13,692
Provisions	4	4	4	4	4	4	4	110	5	196	5
Employee entitlements	817	884	903	923	943	963	983	1,002	1,023	1,042	1,062
Derivative financial instruments	31	0	0	0	0	0	0	0	0	0	0
<b>Total Current Liabilities</b>	<b>33,407</b>	<b>22,033</b>	<b>21,930</b>	<b>22,185</b>	<b>22,847</b>	<b>22,989</b>	<b>24,227</b>	<b>24,676</b>	<b>20,131</b>	<b>21,142</b>	<b>22,730</b>
<b>Net Working Capital</b>	<b>(25,953)</b>	<b>(14,771)</b>	<b>(14,550)</b>	<b>(14,687)</b>	<b>(15,226)</b>	<b>(15,251)</b>	<b>(16,365)</b>	<b>(16,696)</b>	<b>(12,028)</b>	<b>(12,921)</b>	<b>(14,391)</b>
<b>Non Current Assets</b>											
Property, plant and equipment	521,396	725,770	761,402	773,315	776,828	820,057	830,398	829,644	873,369	883,164	882,578
Intangible assets	7,175	7,208	7,228	7,249	7,271	7,346	7,368	7,391	7,414	7,495	7,519
Investment property	2,167	2,581	2,581	2,581	2,581	2,581	2,581	2,581	2,581	2,581	2,581
Other financial assets	323	664	639	889	889	889	889	764	764	639	514
Investment in CCO and Civic Financial Services Ltd	6,432	10,622	10,622	10,622	10,622	10,622	10,622	10,622	10,622	10,622	10,622
Derivative financial instruments	198	260	260	260	260	260	260	260	260	260	260
<b>Total Non Current Assets</b>	<b>537,691</b>	<b>747,105</b>	<b>782,732</b>	<b>794,916</b>	<b>798,451</b>	<b>841,755</b>	<b>852,118</b>	<b>851,262</b>	<b>895,010</b>	<b>904,761</b>	<b>904,074</b>
<b>Non Current Liabilities</b>											
Borrowings	14,023	28,000	34,000	34,000	34,000	34,000	30,000	25,000	29,000	24,000	18,000
Provisions	525	538	593	627	651	705	760	708	720	582	593
<b>Total Non Current Liabilities</b>	<b>14,548</b>	<b>28,538</b>	<b>34,593</b>	<b>34,627</b>	<b>34,651</b>	<b>34,705</b>	<b>30,760</b>	<b>25,708</b>	<b>29,720</b>	<b>24,582</b>	<b>18,593</b>
<b>Net Assets</b>	<b>497,190</b>	<b>703,796</b>	<b>733,589</b>	<b>745,602</b>	<b>748,574</b>	<b>791,799</b>	<b>804,993</b>	<b>808,858</b>	<b>853,262</b>	<b>867,258</b>	<b>871,090</b>

**PROSPECTIVE STATEMENT OF CASH FLOWS FOR THE YEARS ENDING 30 JUNE**

\$000's	AP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>Cashflows from Operating Activities</b>											
<b>Cash forecast to be provided from:</b>											
Rates revenue (including penalties)	22,520	25,451	27,316	28,768	29,858	30,922	32,041	33,113	33,600	34,478	34,699
Subsidies and grants	16,136	15,700	13,027	13,489	13,111	13,346	13,997	13,908	15,743	15,196	14,493
Property rentals	541	604	617	630	644	657	670	682	695	708	721
Petroleum tax	140	140	143	146	149	153	156	159	162	165	168
Interest revenue	15	66	72	69	73	74	76	84	84	86	87
Receipts from other revenue	4,116	4,440	4,608	4,780	4,873	5,000	5,087	5,209	5,328	5,418	5,543
	<b>43,468</b>	<b>46,401</b>	<b>45,783</b>	<b>47,882</b>	<b>48,708</b>	<b>50,152</b>	<b>52,027</b>	<b>53,155</b>	<b>55,612</b>	<b>56,051</b>	<b>55,711</b>
<b>Cash forecast to be applied to:</b>											
Payments to suppliers and employees	28,884	31,613	30,650	30,974	30,987	31,722	32,626	33,118	34,039	34,602	35,356
Elected members	580	541	582	543	565	608	576	597	642	608	630
Interest paid on borrowings	1,627	1,622	2,103	2,390	2,797	2,813	2,805	2,804	2,507	2,460	2,201
	<b>31,091</b>	<b>33,776</b>	<b>33,335</b>	<b>33,907</b>	<b>34,349</b>	<b>35,143</b>	<b>36,007</b>	<b>36,519</b>	<b>37,188</b>	<b>37,670</b>	<b>38,187</b>
<b>Net Cash Inflows from Operating Activities</b>	<b>12,377</b>	<b>12,625</b>	<b>12,448</b>	<b>13,975</b>	<b>14,359</b>	<b>15,009</b>	<b>16,020</b>	<b>16,636</b>	<b>18,424</b>	<b>18,381</b>	<b>17,524</b>
<b>Cashflows from Investing Activities</b>											
<b>Cash forecast to be provided from:</b>											
Proceeds from surrender of financial assets	0	0	25	0	0	0	0	125	0	125	125
	<b>0</b>	<b>0</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>125</b>	<b>0</b>	<b>125</b>	<b>125</b>
<b>Cash forecast to be applied to:</b>											
Purchase and development of property, plant and equipment	22,332	21,489	18,135	13,744	14,776	14,859	13,012	11,865	17,737	14,027	13,187
Purchase of intangible assets	184	50	20	21	21	76	22	22	23	82	24
Purchase of financial assets	0	125	0	250	0	0	0	0	0	0	0
	<b>22,516</b>	<b>21,664</b>	<b>18,155</b>	<b>14,015</b>	<b>14,797</b>	<b>14,935</b>	<b>13,034</b>	<b>11,887</b>	<b>17,760</b>	<b>14,109</b>	<b>13,211</b>
<b>Net Cash (Outflow) from Investing Activities</b>	<b>(22,516)</b>	<b>(21,664)</b>	<b>(18,130)</b>	<b>(14,015)</b>	<b>(14,797)</b>	<b>(14,935)</b>	<b>(13,034)</b>	<b>(11,762)</b>	<b>(17,760)</b>	<b>(13,984)</b>	<b>(13,086)</b>
<b>Cashflows from Financing Activities</b>											
<b>Cash forecast to be provided from:</b>											
Cash was provided from borrowings	30,139	24,039	20,682	15,040	15,438	14,926	12,014	10,126	14,336	10,603	10,562
	<b>30,139</b>	<b>24,039</b>	<b>20,682</b>	<b>15,040</b>	<b>15,438</b>	<b>14,926</b>	<b>12,014</b>	<b>10,126</b>	<b>14,336</b>	<b>10,603</b>	<b>10,562</b>
<b>Cash forecast to be applied to:</b>											
Repayment of borrowings	20,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
	<b>20,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>
<b>Net Cash Inflows/(Outflows) from Financing Activities</b>	<b>10,139</b>	<b>9,039</b>	<b>5,682</b>	<b>40</b>	<b>438</b>	<b>(74)</b>	<b>(2,986)</b>	<b>(4,874)</b>	<b>(664)</b>	<b>(4,397)</b>	<b>(4,438)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Cash and cash equivalents at the beginning of the year	2,352	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553
<b>Cash and cash equivalents at the end of the year</b>	<b>2,352</b>	<b>1,553</b>	<b>1,553</b>	<b>1,553</b>	<b>1,553</b>	<b>1,553</b>	<b>1,553</b>	<b>1,553</b>	<b>1,553</b>	<b>1,553</b>	<b>1,553</b>
<b>Cash at the end of the year represented by:</b>											
Cash at bank and in hand	2,352	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553	1,553

## PROSPECTIVE STATEMENT OF PUBLIC DEBT FOR THE YEARS ENDING 30 JUNE

\$000's	AP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>Opening Balance</b>	<b>30,210</b>	<b>33,419</b>	<b>42,508</b>	<b>48,241</b>	<b>48,332</b>	<b>48,821</b>	<b>48,797</b>	<b>45,862</b>	<b>41,039</b>	<b>40,425</b>	<b>36,080</b>
Loans raised	30,139	24,089	20,733	15,091	15,489	14,976	12,065	10,177	14,386	10,655	10,612
Loans repaid	(20,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
<b>Closing Balance</b>	<b>40,349</b>	<b>42,508</b>	<b>48,241</b>	<b>48,332</b>	<b>48,821</b>	<b>48,797</b>	<b>45,862</b>	<b>41,039</b>	<b>40,425</b>	<b>36,080</b>	<b>31,692</b>

## PROSPECTIVE STATEMENT OF RESERVE FUND MOVEMENTS FOR COUNCIL CREATED RESERVES FOR THE YEARS ENDING 30 JUNE

\$000's	AP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>Opening Balance</b>	<b>22,571</b>	<b>21,045</b>	<b>20,555</b>	<b>20,274</b>	<b>20,200</b>	<b>21,223</b>	<b>22,538</b>	<b>24,119</b>	<b>26,770</b>	<b>29,485</b>	<b>32,098</b>
Transfer to/(from) Reserves	(1,094)	(490)	(281)	(74)	1,023	1,315	1,581	2,651	2,715	2,613	3,008
<b>Closing Balance</b>	<b>21,477</b>	<b>20,555</b>	<b>20,274</b>	<b>20,200</b>	<b>21,223</b>	<b>22,538</b>	<b>24,119</b>	<b>26,770</b>	<b>29,485</b>	<b>32,098</b>	<b>35,106</b>

## PROSPECTIVE DEPRECIATION AND AMORTISATION EXPENSE

\$000's	AP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
Leadership	738	777	830	855	912	915	885	927	943	910	877
Community and Partnerships	4	10	11	11	11	11	9	4	4	4	4
Recreation and Property	1,456	1,584	1,658	1,725	1,775	1,798	1,861	1,886	1,919	1,949	1,984
Regulatory Services	12	15	16	17	18	12	13	12	13	14	14
Solid Waste	113	122	171	205	212	227	219	313	315	374	436
Stormwater	257	259	275	303	321	334	368	378	388	418	426
Wastewater	1,038	1,088	1,102	1,175	1,191	1,198	1,278	1,286	1,288	1,365	1,369
Water Supply	969	954	1,030	1,157	1,171	1,259	1,418	1,445	1,429	1,445	1,466
Roads and Footpaths	4,883	5,209	5,572	5,444	5,651	6,053	6,208	6,368	6,798	6,997	7,198
<b>Total Depreciation Expense</b>	<b>9,470</b>	<b>10,018</b>	<b>10,665</b>	<b>10,892</b>	<b>11,262</b>	<b>11,807</b>	<b>12,259</b>	<b>12,619</b>	<b>13,097</b>	<b>13,476</b>	<b>13,774</b>

## FORECAST CAPITAL EXPENDITURE

\$000's	AP 2024	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>Leadership</b>											
Investments	41	40	41	42	43	43	44	45	46	47	47
Overhead	1,094	668	579	630	594	691	643	500	497	709	614
	<b>1,135</b>	<b>708</b>	<b>620</b>	<b>672</b>	<b>637</b>	<b>734</b>	<b>687</b>	<b>545</b>	<b>543</b>	<b>756</b>	<b>661</b>
<b>Community and Partnerships</b>											
	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recreation and Property</b>											
Parks and Recreation	350	366	206	211	219	179	276	196	253	248	255
Housing and Other Property	86	57	64	73	106	83	115	84	112	95	132
Community Facilities	458	102	124	142	101	371	322	244	174	265	430
Public Facilities	313	568	143	220	90	114	96	125	103	129	104
	<b>1,207</b>	<b>1,093</b>	<b>537</b>	<b>646</b>	<b>516</b>	<b>747</b>	<b>809</b>	<b>649</b>	<b>642</b>	<b>737</b>	<b>921</b>
<b>Regulatory Services</b>											
	<b>20</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>12</b>
<b>Solid Waste</b>											
Kerbside Collection and Recycling	0	0	0	0	0	0	409	0	0	0	0
Waste Management	3,877	3,141	755	367	90	128	422	101	3,972	572	106
	<b>3,877</b>	<b>3,141</b>	<b>755</b>	<b>367</b>	<b>90</b>	<b>128</b>	<b>831</b>	<b>101</b>	<b>3,972</b>	<b>572</b>	<b>106</b>
<b>Stormwater</b>											
Urban Stormwater	469	1,708	1,708	1,859	1,667	1,712	594	621	642	646	648
Rural Stormwater	6	80	77	84	32	33	34	35	35	36	37
	<b>475</b>	<b>1,788</b>	<b>1,785</b>	<b>1,943</b>	<b>1,699</b>	<b>1,745</b>	<b>628</b>	<b>656</b>	<b>677</b>	<b>682</b>	<b>685</b>
<b>Wastewater</b>											
Te Kuiti	583	434	426	448	326	384	344	600	374	454	376
Te Waitere	0	7	7	7	223	7	7	8	8	8	8
Benneydale	53	45	103	168	497	11	181	12	12	12	12
Piopio	7	7	59	54	207	13	14	15	15	16	16
	<b>643</b>	<b>493</b>	<b>595</b>	<b>677</b>	<b>1,253</b>	<b>415</b>	<b>546</b>	<b>635</b>	<b>409</b>	<b>490</b>	<b>412</b>
<b>Water Supply</b>											
Te Kuiti	5,043	4,988	5,113	445	1,880	2,668	795	529	541	565	603
Mokau	16	205	199	77	147	27	28	29	30	42	43
Piopio	158	157	166	77	343	187	74	75	77	314	943
Benneydale	22	49	50	21	151	77	23	81	24	24	25
	<b>5,239</b>	<b>5,399</b>	<b>5,528</b>	<b>620</b>	<b>2,521</b>	<b>2,959</b>	<b>920</b>	<b>714</b>	<b>672</b>	<b>945</b>	<b>1,614</b>
<b>Roads and Footpaths</b>											
Subsidised roading	9,730	8,770	8,186	8,687	7,926	8,048	8,450	8,422	10,677	9,756	8,630
Unsubsidised roading	189	136	139	142	145	148	152	155	158	161	164
	<b>9,919</b>	<b>8,906</b>	<b>8,325</b>	<b>8,829</b>	<b>8,071</b>	<b>8,196</b>	<b>8,602</b>	<b>8,577</b>	<b>10,835</b>	<b>9,917</b>	<b>8,794</b>
<b>Total Forecast Capital Expenditure</b>	<b>22,515</b>	<b>21,541</b>	<b>18,155</b>	<b>13,764</b>	<b>14,798</b>	<b>14,935</b>	<b>13,034</b>	<b>11,888</b>	<b>17,761</b>	<b>14,111</b>	<b>13,205</b>

## PROSPECTIVE FUNDING IMPACT STATEMENT FOR 2024-2034 FOR WHOLE OF COUNCIL

\$000's	AP 2024 (Restated)	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
<b>Sources of operating funding</b>											
General rates, uniform annual general charges, rates penalties	10,204	11,328	12,005	12,459	12,620	12,873	13,201	13,283	13,548	13,793	13,804
Targeted rates	12,706	14,122	15,425	16,424	17,359	18,164	18,959	19,946	20,170	20,800	21,012
Subsidies and grants for operating purposes	7,675	7,957	6,888	6,972	7,166	7,310	7,455	7,592	7,736	7,879	8,014
Fees and charges	4,507	4,895	5,075	5,258	5,365	5,505	5,603	5,739	5,870	5,974	6,108
Interest and dividends from Investments	15	66	72	69	74	74	76	84	84	86	87
Local authorities fuel tax, fines, infringement fees and other receipts	249	290	293	297	299	305	308	312	315	319	323
<b>Total operating funding (A)</b>	<b>35,356</b>	<b>38,658</b>	<b>39,758</b>	<b>41,479</b>	<b>42,883</b>	<b>44,231</b>	<b>45,602</b>	<b>46,956</b>	<b>47,723</b>	<b>48,851</b>	<b>49,348</b>
<b>Applications of operating funding</b>											
Payments to staff and suppliers	31,181	33,022	32,327	32,612	32,699	33,501	34,353	34,895	35,737	36,372	36,877
Finance costs	1,628	1,621	2,105	2,390	2,796	2,814	2,805	2,804	2,507	2,461	2,201
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding (B)</b>	<b>32,809</b>	<b>34,643</b>	<b>34,432</b>	<b>35,002</b>	<b>35,495</b>	<b>36,315</b>	<b>37,158</b>	<b>37,699</b>	<b>38,244</b>	<b>38,833</b>	<b>39,078</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,547</b>	<b>4,015</b>	<b>5,326</b>	<b>6,477</b>	<b>7,388</b>	<b>7,916</b>	<b>8,444</b>	<b>9,257</b>	<b>9,479</b>	<b>10,018</b>	<b>10,270</b>
<b>Sources of capital funding</b>											
Subsidies and grants for capital expenditure	8,461	7,743	6,139	6,516	5,944	6,036	6,543	6,317	8,008	7,317	6,478
Increase (decrease) in debt	8,967	8,520	5,582	(152)	1,585	1,395	(1,250)	(1,946)	2,058	(1,507)	(1,392)
Gross proceeds from sale of assets	0	0	0	0	0	0	0	0	0	0	0
Lump sum contributions	41	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (C)</b>	<b>17,469</b>	<b>16,263</b>	<b>11,721</b>	<b>6,364</b>	<b>7,529</b>	<b>7,431</b>	<b>5,293</b>	<b>4,371</b>	<b>10,066</b>	<b>5,810</b>	<b>5,086</b>
<b>Applications of capital funding</b>											
Capital expenditure - to improve the level of service	6,098	7,182	6,657	2,151	3,040	2,247	1,527	1,370	1,207	1,354	2,117
Capital expenditure - to replace existing assets	16,417	14,359	11,498	11,613	11,758	12,688	11,507	10,518	16,554	12,757	11,088
Increase (decrease) in reserves	(2,499)	(1,263)	(1,108)	(923)	119	412	703	1,740	1,784	1,717	2,151
<b>Total applications of capital funding (D)</b>	<b>20,016</b>	<b>20,278</b>	<b>17,047</b>	<b>12,841</b>	<b>14,917</b>	<b>15,347</b>	<b>13,737</b>	<b>13,628</b>	<b>19,545</b>	<b>15,828</b>	<b>15,356</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,547)</b>	<b>(4,015)</b>	<b>(5,326)</b>	<b>(6,477)</b>	<b>(7,388)</b>	<b>(7,916)</b>	<b>(8,444)</b>	<b>(9,257)</b>	<b>(9,479)</b>	<b>(10,018)</b>	<b>(10,270)</b>
<b>Funding Balance ((A-B) + (C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

AP 2024 comparator has been restated to include rates charged on council properties, in rates revenue funding and payments to staff and suppliers. Previously rates on council properties were excluded.

# FINANCIAL REPORTING AND PRUDENCE BENCHMARKS

## 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 the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

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

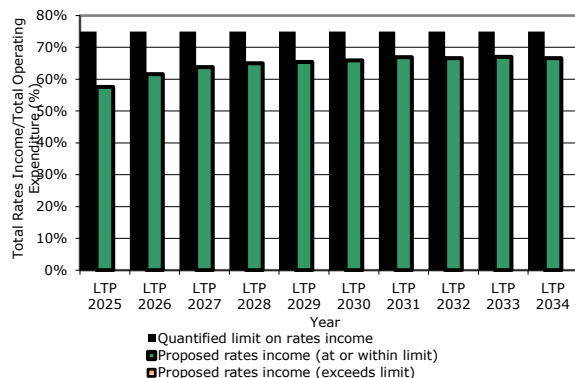
## RATES AFFORDABILITY BENCHMARK

The Council meets the rates affordability benchmark if:

- its planned rates income equals or is less than each quantified limit on rates; and
- its planned rates increases equal, or are less than, each quantifies 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 long-term plan. The quantified limit is total rates revenue will be limited to an average of 75% of total operating expenditure.

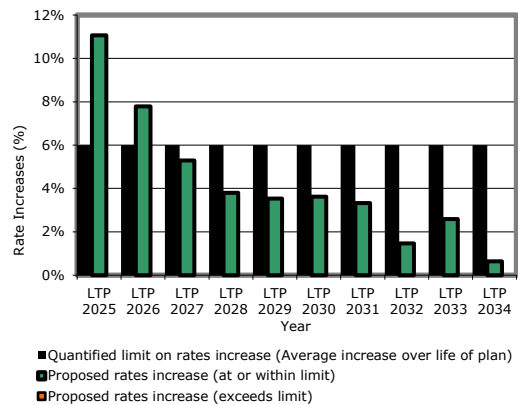


## RATES (INCREASES) AFFORDABILITY

The following graph compares the Council’s planned rates increases with a quantified limit on rates increases contained in the Financial Strategy included in this long-term plan. The

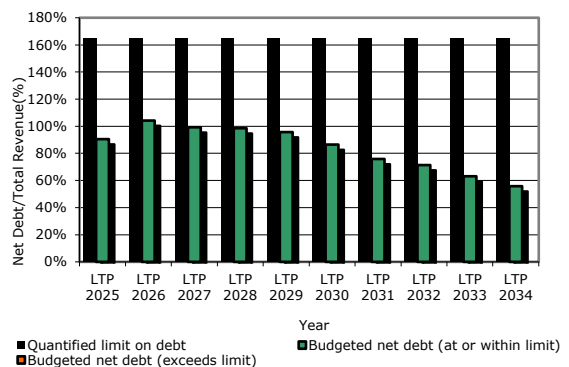
quantified limit is total rate increases will be limited to an average rate increase of 6% over the ten years of the LTP 2024-34. The average rate increase for this LTP 2024-34 is 4.31%.

The rates increases limit is based on the average rates increase over 10 years which results in a 10 year average of 4.31%. The annual rates increase per year may exceed 6% as the limit is based on the average increase over 10 years.



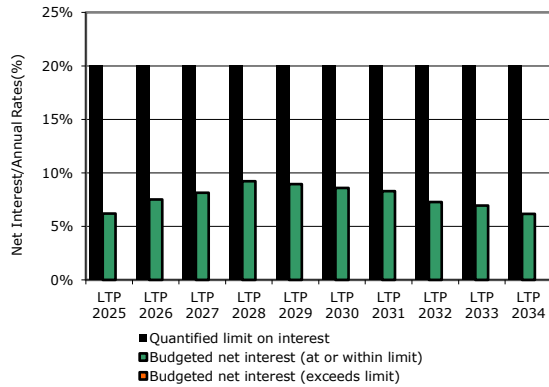
## DEBT AFFORDABILITY BENCHMARK

The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. The following graph compares the Council’s planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this long-term plan. The quantified limit is total net debt will not exceed 165% of total revenue.



The following graph compares the Council’s planned debt with a quantified limit on borrowing contained in the Financial Strategy included in this long-term plan. The quantified limit is the ratio of net interest will not exceed 20% of annual rates.

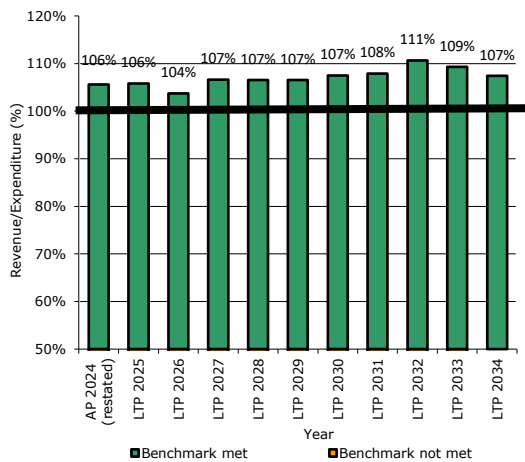




### BALANCED BUDGET BENCHMARK

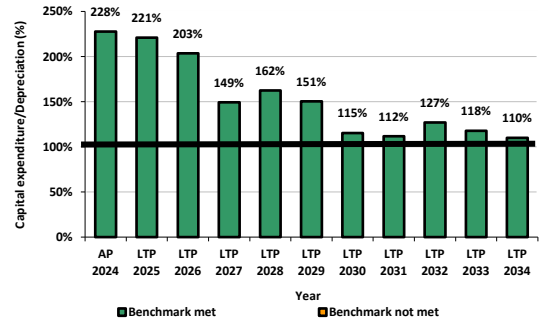
The following graph displays the Council’s planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of planned operating expenses (excluding losses on derivative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

The Council meets the balanced budget benchmark if its planned revenue equals or is greater than its planned operating expenses.



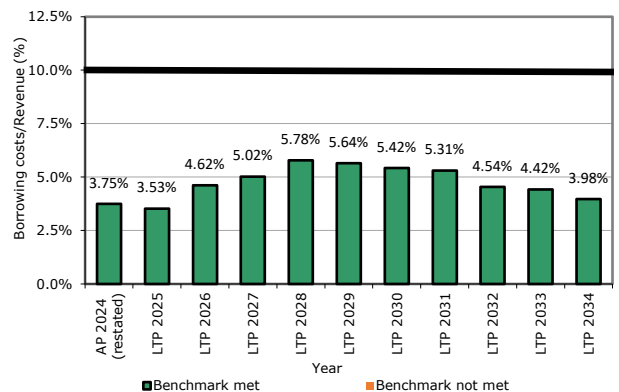
### ESSENTIAL SERVICES BENCHMARK

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.



### 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, or 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.



## **PROSPECTIVE STATEMENT OF RESERVE FUNDS**

The Council maintains reserves as a sub-part of its equity. Schedule 10(16) Local Government Act 2002 requires certain information on Reserve Funds to be included in the Council's Long Term Plan. The following represents a Summary of Reserve Funds over the period of the plan and provides information on:

- the purpose of the Reserve Fund
- the activity to which the fund relates
- the amount expected to be in the fund at:
  - the commencement of the first year to which the LTP relates; and
  - the end of the last year to which the LTP relates; and
- the amount expected to be deposited in the fund in the period to which the LTP relates; and
- the amount expected to be withdrawn from the fund in the period to which the LTP relates.

### **OPERATIONAL RESERVES (1)**

Operational reserves are created to hold short-term funding surpluses/(deficits) arising from the various activities of Council. A deficit may occur when operating expenditure exceeds budget, operating revenue is less than budget or a combination of both.

A balance in the operational reserve forms part of the Council's funding considerations for a particular activity in the subsequent years budget. Council ensures that rates collected for a particular activity from an identified group of ratepayers are used only for that activity and for the benefit of that identified ratepayer.

### **DEPRECIATION RESERVES (2)**

The Council sets aside accumulated funds from rates in specific Depreciation Reserves to fund The Council sets aside accumulated funds from rates in specific Depreciation Reserves to fund repayments on loans raised for capital expenditure and to maintain the service capacity and integrity of assets throughout their useful lives. Council ensures that funds accumulated for a particular activity from an identified group of ratepayers can only be used for that activity and for the benefit of that identified group. The purpose of the Depreciation Reserves is to ensure that Council's ability to provide services to the District's communities is maintained.

### **SPECIAL PURPOSE RESERVES (3)**

Council maintains special purpose reserves to hold specific funds in relation to an activity. There are currently five special purposes reserves held as follows:

- Gallagher Recreation Centre reserve is to hold funds specially for the operation of the stadium as detailed in the property sharing agreement.
- Community Housing Strategy Reserve is to implement a housing strategy for the district.
- District Development Reserve funds were received from the Development King Country Trust in April 2012 with the intention to set up a Waitomo District Development Board.
- Carbon credits reserve is used to record the funding and expenditures in relation to Council's responsibilities for the Emissions Trading Scheme.
- Waste Minimisation Levy Reserve - The waste minimisation reserve is used to record the funding and expenditure in relation to the Council's share of the waste disposal levy received from Central Government under the Waste Minimisation Act 2008. The funds received are required to be expended on initiatives and projects to promote or achieve waste minimisation in accordance with the Council's Waste Management and Minimisation Plan.

### **OTHER RESERVES (4)**

- **Investment Revaluation Reserves** - Council investment activities include its subsidiary company. Council is obliged to periodically review the value of its investment in its subsidiary. Investment revaluation reserves are therefore created when the value of Council's investment either increases or decreases as a result of that revaluation.
- **Cashflow Hedging Reserve** - comprises the effective portion of the cumulative net change in the fair value of derivatives designated as cash flow hedges.
- **Property Revaluation Reserves** - relates to the revaluation of property, plant and equipment to fair value.

Prospective Statement of Reserve Funds (\$000's)	Projected Reserve Balance 30 June 2024	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Forecast Reserve Balance 30 June 2024
<b>Operational Reserves (1)</b>				
<b>Leadership</b>				
Representation, Strategy and Engagement	1,002	0	(209)	793
Investments	1,131	0	0	1,131
	<b>2,133</b>	<b>0</b>	<b>(209)</b>	<b>1,924</b>
<b>Community and Partnerships</b>	<b>1,629</b>	<b>31</b>	<b>0</b>	<b>1,660</b>
<b>Recreation and Property</b>				
Parks and Recreation	1,062	0	0	1,062
Housing and Property	790	126	(147)	769
Forestry Harvesting and Replanting	471	0	(93)	378
Community Facilities - Library	22	0	0	22
Community Facilities - Aquatic Centre	16	0	0	16
Community Facilities - Les Munro Centre	257	0	0	257
Community Facilities - Aerodrome	119	0	0	119
Gallagher Recreation Centre	41	0	0	41
Public Facilities	660	0	0	660
	<b>3,438</b>	<b>126</b>	<b>(240)</b>	<b>3,324</b>
<b>Regulatory Services</b>				
Regulatory Services	559	0	(60)	499
Emergency Management	501	0	0	501
Natural Disaster	426	0	0	426
	<b>1,486</b>	<b>0</b>	<b>(60)</b>	<b>1,426</b>
<b>Resource Management</b>	<b>360</b>	<b>0</b>	<b>0</b>	<b>360</b>
<b>Solid Waste</b>				
Kerbside Collection	267	0	0	267
Waste Disposal	(432)	0	0	(432)
Waste Minimisation	(27)	0	0	(27)
	<b>(192)</b>	<b>0</b>	<b>0</b>	<b>(192)</b>
<b>Stormwater</b>				
Te Kūiti	55	0	0	55
Rural	187	0	0	187
	<b>242</b>	<b>0</b>	<b>0</b>	<b>242</b>
<b>Wastewater</b>	<b>3,188</b>	<b>0</b>	<b>(2,903)</b>	<b>285</b>
<b>Water Supply</b>	<b>(3,031)</b>	<b>0</b>	<b>0</b>	<b>(3,031)</b>
<b>Roads and Footpaths</b>				
Subsidised Roads	(487)	0	0	(487)
Unsubsidised Roads	339	0	0	339
	<b>(148)</b>	<b>0</b>	<b>0</b>	<b>(148)</b>
<b>Total Operational Reserves</b>	<b>9,105</b>	<b>157</b>	<b>(3,412)</b>	<b>5,850</b>

Prospective Statement of Reserve Funds (\$000's) (Continued)	Projected Reserve Balance 30 June 2024	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Forecast Reserve Balance 30 June 2024
<b>Depreciation Reserves (2)</b>				
<b>Leadership</b>	<b>4</b>	<b>33</b>	<b>0</b>	<b>37</b>
<b>Community and Partnerships</b>				
Te Kūiti Visitor Information	<b>65</b>	<b>42</b>	<b>0</b>	<b>107</b>
<b>Recreation and Property</b>				
Parks and Recreation	(48)	1,852	(1,011)	793
Housing and Property				
- Elder Persons	214	257	(262)	209
- Community Halls	811	0	0	811
- Land and Buildings	270	2,380	(1,669)	981
Community Facilities				
- Library	699	1,368	(743)	1,324
- Aquatic Centre	5	626	(607)	24
- Les Munro Centre	704	2,785	(378)	3,111
- Aerodrome	34	547	(217)	364
Public Facilities	418	2,869	(1,997)	1,290
	<b>3,107</b>	<b>12,684</b>	<b>(6,884)</b>	<b>8,907</b>
<b>Regulatory Services</b>	<b>(3)</b>	<b>144</b>	<b>(36)</b>	<b>105</b>
<b>Solid Waste</b>	<b>(820)</b>	<b>2,249</b>	<b>(1,107)</b>	<b>322</b>
<b>Stormwater</b>				
Te Kūiti	781	3,319	(3,315)	785
Rural	57	160	(88)	129
	<b>838</b>	<b>3,479</b>	<b>(3,403)</b>	<b>914</b>
<b>Wastewater</b>	<b>810</b>	<b>12,339</b>	<b>(7,242)</b>	<b>5,907</b>
<b>Water Supply</b>	<b>567</b>	<b>12,824</b>	<b>(10,313)</b>	<b>3,078</b>
<b>Roads and Footpaths</b>				
Subsidised Roothing	6,384	0	(186)	6,198
Unsubsidised Roothing	146	666	(429)	383
	<b>6,530</b>	<b>666</b>	<b>(615)</b>	<b>6,581</b>
<b>Business Support</b>				
Business Support	635	5,463	(2,665)	3,433
Plant	(71)	3,213	(3,413)	(271)
	<b>564</b>	<b>8,676</b>	<b>(6,078)</b>	<b>3,162</b>
<b>Total Depreciation Reserves</b>	<b>11,662</b>	<b>53,136</b>	<b>(35,678)</b>	<b>29,120</b>

Prospective Statement of Reserve Funds (\$'000's) (Continued)	Projected Reserve Balance 30 June 2024	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Forecast Reserve Balance 30 June 2024
<b>Special Purpose Reserves (3)</b>				
Gallagher Recreation Centre	61	176	(234)	3
Community Housing Strategy	0	0	(300)	(300)
District Development	16	0	0	16
	<b>77</b>	<b>176</b>	<b>(534)</b>	<b>(281)</b>
<b>Solid Waste</b>				
Carbon Credits	5	0	0	5
Waste Minimisation Reserve	196	233	(17)	412
	<b>201</b>	<b>233</b>	<b>(17)</b>	<b>417</b>
<b>Total Special Purpose Reserves</b>	<b>278</b>	<b>409</b>	<b>(551)</b>	<b>136</b>
<b>Total Council Created Reserves</b>	<b>21,045</b>	<b>53,702</b>	<b>(39,641)</b>	<b>35,106</b>
<b>Other Reserves (4)</b>				
Investment Reserves	10,606	0	0	10,606
Cashflow Hedging Reserve	736	0	0	736
Property Revaluation Reserves	392,595	138,054	0	530,649
<b>Total Council and Other Reserves</b>	<b>424,982</b>	<b>191,756</b>	<b>(39,641)</b>	<b>577,097</b>

Summary Prospective Statement of Reserve Funds	Projected Reserve Balance 30 June 2024	Forecast Reserve Deposits	Forecast Reserve Withdrawals	Reserve Balance 30 June 2024	Net Movement in Reserve
Leadership	2,137	33	(209)	1,961	(176)
Community and Partnership	1,710	73	(300)	1,483	(227)
Recreation and Property	6,606	12,986	(7,358)	12,234	5,628
Regulatory Services	1,483	144	(96)	1,531	48
Resource Management	360	0	0	360	0
Solid Waste	(811)	2,482	(1,124)	547	1,358
Stormwater	1,080	3,479	(3,403)	1,156	76
Wastewater	3,998	12,339	(10,145)	6,192	2,194
Water Supply	(2,464)	12,824	(10,313)	47	2,511
Roads and Footpaths	6,382	666	(615)	6,433	51
Business Support	564	8,676	(6,078)	3,162	2,598
	<b>21,045</b>	<b>53,702</b>	<b>(39,641)</b>	<b>35,106</b>	<b>14,061</b>

Reconciliation between Prospective Funding Impact Statement and Prospective Statement of Reserve Funds						
	Prospective Funding Impact Statement				Net Movement in Reserve Funds	Variance
	Net Movement FIS	Transfer to Business Support Reserves	Less Business Support Depreciation*	Total Net Movement		
Leadership	6,307	2,598	(8,729)	176	(176)	0
Community and Partnership	227			227	(227)	0
Recreation and Property	(5,628)			(5,628)	5,628	0
Regulatory Services	(48)			(48)	48	0
Resource Management	0			0	0	0
Solid Waste	(1,358)			(1,358)	1,358	0
Stormwater	(76)			(76)	76	0
Wastewater	(2,194)			(2,194)	2,194	0
Water Supply	(2,511)			(2,511)	2,511	0
Roads and Footpaths	(51)			(51)	51	0
Business Support		(2,598)		(2,598)	2,598	0
<b>Whole of Council</b>	<b>(5,332)</b>	<b>0</b>	<b>(8,729)</b>	<b>(14,061)</b>	<b>14,061</b>	<b>0</b>

\* Business Support depreciation is eliminated from Internal charges and overheads recovered and Increase/(decrease) in reserves

## **ACCOUNTING POLICIES**

### **STATEMENT OF RESPONSIBILITY**

The Prospective Financial Statements, which form part of the 2024-2034 LTP was adopted by Council on 25 June 2024.

The purpose of the LTP is to provide a roadmap to the Council and community on the planned activities and expenditure of Council over the next ten years. The use of this information for purposes other than for which it is prepared may not be appropriate.

The Council is responsible for the Prospective Financial Statements presented, including the appropriateness of the underlying assumptions and related disclosures. The Prospective Financial Statements have been prepared in compliance with the PBE FRS 42 Prospective Financial Statements.

The Council, who is authorised to do so, believe the assumptions underlying the Prospective Financial Statements are appropriate and as such, adopted the Prospective Financial Statements on 25 June 2024.

No actual financial results have been incorporated within the Prospective Financial Statements.

### **STATEMENT OF ACCOUNTING POLICIES**

#### **Reporting Entity**

Waitomo District Council is a territorial local authority established under the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing the Council's activities are the LGA and the Local Government (Rating) Act 2002.

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

The Prospective Financial Information contained within the LTP may not be appropriate for purposes other than those described.

#### **Basis of Preparation**

The Prospective Financial Statements are for Waitomo District Council (the Council) as a separate legal entity. Consolidated Prospective Financial Statements comprising the Council and its controlled entities and associates have not been prepared.

### **STATEMENT OF COMPLIANCE**

The Prospective Financial Statements have been prepared in accordance with the requirements of the LGA, which includes the requirement to comply with Generally Accepted Accounting Practice in New Zealand (NZ GAAP).

The Prospective Financial Statements have been prepared in accordance with Tier 1 PBE (Public Benefit Entity) accounting standards.

The Accounting Policies set out below have been applied consistently to all periods presented in these Prospective Financial Statements.

### **PRESENTATION CURRENCY AND ROUNDING**

The reporting period for these Prospective Financial Statements is the 10-year period ending 30 June 2034. The Prospective Financial Statements are presented in New Zealand dollars, rounded to the nearest thousand (\$000's), unless otherwise stated.

### **MEASUREMENT BASIS**

The measurement basis applied is historical cost, modified by the revaluation of land and buildings, certain infrastructural assets and financial instruments and investment property. The accrual basis of accounting has been used unless otherwise stated.

For the Assets and Liabilities recorded at fair value, fair value is defined as the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. For Investment Property, the fair value is determined by reference to market value.

The market value of a property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction.

### **STANDARDS ISSUED AND NOT YET EFFECTIVE AND NOT EARLY ADOPTED**

At adoption of this LTP the following standards were on issue but not yet effective. There is no expected material impact to the prospective financial statements.

<b>Standards, Amendments or Interpretations</b>	<b>Effective for annual reporting periods beginning on or after</b>	<b>Expected to be initially applied in the financial year ending</b>
Disclosure of Fees for Audit Firms' Services	1 January 2024	30 June 2025
Amendments to PBE IFRS 17 Insurance Contracts	1 January 2026	30 June 2027

## REVENUE

Revenue comprises rates, revenue from operating activities, grant revenue, interest revenue, and other revenue and is measured at the fair value of consideration received or receivable.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Council and the revenue can be reliably measured.

Revenue may be derived from either exchange or non-exchange transactions. These are defined as:

- **Exchange Transactions**

Exchange transactions are transactions where the Council receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.

- **Non-exchange Transactions**

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

The following specific recognition criteria must also be met before revenue is recognised.

### **Rates Revenue**

Rates are set annually by resolution of the Council and relate to a particular financial year.

All ratepayers are invoiced within the financial year for which the rates have been set. Rates arising from late payment penalties are recognised when rates become overdue. Rates revenue is classified as non-exchange revenue.

### **NZTA Waka Kotahi Rooding Subsidies**

The Council receives funding assistance from Waka Kotahi, 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. Rooding subsidies are classified as non-exchange revenue.

### **Other Subsidies and Grants Received**

Other subsidies and 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 grants are satisfied. Other grants received are classified as non-exchange revenue.

### **Fees, Levies and Charges**

Other fees, levies and charges are recognised as revenue when the obligation to pay arises or, in the case of licence fees, upon renewal of the licence. Fees, levies and charges are classified as non-exchange revenue, with the exception of on-going charges of consultants' fees for resource consents.

### **Interest Revenue**

Revenue is recognised using the effective interest rate method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument. Interest revenue is classified as exchange revenue.

### **Sale Of Goods**

The sale of goods is recognised when products are sold to the customer and all risks and rewards of ownership have transferred to the customer. This revenue is classified as exchange revenue.

### **Property Rental Revenue**

Rental revenue arising on property owned by the Council is accounted for on a straight-line basis over the lease term. Property rental revenue is generally classified as non-exchange.

### ***Donated, Subsidised or Vested Assets***

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised when the control of the asset is transferred to Council. The fair value of this asset is recognised as revenue, unless there is a use or return condition attached to the asset and is classified as non-exchange revenue.

### **EXPENDITURE**

Expenditure is recognised when the Council has been supplied with the service or has control of the goods supplied.

### **GRANT EXPENDITURE**

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where the Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Council's decision.

### **BORROWING COSTS**

Borrowing costs are recognised in the period in which they are incurred.

### **DEPRECIATION AND AMORTISATION**

Depreciation of property, plant and equipment and amortisation of intangible assets are charged on a straight-line basis over the estimated useful life of the associated assets.

### **INCOME TAX**

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantially enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled based on tax rates (and tax laws) that have been enacted or

substantially enacted at the balance sheet date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue and expense or directly into equity.

### **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

### **INVENTORY**

Inventory held for use in the provision of goods and services on a commercial basis are valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the FIFO method.

The amount of any write down from the loss of service potential or from cost to net realisable value is recognised in surplus or deficit in the period of the write down.

### **RECEIVABLES**

Short-term receivables are recorded at the amount due, less an allowance for Expected Credit Losses (ECL).

The Council apply the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix



is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are "written-off" when remitted in accordance with the Council's rates remission policy; and

- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and
- 90B (in relation to Māori freehold land) of the local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

### **OTHER FINANCIAL ASSETS**

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost.
- fair value through other comprehensive revenue and expense (FVTOCRE); and
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless the it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

### **Subsequent measurement of financial assets at amortised cost**

Financial assets classified at amortised cost are subsequently measured at amortised cost using

the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, NZLGFA borrower notes, and loans to subsidiaries and associates.

### **Subsequent measurement of financial assets at FVTOCRE**

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

### **Subsequent measurement of financial assets at FVTSD**

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Other than for derivatives, the Council has no instruments in this category.

### **Expected credit loss allowance (ECL)**

The Council recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council's historical experience and informed credit assessment and including forward-looking information.

The Council consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

Council measure ECLs on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

### ***Unlisted shares in the subsidiary and other companies***

Investments in subsidiaries and other companies is carried in Council's financial statements in the following way:

- Investment in subsidiary is carried at fair value.
- Investments in other companies is carried at cost, which materially approximate their fair value.

## **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 Management Policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

The associated gains or losses on derivatives that are not hedge accounted are recognised in surplus or deficit.

The full fair value of a hedge accounted derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current if the remaining

maturity of the hedged item is less than 12 months.

The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

## **Hedge Accounting**

The Council designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or
- hedges of highly probable forecast transactions (cash flow hedge).

The Council have elected to not adopt the new hedge accounting requirements of PBE IPSAS 41 as permitted under the transitional provisions of PBE IPSAS 41. This means the Council continues to apply the hedge accounting requirements of PBE IPSAS 29 Financial Instruments: Recognition and Measurement.

The Council documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Council also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

## **Cash Flow Hedge**

The portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive revenue and expense, and the ineffective portion of the gain or loss on the hedging instrument is recognised in surplus or deficit as part of "finance costs".

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised in other comprehensive revenue and expense are reclassified into surplus or deficit in the same period or periods during which the asset acquired, or liability assumed affects the surplus or deficit.

However, if it is expected that all or a portion of a loss recognised in other comprehensive revenue and expense will not be recovered in one or more future periods, the amount that is

not expected to be recovered is reclassified to surplus or deficit.

When a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the associated gains and losses that were recognised in other comprehensive revenue and expense will be included in the initial cost or carrying amount of the asset or liability.

If a hedging instrument expires or is sold, terminated, exercised, or revoked, or it no longer meets the criteria for hedge accounting, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective will remain separately recognised in equity until the forecast transaction occurs.

When a forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive revenue and expense from the period when the hedge was effective is reclassified from equity to surplus or deficit.

### **Hedge Ineffectiveness**

Hedge ineffectiveness in a hedge relationship can arise from:

- Differences in the timing of cash flows of the hedged items and hedging instruments.
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments.
- The counterparties credit risk effecting fair value movements of hedging instruments and hedged items.

### **PAYABLES**

Payables and other payables are recognised at their face value when the Council becomes obligated to make future payments resulting from the purchase of goods or services.

Payables may be derived from either exchange or non-exchange transactions. These are defined as:

- ***Exchange transactions***

Exchange transactions are transactions where the Council receives assets (primarily cash) or services, or has liabilities extinguished, and

directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.

Payables from exchange transactions include payables to suppliers, retention monies and payables for elected members' and directors' fees.

- ***Non-exchange transactions***

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Non exchange payables include payables for GST, deposits and bonds held and deferred grant revenue.

### **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 added to the borrowings balance.

### **GOOD AND SERVICE TAX (GST)**

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the Statement of Financial Position.

Where the Council is not in possession of or issued a valid tax invoice at balance date, the GST portion is not accounted for in either Receivables or Payables.

Commitments and contingencies are disclosed exclusive of GST.

## **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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in finance costs.

### ***Landfill Post Closure Costs***

The Council has a legal obligation under the resource consents for open and closed landfills to provide ongoing maintenance and monitoring services at the sites after closure. A provision for post closure costs is recognised as a liability when the obligation for post closure arises.

The provision is a measure based on the present value of future cash flows expected to be incurred, taking into account future events including legal requirements and known improvements in technology. The provision includes all costs associated with landfill post closure.

Amounts provided for landfill post closure are capitalised to the landfill asset where they give rise to future economic benefits to be obtained. Components of the capitalised landfill asset are depreciated over their useful lives.

### ***Gallagher Recreation Centre Long Term Maintenance Provision***

Council has an obligation to Ministry of Education and Te Kūiti High School Board of Trustees to maintain the Gallagher Recreation Centre that Council uses to provide recreation services to the community. This obligation is established under the Property Sharing Agreement for the facility.

A Long Maintenance Provision is established to recognise this obligation and is based on a 30-year maintenance plan for the facility, regular contributions from the Board of Trustees and contributions from the Ministry of Education made on a project basis for significant replacement items.

The provision amount is based on the present value of the future planned maintenance amounts less the future funding contributions.

## **EMPLOYEE ENTITLEMENTS**

### ***Short-Term Employee Entitlements***

Employee benefits expected to be settled within 12 months after the end of the period which the employee renders 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, retiring and entitlements expected to be settled within 12 months, and sick leave.

A liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that the Council anticipates it will be used by staff to cover those future absences.

## **LEASES**

### ***Finance Leases***

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, finance leases are recognised as assets and liabilities in the Statement of Financial Position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

A finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

### ***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.

## **PROPERTY, PLANT & EQUIPMENT**

Property, plant and equipment consists of:

## **Operational Assets**

Operational assets are tangible assets, able to be dealt with as part of the operating strategy and include land, buildings, plant and equipment, motor vehicles, furniture and fittings, computer hardware, library books, and finance leases for office equipment.

## **Restricted Assets**

Restricted assets cannot be disposed of because of legal and other restrictions but provide a benefit or service to the community. These are mainly assets associated with reserves vested under the Reserves Act, endowments and other property held in Trust for specific purposes.

## **Infrastructural Assets**

Infrastructural assets are the fixed utility systems providing an ongoing service to the community but are not generally regarded as tradable. They include infrastructural land, roads, water reticulation systems, sewerage reticulation systems, storm water systems, refuse systems and land under roads.

Land (operational, restricted and infrastructural) is measured at fair value. Buildings (operational and restricted) and all infrastructural assets (except for 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.

## **Additions**

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, 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.

## **Disposals**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit. When revalued assets are sold, the amounts included in the property revaluation reserves in respect of those assets are transferred to accumulated funds.

## **Subsequent Costs**

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 the Council and the cost of the item can be measured reliably.

The costs of day to day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

## **Depreciation**

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land, land under roads, work in progress and those assets in the tables below that are not depreciated, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

## **Operational Assets**

Operational assets are depreciated on a straight line basis. The estimated useful lives are as follows:

Operational Buildings	15-100 years
Plant and Equipment	4-13 years
Motor vehicles	5-7 years
Furniture and Fittings	5-30 years
Computers	4-5 years
Library Books	7 years
Archive Books	Not depreciated

## **Restricted Assets**

Restricted assets are depreciated on a straight line basis as follows:

Restricted Buildings	15 - 100 years
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## **Infrastructural Assets**

Infrastructural assets are depreciated on a straight line basis. The estimated useful lives are as follows:

### **Roads and Footpaths**

Pavement Formation	Not depreciated
Pavement Subbase	120 - 160 years or not depreciated
Pavement Base	60 - 120 years or not depreciated
Sealed Surface	12 - 22 years
Metal Surface	Not depreciated
Bridges and Major Culverts	60-100 years
Retaining Walls and Other Structures	20 - 100 years
Footpaths and Footpath Crossings	19 - 80 years
Drainage and Culverts	70 - 80 years
Kerb and Channel, Stormwater Channels	K & C 80 years, SWC not depreciated
Guard Rails	50 years
Streetlights and Poles	Lanterns 20 -25 years, poles and brackets 15 - 60 years

Road Signs	Signs 15 – 20 years, Signposts 30 years
Resource Consents	3 – 24 years

### Water Supply Assets

Pipes	60 – 120 years
Fire Hydrant Valves	75 years
Meters	30 years
Tobies	60 years
Pump Stations	20 – 100 years
Dam Structures	100 years
Reservoir Structures	80 years
Treatment Plants	5 – 100 years
Resource Consents	11 – 35 years or not depreciated

### Wastewater Assets

Pipes	50 - 120 years
Manholes	100 years
Separator Tanks	50 years
Pump Stations	15 – 100 years
Treatment Plants	15 – 100 years
Resource Consents	15 – 35 years

### Stormwater Assets

Pipes	60 – 120 years
Manholes and Cesspits	100 years
Resource Consents	20 years

### Solid Waste Assets

Landfill Cells and Earthworks	Not depreciated
Building and Shelters	20 – 60 years
Oxidation Ponds	80 years
Roading and Driveways	12 – 80 years
Weighbridges and Automatic Gates	15 – 50 years
Bins and Containers	15 – 80 years
Retaining Walls	25 – 100 years
Fencing and Other Assets	15 – 35 years
Resource Consents	30 – 34 years

The depreciation rates are applied at a component level and are dependent on the remaining useful life for each component. The residual value and useful life on an asset is reviewed and adjusted where applicable at each balance date.

### **Revaluations**

Land and buildings (operational and restricted) and infrastructural assets (except for land under roads) are revalued with sufficient regularity to ensure that their carrying value does not materially differ from fair value and at least every three years. The carrying values of revalued items are assessed annually to ensure that they do not differ materially from fair value. If there is a material difference, then an off-cycle revaluation is carried out for that asset class.

Revaluations of property, plant and equipment are accounted for on a class of asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and

expense and are accumulated to a property 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 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 the other comprehensive revenue and expense.

### **Revaluation of Restricted Assets**

Land and buildings in restricted assets are subject to either restrictions on use, or disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977), or other restrictions (such as land or buildings under a bequest or donation that restricts the purpose for with the assets can be used).

### **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. The costs associated with maintaining computer software are recognised as an expense as incurred. The costs associated with the development and maintenance of the Council's website are recognised as an expense as incurred. Staff training costs are recognised in the surplus or deficit when incurred.

#### **Carbon Credits**

Purchased carbon credits are recognised at cost on acquisition. They are not amortised, but are instead tested for impairment annually. They are de-recognised when they are used to satisfy carbon emission obligations.

#### **Service Concession Asset**

Gallagher Recreation Centre (GRC) – Licence to use the facility Council has completed following the construction of the stadium on Te Kūiti High School grounds. The development of the facility was in partnership with Ministry of Education and the Te Kūiti High School is recognised as intangible asset for Council's right to access the facility to provide recreation and sporting activities to the wider community. The intangible is recognised at cost.

#### **Amortisation**

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis

over its useful life for software. Amortisation begins when the asset is available for use and ceases at the date that the asset is de-recognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates for software and service concession asset (GRC-licence to use the facility) have been estimated as follows:

Computer software	2 - 5 years
Service concession asset	35 years

### Forestry Assets

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected future cash flows discounted at a current market determined rate. The calculation is based on assessment of growth, timber prices, felling costs and silvicultural costs and take into consideration environmental, operational and market restrictions.

Gains and losses arising initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit.

Forestry maintenance costs, excluding direct pruning and releasing costs, are recognised in the surplus or deficit when incurred.

### NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. This condition is regarded as met only when the sale is highly probable and the assets (or disposal group) is available for immediate sale in its present condition and the sale of the asset (or disposal group) is expected to be completed within one year from the date of classification. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value less costs to sell are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

### INVESTMENT IN UNLISTED SHARES

Council has an interest (1.6%) in a Council Controlled Organisation (CCO), Waikato Local Authority Shared Services Limited (trading as Co-Lab). Council has no significant influence over the company's operational or financial policies.

As this investment is not traded on an active market, and quoted market prices of similar financial assets are not available, the fair value cannot be measured reliably. The investment is therefore measured at cost.

Council has an interest (0.15%) in Civic Financial Services Limited. Council has no significant influence over the company's operational or financial policies.

Council has an interest (0.04%) in New Zealand National Mutual Riskpool. Council has no significant influence on operational or financial policies.

As this investment is not traded on an active market, and quoted market prices of similar financial assets are not available, the fair value cannot be measured reliably. The investment is therefore measured at cost.

### INVESTMENT PROPERTY

Investment property consists of miscellaneous housing and residential sections properties. Investment property is held primarily for capital growth, rental or similar revenue. Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs. After initial recognition, the Council measures all investment property at fair value as determined annually by an independent valuer. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

### COST ALLOCATION

The council has derived the cost of services for each subsequent activity. Direct costs are expensed directly to the activity. Indirect costs relating to the overall running of the organisation and include staff time, office space and information technology costs. These costs are allocated to Council activities using appropriate cost drivers such as resource use, staff number and floor area. All overhead costs have been allocated to significant activities.

## **IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Property, plant and equipment and intangible assets that have a finite useful life are reviewed annually for impairment 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 value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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.

### ***Value in use for non-cash generating assets***

Non cash generating assets are those assets that are not held with the primary objective of generating a commercial return. For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

### ***Value in use cash generating assets***

Cash generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash generating assets and cash generating units is the present value of expected future cash flows.

## **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 and
- property revaluation reserves.

### ***Other Reserves***

Restricted 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 the Council. Restricted reserves are those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. Also included in restricted reserves are reserves restricted by Council decision. Transfers to and from these reserves are at the discretion of the Council.

Council created reserves are a combination of depreciation reserves and transfers of surplus or deficit from operations. The purpose of the reserves is to maintain balances of funded depreciation for future renewal of assets and to hold revenue streams in separate balances as required by Council. Available for sale reserves consists of valuation gains associated with Council's investments, classified as Available for Sale.

Hedging reserves comprise the effective portion of the cumulative net change in the fair value of derivatives designated as cash flow hedges.

### ***Property Revaluation Reserves***

Property revaluation reserves relates to the revaluation of property, plant and equipment to fair value.

## **EMISSIONS TRADING SCHEME (ETS)**

The regulations for landfill methane emissions under the New Zealand Emissions Trading Scheme (NZ ETS) require waste disposal facility operators to surrender New Zealand Units (NZU's) by 31 May of each year to match the remission from 1 January to 31 December of the preceding calendar year. The cost of meeting ETS obligations is mandatory and Council is required to surrender NZU's for the landfill methane emissions associated with Rangitoto Landfill. NZU's that are purchased to meet these



liabilities are recognised at cost and subsequently recognised at cost subject to impairment. Where there is an obligation to return units the expense and liability are recognised and are measured at the carrying value of units on hand plus the fair value of any additional units required.

## **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

In preparing this Long Term Plan the Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements 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. Subsequent actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.

### ***Estimates that affect Balance Sheet carrying values***

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### ***Landfill Aftercare Provision***

The Council has a legal obligation under resource consents for open and closed landfills to provide ongoing maintenance and monitoring services at sites after closure. A provision for post closure is recognised as a liability when the obligation for post closure arises.

The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

#### ***Gallagher Recreation Centre Long Term Maintenance Provision***

There is uncertainty around the amounts and timings of the long-term maintenance amounts and contributions made on a project basis by the Ministry of Education.

#### ***Infrastructural Assets***

There are a number of assumptions and estimates used when performing discounted replacement cost valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example the Council 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 storm water, wastewater and water supply pipes situated underground. This risk is minimised by the Council performing a combination of physical inspections and condition modelling assessments of underground assets;

- Estimating any obsolescence or surplus capacity of an asset; and
- 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 the Council could be over or underestimating the annual depreciation charge recognised as an expense in the surplus or deficit.

To minimise this risk the Council's infrastructural asset useful lives have been determined with reference to the NZ 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 the Council's asset management planning activities, which gives the Council further assurance over its useful life estimates.

Experienced independent valuers perform the Council's infrastructural asset revaluations.

#### ***Property, plant and equipment useful lives and residual values***

At each balance date the Council reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Council to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the Council, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset, therefore impacting on the depreciation expense recognised in the surplus or deficit, and carrying amount of the asset in the Statement of Financial Position. The Council minimises the risk of this estimation uncertainty by:

- physical inspection of assets;

- asset replacement programs;
- review of second hand market prices for similar assets; and
- analysis of prior asset sales

The Council has not made significant changes, apart from those noted above, to past assumptions concerning useful lives and residual values.

### **Three Waters Service Delivery Reforms**

All legislation relating to water services entities has been repealed by the government; Water Services Entities Act 2022, Water Services Entities Amendment Act 2023, and Water Services Legislation Act 2023.

Council will continue to recognise its three waters assets and operations throughout this LTP.

Feasibility studies are underway for the establishment of a regional water services entity to take over and manage water services regionally, however for this plan no adjustment or assumptions made for this possibility.

### **Valuation of Investment in Inframax Construction Limited**

The investment in Inframax Construction Limited was revalued as at 30 June 2023 and resulted in a valuation range of \$9.2m to \$12.1m with a mid-point of \$10.602m for the investment. After consideration of the subsidiary's financial statements and forecasts, Council adopted the mid-point valuation of \$10.602m to be fair value at 30 June 2023. Adoption of this value resulted in a gain on valuation of \$4.19m, which is included in Other Comprehensive Revenue and Expense. Experienced independent valuers performed the valuation of the investment in Inframax Construction Limited at 30 June 2023.

It has been assumed that there has been no change in the value of the investment in Inframax Construction Ltd over the life of this plan.

### **Comparatives**

To ensure consistency with the current year, certain comparative information is reclassified where appropriate. This could occur where:

- Classifications have changed between periods;
- The Council has made additional disclosure in the forecast years, and where a greater degree of disaggregation of prior year amounts and balances is therefore required; or
- There has been a change of accounting policy.

For this LTP 2024-34 the comparatives have been changed to include rates on Council owned properties to be included as rates revenue and rates expenditure.

Within the Funding Impact Statements, the comparators have been restated for Internal charges and overheads recovered to include recoveries between Group of Activities, rather than recoveries within the within same Group of Activities.

Recovery of Internal charges and overhead depreciation has been reclassified to Increase (decrease) in reserves to match the depreciation expense.

### **PUBLIC BENEFIT ENTITY FINANCIAL REPORTING STANDARD 42 PROSPECTIVE FINANCIAL STATEMENTS (PBE FRS 42)**

The Council has complied with PBE FRS 42 in the preparation of these prospective financial statements. In accordance with PBE FRS 42, the following information is provided:

#### **Description of the nature of the entity's current operation and its principal activities**

The Council is a territorial local authority, as defined in the Local Government Act 2002. The Council's principal activities are outlined within this LTP.

#### **Purpose for which the prospective financial statements are prepared**

It is a requirement of the Local Government Act 2002 to present prospective financial statements that span 10 years and include them within this LTP. This provides an opportunity for ratepayers and residents to review the projected financial results and position of the Council. Prospective financial statements are revised annually to reflect updated assumptions and costs.

#### **Bases for assumptions, risks and uncertainties**

The prospective financial information has been prepared on the basis of best estimate assumptions as the future events which the Council expects to take place. The Council has considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within this LTP.

### ***Cautionary Note***

The financial information is prospective. Actual results are likely to vary from the information presented and the variations may be material.

### ***Other Disclosures***

The prospective financial statements were authorised for issue on 25 June 2024 by Waitomo District Council.

The Council is responsible for the prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures. The information in the LTP is prospective and as such contains no actual operating results.



# **COUNCIL FUNDING IMPACT STATEMENT AND RATING INFORMATION**

## **INTRODUCTION**

Council is required under clause 15 of Schedule 10 of the Local Government Act 2002 (LGA) to adopt a Funding Impact Statement in relation to each year covered by the Long Term Plan (LTP). Funding Impact Statements are outlined in the respective Groups of Activities Section.

The Funding Impact Statement provides a summary of Council's funding sources and how the funds are to be applied, as well as the detailed rate requirement for the 2024/25 financial year. The Funding Impact Statement represents the fiscal outcome from the Revenue and Financing Policy. The Revenue and Financing Policy is on page 134 of this LTP and is available on Council's website [www.waitomo.govt.nz](http://www.waitomo.govt.nz)

## **Rates Remissions and Postponements**

### **Remissions**

Council has developed a Rates Remissions Policy as per LGA (section 102 (3)(a), 108 and 109) and Local Government (Rating) Act 2002 (Section 85). Remission categories include Properties Used Jointly as a Single Unit, Community Organisations and Clubs and Societies, Penalties, Financial Hardship, Organisations Providing Care for the Elderly, New Residential Subdivisions, Māori Freehold Land, Cases of Land Affected by Natural Calamity, New Businesses and Rates and/or Penalties following a rating sale or abandoned land sale. The estimated value of these rates remissions is \$178,000 for the 2024/25 year.

### **Postponements**

Under the Policy on Remission of Rates, Council will not offer any permanent postponements of rates.

## **Separately Used or Inhabited Part of a Rating Unit (SUIP)**

Council has resolved that the basis of calculating liability for the Uniform Annual General Charge (UAGC) and for certain targeted fixed rates (TFRs), will be the number of 'separately used or inhabited parts' (SUIPs) of rating units.

Council sets TFRs in all rating areas of the District on a SUIP basis for provision of:

- Water Supplies
- Wastewater Systems
- Solid Waste
- Solid Waste Collection
- Rural Stormwater

## **Definition of SUIP**

A separately used or occupied part of a rating unit includes any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement, or any part or parts of a rating unit that are used or occupied by the ratepayer for more than one single use.

This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner. For the avoidance of doubt, a rating unit that has only one use (i.e. does not have separate parts or is vacant land) is treated as being one SUIP.

## **1. STATEMENT OF FUNDING SOURCES**

The prospective statement of funding sources provides a summary of the funding sources for the 2024/25 year. Council's Revenue and Financing Policy and work programmes form the basis for the funding forecasts. The table is produced on a GST exclusive basis.

## **2. FUNDING CAP FOR UNIFORM CHARGES**

Section 21 of the Local Government (Rating) Act 2002 (LGRA) requires that revenue from certain rates must not exceed 30% of total rates revenue. Those rates include Uniform Annual General Charges and Targeted Rates that are set on a uniform basis.

Council is not in breach of the Funding Cap over the life of the LTP. The uniform charges for 2024/25 are 14.4% of the total rates revenue. For the remaining 9 years of the Long Term Plan the funding cap is an average of 13.7%.

The average percentage of UAGC to total rates revenue over the life of the plan is 6.05%.

## **3. SETTING OF THE UNIFORM ANNUAL GENERAL CHARGE (UAGC)**

Council will set the value of the UAGC annually taking the following factors into consideration:

- Adherence to the legislative cap (UAGC to be maximum of 30% of total rates excluding any fixed rate charges for water or wastewater and;
- Set the amount of UAGC such that it is as fair as possible to all ratepayers and in consideration of the principles of affordability and sustainability and;
- The LGCI (Local Government Cost Indicator) for that year.

## PROSPECTIVE STATEMENT OF FUNDING SOURCES

\$000's	AP 2024 (Restated)	LTP 2025	LTP 2026	LTP 2027	LTP 2028	LTP 2029	LTP 2030	LTP 2031	LTP 2032	LTP 2033	LTP 2034
Wastewater	2,436	2,713	2,936	3,342	3,670	3,833	4,283	4,631	4,688	4,917	4,989
Water supply	2,093	2,463	2,910	2,963	3,383	3,793	3,948	4,066	4,108	4,246	4,330
Metered Water Supply Rates	1,059	1,251	1,385	1,422	1,459	1,495	1,529	1,564	1,598	1,632	1,666
Aquatic centre	313	0	0	0	0	0	0	0	0	0	0
District Development Rate	342	0	0	0	0	0	0	0	0	0	0
Piopia Retirement Village Contribution	13	13	13	14	14	14	14	15	15	15	16
District Roading Rate	4,481	5,197	5,339	5,523	5,640	5,747	5,859	5,962	6,032	6,150	6,182
Solid Waste Rate	1,182	1,337	1,584	1,658	1,696	1,716	1,733	1,754	1,788	1,831	1,874
Solid Waste Collection	245	230	235	295	301	308	314	646	659	672	684
Stormwater	545	918	1,023	1,207	1,196	1,258	1,279	1,308	1,282	1,337	1,271
<b>Forecast Total Targeted Rates and Service Charges</b>	<b>12,709</b>	<b>14,122</b>	<b>15,425</b>	<b>16,424</b>	<b>17,359</b>	<b>18,164</b>	<b>18,959</b>	<b>19,946</b>	<b>20,170</b>	<b>20,800</b>	<b>21,012</b>
General rates	8,113	9,242	9,873	10,280	10,394	10,602	10,883	10,919	11,138	11,338	11,302
UAGC	1,742	1,727	1,765	1,803	1,843	1,881	1,921	1,959	1,998	2,036	2,074
Rates Penalties Revenue	350	360	368	375	383	390	397	405	412	419	427
<b>Total General Rates, UAGC and Rates Penalties</b>	<b>10,205</b>	<b>11,329</b>	<b>12,006</b>	<b>12,458</b>	<b>12,620</b>	<b>12,873</b>	<b>13,201</b>	<b>13,283</b>	<b>13,548</b>	<b>13,793</b>	<b>13,803</b>
<b>Forecast Total Rates Requirement</b>	<b>22,914</b>	<b>25,451</b>	<b>27,431</b>	<b>28,882</b>	<b>29,979</b>	<b>31,037</b>	<b>32,160</b>	<b>33,229</b>	<b>33,718</b>	<b>34,593</b>	<b>34,815</b>
<i>Percentage Change</i>		11.07%	7.78%	5.29%	3.80%	3.53%	3.62%	3.32%	1.47%	2.60%	0.64%
<b>Other Revenue Sources</b>											
Subsidies and Grants	16,177	15,700	13,027	13,489	13,111	13,346	13,997	13,908	15,743	15,196	14,493
Interest Revenue	15	66	72	69	73	74	76	84	84	86	87
Fees and charges	4,756	5,184	5,367	5,556	5,666	5,809	5,912	6,051	6,185	6,291	6,433
<b>Total Other Revenue</b>	<b>20,948</b>	<b>20,950</b>	<b>18,466</b>	<b>19,114</b>	<b>18,850</b>	<b>19,229</b>	<b>19,985</b>	<b>20,043</b>	<b>22,012</b>	<b>21,573</b>	<b>21,013</b>
<b>Other Funding Sources</b>											
Internal loans raised	11,990	11,557	9,204	3,832	5,737	5,808	3,233	2,585	6,793	3,539	3,562
<b>Total Funding Sources</b>	<b>55,852</b>	<b>57,958</b>	<b>55,101</b>	<b>51,828</b>	<b>54,566</b>	<b>56,074</b>	<b>55,378</b>	<b>55,857</b>	<b>62,523</b>	<b>59,705</b>	<b>59,390</b>
<b>Funding Applied to</b>											
Operating expenditure	41,544	43,889	44,268	45,048	45,856	47,217	48,540	49,405	50,413	51,414	51,994
Capital expenditure	22,516	21,539	18,155	13,765	14,797	14,935	13,034	11,887	17,760	14,109	13,211
Internal loan repayments	3,023	3,038	3,625	3,983	4,151	4,415	4,484	4,530	4,735	5,046	4,950
Reserve transfers and non-funding of depreciation	(11,231)	(10,508)	(10,947)	(10,968)	(10,238)	(10,493)	(10,680)	(9,965)	(10,385)	(10,864)	(10,765)
<b>Total Funding Applied</b>	<b>55,852</b>	<b>57,958</b>	<b>55,101</b>	<b>51,828</b>	<b>54,566</b>	<b>56,074</b>	<b>55,378</b>	<b>55,857</b>	<b>62,523</b>	<b>59,705</b>	<b>59,390</b>

AP 2024 comparator has been restated to include rates charged on council properties, in rates revenue funding and payments to staff and suppliers. Previously rates on council properties were excluded.

#### 4. GENERAL RATE

##### Description and Use

Council will set the General Rate assessed per \$100 of capital value on every rating unit across the District under section 13(2) (a) of the LGRA. The General Rate is not set differentially. The rationale for assessing the General Rate using Capital Value is contained in the Revenue and Financing Policy.

The General Rate will contribute to the funding of:

- Leadership
- Other Land and Buildings
- District Libraries
- Aquatic Centre
- Les Munro Centre
- Aerodrome
- Public Facilities
- Parks and Reserves
- Elderly Persons Housing
- Community Halls
- Cemeteries
- Community Development
- Economic Development
- District Promotion
- Emergency Management
- Regulatory Services
- Waste Minimisation
- Resource Management
- Gallagher Recreation Centre

##### Requirement in 2024/25 (incl. GST)

General Rate	Rate per \$100 capital value	Total Revenue Requirement (\$000)
All rating units in the district	0.23825	10,628

#### 5. UNIFORM ANNUAL GENERAL CHARGE

##### Description and Use

Council will set a Uniform Annual General Charge (UAGC) per separately used or inhabited part of a rating unit across the District under Section 15(1) (b) of the LGRA. The rationale for use of the UAGC is contained in the Revenue and Financing Policy.

The UAGC will contribute to the funding of:

- Leadership
- Parks and Reserves
- District Libraries
- Aquatic Centre
- Les Munro Centre
- Other Land and Buildings
- Public Facilities
- Elderly Persons Housing
- Community Halls

- Cemeteries
- Aerodrome
- Community Development
- District Development
- District Promotion
- Emergency Management
- Regulatory Services
- Resource Management
- Waste Minimisation
- Gallagher Recreation Centre

##### Requirement in 2024/25 (incl. GST)

UAGC	Charge per SUIP	Total Revenue Requirement (\$000)
All rating units in the district	\$350	1,986

#### 6. TARGETED RATES

##### Description and Use

Rates which can fund a particular activity or group of activities and can apply to certain areas, categories or to certain ratepayers.

The matters and categories used to define categories of rateable land and calculate liability for targeted rates are set out in the Local Government (Rating) Act 2002 Schedule 2 and Schedule 3 and enable categories of land to be defined by some factor, such as geographic location, provision of service, area or the use to which the land is put.

The titles of 'Targeted Rate' (TR) and Targeted Fixed Rate (TFR) are used by this Council. Targeted Fixed Rates are based on a uniform amount set per separately used or inhabited part of a rating unit (SUIP) or set per rating unit. Targeted Rates are assessed based on capital value or water consumption.

##### 6.1. Targeted Rates Differentiated on Location

Council will use location (Schedule 2(6) LGRA) to define the land liable for the Piopio Retirement Village Contribution TFR, Rural Stormwater TFR and the Te Kūiti Urban Stormwater TFR and TR.

The following location definitions for the respective rating areas will apply:

<b>Te Kūiti Urban Rating Area</b>	All rating units situated within the Te Kūiti Urban Rating Area (Refer to Revenue and Financing Policy (RFP) for further details)
<b>Rural Rating Area</b>	All rating units situated within the Rural Rating Area (Refer to RFP for further details)

<b>Piopio Township</b>	<i>All rating units connected or with the ability to connect to the Piopio Wastewater System (Refer to RFP for further details)</i>
<b>Piopio Wider Benefit Rating Area</b>	<i>All rating units situated in the rural areas around Piopio Township (excluding Rating units/SUIPs connected or with the ability to connect to the Piopio Wastewater System) that are deemed to indirectly benefit from the Piopio Wastewater reticulation network. (Refer to RFP for further details)</i>

## 6.2. Differentials and factors of liability

Targeted rates may be set differentially, with different categories of land attracting a different level of rate.

Council has chosen to differentiate the District Rooding Rate into two categories and will use the 'use to which the land is put' to define land liable for these rates (schedule 2 (1) LGRA).

### Differential Category Definitions

The following land use categories and differential factors will apply to the District Rooding Rate:

#### a) District Rooding Rate - General

All rating units in the district excluding those properties categorised as differential b) below.

The District Rooding Rate – General category will have a differential factor of 1.0.

#### b) District Rooding Rate - Forestry Exotic

Rating units that have been assigned the FE category code (Forestry Exotic) by Council's Valuation Service Provider and/or properties that are partially used for exotic forestry.

The District Rooding Rate – Forestry Exotic category will have a differential factor of 3.0.

### Properties with a mixed use

Where rating units have a mixed use (eg; pastoral and exotic forestry), and the area of exotic forestry is 20 hectares or more, the rating unit will be apportioned to enable the district rooding rate to be charged correctly.

The portion used for exotic forestry will be charged the differential of 3.0 and the remaining portion will be charged the differential of 1.0.

## 6.3. District Rooding Rates

### Description and Use

Council will set a differential TR on every rating unit within the district differentiated on the basis

of use. The TR will be assessed as a rate per \$100 of capital value to part fund the Roads and Footpaths Activity. The rationale for use of this rate is contained in the Revenue and Financing Policy.

### Requirement in 2024/25 (incl. GST)

District Rooding Rates (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
District Rooding Rate - General	0.13184	5,725
District Rooding Rate - Forestry Exotic	0.39553	251

## 6.4. Piopio Retirement Village Contribution TFR

### Description and Use

Council will set a TFR per rating unit situated within the Piopio Township and the Piopio Wider Benefit Rating Area to fund the support of the continued delivery of elderly housing accommodation services provided by the Piopio Retirement Trust Board through the remission of service charges. The rationale for use of this rate is contained in the Revenue and Financing Policy.

### Requirement in 2024/25 (incl. GST)

Piopio Retirement Village Contribution (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
Piopio Wider Benefit Rating Area and Piopio Township	\$20	15

## 6.5. Rural Stormwater TFR

### Description and Use

Council will set a TFR per separately used or inhabited part of a rating unit in the Rural Rating Area of the District to fund the Rural Stormwater Activity.

### Requirement in 2024/25 (incl. GST)

Rural Stormwater (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Rural Rating Area	\$20	69

## 6.6. Te Kūiti Urban Stormwater TFR and Targeted Rate

### Description and Use

- (i) Council will set a TFR per rating unit in the Te Kūiti Urban Rating Area to partly fund the Te Kūiti Urban Stormwater Activity.
- (ii) Council will set a Targeted Rate to partly fund the Te Kūiti Urban Stormwater

Activity, to be assessed as a rate per \$100 of Capital value on every rating unit in the Te Kūiti Urban Rating Area excluding those in respect of which there is a current resource consent to discharge stormwater into the Mangaokewa Stream, and so are not using any part of the urban reticulated stormwater or drainage network.

#### Requirement in 2024/25 (incl. GST)

Te Kūiti Urban Stormwater (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
Te Kūiti Urban Rating Area	\$187	344

#### Requirement in 2024/25 (incl. GST)

Te Kūiti Urban Stormwater Targeted Rate (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
Te Kūiti Urban Rating Area (excluding rating units not using network)	0.08424	643

### 6.7. Water Supply Rates

#### Description and Use

Council will set a TFR for Water Supply differentiated on the basis of supply area.

The TFR is set per separately used or inhabited part of a rating unit within Te Kūiti and Rural Communities (Piopio, Maniaiti / Benneydale and Mokau), with liability calculated based on whether the SUIP is connected, or merely serviceable (Serviceable means the rating unit is within 100m of water main and practicably serviceable in the opinion of Council).

#### Requirement in 2024/25 (incl. GST)

Water Supply (TFR)	Charge		Total Revenue Requirement (\$000)
	Per connected SUIP	Per serviceable SUIP	
Te Kūiti	\$856	\$428	1,835
Piopio	\$1,202	\$601	299
Maniaiti / Benneydale	\$1,202	\$601	148
Mokau	\$1,202	\$601	267

Council will set a TR per cubic metre of water consumed over and above an annual consumption of 292m<sup>3</sup> per SUIP, differentiated by supply area that has been fitted with a water meter and/or is defined as having an extraordinary supply (in accordance with Council's Water Services Bylaw).

#### Requirement in 2024/25 (incl. GST)

Water Supply Rate (TR)	2024/25 Charge per cubic metre (including GST) above 292m <sup>3</sup>
Te Kūiti	\$3.94
Piopio	\$4.30
Maniaiti / Benneydale	\$4.74
Mokau	\$6.30
Total Revenue Requirement (\$000)	1,439

#### Metered Water Supply Due Dates

	Reading Period	Due Date
Te Kūiti Meat Companies	Monthly	15 <sup>th</sup> of the month following invoice
Te Kūiti, Piopio, Mokau and Maniaiti / Benneydale	Jul-Dec 2024 Jan-Jun 2025	15 <sup>th</sup> of the month following invoice

### 6.8. District Wide Benefit Rate for Water Supply

#### Description and Use

Council will set a TFR on every rating unit within the District to part fund the water supply activities. The rationale for use of this rate is contained in the Revenue and Financing Policy.

#### Requirement in 2024/25 (incl. GST)

District Wide Benefit Rate Water Supply (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$61	283

### 6.9. Wastewater Rates

#### Description and Use

Council will set a TFR to provide for the collection and disposal of sewage. The TFR is set per separately used or inhabited part of a rating unit within the District, with liability calculated based on whether the SUIP is connected to the wastewater network, or merely serviceable (Serviceable means the rating unit is within 30m of sewer reticulation and practicably serviceable in the opinion of Council).

#### Requirement in 2024/25 (incl. GST)

Wastewater (TFR)	Charge		Total Revenue Requirement (\$000)
	Per connected SUIP	Per serviceable SUIP	
Maniaiti / Benneydale	\$1,111	\$555	127
Te Waitere	\$1,111	\$555	22
Te Kūiti	\$1,111	\$555	1,942
Piopio	\$1,111	\$555	232



## Wastewater rates for non-residential properties in Te Kūiti

### Description and Use

For all non-residential properties in Te Kūiti , Council will assess a Targeted Fixed Rate per SUIP set on a differential basis based on the following categories:

- **Category 1** - All Businesses
- **Category 2** - Education & Community Childcare, Places of Worship, Marae, Clubs and Societies and Emergency Services. This category consists of organisations that are generally deemed 'not for profit'. For avoidance of doubt, Category 2 only covers properties with uses listed within this category and no others.
- **Category 3** - Government Department use, Rest Homes and Hospitals.

All non-residential SUIPs will be charged one base charge for up to four pans and per pan (Pan Charge) for every pan over and above this threshold on the following basis:

### Requirement in 2024/25 (incl. GST) Base Charge:

Non – residential Targeted Rate (TFR)	Base Charge per SUIP (up to 4 pans)	Per serviceable SUIP	Total Revenue Requirement (\$000)
Category 1	\$555	\$555	113
Category 2	\$555	\$555	25
Category 3	\$1,111	\$555	19

### Pan Charge:

Non – residential Targeted Rate (TFR)	Number of Pans	Charge per pan (pan charge)	Total Revenue Requirement (\$000)
Category 1	5 <sup>th</sup> pan and over	\$777	80
	5-10 Pans	\$333	5
Category 2	Over 10 Pans	\$222	27
	5 <sup>th</sup> Pan and over	\$777	47

The rationale for the use of this rate is contained in the Revenue and Financing Policy.

## 6.10. Trade Waste Contribution TFR

### Description and Use

A Trade Waste Contribution TFR will be set per rating unit in the District in recognition of the contribution made to the social and economic well-being of the District by the large industrial users of the Te Kūiti Wastewater Network. The rationale for use of this rate is contained in the Revenue and Financing Policy.

### Requirement in 2024/25 (incl. GST)

Trade Waste Contribution (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$41	188

## 6.11. District Wide Benefit Rate for Wastewater

### Description and Use

Council will set a TFR on every rating unit within the District to part fund the wastewater activities. The rationale for use of this rate is contained in the Revenue and Financing Policy.

### Requirement in 2024/25 (incl. GST)

District Wide Benefit Rate Wastewater (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$63	293

## 6.12. Solid Waste Collection Rate

### Description and Use

Council will set a TFR per separately used or inhabited part of a rating unit to which Council provides a kerbside collection and recycling service differentiated by service areas where Council operates kerbside collection and kerbside recycling services (Te Kūiti , Piopio, Mokau (including Awakino) communities and Waitomo Village and some surrounding parts).

### Requirement in 2024/25 (incl. GST)

Solid Waste Collection (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Te Kūiti	\$66	137
Waitomo	\$69	48
Piopio	\$146	34
Mokau	\$158	45

## 6.13. Solid Waste Rate

### Description and Use

Council will set a TFR per separately used or inhabited part of a rating unit District wide to part fund the solid waste activity.

### Requirement in 2024/25 (incl. GST)

Solid Waste (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
All Rating Units in the District	\$276	1,538

## 7. RATES PAYMENTS

Pursuant to Section 24 of the Local Government (Rating) Act 2002, rates for the financial year commencing **1 July 2024** will be payable in four

equal instalments with the due dates for payment being:

1st Instalment 30 August 2024 (Friday)  
2nd Instalment 29 November 2024 (Friday)  
3rd Instalment 28 February 2025 (Friday)  
4th Instalment 30 May 2025 (Friday)

#### Note

The due date for payment of each instalment is the last working day in each of the months specified above.

Rates payments will be allocated to the oldest debt first.

#### **Penalties**

Pursuant to sections 57 and 58 of the Local Government (Rating) Act 2002, Council may apply penalties as follows:

- (a) A penalty charge of 10 percent (10%) on any part of an instalment that has been assessed for the financial year commencing 1 July 2024 and which

remains unpaid after 5pm on the due date for payment of that instalment, to be added on the penalty dates below:

Instalment 1	3 September 2024
Instalment 2	3 December 2024
Instalment 3	4 March 2025
Instalment 4	4 June 2025

- (b) A further penalty charge of 10 percent (10%) on any part of any rates assessed before 1 July 2024 that remains unpaid on 1 July 2024, to be added on 5 July 2024.
- (c) No penalties will be charged where a ratepayer is paying rates by direct debit or where there is an approved payment arrangement in place.

## RATES EXAMPLES 2024-2025

<b>(Including GST) Capital Value \$ as at September 2021</b>	<b>Te Kūiti Residential \$440,000 2024/25</b>	<b>Te Kūiti Commercial \$450,000 2024/25 3 pans</b>	<b>Te Kūiti Wider Rating Area \$1,005,000 2024/25</b>	<b>Waitomo Commercial \$1,350,000 2024/25 (2 parts)</b>	<b>Maniaiti/Benneydale Residential \$125,000 2024/25</b>	<b>Piopio Residential \$340,000 2024/25</b>	<b>Piopio Wider Rating Area \$615,000 2024/25</b>	<b>Mokau Residential \$485,000 2024/25</b>	<b>Drystock Rural \$4,130,000 2024/25</b>	<b>Dairy Farm Rural \$5,970,000 2024/25 (4 parts)</b>	<b>Te Waitere Residential \$420,000 2024/25</b>
Uniform Annual General Charge (UAGC)	350	350	350	700	350	350	350	350	350	1,400	350
General Rate	1,048	1,072	2,394	3,216	298	810	1,465	1,156	9,840	14,224	1,001
District Rooding Rate - General	580	593	1,325	1,780	165	448	811	639	5,445	7,871	554
District Benefit Water	61	61	61	61	61	61	61	61	61	61	61
District Benefit Wastewater	63	63	63	63	63	63	63	63	63	63	63
Stormwater Urban Fixed Charge	187	187	0	0	0	0	0	0	0	0	0
Stormwater Urban Capital Value	371	379	0	0	0	0	0	0	0	0	0
Stormwater (Rural)	0	0	20	40	20	20	20	20	20	80	20
Water Supply (Te Kūiti and Rural)	856	856	0	0	1,202	1,202	0	1,202	0	0	0
Wastewater (Uniform)	1,111	555	0	0	1,111	1,111	0	0	0	0	1,111
Piopio Retirement Village Contribution	0	0	0	0	0	20	20	0	0	0	0
Te Kūiti Trade Waste Contribution	41	41	41	41	41	41	41	41	41	41	41
Solid Waste Management - District	276	276	276	552	276	276	276	276	276	1,104	276
Solid Waste Collection & Recycling	66	66	69	138	0	146	0	158	0	276	0
<b>Proposed Total Rates 2024/25</b>	<b>5,010</b>	<b>4,499</b>	<b>4,599</b>	<b>6,591</b>	<b>3,587</b>	<b>4,548</b>	<b>3,107</b>	<b>3,966</b>	<b>16,096</b>	<b>25,120</b>	<b>3,477</b>
<b>Total Rates (Actual) 2023/24</b>	<b>4,420</b>	<b>4,171</b>	<b>4,263</b>	<b>6,629</b>	<b>3,177</b>	<b>4,066</b>	<b>2,816</b>	<b>3,530</b>	<b>14,758</b>	<b>23,131</b>	<b>3,143</b>
<b>Change (%)</b>	<b>13.3%</b>	<b>7.9%</b>	<b>7.9%</b>	<b>-0.6%</b>	<b>12.9%</b>	<b>11.9%</b>	<b>10.3%</b>	<b>12.4%</b>	<b>9.1%</b>	<b>8.6%</b>	<b>10.6%</b>
<b>Change (\$)</b>	<b>590</b>	<b>328</b>	<b>336</b>	<b>-38</b>	<b>410</b>	<b>482</b>	<b>291</b>	<b>436</b>	<b>1,338</b>	<b>1,989</b>	<b>334</b>

## RATES EXAMPLES 2023-2024

<b>(Including GST) Capital Value \$ as at September 2021</b>	<b>Te Kūiti Residential \$440,000 2023/24</b>	<b>Te Kūiti Commercial \$450,000 2023/24 3 pans</b>	<b>Te Kūiti Wider Rating Area \$1,005,000 2023/24</b>	<b>Waitomo Commercial \$1,350,000 2023/24 (2 parts)</b>	<b>Maniāiti/Benneydale Residential \$125,000 2023/24</b>	<b>Piopio Residential \$340,000 2023/24</b>	<b>Piopio Wider Rating Area \$615,000 2023/24</b>	<b>Mokau Residential \$485,000 2023/24</b>	<b>Drystock Rural \$4,130,000 2023/24</b>	<b>Dairy Farm Rural \$5,970,000 2023/24 (4 parts)</b>	<b>Te Waitere Residential \$420,000 2023/24</b>
Uniform Annual General Charge (UAGC)	340	340	340	680	340	340	340	340	340	1,360	340
General Rate	935	956	2,136	2,869	266	722	1,307	1,031	8,776	12,686	892
District Roding Rate	523	535	1,195	1,605	149	404	731	577	4,909	7,097	499
Waitomo Aquatic Centre (Te Kūiti )	122	122	122	0	0	0	0	0	0	0	0
Waitomo Aquatic Centre (Rural)	0	0	0	44	22	22	22	22	22	88	22
District Development Rate - Commercial	0	212	0	636	0	0	0	0	0	0	0
District Development Rate - Rural Business	0	0	0	0	0	0	0	0	315	455	0
District Benefit Water	51	51	51	51	51	51	51	51	51	51	51
District Benefit Wastewater	55	55	55	55	55	55	55	55	55	55	55
Stormwater Urban Fixed Charge	181	181	0	0	0	0	0	0	0	0	0
Stormwater Urban Capital Value	134	137	0	0	0	0	0	0	0	0	0
Stormwater (Rural)	0	0	9	18	9	9	9	9	9	36	9
Water Supply (Te Kūiti and Rural)	731	731	0	0	1,010	1,010	0	1,010	0	0	0
Wastewater (Uniform)	994	497	0	0	994	994	0	0	0	0	994
Piopio Retirement Village Contribution	0	0	0	0	0	20	20	0	0	0	0
Te Kūiti Trade Waste Contribution	39	39	39	39	39	39	39	39	39	39	39
Solid Waste Management - District	242	242	242	484	242	242	242	242	242	968	242
Solid Waste Collection & Recycling	73	73	74	148	0	158	0	154	0	296	0
<b>Total Rates (Actual) 2023/24</b>	<b>4,420</b>	<b>4,171</b>	<b>4,263</b>	<b>6,629</b>	<b>3,177</b>	<b>4,066</b>	<b>2,816</b>	<b>3,530</b>	<b>14,758</b>	<b>23,131</b>	<b>3,143</b>

## RATES EXAMPLES 2024-2025 – RESIDENTIAL AND LIFESTYLE

Capital Value \$ as at Sep 2021	Te Kūiti Average Residential	Piopio Average Residential	Maniaiti / Benneydale Average Residential	Mokau Average Residential	Te Waitere Average Residential	Low Value Residential	High Value Residential	Low Value Lifestyle	Average Value Lifestyle	High Value Lifestyle
	\$385,000	\$280,000	\$155,000	\$385,000	\$420,000	\$125,000	\$630,000	\$210,000	\$475,000	\$1,100,000
	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25
Uniform Annual General Charge (UAGC)	350	350	350	350	350	350	350	350	350	350
General Rate	917	667	369	917	1,001	298	1,501	500	1,132	2,621
District Rooding Rate - General	508	369	204	508	554	165	831	277	626	1,450
Stormwater Urban Fixed Charge	187	0	0	0	0	0	187	0	0	0
Stormwater Urban Capital Value	324	0	0	0	0	0	531	0	0	0
Stormwater (Rural)	0	20	20	20	20	20	0	20	20	20
Water Supply	856	1,202	1,202	1,202	0	1,202	856	0	0	0
Wastewater	1,111	1,111	1,111	0	1,111	1,111	1,111	0	0	0
Solid Waste Management - District	276	276	276	276	276	276	276	276	276	276
Solid Waste Collection & Recycling	66	146	0	158	0	0	66	69	69	0
Piopio Retirement Village Contribution	0	20	0	0	0	0	0	0	0	0
Te Kūiti Trade Waste Contribution	41	41	41	41	41	41	41	41	41	41
District Wide Benefit Water	61	61	61	61	61	61	61	61	61	61
District Wide Benefit Wastewater	63	63	63	63	63	63	63	63	63	63
<b>Proposed Total Rates 2024/25</b>	<b>4,760</b>	<b>4,326</b>	<b>3,697</b>	<b>3,596</b>	<b>3,477</b>	<b>3,587</b>	<b>5,874</b>	<b>1,657</b>	<b>2,638</b>	<b>4,882</b>
<b>Total Rates (Actual) 2023/24</b>	<b>4,221</b>	<b>3,868</b>	<b>3,275</b>	<b>3,198</b>	<b>3,143</b>	<b>3,177</b>	<b>5,107</b>	<b>1,528</b>	<b>2,506</b>	<b>4,503</b>
<b>Change (%)</b>	<b>12.8%</b>	<b>11.9%</b>	<b>12.9%</b>	<b>12.4%</b>	<b>10.6%</b>	<b>12.9%</b>	<b>15.0%</b>	<b>8.5%</b>	<b>5.3%</b>	<b>8.4%</b>
<b>Change (\$)</b>	<b>539</b>	<b>458</b>	<b>422</b>	<b>398</b>	<b>334</b>	<b>410</b>	<b>767</b>	<b>129</b>	<b>132</b>	<b>379</b>

## RATES EXAMPLES 2023-2024 – RESIDENTIAL AND LIFESTYLE

Capital Value \$ as at Sep 2021	Te Kūiti Average Residential	Piopio Average Residential	Maniaiti / Benneydale Average Residential	Mokau Average Residential	Te Waitere Average Residential	Low Value Residential	High Value Residential	Low Value Lifestyle	Average Value Lifestyle	High Value Lifestyle
	\$385,000	\$280,000	\$155,000	\$385,000	\$420,000	\$125,000	\$630,000	\$210,000	\$475,000	\$1,100,000
	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24
Uniform Annual General Charge (UAGC)	340	340	340	340	340	340	340	340	340	340
General Rate	818	595	329	818	892	266	1,339	446	1,009	2,337
District Rooding Rate	458	333	184	458	499	149	749	250	565	1,308
Waitomo Aquatic Centre (Te Kūiti )	122	0	0	0	0	0	122	0	122	122
Waitomo Aquatic Centre (Rural)	0	22	22	22	22	22	0	22	0	0
Stormwater Urban Fixed Charge	181	0	0	0	0	0	181	0	0	0
Stormwater Urban Capital Value	117	0	0	0	0	0	191	0	0	0
Stormwater (Rural)	0	9	9	9	9	9	0	9	9	9
Water Supply	731	1,010	1,010	1,010	0	1,010	731	0	0	0
Wastewater	994	994	994	0	994	994	994	0	0	0
Solid Waste Management - District	242	242	242	242	242	242	242	242	242	242
Solid Waste Collection & Recycling	73	158	0	154	0	0	73	74	74	0
Piopio Retirement Village Contribution	0	20	0	0	0	0	0	0	0	0
Te Kūiti Trade Waste Contribution	39	39	39	39	39	39	39	39	39	39
District Wide Benefit Water	51	51	51	51	51	51	51	51	51	51
District Wide Benefit Wastewater	55	55	55	55	55	55	55	55	55	55
<b>Total Rates (Actual) 2023/24</b>	<b>4,221</b>	<b>3,868</b>	<b>3,275</b>	<b>3,198</b>	<b>3,143</b>	<b>3,177</b>	<b>5,107</b>	<b>1,528</b>	<b>2,506</b>	<b>4,503</b>

## RATES EXAMPLES 2024-2025 – PASTORAL, DAIRY AND COMMERCIAL

Capital Value \$ as at Sep 2021	Low Value Pastoral	Average Value Pastoral	High Value Pastoral	Low Value Dairy	Average Value Dairy	High Value Dairy	Low Value Commercial	Average Value Commercial	High Value Commercial
	\$855,000 2024/25	\$3,190,000 2024/25	\$10,800,000 2024/25	\$1,090,000 2024/25	\$3,610,000 2024/25	\$14,650,000 2024/25	\$430,000 2024/25	\$750,000 2024/25 (3 parts & 13 pans)	\$14,000,000 2024/25 (2 parts & 11 pans)
	(4 parts)			(7 parts)					
Uniform Annual General Charge (UAGC)	350	350	1,400	350	350	2,450	350	1,050	700
General Rate	2,037	7,600	25,731	2,597	8,601	34,904	1,024	1,787	33,355
District Roading Rate- General	1,127	4,206	14,239	1,437	4,759	19,315	567	989	18,458
Stormwater Urban Fixed Charge	0	0	0	0	0	0	187	187	187
Stormwater Urban Capital Value	0	0	0	0	0	0	362	632	11,794
Stormwater (Rural)	20	20	80	20	20	140	0	0	0
Water Supply	0	0	0	0	0	0	856	2,568	1,712
Wastewater	0	0	0	0	0	0	555	2,442	3,441
Piopio Retirement Village Contribution	20	0	0	0	20	0	0	0	0
Solid Waste Management - District	276	276	1,104	276	276	1,932	276	828	552
Solid Waste Collection & Recycling	0	0	0	69	69	483	66	198	132
Te Kūiti Trade Waste Contribution	41	41	41	41	41	41	41	41	41
District Wide Benefit Water	61	61	61	61	61	61	61	61	61
District Wide Benefit Wastewater	63	63	63	63	63	63	63	63	63
<b>Proposed Total Rates 2024/25</b>	<b>3,995</b>	<b>12,617</b>	<b>42,719</b>	<b>4,914</b>	<b>14,260</b>	<b>59,389</b>	<b>4,408</b>	<b>10,846</b>	<b>70,496</b>
<b>Total Rates (Actual) 2023/24</b>	<b>3,676</b>	<b>11,571</b>	<b>39,207</b>	<b>4,527</b>	<b>13,089</b>	<b>54,614</b>	<b>4,090</b>	<b>10,104</b>	<b>63,665</b>
<b>Change (%)</b>	<b>8.7%</b>	<b>9.0%</b>	<b>9.0%</b>	<b>8.6%</b>	<b>8.9%</b>	<b>8.7%</b>	<b>7.8%</b>	<b>7.3%</b>	<b>10.7%</b>
<b>Change (\$)</b>	<b>319</b>	<b>1,046</b>	<b>3,512</b>	<b>387</b>	<b>1,171</b>	<b>4,775</b>	<b>318</b>	<b>742</b>	<b>6,831</b>

## RATES EXAMPLES 2023-2024 – PASTORAL, DAIRY AND COMMERCIAL

Capital Value \$ as at Sep 2021	Low Value Pastoral	Average Value Pastoral	High Value Pastoral	Low Value Dairy	Average Value Dairy	High Value Dairy	Low Value Commercial	Average Value Commercial	High Value Commercial
	\$855,000	\$3,190,000	\$10,800,000	\$1,090,000	\$3,610,000	\$14,650,000	\$430,000	\$750,000	\$14,000,000
	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24 (2 parts & 11 pans)
Uniform Annual General Charge (UAGC)	340	340	1,360	340	340	2,380	340	1,020	680
General Rate	1,817	6,778	22,949	2,316	7,671	31,130	914	1,594	29,749
District Roding Rate	1,016	3,792	12,838	1,296	4,291	17,414	511	892	16,642
Waitomo Aquatic Centre (Te Kūiti )	0	0	0	0	0	0	122	366	244
Waitomo Aquatic Centre (Rural)	22	22	88	22	22	154	0	0	0
District Development Rate - Commercial	0	0	0	0	0	0	203	353	6,597
District Development Rate - Rural Business	65	243	823	83	275	1,116	0	0	0
Stormwater Urban Fixed Charge	0	0	0	0	0	0	181	181	181
Stormwater Urban Capital Value	0	0	0	0	0	0	131	228	4,253
Stormwater (Rural)	9	9	36	9	9	63	0	0	0
Water Supply	0	0	0	0	0	0	731	2,193	1,462
Wastewater	0	0	0	0	0	0	497	2,187	3,082
Piopio Retirement Village Contribution	20	0	0	0	20	0	0	0	0
Solid Waste Management - District	242	242	968	242	242	1,694	242	726	484
Solid Waste Collection & Recycling	0	0	0	74	74	518	73	219	146
Te Kūiti Trade Waste Contribution	39	39	39	39	39	39	39	39	39
District Wide Benefit Water	51	51	51	51	51	51	51	51	51
District Wide Benefit Wastewater	55	55	55	55	55	55	55	55	55
<b>Total Rates (Actual) 2023/24</b>	<b>3,676</b>	<b>11,571</b>	<b>39,207</b>	<b>4,527</b>	<b>13,089</b>	<b>54,614</b>	<b>4,090</b>	<b>10,104</b>	<b>63,665</b>



## RATES EXAMPLES 2024/25 – FORESTRY

	Low Value Forestry	Average Value Forestry	Average Value Forestry	High Value Forestry	High Value Forestry	Mixed Use Forestry
Capital Value \$ as at Sep 2021	\$112,000	\$600,000	\$905,000	\$3,120,000	\$12,643,000	\$382,000
	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25
			(4 parts)			
Uniform Annual General Charge (UAGC)	350	350	350	350	350	350
General Rate	267	1,430	2,156	7,433	30,122	910
District Rooding Rate - Forestry Exotic	443	2,373	3,580	12,341	50,007	526
District Rooding Rate - General	0	0	0	0	0	328
Stormwater (Rural)	20	20	20	20	20	20
Piopia Retirement Village Contribution	0	0	0	20	0	0
Solid Waste Management - District	276	276	276	276	276	276
Te Kūiti Trade Waste Contribution	41	41	41	41	41	41
District Wide Benefit Water	61	61	61	61	61	61
District Wide Benefit Wastewater	63	63	63	63	63	63
<b>Total Rates (Actual) 2024/25</b>	<b>1,521</b>	<b>4,614</b>	<b>6,547</b>	<b>20,605</b>	<b>80,940</b>	<b>2,575</b>
<b>Total Rates (Actual) 2023/24</b>	<b>1,138</b>	<b>2,792</b>	<b>3,826</b>	<b>11,355</b>	<b>43,615</b>	<b>2,053</b>
<b>Change (%)</b>	<b>33.7%</b>	<b>65.3%</b>	<b>71.1%</b>	<b>81.5%</b>	<b>85.6%</b>	<b>25.4%</b>
<b>Change (\$)</b>	<b>383</b>	<b>1,822</b>	<b>2,721</b>	<b>9,250</b>	<b>37,325</b>	<b>522</b>

## RATES EXAMPLES 2023/24 – FORESTRY

Capital Value \$ as at Sep 2021	Low Value Forestry	Average Value Forestry	Average Value Forestry	High Value Forestry	High Value Forestry	Mixed Forestry
	\$112,000	\$600,000	\$905,000	\$3,120,000	\$12,643,000	\$382,000
	2023/24	2023/24	2023/24	2023/24	2023/24	2023/24
	(4 parts)					
Uniform Annual General Charge (UAGC)	340	340	340	340	340	340
General Rate	238	1,275	1,923	6,630	26,865	812
District Roding Rate	133	713	1,076	3,709	15,029	454
Waitomo Aquatic Centre (Rural)	22	22	22	22	22	22
District Development Rate - Rural Business	9	46	69	238	963	29
Stormwater (Rural)	9	9	9	9	9	9
Piopia Retirement Village Contribution	0	0	0	20	0	0
Solid Waste Management - District	242	242	242	242	242	242
Te Kūiti Trade Waste Contribution	39	39	39	39	39	39
District Wide Benefit Water	51	51	51	51	51	51
District Wide Benefit Wastewater	55	55	55	55	55	55
<b>Total Rates (Actual) 2023/24</b>	<b>1,138</b>	<b>2,792</b>	<b>3,826</b>	<b>11,355</b>	<b>43,615</b>	<b>2,053</b>

## COUNCIL CONTROLLED ORGANISATIONS

We are involved with and are represented in a number of organisations that support the realisation of our vision for the Waitomo District. Council Controlled Organisations (CCOs) are any organisation in which one or more local authorities control 50% or more of the voting rights or appoint 50% or more of the directors.

We have interest in these CCOs:

- Waikato Local Authorities Shared Services Ltd trading as Co-Lab
- Inframax Construction Ltd

The tables in this section explain what these organisations do, our objectives in regard to ownership, nature and scope of activities, key performance targets and outcomes.

We manage and monitor our investments in CCOs by setting a Statement of Expectation for Inframax Construction Ltd and reviewing and adopting Statements of Intent, six monthly and annual reports at our Council meetings.

ORGANISATION	WAIKATO LOCAL AUTHORITY SHARED SERVICES LIMITED (Co-Lab)
<b>OWNERSHIP</b>	Equal ownership with 12 other local authorities in the Waikato Region.
<b>REPRESENTATION (TOTAL MEMBERS)</b>	WLASS has 6 Directors, an Independent Chair and 5 Directors appointed by shareholding Councils.
<b>SIGNIFICANT POLICIES AND OBJECTIVES</b>	To make a regional leadership contribution and seek opportunities to operate more efficiently by participating with the region's local authorities on shared services, particularly in respect of information collection and management, with the aim of reducing the cost of those activities to the community at large.
<b>NATURE AND SCOPE OF ACTIVITIES</b>	<p>There are currently nine major initiatives operating under the Co-Lab umbrella, plus a support role for the collaborative work streams of the Waikato Mayoral Forum.</p> <p>Services</p> <ul style="list-style-type: none"> <li>• Co-Lab Water Services</li> <li>• Co-Lab Road Asset Technical Accord (RATA)</li> <li>• Co-Lab Learning</li> <li>• Energy &amp; Carbon management</li> <li>• Co-Lab Procurement Services</li> <li>• Co-Lab Geospatial Services: Waikato Data Portal and Waikato One View</li> <li>• Waikato Building Consent Group (WBCG)</li> <li>• Waikato Regional Transportation Model (WRTM)</li> <li>• Regional Infrastructure Technical Specifications (RITS)</li> </ul> <p>Other</p> <ul style="list-style-type: none"> <li>• Waikato Regional Infrastructure Procurement (WRIP)</li> <li>• Health &amp; safety pre-qualification</li> <li>• LiDAR (Light Detection and Ranging) technology</li> <li>• Shared Valuation Data Service (SVDS)</li> <li>• Waikato Regional Aerial Photography Service (WRAPS)</li> </ul>

### KEY PERFORMANCE TARGETS

Priority	Performance Measure	Target
Prioritise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or more of our objectives	• Business cases will include measurable benefits linked to one or more of the outcomes sought	Projected savings/increased revenue to councils of at least \$300k
	• Businesses cases are supported by councils (evidenced by take up of the opportunity)	75% of councils
Develop opportunities and deliver projects within agreed budgets and timelines	• Opportunities / projects are developed / delivered within agreed timelines	80%
	• Opportunities / projects are developed / delivered, within approved budget	90%

Priority	Performance Measure	Target
	<ul style="list-style-type: none"> <li>Overall, Company Management / Support functions will be undertaken within budget, unless additional expenditure has board pre-approval</li> </ul>	
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>	<p>Six-monthly</p> <p>For \$200k+ Projects (based on cost of opportunity development and ongoing investment) Assessment within 15 months 90% of projected quantifiable benefits are realised</p>
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): <ul style="list-style-type: none"> <li>RATA – roading &amp; waters</li> <li>Waikato Building Cluster</li> <li>Regional Infrastructure Technical Specifications</li> <li>Energy &amp; Carbon Management</li> <li>Professional Services Panel</li> <li>Health &amp; Safety pre-qualification</li> </ul> </li> </ul>	80% of councils
Foster and promote cross-council collaboration and network to share ideas on improving efficiencies and best practice.	<ul style="list-style-type: none"> <li>Across these groups, ideas for future consideration and/or initiatives are identified each year</li> </ul>	Four per annum

*The targets are for the three-year forecast period.*

ORGANISATION	INFRAMAX CONSTRUCTION LIMITED (ICL)
<b>OWNERSHIP</b>	100% ownership by Waitomo District Council.
<b>REPRESENTATION (TOTAL MEMBERS)</b>	ICL has 3 Directors
<b>SIGNIFICANT POLICIES AND OBJECTIVES</b>	The principle objective of Inframax Construction Limited is to operate as a successful business and to contribute to the wellbeing of the communities in which it operates.
<b>NATURE AND SCOPE OF ACTIVITIES</b>	<ul style="list-style-type: none"> <li>The core business of the Company will be roading maintenance and construction, quarrying and crushing of aggregates and maintenance and construction of utilities and infrastructure assets.</li> <li>The company will compete for infrastructure contracts in the central western North Island Districts and in other areas where it is identified that such contracts will yield an appropriate rate of return or where the Company believes that there are sound commercial reasons for doing so.</li> <li>The Company may expand into other ventures and/or activities that are consistent with the Company's objectives and the provisions of the Local Government Act 2002.</li> </ul>

#### KEY PERFORMANCE TARGETS: FINANCIAL MEASURES

Performance Measure	30 June 25	30 June 26	30 June 27
<b>Equity Ratio</b> Shareholders funds expressed as % of Total Assets.	51%	52%	53%

Performance Measure	30 June 25	30 June 26	30 June 27
<b>Current Ratio</b> Current assets expressed as a % of current liabilities.	Positive	Positive	Positive
<b>EBITDA</b> Earnings Before Interest, Tax, Depreciation and Amortisation.	\$3.5m	\$3.6m	\$3.7m
<b>Revenue</b> Revenue Targets.	\$45m	\$46m	\$47m
<b>Bank Covenants</b> As agreed with bank from time to time.	met	met	met

## KEY PERFORMANCE TARGETS: NON-FINANCIAL MEASURES

Performance Measure	30 June 25	30 June 26	30 June 27
<b>Notifiable Injuries</b> As defined by S23 of the Health and Safety at Work Act 2015.	Zero	Zero	Zero
<b>ACC Weekly Compensation Days</b> ACC weekly compensation days measures and gives an indication of workplace safety. It is also a measure of wellness in the workplace and indicates how a company cares for and rehabilitates employees injured at work.	Relating to: New injuries – zero Relating to: Prior years’ injuries - 100	Relating to: New injuries – zero Relating to: Prior years’ injuries - 100	Relating to: New injuries – zero Relating to: Prior years’ injuries - 100
<b>ISO 9001 Accreditation</b> ISO 9001 is a quality accreditation standard verifying that the Company has systems and processes in place to operate to industry best practices. It confirms that issues within the Company are identified, recorded and information used to generate continual business improvement.	Standard Achieved	Standard Achieved	Standard Achieved
<b>ISO 45001 Accreditation</b> ISO 45001 is a global standard for Occupational Health and Safety (OH&S) Management Systems that provides a practical solution to improve the safety and health of both employees and other personnel by preventing work-related injury and ill health, as well as by proactively improving the Company’s OH&S performance.	Standard Achieved	Standard Achieved	Standard Achieved
<b>Environmental Consent Compliance</b> There are 3 measures of environment consent compliance- full, partial and non-compliance. Full compliance of consents held by the Company indicates that all conditions of consents are met in full and the organisation is acting in an environmentally responsible manner.	Full Compliance	Full Compliance	Full Compliance
<b>Number of local events supported</b> Number of local events supported by the Company indicates that the Company is acting in a socially responsible manner, supporting and adding value to local communities in its operating area.	15 (Waitomo district 9 Other 6)	15 (Waitomo district 9 Other 6)	15 (Waitomo district 9 Other 6)

# REVENUE AND FINANCING POLICY

## INTRODUCTION

Under Section 102 of the Local Government Act 2002 (LGA 2002), all local authorities are required to adopt a Revenue and Financing Policy (RFP).

The RFP provides details of Council's policies in respect of funding operating and capital expenditure, including how the policy was developed and what sources are used to fund the different activities. Total funding comprises a funding mix of rates, fees and charges, debt and other income.

The application of the RFP is reflected in the Funding Impact Statement for a particular financial year. To understand the rating impact of the policy it needs to be read in conjunction with the Funding Impact Statement.

This policy complies with the legislative requirements of section 103 the LGA 2002 which sets out a number of factors that Council has to consider in determining its RFP.

## PURPOSE

The purpose of the RFP is to set out how the operating and capital expenditure of each of Council's activities is to be funded – that is, who pays for what, how and why. The Policy outlines:

- Available funding mechanism (e.g., rates, fees, borrowings, subsidies and grants etc),
- Council's funding considerations (i.e., the decision about how each Council Activity is to be funded and the process followed to reach the decision), including
  - Funding of operating costs (i.e., the funding mix Council has chosen for each Activity's operating costs), and
  - Funding of capital costs (i.e., the funding mix Council has chosen for each type of capital investment).

The application of this Policy is set out elsewhere:

- Rates charges and definitions are set out in the Funding Impact Statement,
- Fees and charges for all Activities are set out in the Fees and Charges Schedule.

## DEFINITIONS

**National Benefit:** Benefits the nation and is public in nature.

**District Benefit:** Benefits the whole District and is public in nature.

**Regional Benefit:** Benefits the Region and is public in nature.

**Commercial Benefit:** Benefits the commercial sector and has elements of both public and private benefit.

**Community Benefit:** Benefits a particular Community of Interest and is public in nature.

**User Benefit:** Benefits an identifiable individual, group, or community segment.

**Applicant:** Benefits an identifiable individual, group or community segment.

**Offender / Exacerbator:** The cost is the result of offenders, or ones who exacerbate a problem.

**SUIP:** For the purposes of this Policy, the definition of SUIP / separately used or inhabited part of a rating unit shall be as set out in the Council's Funding Impact Statement.

## CHANGES SINCE THE 2021 POLICY WAS ADOPTED

A review was undertaken with particular focus on some key areas of the 2021 policy. The following changes have been incorporated into the 2024 policy:





- **Stormwater** – updated Te Kūiti Urban and Rural rating areas to better reflect the stormwater infrastructure.
- **Water Supply Rates Harmonisation** – No change, continue to pause harmonisation due to rates affordability, uncertainty around the formation of a Regional Council Controlled Organisation for water and wastewater delivery and the planned implementation of metered waters.
- **Roads and Footpaths** –Implementation of a differential on the district roading rate to partially fund the damage to local roads from forestry operations (to be recovered from the forestry landowners). Further analysis of the impact of forestry operations will continue during the 2024/25 financial year in conjunction with direct engagement with forestry operators and property owners. The expectation is that the funding of this activity will be further refined during the Annual Plan process for year two of the LTP.

- **Library, Building Control, District Promotion, Economic Development, Aquatic Centre** - Change funding mix to align with other General Rate/UAGC funding activities, includes the removal of the District Development and Aquatic Centre rates.
- **General Rate/UAGC Adjustment** – Each year we will add all General Rate and UAGC rated costs together and then determine the level of the UAGC (not to exceed the 30% limit detailed in legislation) to split the two rates until the desired mix of rates is achieved.
- **Emergency Management** - function has moved from Leadership to Regulatory.
- **Gallagher Community Centre** – new function under Community Facilities.

## POLICY

### FUNDING PRINCIPLES

In developing the RFP and determining the appropriate funding sources for each activity, Council considered each activity against the principles laid out in section 101 (3) of LGA 2002.

PRINCIPLE	RATIONAL FOR ITS APPLICATION
<p><b>Community Outcomes</b></p> <p>These are the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions. Section 101(3)(a)(i) of the LGA 2002 requires that in determining the funding sources, Council identify the community outcomes to which each activity primarily contributes.</p> <p>This RFP lists for each group of activities, the outcomes to which it primarily contributes, and states why each activity is undertaken.</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>A prosperous district</p> </div> <div style="text-align: center;">  <p>A district for all people</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="text-align: center;">  <p>A district that cares for its environment</p> </div> <div style="text-align: center;">  <p>A district that values culture</p> </div> </div>	
<p><b>Distribution of Benefits</b></p> <p>Section 101(3)(a)(ii) of LGA 2002 requires costs to be allocated where the benefits lie. Council assessed the Distribution of Benefits for each activity, whether the benefits flowed to the District as a whole, or to individuals or identifiable parts of the community.</p>	

PRINCIPLE	RATIONAL FOR ITS APPLICATION
	<p>In order to assess the Distribution of Benefits, it is necessary to first describe and define the different types of benefits that flow from Council activities.</p> <p><b>Period of Benefits</b></p> <p>Section 101(3)(a)(iii) requires the consideration of intergenerational equity – the principle that the costs of any expenditure should be recovered over the time that the benefits of the expenditure accrue. This principle applies particularly to the allocation of capital expenditure and results in infrastructural costs being spread more evenly across the life of the asset and the different ratepayers who benefit from it over that period.</p> <p>The principles of funding operating and capital expenditure are as stated in this policy. They are assumed to apply to each activity, unless otherwise stated in the individual Activity Analysis section.</p> <p>Operational expenditure is funded annually and therefore there are no intergenerational equity issues to be considered. Intergenerational equity issues arise in relation to capital expenditure and investments and identified in the individual activity analysis sections where relevant.</p>
	<p><b>Exacerbator Pays</b></p> <p>Section 101(3)(a)(iv) requires Council to assess the extent to which each activity is undertaken to remedy the negative effects of the actions or inaction of an individual or group. It is important to note that the actions themselves may not be negative or “bad” but they may have negative effects on the whole community.</p> <p>This principle (exacerbator or polluter pays principle) is particularly relevant to Council’s regulatory functions and other activities undertaken to mitigate the adverse effects of community behaviours on the environment.</p> <p>The exacerbator pays principle suggests that Council should, where it is practical, recover any costs directly from the individual or group that contributes to the deterioration of a situation or to a cost that is a direct result of their actions.</p> <p>Most activities do not exhibit exacerbator pays characteristics. This heading is only included in the analysis of those activities which do demonstrate such characteristics.</p>
	<p><b>Costs and Benefits</b></p> <p>This consideration includes transparency, accountability and some assessment of the cost efficiency and practicality of funding a particular activity separately as required by section 101(3)(a)(v).</p> <p>Transparency and accountability are most evident when an activity is totally distinctly funded. This allows ratepayers, or payers of user charges as the case may be, to see exactly how much money is being raised for and spent on the activity. However, funding every activity on an individual basis would be extremely administratively complex. The administrative costs and lack of materiality has led Council to fund a number of activities collectively.</p>

PRINCIPLE	RATIONAL FOR ITS APPLICATION
	<p>The individual Activity Analysis section of this policy does not repeat this argument for each activity.</p> <p>The merit of identifying and accounting for functions under the activities separately from other functions enables:</p> <ul style="list-style-type: none"> <li>• More transparent disclosure and accountability of projects and funding to the Waitomo Community.</li> <li>• Greater opportunity for the Waitomo Community to have input on decisions, proposals, issues and other matters through consultation.</li> <li>• Identification of the Activity contributes to the achievement of community outcomes and service delivery goals through detailed understanding and planning.</li> <li>• Improved monitoring of the Activity in terms of how well Council is achieving its community outcomes annually.</li> <li>• Identification of costs required supporting the Activity in terms of time involved in planning, monitoring, accounting, reporting and administration.</li> </ul>

## EXPENDITURE TO BE FUNDED

### Funding of Operating Expenditure

Where expenditure does not create a new asset for future use or extend the life or usefulness of an existing asset, it is classed as operating expenditure.

Council funds operating expenditure from the following sources:

- General Rates (GR)
- Uniform Annual General Charge (UAGC)
- Targeted Rates (TFR and TR)
- Fees and Charges
- Interest and dividends from investments
- Grants and subsidies towards operating expenses
- Proceeds from asset sales
- Other sources.

Council may choose to not fully fund operating expenditure in any particular year, if the deficit can be funded from operating surpluses in the immediately preceding or subsequent years.

Council has determined the proportion of operating expenditure to be funded from each of the sources listed above, and the method for apportioning rates and other charges. The process used is as specified by the LGA 2002.

The Funding Impact Statement produced each year (as required by Schedule 10(20) LGA 2002) shows the impact of the RFP each year. It also shows the amounts to be collected from each available source, including how various rates are to be applied.

### Funding of Capital Expenditure

Capital expenditure is the cost of creating or upgrading a new asset, or extending the life of an existing asset. Capital expenditure can also be incurred to improve the level of service provided by the asset.

The following sources are available for Council under the LGA 2002 to fund capital expenditure:

- Grants and subsidies
- Depreciation reserves (rate funded depreciation)
- Loans
- Rates
- Proceeds from asset sales
- Financial contributions under the Resource Management Act 1991
- Development contributions under the Local Government Act 2002
- Other revenue sources

Council makes use of all of the above sources of funding of capital expenditure, with the exception of Development Contributions. Population trends show that there is no demand for growth related infrastructure at the present time. There is currently enough capacity in the infrastructure networks to allow for nominal growth should it occur in an area. The RFP does not include a provision for growth related capital expenditure as it has been assumed that capital outlay to cater for growth will not occur until there is evidence that the assumed growth is taking place.

Council makes provision for capital expenditure for renewals and capital developments which relate to improvements to levels of service. Funding sources used by Council for capital expenditure for renewals in order of priority are, subsidies and grants (when available), depreciation funding, loan funding, and lastly, rate funding. Expenditure for capital developments for improvements to levels of service are funded in the following order of priority: subsidies and grants (when available), loan funding, and lastly, rate funding.

Loan funding is an appropriate funding mechanism to enable the effect of peaks in capital expenditure to be smoothed and also to enable the costs of major developments to be borne by those who ultimately benefit from the



expenditure. This is known as the 'intergenerational equity principle' and means that the costs of any expenditure should be recovered from the community at the time or over the period the benefits of that expenditure accrue.

## **SOURCES OF FUNDING**

The funding sources available to a local authority are set out under the LGA 2002 and the LGRA 2002. Presented below are descriptions of the available funding sources.

### **General Rate**

The General Rate is set under Section 13(2) (a) of the LGRA 2002 and has been used to part fund the activities of Leadership, Community and Partnerships, Recreation and Property, Regulatory Services, Resource Management and Solid Waste. It is set according to the RFP for these activities.

The General Rate is a rate per \$100 of capital value applied to all rateable properties in the District. A General Rate is used according to the RFP, when:

- Council considers that a capital value rate is fairer than the use of other existing rating tools for the service funded; and
- Council considers that the community as a whole should meet costs of the function; and
- Council is unable to achieve its user charge targets and must fund expenditure; or
- UAGC use would be a fair method but Council is constricted by the 30% cap (Section 21 LGRA 2002).

### **Uniform Annual General Charge**

The UAGC, assessed on each separately used or inhabited part of a rating unit (SUIP), is set under Section 15 of the LGRA 2002 and has been used to part-fund some activities where overall District-wide benefit has been assessed (details are contained within the relevant activity funding sections).

UAGC is assessed on each separately used or inhabited part (SUIP) of a rating unit to:

- Ensure equity in bearing the cost liability of a service (or part of service) which is deemed equally beneficial to all
- Ensure that those with multiple uses pay a fair share
- Provide a consistent treatment between all uniform charges.

In setting the UAGC, based on the RFP, Council will consider the following aspects:

- Adherence to the legislative cap (UAGC to be maximum of 30% of total rates excluding any fixed rate charges for water or wastewater) and;
- Set the amount of UAGC such that it is as fair as possible to all ratepayers and in consideration of the principles of affordability and sustainability.

Council may consider 'capping' the amount of the UAGC at a certain value or that any increase in UAGC will be limited to a maximum of the Local Government Cost Indicator (LGCI) for that year (to be determined by Council through the annual rates setting process).

This consideration is primarily to maintain rates affordability and is in keeping with section 101(3) of LGA 2002 which explicitly requires that the funding needs be met by sources considered appropriate by local authorities, after giving consideration to, among other things, the impact of the funding allocations on the interests of the community.

### **Targeted Rates**

A Targeted Rate is set under Sections 16 or 19 of the LGRA 2002 and has been used to part fund the groups of activities of Community and Partnerships, Recreation and Property, Wastewater, Water Supply, Stormwater, Solid Waste and Roads and Footpaths. Targeted Rates are set according to the RFP for these services.

A Targeted Rate is used according to the RFP, when:

- Council considers that a Targeted Rate would enable a higher level of transparency in funding allocation; or
- Council considers that a Targeted Rate is fairer than the use of other existing rating tools for the service funded, in consideration of the benefit derived from the service. The percentage of benefit is determined by Council's RFP.

The LGRA 2002 allows for Targeted Rates to be assessed on land defined on the basis of use to which land is put, area of land, location of land, the value of land and the provision or availability of Council services. Targeted Rates may be imposed as a fixed rate or differentially based on property uses.

Council has chosen to differentiate the District Rooding Rate into two categories and will use the 'use to which the land is put' (Schedule 2 (1) of LGRA 2002) to define the land liable for these rates. The TR will be assessed as a rate per \$100 of capital value to part fund the Roads and Footpaths activity. Council has chosen to primarily use valuation data to determine the

allocation of rating units to differential rate categories.

The following land use categories and differential factors will apply to the District Roding Rate:

Differential Category	Definition	Differential Factor
a) District Roding Rate - General	All rating units in the district excluding those properties categorised as differential b) District Roding Rate - Forestry Exotic below.	1.0
b) District Roding Rate - Forestry Exotic	<p>Rating units that have been assigned the FE category code (Forestry Exotic) by Council's Valuation Service Provider and/or properties that are partially used for exotic forestry.</p> <p><b>Properties with a mixed use</b> Where rating units have a mixed use (eg; pastoral and exotic forestry), and the area of exotic forestry is 20 hectares or more, the rating unit will be apportioned to enable the district roding rate to be charged correctly. The portion used for exotic forestry will be charged the differential of 3.0 and the remaining portion will be charged the differential of 1.0.</p>	3.0

Council will use location (Schedule 2(6) of LGRA 2002) to define the land liable for a number of targeted rates based on location. The following location definitions for the respective rating areas will apply:

### Te Kūiti Urban Rating Area

All rating units situated within the Te Kūiti urban area, shown as shaded blue on the map attached in Appendix One.

### Rural Rating Area

All rating units situated in the rural areas, shaded green on the map attached as Appendix Two in the district (excluding those rating units shaded blue on the map attached in Appendix One.)

### Piopio Township

All rating units connected or with the ability to connect to the Piopio Sewerage System.

### Piopio Wider Benefit Rating Area/PWBRA

All rating units situated in the rural areas around Piopio township (excluding rating units/SUIPs connected or with the ability to connect to the Piopio sewerage system) that are deemed to indirectly benefit from the Piopio sewerage reticulation network, shown as yellow on the map attached as Appendix Three.

### Fees and Charges

Fees and Charges will be set according to Council's RFP where:

- It is assessed that the level of benefit to identified beneficiary/exacerbator groups justifies the seeking of user charges; and
- There are identifiable and distinct user groups/exacerbators identified by Council's RFP; and
- User fees represent the fairest method to seek a contribution from identified beneficiaries or exacerbators.

The RFP includes the percentage of fees and charges Council aspires to collect for the relevant activity. The actual fees and charges collected by Council will vary dependent on a number of external factors.

### Interest, Subventions and Dividends

Council receives limited interest from cash investments and borrower notes. Any interest received is used to offset the rate required in the year received.

Council has an investment in Inframax Construction Ltd. No dividends are forecast over the life of the plan however if any dividends and/or subventions were to be received these may be used to repay debt. Council will determine how dividend revenue is applied as part of the LTP or annual plan process or by Council resolution.

## **Borrowing**

Borrowing is managed by the provisions of Council's Treasury Policy. Council's use of funding mechanisms to fund capital development is set out in the Funding of Capital Expenditure section of this policy.

## **Proceeds from Asset Sales**

Council will determine how proceeds from assets sales will be applied through the LTP or annual plan process or by Council resolution.

## **Development and Financial Contribution Policy**

Population trends show that there is no forecast demand on infrastructure created by growth, for the foreseeable future.

Currently Council does not require development contributions for development that triggers section 198(1) of the LGA 2002.

Financial contributions are currently taken by Council as consent conditions for subdivision and land use activities approved under the Resource Management Act 1991("RMA") where possible. Formulae are specified in the District Plan for collecting financial contributions to remedy or mitigate the adverse effects of development on District.

## **Grants and Subsidies**

Council receives a subsidy from NZTA Waka Kotahi to part-fund operations, renewal, and capital development in provision of roads and footpaths.

Council pursues other Grant and Subsidy funding available from Central Government wherever it is considered appropriate.

## **OVERALL IMPACT OF THE FUNDING MECHANISMS SELECTED**

Following consideration of the matters referred to in Section 101(3)(a), a picture emerges of where the benefits of engaging in activities land. Once this is done and indicative cost allocation compiled, the final step in Council's process of developing this policy has been to consolidate the results of the individual activity analysis and consider these results in terms of Section 101(3)(b). Section 103(b) requires Council to consider the overall impact of any allocation of liability for revenue needs on the community. The impact is assessed on the current and future wellbeing of the community.

Council has agreed that for most activities where a District benefit has been identified, funding that benefit allocation equally through the General Rate and UAGC would be the most efficient, equitable and transparent funding method. Both the General Rate and the UAGC

are appropriate funding sources when a District wide benefit is assessed.

Council's reasoning behind this decision was that for some activities, the UAGC would be the most appropriate method for funding the District allocation because of the 'equal benefit' nature of the activity, but Council needs to take into account the 'rates affordability' and 'ability to pay' considerations within the community and also the legislative 'cap' on the amount that can be funded through the UAGC.

This reasoning by Council has not been repeated in the rest of the policy except where Council has made exceptions to it.

## **BENEFITS ALLOCATION AND FUNDING MECHANISM**

Council's RFP has been developed mostly at activity level however for some activities it has been necessary to develop the policy at function level. The benefit allocation and funding mechanism for each function is included under the relevant activity or function in this policy.

**APPLICATION OF FUNDING PRINCIPLES TO THE FUNDING FOR EACH ACTIVITY**

Council has determined the sources of funding for capital and operating expenditure for each of its activities after considering the principles set out in the LGA 2002 and the rationale for the use of funding sources. The table below outlines a summary followed by a detailed explanation.

Activity	Fees and Charges	Other Revenue	Grants and Subsidies	General Rate/ UAGC	Targeted Fixed Rate	Targeted Rate	Rate Type	Assessment basis: CV/Rating Unit/SUIP
<b>Leadership</b>								
<b>Representation</b>								
Representation	1%	30% rates penalties		69%			GR	CV
							UAGC	SUIP
<b>Strategy and Engagement</b>								
Strategy and Engagement				100%			GR	CV
							UAGC	SUIP
<b>Investments</b>								
Investment in Co-Lab				100%			GR	CV
							UAGC	SUIP
Investment in Inframax Construction Limited				100%			GR	CV
							UAGC	SUIP
Council Owned Quarries	80%			20%			GR	CV
							UAGC	SUIP
<b>Community and Partnerships</b>								
<b>Community Development</b>								
Community Development				98%	2% (approx)		GR	CV
							UAGC	SUIP
							TFR (Piopio Retirement Village)	Rating Unit – within Piopio Township and the Piopio Wider Benefit Rating Area
<b>District Promotion</b>								
District Promotion	1%			99%			GR	CV
							UAGC	SUIP

Activity	Fees and Charges	Other Revenue	Grants and Subsidies	General Rate/ UAGC	Targeted Fixed Rate	Targeted Rate	Rate Type	Assessment basis: CV/Rating Unit/SUIP
<b>Economic Development</b>								
Economic Development				100%			GR	CV
							UAGC	SUIP
<b>Regulatory Services</b>								
<b>Environmental Health</b>								
Environmental Health	10%			90%			GR	CV
							UAGC	SUIP
<b>Animal and Dog Control</b>								
Animal and Dog Control	50%			50%			GR	CV
							UAGC	SUIP
<b>Building Control Services</b>								
Building Control Services	30%			70%			GR	CV
							UAGC	SUIP
<b>Alcohol Licensing</b>								
Alcohol Licensing	25%			75%			GR	CV
							UAGC	SUIP
<b>Emergency Management</b>								
Emergency Management				100%			GR	CV
							UAGC	SUIP
<b>Recreation and Property</b>								
<b>Parks and Recreation</b>								
Parks and Reserves	2%			98%			GR	CV
							UAGC	SUIP
<b>Housing and Property</b>								
Elderly Persons Housing	100%			Balance by Gen Rate/ UAGC if required				
Community Halls	5%			95%			GR	CV
							UAGC	SUIP

Activity	Fees and Charges	Other Revenue	Grants and Subsidies	General Rate/UAGC	Targeted Fixed Rate	Targeted Rate	Rate Type	Assessment basis: CV/Rating Unit/SUIP
Other Land and Buildings	20%			80%			GR	CV
							UAGC	SUIP
<b>Community Facilities</b>								
District Libraries	1%			99%			GR	CV
							UAGC	SUIP
Aquatic Centre				100%			GR	CV
							UAGC	SUIP
Les Munro Centre	4%			96%			GR	CV
							UAGC	SUIP
Aerodrome	60%			40%			GR	CV
							UAGC	SUIP
Gallagher Community Centre	48%	25%		27%			GR	CV
							UAGC	SUIP
<b>Public Facilities</b>								
Cemeteries	30%			70%			GR	CV
							UAGC	SUIP
Public Amenities				100%			GR	CV
							UAGC	SUIP
<b>Solid Waste Management</b>								
Kerbside Collection	40%				60%		TFR	SUIP
Waste Disposal	60%				40%		TFR	SUIP
Waste Minimisation			60%	40%			GR	CV
							UAGC	SUIP
<b>Stormwater</b>								
Te Kūiti Stormwater					35%	65%	TFR	Rating Unit

Activity	Fees and Charges	Other Revenue	Grants and Subsidies	General Rate/ UAGC	Targeted Fixed Rate	Targeted Rate	Rate Type	Assessment basis: CV/Rating Unit/SUIP
					(Te Kūiti )		TR	CV
Rural Stormwater					100% (rural areas)		TFR	SUIP
<b>Resource Management</b>								
District Plan Administration	45%			55%			GR	CV
							UAGC	SUIP
District Planning				100%			GR	CV
							UAGC	SUIP
<b>Wastewater</b>								
Te Kūiti Wastewater	25%				65% + 10%		TFR	Residential properties per SUIP -connected/ serviceable – District TFR (Harmonised)
							TFR - Base charge	Non-residential Per SUIP
							TFR – Pan Charge	Non –Residential Per Pan
							TFR - Trade Waste Contribution	Rating Unit – District Wide
Te Waitere, Piopio, Maniaiti/Benneydale Wastewater					100%		TFR - District-wide benefit allocation	Rating Unit – District Wide

Activity	Fees and Charges	Other Revenue	Grants and Subsidies	General Rate/ UAGC	Targeted Fixed Rate	Targeted Rate	Rate Type	Assessment basis: CV/Rating Unit/SUIP
							TFR – collection and disposal	SUIP – connected/ serviceable – District TFR (Harmonised)
<b>Water Supply</b>								
Te Kūiti , Mokau, Piopio, Maniaiti/Benneydale Water Supply					60%+10%	30%	TFR	SUIP –connected/ serviceable – District TFR (harmonisation paused, transition rate until a decision is made on the formation of regional CCO for water delivery)
							TR	Water meter / consumption
							TFR - District-wide benefit allocation	Rating Unit – District Wide
<b>Roads and Footpaths</b>								
Subsidised Roading	1%		71%			28%	TR	CV - Rating Unit – District Roading Rate – General Differential of 1.0
							TR	CV – Rating Unit – District Roading Rate - Forestry Exotic Differential of 3.0
Unsubsidised Roading	17%					83%	TR	CV - Rating Unit – District Roading Rate – General Differential of 1.0
							TR	CV – Rating Unit – District Roading Rate – Forestry Exotic Differential of 3.0



## GROUP OF ACTIVITIES: LEADERSHIP

### Level of alignment to community outcomes

Primary Contribution	Secondary Contribution
	A prosperous district
A district for people	A district that values culture
	A district that cares for its environment

### DESCRIPTION

In carrying out this activity

- We enable, promote and support local democracy by providing governance advice and democratic services to elected members, the public and staff. We support public engagement with the mayor, councillors and with our democratic processes.
- We consider research, analysis and policy development, and provides advice to support development of the District with a focus on strategies, plans, policy, and bylaws to address the top issues facing our community. We also coordinate and undertake community engagement and consultation on a variety of issues.
- We provide leadership to Council's investment portfolio which oversees the investment in CoLab, Civic Financial Services Ltd, Inframax Construction Ltd and Council owned quarries.

### ACTIVITIES

The Leadership Group of Activity (GOA) provides for:

- Representation
- Strategy and Engagement
- Investments

### ACTIVITY ANALYSIS AND FUNDING MECHANISMS

#### REPRESENTATION

This Activity involves the provision of leadership and governance of the District and includes the Mayor's Office and Council's governance, including committees.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District	100%	69%	General Rate/ UAGC

Benefit	%	Method
	1%	Fees and Charges
	30%	Other Revenue: Penalties and sundry revenue

#### (a) Distribution of Benefits

District Benefit: The benefit of the Representation activity is considered to be District wide in nature as the benefits of good governance and representation benefit the District as a whole.

#### (b) Funding Mechanism

District Allocation: Council is not able to recover all the costs of this activity from penalties and fees and charges. The most appropriate method of funding is a combination of UAGC and General Rate (GR). While the fairest method would be to fund this activity by UAGC, a combination of UAGC and General Rate is considered most appropriate, given the 30% legislative cap on UAGC and the affordability considerations and the District wide benefit of these activities.

### STRATEGY AND ENGAGEMENT

This Activity includes:

- Carrying out long-term and annual planning for the District and producing plans which reflect the outcomes desired by the community.
- Communicating and consulting with the community on projects, issues and various planning documents, as well as surveys to gauge community satisfaction with services provided.
- Development of policy to promote community outcomes at a local level, and to influence policy at a regional or national level.
- Monitoring the achievement of the levels of service.
- Preparation of Council's Annual Report comprising public information on achievement against the financial and key performance targets of the previous year.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	100%	General Rate/ UAGC

(a) Distribution of Benefits

District Benefit: The benefit of this activity is considered to be District wide in nature as the benefits of effective planning and policy development and the monitoring of Council activities and performance is of benefit to the entire District.

(b) Funding Mechanism

District Allocation: The most appropriate method of funding this activity is a combination of UAGC and General Rate (GR). While the fairest method would be to fund this activity by UAGC, a combination of UAGC and General Rate is considered most appropriate, given the 30% legislative cap on UAGC and the affordability considerations and the District wide benefit of these activities.

it is either made to generate income or to explore opportunities for cost reduction/efficiencies, which are used for the benefit of the entire District, or Council is involved for a strategic reason which again is for the benefit of the District as a whole.

Regional Benefit: Gaining the most effective access to regional information and services of mutual value to the regional community is seen as having regional benefit.

(b) Funding

District Allocation: The fairest method of funding this investment would be by way of UAGC. However, due to the 30% UAGC 'cap' and rates affordability issues, Council resolved a combination of General Rate and UAGC to be the most efficient, effective and transparently lawful funding mechanism for this allocation.

Regional Allocation: As there is no lawful funding mechanism available to Council to recover from this group of beneficiaries Council resolved that the Regional Benefit be reallocated to District Benefit and funded by a combination of General Rate and UAGC.

**INVESTMENTS**

Council has investments in quarry land and other organisations that it manages for the benefit of the community and to generate income. The functions comprising this activity are:

1. Investment in Co-Lab
2. Inframax Construction Limited
3. Council Owned Quarries

**Period of Benefit (Intergenerational Equity)**

The total expenditure and income of Investment Activities needs to be specified over the proposed investment period as part of intergenerational funding decisions.

**Investment in Co-Lab**

This function represents Council's shareholding/investment in CoLab. The principle objective for the company is to provide the most effective access to regional information of mutual value to the regional community using modern technology and processes and to be an umbrella for future development of shared services within the region.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	80%	100%	General Rate/UAGC
Regional Benefit	20%	0%	No funding mechanism

(a) Distribution of Benefits

District Benefit: The investment in CoLab is assessed to have a District wide benefit as

**Investment in Inframax Construction Ltd (ICL)**

This function represents Council's investment in ICL. ICL is a provider of roading construction and maintenance, quarrying, and maintenance and construction of utilities and infrastructure assets.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	100%	General Rate/UAGC
		0%	Dividend or Subvention

(a) Distribution of Benefits

District Benefit: ICL is assessed to have District wide benefit as it exists to give effect to social and economic outcomes that benefit the entire District. Council's investment in ICL is considered to be strategic in nature and for the benefit of the wider District as a whole.

(b) Funding

Investment Income: Council resolved that as this investment has been entered into

for social and economic purposes it would be equitable to fund the cost of this activity through Investment Income (i.e., dividend and/or subventions), when available.

Any surplus generated through this investment may be used to for repayment of term debt which benefits the wider community by enhancing the financial sustainability of the Waitomo District Council and will be resolved by Council through the LTP or annual planning cycle or by Council resolution.

District Allocation: Any deficit resulting from Council’s investment in ICL will be funded by way of a combination of General Rate and UAGC which reflects the public good associated with the investment. This is considered to be the most efficient, effective and transparent method for funding this allocation.

### Council Owned Quarries

This function involves the maintenance and management of Council owned quarries.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	80%	Fees and charges
		20%	General Rate/UAGC

(a) Distribution of Benefits

District Benefit: Council owned quarries are assessed to have District wide benefit as they exist to give effect to social and economic outcomes for the benefit of the entire District. Council’s investment in quarries is considered to be strategic in nature and for the benefit of the wider District as a whole.

(b) Funding

District Allocation: Council resolved that as this investment has been entered into for social and economic purposes it would be most equitable to fund this activity through investment income (e.g. metal royalties/leases). Any net surplus income generated through this investment will be used to offset General Rate and UAGC rates income collected from the entire District. However it is recognised that revenue is dependent on quarrying activity and market rates for products and therefore investment income may not be

enough to fully fund expenditure. Council considers that where fees and charges are not sufficient to fund activities, the balance will be funded from the General Rate and UAGC which reflects the public good associated with the investment. This is considered to be the most efficient, effective and transparent method for funding this allocation.

## GROUP OF ACTIVITIES: COMMUNITY AND PARTNERSHIPS

### Level of alignment to community outcomes

Primary Contribution	Secondary Contribution
A district for people	A prosperous district
	A district that values culture
	A district that cares for its environment

### DESCRIPTION

The Community and Partnerships is a group of activities (GOA) where the Council, in a number of diverse roles, is actively involved in ‘helping the community to help itself’. The Community Development service supports the wellbeing of our communities. This is done by enabling local organisations and private providers to deliver a variety of community-based services and activities to meet the needs of our community. This includes providing grants to community groups through community assistance grants, event funding and international sister city engagement.

We manage the visitor information services to provide residents and visitors to the District access to quality, up to date information and a booking service for activities attractions and accommodation and events.

### ACTIVITIES

There are three activities under this GOA:

1. Community Development
2. District Promotions
3. Economic Development

### ACTIVITY ANALYSIS AND FUNDING MECHANISMS

#### COMMUNITY DEVELOPMENT

As part of this Activity Council seeks to improve social outcomes within Waitomo District by working closely with the District community. It includes safe communities, making grants to the community, provision of service contracts,

Council's Sister City relationship and Youth engagement.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	98%	98%	General Rate/UAGC
Community Benefit	2%	2%	Targeted Fixed Rate

(a) Distribution of Benefits

District Benefit: The benefit of this activity is considered to be District wide in nature as the benefits of the activity of supporting the community by working to create a better quality of life is beneficial to the entire District.

Community Benefit: A small element of this activity benefits the Piopio Community specifically via support to the Piopio retirement village. The wider Piopio community consider the Piopio retirement village is an asset that should be retained.

(b) Funding

District Allocation: It is considered that after funding the Piopio Retirement Village the most appropriate method of funding the remainder of this activity is a combination of the UAGC and General Rate (GR). The Community Development activity aims to develop a more liveable and vibrant district which can have an effect on the prosperity of the entire District.

Community Allocation: In recognition of the unique situation that exists with Piopio Retirement Village and of the invaluable role it plays within the Piopio Community, both now and in the future, the Piopio Retirement Village will receive an annual rates remission as determined by Council's Rates Remission Policy, to support the Trust in the continued delivery of elderly housing accommodation services.

The amount determined as the annual rates remission for the Piopio Retirement Village will be separately funded by way of a Targeted Fixed Rate assessed on all rateable units situated within the Piopio Township and the Piopio Wider Benefit Rating Area.

**DISTRICT PROMOTIONS**

This Activity encompasses three functions that serve to attract visitors to the District and

contribute over time to the overall development of the District.

• **Visitor Information Services**

We manage the visitor information services to provide residents and visitors to the District access to quality, up to date information and a booking service for activities attractions and accommodation and events.

• **District and Regional Promotion**

This activity involves regional tourism growth at both domestic and international levels.

**Events**

Co-ordination of major events in the District, including the Great NZ Muster, Matariki celebrations and the Christmas Parade.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	10%	0%	No funding mechanism
District Benefit	80%	99%	General Rate/UAGC
Community Benefit	10%	1%	Fees and charges

(a) Distribution of Benefits

National Benefit: There is an element of national and regional benefit that results from attracting visitors to the District. New Zealand as a whole and particularly the region will benefit from services and events which attract overseas and local visitors.

Increased visitor numbers to Waitomo District will have flow on effects for our neighbours and help in promoting other neighbouring Districts as well.

District Benefit: The Visitor Industry is considered to have a District wide benefit as the activity gives effect to the economic development and employment within the District as a whole. There are numerous examples that demonstrate tourism can contribute immensely to the whole economy in terms of increased employment, revenue generation and the like and that benefit will accrue to the overall District.

Community Benefit: The Visitor Industry provides a high degree of benefit to communities that provide meals, entertainment and accommodation.

(b) Funding

National/Regional Allocation: Council resolved that this allocation should be funded through Grants when available. Where grant funding is not available, the National Allocation is reallocated to the District Allocation.

District/Community Allocation: Council considered that the overall District benefits to an extent from District Development Activities and although there is some element of community benefit, the most appropriate and efficient funding method is a combination of General Rate and UAGC.

Some minor revenue is received through sales at the Customer Service Centre.

**ECONOMIC DEVELOPMENT**

This Activity involves the development, support and promotion of business-related programmes and activities and new employment initiatives within the District. It also involves the maintenance of a high quality environment, input into the urban infrastructure, the need to recognise the importance of international relationships and the tourism industry and utilisation of the landscape and culture of the Waitomo District. We also support Regional and Economic Development opportunities and outcomes.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	10%	0%	No funding mechanism
District Benefit	80%	100%	General Rate/UAGC
Community Benefit	10%		

(a) Distribution of Benefits

National Benefit: There is an element of national and regional benefit that results from attracting visitors and investment to the District.

District Benefit: The promotion of the district is considered to have a District wide benefit as the activity gives effect to the economic development and employment within the District as a whole.

Community Benefit: The commercial development within the district provides increased employment, growth and supports the sustainability of the District.

(b) Funding

National/Regional Allocation: Council resolved that this allocation should be funded through Grants when available. Where grant funding is not available, the National Allocation is reallocated to the District Allocation.

District/Community Allocation: Council considered that the overall District benefits to an extent from Economic Development Activities and although there is some element of community benefit, the most appropriate and efficient funding method is a combination of General Rate and UAGC.

**GROUP OF ACTIVITIES: REGULATORY SERVICES**

**Level of alignment to community outcomes**

Primary Contribution	Secondary Contribution
A district for people	A prosperous district A district that values culture A district that cares for its environment

**DESCRIPTION**

The Regulatory Services GOA works towards the goal of seeking to effectively and efficiently provide a safe and sustainable environment through the administration and enforcement of Central Government Legislation.

**ACTIVITIES**

The activities under this GOA are:

1. Environmental Health
2. Animal and Dog Control
3. Alcohol Licensing
4. Building Control
5. Emergency Management

**ACTIVITY ANALYSIS AND FUNDING MECHANISMS**

**ENVIRONMENTAL HEALTH**

The provision of environmental health services, including licencing and inspection of food premises and noise control. Council has specific statutory responsibilities under each of these functions.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	70%	90%	General Rate/UAGC
User/Applicant Benefit	20%	10%	Fees and Charges
Exacerbator	10%		

(a) Distribution of Benefits

District Benefit: Environmental Health delivers District benefits by ensuring minimum health standards, such as premises are licenced and safe, healthy and hygienic for the public to use, and providing general advice and education. Noise control services provided also contribute to healthy living. The investigation and notification of incidents of communicable diseases also provides benefit to the entire District.

User/Applicant Benefit: Individuals and organisations applying for a licence to operate under specific regulations nationally and within the District and those requiring advice about the regulations are direct beneficiaries of this service.

Exacerbator/Offender: These are the costs incurred in responding to the actions of offenders. This includes costs associated with investigating complaints, non-compliance with licences and regulations and prosecution of offenders.

(b) Funding

User Allocation: Council resolved user fees and charges to be the most efficient, effective and transparently lawful available method for funding this allocation. However Council considered that not all of the recovery of this benefit can be undertaken through Fees and Charges as it would make the fees prohibitively high for the users and therefore Council has resolved to partly fund through General Rate and UAGC.

Exacerbator Allocation: User fees and charges are considered to be the most efficient, effective and transparently lawful available method for funding the Exacerbator allocation. However Council considered that not all of the recovery of this benefit can be undertaken through Fees and Charges from the exacerbator therefore Council has resolved to partly fund through General Rate and UAGC.

District Allocation: Council is not able to recover all the costs of this activity from fees and charges. The most appropriate

method of funding the remainder of this activity is considered to be a combination of General Rate and UAGC.

**ANIMAL AND DOG CONTROL**

Provision of an animal and dog control service for the District. This activity involves the registration of dogs as well as the prevention of harm to the community in cases of menacing or dangerous behaviour by dogs and dealing with roving stock.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	20%	50%	General Rate/UAGC
User/Applicant Benefit	70%	50%	Fees and Charges
Exacerbator	10%		

(a) Distribution of Benefits

District Benefit: The District benefit is received from general advice given to the public, education and public safety. All residents have equal access to the use of the service.

User/Applicant Benefit: Individuals applying for and maintaining dog registration and receiving education are direct beneficiaries of this service. The allocation reflects the benefit to those individuals with animals.

Exacerbators: These are the costs incurred in responding to the actions of offenders. This includes costs associated with investigating complaints, impounding of stock and prosecution of offenders.

(b) Funding

User Allocation: Council resolved that user fees and charges would be the most efficient, effective and transparently lawful method available for funding this allocation. However Council considered that not all of the recovery of this benefit can be undertaken through Fees and Charges as it may make the fees prohibitively high for the users and therefore Council has resolved to partly fund through General Rate and UAGC.

Exacerbator Allocation: Council resolved that education and monitoring would be the most effective method to promote good animal management and control. Council also proposes that user fees and charges (in the form of infringements and penalties) would be the most efficient, effective and transparently lawful method available for funding this allocation.

District Allocation: Council considers that given there is some benefit to the entire district in the form of public safety, the most appropriate method of funding this allocation is a combination of General Rate and UAGC.

### BUILDING SERVICES

Provision of building services, including issuing and monitoring of building consents.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	20%	70%	General Rate/UAGC
User/Applicant Benefit	75%	30%	Fees and Charges
Exacerbator	5%		

#### (a) Distribution of Benefits

District Benefit: The District benefit is received from general advice given to the public, education, and public safety. This activity is mandatory for Council and has a District benefit by ensuring minimum building standards are met and that buildings are safe for use. This activity is also driven by Central Government policies and there is increased focus at the national level around sustainable building development.

User/Applicant Benefit: Individuals and groups applying for a building consent, requiring building inspection, compliance certificates and advice, are the direct beneficiaries of this service.

Exacerbator: These are the costs incurred in responding to the actions of offenders. This includes costs associated with non-compliance with consents and Warrants of Fitness.

#### (b) Funding

District Allocation: Council resolved that the most efficient, effective and transparent method for funding this allocation would be a combination of UAGC and General Rate since any investment in and development of the District will have more positive economic impact on larger property owners.

User Allocation: Council resolved that User Fees and Charges would be the most efficient, effective and transparently lawful available method for funding this allocation. However, since not all of the recovery of this benefit can be done through Fees and Charges which would make the fees too

high and could potentially impact on development, Council resolved to partly fund this benefit through General Rate/UAGC.

Exacerbator Allocation: Council resolved that User Fees and Charges would be the most efficient, effective and transparently lawful available method for funding this allocation where the cost is able to be recovered from the exacerbator. Where this cost is not able to be recovered, Council resolved to partly fund through the General/UAGC.

### ALCOHOL LICENSING

The Alcohol Licensing function oversees the administration of the Sale and Supply of Alcohol Act 2012 at a local level acting as the District Licensing committee on behalf of the Alcohol Regulatory and Licensing Authority which encourages the responsible sale and use of alcohol through licensing, monitoring of premises and enforcement of the Act. It also involves ensuring bylaws are enforced and complied with for public safety and well-being.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	35%	75%	General Rate/UAGC
User/Applicant Benefit	35%	25%	Fees and Charges
Exacerbator	30%		

#### (a) Distribution of Benefits

District Benefit: This activity is assessed at having a medium level of District benefit which occurs from ensuring Licenses are complied with, sellers of alcohol have certain qualifications, etc, which contributes towards public safety and well-being. General advice and education is also provided.

Applicant Benefit: The user benefit for this service is high. Individuals and organisations applying for a licence to operate under specific regulations nationally and within the District and those requiring advice about the regulations are direct beneficiaries of this service.

Exacerbators: These are the costs incurred in responding to the actions of offenders. This includes costs associated with investigating complaints, non-compliance with licenses and regulations and prosecution of offenders.

(b) Funding

User/Applicant Allocation: Council resolved user fees and charges to be the most equitable method for funding this portion of the benefit allocation. However, Council considered that not all of the recovery of this benefit can be done through Fees and Charges as the fees are set by legislation and therefore Council resolved to partly fund this benefit through General Rate and UAGC.

Offender Allocation: User fees and charges are considered to be the most efficient, effective and transparently lawful available method for funding the Exacerbator funding allocation for this activity.

District Allocation: Council resolved that the most efficient, effective and transparent method for funding this allocation would be a combination of UAGC and General Rate.

**EMERGENCY MANAGEMENT**

Provision of emergency response capability includes public education and administering the Civil Defence Emergency Management Act 2002.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National and Regional Benefit	10%	0%	Government Subsidy
District Benefit	90%	100%	General rate/UAGC

(a) Distribution of Benefits

National Benefit: Emergency Management has been assessed to have a certain element of National and Regional benefit, in that this service provides safety and general well-being to the national public under a national civil defence and emergency management network. By way of example, any significant natural disaster has the potential to disrupt state highways and the rail system which might affect the Country as a whole.

District Benefit: Emergency management is considered to have a high District benefit. The benefit of this function is for the safety and well-being of all people within the District.

(b) Funding

National Allocation: Council considers that given the element of national benefit provided by the service, Central Government subsidy would be the most efficient and effective method of funding this allocation. However Central Government subsidies are no longer available so it was resolved that this allocation be re-allocated to District Benefit.

District Allocation: A combination of UAGC and General Rate is the most appropriate method of funding this activity given the 30% legislative cap on UAGC and the affordability considerations and the District wide benefit of this activity.

**GROUP OF ACTIVITIES: RECREATION AND PROPERTY**

**Level of alignment to community outcomes**

Primary Contribution	Secondary Contribution
A district for people	A district that cares for its environment

**DESCRIPTION**

Council’s Recreation and Property GOA provides recreation and community facilities with the aim of ensuring that basic ranges of recreational activities are available to meet the present and future needs of the Community, and that Council meets its statutory obligations under such acts as the Reserves Act 1977 and Burials and Cremations Act 1964.

This Activity also ensures that the Community has essential community facilities such as public toilets and cemeteries. These facilities are necessary to ensure that public health and safety is maintained.

**ACTIVITIES**

The Activities comprising this GOA are:

1. Parks and Recreation
2. Housing and Property
3. Community Facilities
4. Public Facilities

**PERIOD OF BENEFIT (INTERGENERATIONAL EQUITY)**

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.



## ACTIVITY ANALYSIS AND FUNDING MECHANISMS

### PARKS AND RECREATION

This activity involves the provision of parks and reserves to support the health and well-being of the community by supplying and maintaining areas for sport and recreation, as well as green places and landscapes that are restful and enhance the visual amenity.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	98%	98%	General Rate/ UAGC
User Benefit	2%	2%	Fees and Charges

#### (a) Distribution of Benefits

**District Benefit:** The benefit of this activity is considered to be District wide in nature as the benefits of providing recreational spaces and facilities for the community is of benefit to the entire District.

**User Benefit:** Lessees of the reserves are the direct beneficiaries of the services.

#### (b) Funding

**District Allocation:** The most appropriate method of funding this activity is a combination of the UAGC and General Rate given the 30% legislative cap on UAGC and the affordability considerations and the District wide benefit of these activities.

**User Allocation:** Council resolved fees and charges to be the most efficient and transparently lawful method of funding this allocation.

## HOUSING AND PROPERTY

The functions comprising of this Activity are:

1. Elderly Persons Housing
2. Community Halls
3. Other Land and Buildings

### Elderly Persons Housing

This function involves the provision of affordable housing for the elderly. There are 20 pensioner units owned by Council.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	5%	100%	Fees and charges
User Benefit	95%		

#### (a) Distribution of Benefits

**District Benefit:** Provision and maintenance of housing for the elderly provides a level of District wide benefit as it provides for the current and future social well-being of the District.

**User Benefit:** This service has a high degree of private benefit. The direct beneficiaries of Elderly Persons Housing are the occupants, and the family and friends of the occupants.

#### (b) Funding

**District Allocation:** Due to the minor nature of the District Benefit, Council resolved that this be reallocated to User Allocation. However it is recognised that the impact of fully funding this activity from fees and charges may be prohibitive if completed in one year and therefore agreed to transition the move to fully funding the activity from fees and charges. During the transition phase any shortfall will be funded by combination of General Rate and UAGC funding.

**User Allocation:** Council resolved Fees and Charges to be the most appropriate funding tool for this allocation as the users (tenants) are easily identifiable and excludable and the user charges can be easily administered. However, Council considered that not all of the recovery of this benefit can be undertaken through Fees and Charges as it would make the fees prohibitively high for the users and therefore Council resolved to partly fund this benefit through General Rate and UAGC.

### Community halls

This function involves the provision and maintenance of halls through the support of Hall Committees throughout the District.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	95%	General Rate/ UAGC
User Benefit	0%	5%	Fees and Charges

(a) Distribution of Benefits

District Benefit: Provision of Community halls is assessed to provide benefit to the wider District as a whole as any member of the District can use the halls directly or as guests for functions, etc. Halls serve as places for meetings or functions, particularly where other options are unavailable.

(b) Funding

District Allocation: Given the element of general public benefit associated with this activity, the Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

Council recognised that most community halls are operated and maintained by the different communities themselves and Council's expenditure on the activity was in the form of grants provided to the various hall committees towards operating costs.

A small percentage of funding for this activity comes from fees and charges for hall hire to the community.

**Other land and buildings**

This function involves the maintenance and management of other miscellaneous Council owned properties.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	30%	80%	General Rate/ UAGC
User Benefit	70%	20%	Fees and Charges

(a) Distribution of Benefits

District Benefit: This activity is assessed to have a degree of District wide benefit as these land and buildings are retained and maintained by Council either with strategic intent or as investments which provide benefit to the District as a whole.

User Benefits: Lessees of these properties are the direct beneficiaries of the service.

They are identifiable and able to be excluded.

(b) Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

User Allocation: Council resolved Fees and Charges to be the most efficient and transparently lawful method of funding this allocation. However, Council considered that not all of the recovery of this benefit can be done through Fees and Charges as it would make the fees prohibitively high for the users and therefore Council resolved to partly fund this benefit through General Rate and UAGC.

**COMMUNITY FACILITIES**

The functions comprising of this Activity are:

1. District Libraries
2. Aquatic Centre
3. Les Munro Centre
4. Aerodrome
5. Gallagher Recreation Centre

**District Libraries**

This function involves the provision of library services to support culture, education, economic and personal development in the District. The main library is located at Te Kūiti .

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	20%	99%	General Rate/UAGC
User Benefit	80%	1%	Fees and Charges

(a) Distribution of Benefits

District Benefit: District libraries provide a degree of benefit to the wider District as a whole which relates to enhancing the knowledge and skills of the population and provides enjoyment. Benefits also include the promotion of knowledge building, social interaction and the provision of services to people with special needs (e.g. the visually impaired and people with disabilities).

User Benefit: Borrowers, information seekers and users of other library services are direct beneficiaries of the service.

(b) Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

User Allocation: Council resolved that although the user benefit for this service is high, funding this allocation totally through Fees and Charges would be detrimental to usage as it would make the fees prohibitively high for the users and therefore Council resolved to partly fund this benefit through General Rate and UAGC. Since libraries provide intangible benefits of promoting social and cultural development of the general population and also contribute to increasing literacy, it would be to the advantage of the District to promote their usage. It was resolved that 1% of the user benefit allocation be funded through Fees and Charges and the remaining be reallocated to District allocation.

**Aquatic Centre**

This function involves the provision and maintenance of the Waitomo District Aquatic Centre in Te Kūiti for leisure and competitive recreation opportunities for the community.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	100%	General Rate/UAGC
Community Benefit	70%		
User Benefit	20%	0%	Fees and Charges

(a) Distribution of Benefits

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole in that anyone wanting to use the facility has access to it. It is a facility that can be used by all and provides for the leisure, training or health needs of the entire District.

Community Benefit: The Aquatic Centre has a comparatively high degree of community benefit. It is assessed that people who live within the Community will benefit more than those who have to travel a longer distance to use the facility.

User Benefit: Individual users, clubs and schools are direct beneficiaries of the service.

(b) Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

Community Allocation: Council discussed that a large proportion of the benefit of this service lay in the Te Kūiti urban area however the most appropriate and efficient funding is a combination of General Rate and UAGC.

User Allocation: Council discussed that although the user benefit of this service is high, not all of the recovery of this benefit can be done through Fees and Charges as charging higher for the use of the pool would be detrimental to its usage. It would also impact on the purpose of promoting a healthy community and hence it was resolved that part of this allocation be transferred to Community Allocation. There are no fees and charges revenue forecast for the life of the plan as this revenue is now received by the contractor as part of their contractual arrangement.

**Les Munro Centre**

This function involves the maintenance and management of the Les Munro Centre.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National/Regional Benefit	10%	0%	No funding mechanism
District Benefit	80%	96%	General Rate UAGC
User Benefit	10%	4%	Fees and Charges

(a) Distribution of Benefits

National/Regional Benefit: The facilities may be booked by national or regional organisations, private providers. These have a small national benefit as they add benefit to the nation as a whole through stimulating local knowledge and history. They also help to add tourism value to the District.

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole in that it contributes to the cultural well-being of the District as a whole. The facilities can also be enjoyed by all.

User Benefit: Individual users are direct beneficiaries of the service.

(b) Funding

National Allocation: A lawful funding method for this allocation is not available. Council resolved that this allocation be transferred to District Allocation.

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

User Allocation: Council resolved user Fees and Charges to be the most appropriate funding tool for this allocation. However Council considered that not all of the recovery of this benefit can be undertaken through Fees and Charges as it would make the fees prohibitively high for the users and therefore Council has resolved to partly fund through General Rate and UAGC.

**Aerodrome**

This function involves the provision of an Aerodrome facility in Te Kūiti to provide leisure and recreational opportunities for residents and visitors to the District. Provision of a base for commercial aerial activities.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	20%	40%	General Rate/UAGC
User Benefit	80%	60%	Fees and Charges

(a) Distribution of Benefits

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole in that it provides a facility that contributes to the District economy through commercial use.

User Benefit: Individual users, clubs and commercial users are direct beneficiaries of the service.

(b) Funding

District Allocation: Due to minor nature of District Benefit, Council resolved that this would be reallocated to User Allocation. However it is recognised that the impact of fully funding this activity from fees and charges may be prohibitive if completed in one year and therefore agreed to transition the move to fully funding the activity from fees and charges. During the transition phase any shortfall will be funded by combination of General Rate and UAGC funding.

User Allocation: Council resolved that user Fees and Charges would be the most appropriate funding tool for this allocation and intends to progress to fully funding this activity by fees and charges. However, Council considered that not all of the recovery of this benefit can be done through Fees and Charges as it would make the fees prohibitively high for the users and therefore Council resolved to partly fund this benefit through General Rate and UAGC as this activity transitions to be fully funded by fees and charges.

**Gallagher Recreation Centre**

This function involves the recognition of the right to use the Gallagher Recreation Centre (GRC) for a period of 35 years. It includes the interest and principal repayment of Council’s contribution towards the development of the GRC and the maintenance of the facility in accordance with the property sharing arrangement with the Ministry of Education and Board of Trustees.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	30%	27%	General rate/UAGC
User Benefit	70%	48%	Fees and Charges
		25%	Other Revenue

(a) Distribution of Benefits

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole in that it contributes to the cultural well-being of the District as a whole. The facilities can also be enjoyed by all. This funding covers the interest and principal repayments on Councils contribution to the construction of the GRC.

User Benefit: Individual users, clubs and schools are direct beneficiaries of the service. The Ministry of Education and the Board of Trustees receive benefit from the facility through the property sharing arrangement.

(b) Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

User Allocation: Council resolved that user Fees and Charges would be the most appropriate funding tool for this allocation. The Ministry of Education and Board of

Trustees contribute towards the long term maintenance of the facilities and operating costs of the facility.

**PUBLIC FACILITIES**

The functions comprising of this Activity are:

1. Public amenities
2. Cemeteries

**Public Amenities**

This function involves the provision of:

- Public toilet facilities in the District to ensure visitors and residents have access to safe, clean and sanitary facilities.
- Street furniture, bins and other structures to visually enhance the town’s environment and provide facilities for people to relax and enjoy the environment.
- Car park areas to ensure residents and visitors to the District can access conveniently located off street parking in our towns.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	75%	100%	General Rate/ UAGC
User Benefit	20%	0%	Fees and Charges
Exacerbator	5%		

(a) Distribution of Benefits

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole in that all people from within and outside the District have the ability to come and use public toilets, car park facilities and benefit from the provision of street furniture, bins and the like.

User Benefit: Individual users are the direct beneficiaries of the service. These can be visitors, as well as people from within the District.

Exacerbator: These are costs associated with responding to offenders (vandals).

(b) Funding

District Allocation: A combination of UAGC and General Rate is considered the most appropriate method of funding this activity.

Exacerbator: Council resolved that as it is usually hard to identify or inefficient to prosecute offenders this allocation be transferred to District Allocation.

User Benefit: Council agreed that although users are the direct beneficiaries of this service it would not levy fees and charges given the public health benefits of this service and the benefits to visitors of our district this service provides. Therefore, the user benefit allocation is transferred to District Allocation.

**Cemeteries**

This function involves the provision and maintenance of cemeteries in the District as required under the provisions of the Burials and Cremations Act 1964.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	70%	General Rate/ UAGC
Community Benefit	30%	30%	Fees and Charges
User Benefit	60%		

(a) Distribution of Benefits

District Benefit: This activity is assessed to provide a degree of benefit to the wider District as a whole. District benefit results from the promotion of public health and sanitary disposal of the deceased. It also contributes to the cultural well-being of all people in the District.

Community Benefit: Cemeteries have a small degree of community benefit. The Community benefit results from the promotion of public health and sanitary disposal of the deceased. It is also assessed that those people who live within the Community will utilise the cemetery more than those outside the Community.

User Benefit: Families and friends of the deceased are direct beneficiaries of the service.

(b) Funding

District Allocation: Council resolved a combination of General Rate and UAGC to be the most appropriate, efficient and transparent funding tool for this allocation.

Community Allocation: It was resolved that this allocation be reallocated to District Allocation as it was difficult to draw boundaries around the area serviced by a cemetery. Also, allocating the exact users of the cemeteries on a per community basis would be fraught with difficulties.

User Allocation: Council resolved user Fees and Charges to be the most efficient, effective and transparently lawful

available method to fund this allocation. However, as it is difficult to accurately predict the fees and charges that will be generated from this activity and it can vary quite a bit from year to year, it was resolved that a portion should be reallocated to District Allocation.

## GROUP OF ACTIVITIES: SOLID WASTE

### Level of alignment to community outcomes

Primary Contribution	Secondary Contribution
A district that cares for its environment	A district for people A prosperous district A district that values culture

### DESCRIPTION

The Solid Waste Group of Activities manage the refuse collection, disposal and recycling services for the Waitomo District. The solid waste network involves a series of recycling and transfer stations throughout the District. Residual waste is deposited at the District Landfill in Te Kūiti .

### ACTIVITIES

The Solid Waste GOA is made up of three functions:

1. Kerbside Collection
2. Waste Disposal
3. Waste Minimisation

People generate un-recyclable waste each day and the current trend of increasing amounts of packaging and waste material results in an ongoing challenge for waste management. If waste is not managed in an appropriate manner it may result in serious public health and environmental concerns.

### PERIOD OF BENEFIT (INTERGENERATIONAL EQUITY)

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

### ACTIVITY ANALYSIS AND FUNDING MECHANISMS

#### KERBSIDE COLLECTION

This activity involves the provision of kerbside collection and recycling services to residents of Te Kūiti , Piopio, Awakino, Mokau and Waitomo Village and some surrounding parts.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
Community/ User Benefit	100%	40%	Fees and Charges
		60%	TFR Per community where service is provided

#### (a) Distribution of Benefits

Community Benefit/User: Communities that are provided with kerbside collection and recycling services are the beneficiaries of this service.

#### (b) Funding

Community Allocation/User Allocation: As users can be identified as a particular group (communities that are provided with the service) and also individuals that will benefit from the service, Council resolved that fees and charges and a Targeted Fixed Rate per separately used or inhabited part of a rating unit differentiated by Community receiving the service would be the most effective, efficient and transparent method for funding this allocation. Fees and charges are applied in order to meet the Waste Minimisation objectives in the Solid Waste Management and Minimisation Plan.

The utilisation of fees and charges (including the cost of solid waste disposal in the cost of the rubbish bag) will ensure that the true cost of disposal is reflected in the right place and paid for by the beneficiary. Reflecting the true cost of disposal in the price of a rubbish bag is also expected to encourage waste minimisation.

### WASTE DISPOSAL

This function involves the maintenance and management of the Waitomo District Landfill in Te Kūiti and Transfer Stations across the District.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	45%	40%	Solid Waste TFR District wide
Community/ User Benefit	55%	60%	Fees and Charges

(a) Distribution of Benefits

District Benefit: The provision of this service provides benefit to the entire District derived from the accessibility of landfill and transfer stations and in terms of maintaining public health standards within the District.

User Benefit: Users of the landfill and transfer stations are the direct beneficiaries of this service.

(b) Funding

District Allocation: Council resolved that a Targeted Fixed Rate assessed on the basis of separately used or inhabited part of a rating unit across the entire District would be the most efficient and transparent method for funding this allocation.

User Allocation: Council resolved that user Fees and Charges would be the most efficient and transparent method to fund this allocation.

**WASTE MINIMISATION**

Preserves the environment and minimises potentially negative effects of the solid waste activity. Includes education programmes aimed at drawing attention to the benefits of waste minimisation and recovery.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	10%	0%	No funding mechanism
District Benefit	90%	40%	General Rate/ UAGC
		60%	Grants and subsidies (Waste Minimisation Rebate)

(a) Distribution of Benefits

National Benefit: Effective Waste Minimisation provides not only environmental, but economic benefits as well, that accrue to the nation as a whole. Effective and appropriate disposal of solid waste helps protect public health and the environment for all New Zealanders.

District Benefit: All residents of the District benefit from general advice and education provided as part of this service. This activity is driven by Central Government policies and there is increased focus on waste minimisation at a national level, the

benefits and costs of which accrue to the wider District as a whole.

(b) Funding

National Allocation: There is no lawful funding method to fund this allocation and therefore Council resolved that it be transferred to District Allocation.

District Allocation: Since all residents of the District benefit from the provision of this service, Council resolved a combination of General Rate, UAGC and Ministry of the Environment Waste Minimisation Rebates (when available) to be the most efficient, effective and transparent funding mechanism available to fund this allocation.

**GROUP OF ACTIVITIES: STORMWATER**

**Level of alignment to community outcomes**

Primary Contribution	Secondary Contribution
A district for people	A prosperous district A district that values culture A district that cares for its environment

**DESCRIPTION**

Stormwater is rain that runs over the ground on its way to a natural watercourse. When rain falls on buildings, carparks, driveways, roads and gardens, if it doesn't soak into the ground it follows its natural flow path downhill until it reaches a water course or is collected by a pipe system. Where there is development, runoff from properties and roads flow into stormwater systems. The greater the level of development in a catchment, the greater the level of impervious surfaces (e.g. roofs, driveways, paths etc), and therefore the greater the conversion of rainfall into runoff. If this runoff is not managed well, it will cause flooding. Generally, stormwater is channelled on to roads or into open watercourses, then down streams and rivers to lakes and then the sea.

The stormwater system manages runoff by collecting and removing the runoff, eventually disposing of it into natural streams and rivers. The Stormwater Activity involves maintaining and extending the capacity of the existing system and advocating for the appropriate management of rivers and streams within the Waitomo District.

**PERIOD OF BENEFIT (INTERGENERATIONAL EQUITY)**

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

## ACTIVITY ANALYSIS AND FUNDING MECHANISMS

### TE KŪITI URBAN AREA

Attributable Benefit – urban areas		Funding	
Benefit Group	% of Benefit	%	Method
Community Benefit	90%	35%	TFR
		65%	Targeted Rate (rate per \$100 of capital value)
User Benefit	10%	0%	Fees and Charges

### RURAL AREAS

Attributable Benefit – rural areas		Funding	
Benefit Group	% of Benefit	%	Method
Community Benefit	90%	100%	TFR
User Benefit	10%	0%	Fees and Charges

#### (a) Distribution of Benefits

**Community Benefit:** Communities that are provided with this service are the direct beneficiaries as it is their land and buildings that are protected from potential flooding. There are general public health benefits in providing a Stormwater system. A further significant community benefit from the Stormwater system is that roads remain passable during times of heavy rain and flooding.

**User/Applicant Benefit:** Individual land or property owners who can connect or are connected to the Stormwater network are the direct beneficiaries of the service.

#### (b) Funding

**Community Allocation:** Council resolved that the most effective, equitable and transparent methods to fund this allocation is:

#### Te Kūiti Urban Rating Area

A combination of:

- (a) A Targeted Fixed Rate assessed on a per rating unit basis (which will fund the standing charges associated with the provision of the service). This charge will be increased no more than annually to a maximum of the Local Government Cost Index for that year.

- (b) The residual funding requirement will be met from a targeted rate assessed on a rate per \$100 of capital value per rating unit in the Te Kūiti Urban Rating Area.

Properties in the Te Kūiti Urban Rating Area that hold current resource consents to discharge stormwater directly into the Mangaokewa Stream, and which are not utilising any part of the urban reticulated Stormwater or drainage network, will not be assessed for the targeted rate based on property value. However, the TFR is associated with the overall provision of an urban Stormwater service. As such this component is deemed to relate to the public good element of an urban Stormwater service. Therefore, the TFR will be assessed on all properties in the Te Kūiti Urban Rating Area.

#### Rural Rating Area

A Targeted Fixed Rate will be assessed on the basis of every separately used or inhabited part of a rating unit within the Rural Rating Area.

In deciding the funding split between the Urban and Rural rating areas, Council recognised that most of the Stormwater network exists in the urban rating area and urban properties benefited most from the service.

**User/Applicant Allocation:** Given that minimal new growth is forecast, Council resolved that the Targeted Rate and the Targeted Fixed Rate differentiated by Te Kūiti and rural areas is the most efficient and transparently lawful available method for funding this allocation.

## GROUP OF ACTIVITIES: RESOURCE MANAGEMENT

### Level of alignment to community outcomes

Primary Contribution	Secondary Contribution
A district that cares for its environment	A district for people A prosperous district A district that values culture

### DESCRIPTION

The Resource Management GOA work towards the goal of seeking to effectively and efficiently provide a safe and sustainable environment through the administration and enforcement of the Resource Management Act 1991 (RMA 1991).

These activities involve the administration, application and enforcement of the Waitomo District Plan provisions including:

- Issuing of resource consents for land use and subdivisions
- Monitoring consents for compliance with conditions



- Making amendments to the District Plan.

**ACTIVITIES**

There are two functions under this activity:

1. District Plan Administration
2. District Planning

**ACTIVITY ANALYSIS AND FUNDING MECHANISMS**

**DISTRICT PLAN ADMINISTRATION**

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	60%	55%	General Rate/ UAGC
User/ Applicant Benefit	35%	45%	Fees and Charges
Exacerbator	5%		

(a) Distribution of Benefits

District Benefit: There is a district wide benefit to this activity as ensuring that the sustainable management of physical and natural resources in the District are developed in a planned and orderly matter is beneficial to the entire District.

User/Applicant Benefit: Individuals and groups applying for Resource Consents requiring monitoring are direct beneficiaries of this service.

Exacerbators: These are costs incurred in responding to the actions of offenders. This includes costs associated with non-compliance with consent conditions, and can result in expensive legal action and/or hearings.

(b) Funding

User/Applicant Allocation: Council resolved that user fees and charges would be the most efficient, effective and transparently lawful method available for funding this allocation.

Exacerbator Allocation: It is usually inefficient to prosecute offenders. Council agreed that it was not efficient or effective to separately fund this allocation due to the costs associated with prosecution, collection and administration and that education and monitoring are probably the most effective methods to promote a safe and sustainable environment in the District. It was resolved to reallocate this portion to District Allocation.

District Allocation: The most appropriate method of funding the remainder of this activity is considered to be a combination of General Rate and UAGC given the 30% legislative cap on UAGC and the affordability considerations and the District wide benefit of these activities.

**DISTRICT PLANNING**

Involves the planning and strategy development around urban and District development with a view to promoting the principles of sustainable development.

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	80%	100%	General Rate/ UAGC
Regional Benefit	20%	0%	No funding mechanism

(a) Distribution of Benefits

District Benefit: District Planning benefits the wider District as a whole. Sustainable land use and growth planning seeks to uphold and protect outcomes that are important to the entire District. Every resident and ratepayer within the Waitomo District has the opportunity to be involved in Council’s District Planning processes.

Regional Benefit: There is an element of Regional Benefit to Council’s District Planning function in that Regional outcomes and priorities can be advanced at a local level. Further, there is a requirement in law that Council’s District Plan is aligned with the regional policy statement.

(b) Funding Mechanism

District Allocation: Given the District wide benefit associated with District Planning, a combination of General Rate and UAGC was resolved to be the most efficient, effective and transparent method for funding this allocation.

Regional Allocation: As there is no lawful funding mechanism available to Council to recover from this group of beneficiaries, Council resolved that the Regional Benefit be reallocated to District Benefit and funded by a combination of General Rate and UAGC.

## GROUP OF ACTIVITIES: WASTEWATER

### Level of alignment to community outcomes

Primary Contribution	Secondary Contribution
A district for people	A prosperous district A district that values culture A district that cares for its environment

### DESCRIPTION

The purpose of the Wastewater Activity is to collect, treat and dispose of sewage in an effective and environmentally friendly manner. Effective and efficient sewage collection, treatment and disposal is essential to protect the environment, maintain public health and to facilitate further economic development.

### SCHEMES

Council provides wastewater schemes in the following communities, in order to ensure the effective treatment and disposal of sewage in an environmentally sustainable manner and to promote and protect public health.

1. Te Kūiti
2. Piopio
3. Maniaiti/Benneydale
4. Te Waitere.

### PERIOD OF BENEFIT (INTERGENERATIONAL EQUITY)

Capital works that are an improvement or addition to the asset are considered intergenerational.

### ACTIVITY ANALYSIS AND FUNDING MECHANISMS

#### TE KŪITI WASTEWATER

Attributable Benefit – Te Kūiti		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	10%	TFR – District Benefit TFR – Trade Waste Contribution
Community Benefit	65%	65%	TFR – residential TFR – Non residential Base Charge TFR – Non residential pan charge

Attributable Benefit – Te Kūiti		Funding	
Benefit Group	% of Benefit	%	Method
User/ Applicant Benefit	25%	25%	Fees and Charges

#### (a) Distribution of Benefits

**District Benefit:** Wastewater services are provided by Council in communities where environmental, public health/safety and/or economic outcomes require it as an imperative. Council recognises that there is a District-wide benefit from provision of adequate wastewater services in preventing environmental pollution and achieving public health outcomes.

Council notes that the social, economic and environmental benefits of communities in the District having sustainable wastewater services accrue to the entire District and not just to those communities connected to a scheme.

**Community Benefit:** Wastewater collection and treatment reduces the possibility of health problems like spread of communicable diseases resulting from open sewer or inadequate septic tank facilities the benefits of which can be attributed to the community as a whole. Inadequate wastewater disposal facilities can also detract from the aesthetic nature of the community and impact on receiving waterways.

The Community benefit can vary depending upon the amount of demand present. High users include premises with multiple pans.

**User Benefit:** Individual users in the particular wastewater scheme who want to and are able to use the service can be identified as beneficiaries of the service.

#### (b) Funding

**District Allocation:** Given the District wide benefit assessed from the service, Council resolved a Targeted Fixed Rate assessed on each rating unit including those connected to an existing wastewater scheme to be the most efficient, effective and transparent method for funding this allocation. This allocation is assessed to be 10% of the total funding requirement.

**Community Allocation:** Council resolved a uniform (harmonised) Targeted Fixed Rate (TFR) across all scheme areas in the district and assessed on each separately used or inhabited part of a rating unit,

would be the most efficient, effective and transparently lawful method for funding this allocation.

Within a scheme area, the TFR will be differentiated by properties that are connected or have the ability to connect (serviceable). Any SUIP will be considered to have the ability to connect (serviceable) if in the opinion of Council it is practicably serviceable and its boundary is situated within 30 metres of Council's sewerage main, to which it is able to be connected but is not so connected.

User Allocation: Council resolved user Fees and Charges to be the most efficient method for funding this allocation for Te Kūiti, where revenue is received from connection fees and Trade Waste charges.

### TE KŪITI – NON RESIDENTIAL

For all non-residential properties in Te Kūiti, Council will assess a Targeted Fixed Rate per SUIP set on a differential basis based on the following Categories (differentiated by the use to which land is put):

- **Category 1** - All Businesses
- **Category 2** - Education & Community Childcare, Places of Worship, Marae, Clubs and Societies and Emergency Services. This category consists of organisations that are generally deemed 'not for profit'. For avoidance of doubt, Category 2 only covers properties with uses listed within this category and no others.
- **Category 3** - Government Department use, Rest Homes and Hospitals.
- **Ability to connect** – Those non-residential properties which are not connected but have the ability to connect.

All non-residential SUIPs will be charged one base charge for up to four pans and per pan (Pan Charge) for every pan over and above this threshold. The base charge and per pan charge is calculated as follows:

Category	Base Charge	Pan Charge (per pan)
Category 1	50% of District residential connected rate (for up to 4 pans)	70% of District residential connected rate (for 5th pan and over)
Category 2	50% of District residential connected rate (for up to 4 pans)	30% of District residential connected rate (for 5 – 10 pans) 20% of District residential

Category	Base Charge	Pan Charge (per pan)
		connected rate (for over 10 pans)
Category 3	100% of District residential connected rate (for up to 4 pans)	70% of District residential connected rate (for 5th pan and over)
Ability to connect base charge	50% of the District residential connected rate	

### Trade Waste Charges

The Trade Waste Bylaw regulates the discharge of Trade Waste to a wastewater system operated by Council and sets out the mechanism for implementing trade waste charges.

Larger industrial meat processing industries (namely Te Kūiti Meats Ltd and Universal Beef Packers), who discharge trade waste into Council's sewerage system, play a major role in the local community. The very nature of their presence means that they contribute to economic and social well-being. They do that by virtue of the fact that they employ a large number of local people. There are a range of positive downstream impacts for the community as a result. There is an economic benefit in that the related employment results in economic activity with people living locally and investing in the local property market, sending their children to local schools and spending their earnings within the local economy. Social benefits also accrue with families becoming integrated within the local community, joining clubs and societies and reduced crime.

Council will continue with the 'exacerbator pays' principle for the large industrial meat processing companies as users of the sewerage network in Te Kūiti through the continued implementation of the Trade Waste Bylaw as it relates to Trade Waste Charges. However, Council will recognise the public good attached to the contribution these significant industries make to the social and economic well-being of the District Wide Community. This public good component is considered to be enjoyed by all in the community. By having such a large combined demand for a labour force means that these industries attract people to our community for work and lifestyle reasons. Having these people living and working in the community provides economies of scale for infrastructure and services that are then enjoyed by all in the District. Further, these industries not only provide employment opportunities but also largely exist to add value to products produced by primary industry within the Waitomo District.

Council has decided that the cost of receiving and treating Trade Waste from the two major industrial meat processing industries via the Te Kūiti sewerage network will be funded 80% by way of Trade Waste Charges (Exacerbator Pays) and 20% by way of Targeted Fixed Rate (Public Good) on a per rating unit basis across every rateable property in the District.

The continuation of the cap on Trade Waste Charges at 80% of full cost recovery for the two meat processors only is dependent on Te Kūiti Meats Limited and Universal Beef Packers providing a demonstrable commitment to an agreed level of on-site treatment of their Trade Waste prior to releasing it to the Te Kūiti Wastewater Network.

### DISTRICT

Attributable Benefit – Piopio, Te Waitere, Maniaiti/Benneydale		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	10%	TFR – District Benefit
Community Benefit	65%	90%	TFR – Per community where service is provided (Harmonised)
User/Applicant Benefit	25%		Fees and Charges

#### (a) Distribution of Benefits

**District Benefit:** Wastewater services are provided by Council in communities where environmental, public health/safety and/or economic outcomes require it as an imperative. Council recognises that there is a District-wide benefit from provision of adequate wastewater services in preventing environmental pollution and achieving public health outcomes.

**Community Benefit:** Wastewater collection and treatment reduces the possibility of health problems like spread of communicable diseases resulting from open sewer or inadequate septic tank facilities the benefits of which can be attributed to the community as a whole. Inadequate sewer disposal facilities can also detract from the aesthetic nature of the community and impact on receiving waterways.

**User Benefit:** Individual users in the particular wastewater scheme who want to and are able to use the service can be identified as beneficiaries of the service.

#### (b) Funding

**District Allocation:** Given the District wide benefit assessed from the service, Council resolved a Targeted Fixed Rate assessed on each rating unit including those connected to an existing wastewater scheme to be the most efficient, effective and transparent method for funding this allocation. This allocation is assessed to be 10% of the total funding requirement.

**Community Allocation:** Council resolved a uniform (harmonised) Targeted Fixed Rate (TFR) across all scheme areas in the district and assessed on each separately used or inhabited part of a rating unit, would be the most efficient, effective and transparently lawful method for funding this allocation.

Within a scheme area, the TFR will be differentiated by properties that are connected or have the ability to connect (serviceable). Any SUIP will be considered to have the ability to connect (serviceable) if in the opinion of Council it is practicably serviceable and its boundary is situated within 30 metres of Council’s sewerage main, to which it is able to be connected but is not so connected.

**User Allocation:** Council resolved user Fees and Charges to be the most efficient method for funding this allocation, where revenue is received from connection fees and Trade Waste charges.

### GROUP OF ACTIVITIES: WATER SUPPLY

#### Level of alignment to community outcomes

Primary Contribution	Secondary Contribution
A district for people	A prosperous district A district that values culture A district that cares for its environment

#### DESCRIPTION

The Water Supply activity provides for the environmentally safe collection, treatment and reticulation of Council’s public water supplies. Water supply is essential to run households, maintain public health and sustain economic development. Council is committed to providing a water supply service that meets the diverse needs of the Waitomo District.

#### SUPPLY AREAS

Council provides water supply in the following communities:

1. Te Kūiti
2. Maniaiti/Benneydale

- 3. Mokau
- 4. Piopio

**PERIOD OF BENEFIT  
(INTERGENERATIONAL EQUITY)**

Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

**ACTIVITY ANALYSIS AND FUNDING MECHANISMS**

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	10%	10%	TFR – District Benefit
Community Benefit	60%	60%	TFR – Per community where service is provided (Te Kūiti and Rural areas). Harmonisation paused, Transition rate – until a decision on the forming of a regional entity for delivery of water services is made
User/Applicant Benefit	30%	30%	Targeted Metered Water Rate

(a) Distribution of Benefits

District Benefit: Council has assessed that there is a District-wide benefit from provision of adequate water supply services in its communities. Council notes that the social, economic and environmental benefits of communities in the District having sustainable Water Supply services accrue to the entire District and not just to those communities connected to services and assesses this district wide benefit to be 10%.

Community Benefit: Water treatment and supply contributes to providing a safe and healthy lifestyle and reduces the possibility of health problems resulting from contaminated water and inadequate supply. These benefits are attributable specifically to the community as a whole.

Provision of water supply ensures the maintenance of fire-fighting capability, the benefits of which accrue to the entire community. Factors such as the sensitivity of the surrounding environment on the

availability of water at source are outside of a community's control.

All residents and properties in the area serviced by a particular water supply scheme can be identified as direct beneficiaries of the service.

(b) Funding

District Allocation: Council resolved that a Targeted Fixed Rate assessed on all rating units in the District including those connected to an existing Water supply scheme is the most transparent, equitable and appropriate method of funding this benefit allocation, as well as reflect the that the provision of adequate water supply services benefits the whole District as it is essential for maintaining public health and safety and protection of property from fire.

Community Allocation: In the previous 10YP, Council resolved that a uniform (harmonised) Targeted Fixed Rate across all supply areas in the district and assessed on each separately used or inhabited part of a rating unit, would be the most efficient, effective and transparently lawful method for funding this allocation,

Due to affordability considerations and uncertainty around future ownership of water supply assets, Council will continue to pause the current transition to full harmonisation over the life of the plan. The activity was to be fully harmonised in 2024/25 however due to the uncertainties with the formation of a regional entity to deliver water services and the implementation of metered water commencing from Year 4 Council have elected to pause the full harmonisation of the charges. Within a water supply area, the TFR will be differentiated for properties that are connected or have the ability to connect (serviceable).

Any SUIP will be considered to have the ability to connect (serviceable) if, in the opinion of Council, it is practicably serviceable and its boundary is situated within 100 metres of a water main, to which it is able to be connected but is not so connected.

Any SUIP situated in Te Kūiti , Piopio, Maniaiti/Benneydale or Mokau that has been fitted with a water meter and/or is defined as having an extraordinary supply (in accordance with Council's Water Services Bylaw) will be charged a targeted fixed rate per cubic metre of water consumed over and above an annual consumption of 292m3 per SUIP.

## GROUP OF ACTIVITIES: ROADS AND FOOTPATHS

### Level of alignment to community outcomes

Council considers the community outcomes that this activity contributes to as:

Primary Contribution	Secondary Contribution
A district for people	A prosperous district A district that cares for its environment

### DESCRIPTION

The Roads and Footpaths GOA includes the maintenance and development of roads, kerbs and channels, bridges, street lighting, footpaths and street cleaning for all of the Waitomo District, with the exception of the State Highways, which are managed by NZTA Waka Kotahi.

Council maintains its roads under contract to a standard that provides safe and comfortable driving within the limitations of available funding.

### ACTIVITIES

The functions comprising this activity are:

1. Subsidised Roothing
2. Unsubsidised Roothing

### PERIOD OF BENEFIT (INTERGENERATIONAL EQUITY)

The benefit of most operating costs is expected to arise in the year the funding is sourced. Capital works that are an improvement or addition to the asset are considered intergenerational in nature.

In relation to the damage to local roads from forestry harvest the period of benefit has been considered over an exotic forest's life (ie 27 years) because of the high road damage costs during harvest relative to the rest of the forest's growing lifecycle.

### Costs and benefits

There is a greater opportunity for the Waitomo District community to have input on decisions, proposals, issues and other matters through consultation by treating the Roothing activity distinctly from other activities. The Roads activity comprises two functions due to the requirement to identify expenditure eligible for NZTA funding and the other expenditure that is not eligible for subsidy.

The contribution towards the community outcomes were considered as well as the long term sharing of these costs versus the social, environmental and economic benefit that comes from the exotic forestry sector.

Modelling of forestry compared to non-forestry road costs has made it more transparent that there was a significant difference in costs. The modelled incremental costs from harvest damage are not fully passed on through the rating differential and there is strong intent to work with forestry businesses to find the best solution for maintaining and funding road damage during log harvest.

### Impact on social, economic, environmental, and cultural well-being of the community

In considering the setting of the differential factors, Council reduced the differential factor to recognise the benefit that Forestry Activities provide to the district and to assist with affordability. The benefit recognised that the forestry industry provides to the district is through employment and commercial activity.

The capital value of the forestry property values do not include the value of the trees resulting in a lower capital value compared to other property categories thereby resulting in forestry properties contributing significantly less towards roading costs.

Consideration of the overall impact of the introduction of the differential categories and the resulting differential rates on each category of ratepayer.

The roading activity therefore lends itself to be funded by a separate targeted rate. There are several indicators why there should be a separate differential on the roading rate for exotic forestry (detailed above).

Due to the relatively low capital value of forestry land but the high contribution to roading costs from harvesting activities, the differential should be a substantial uplift on other categories of land. The differential for exotic forestry properties has been moderated somewhat less than the direct contribution to costs caused to due the benefits to the wider community from the exotic forestry activity and the affordability on ratepayers. Having regard to the overall effect of any rating impact, the Council has settled on a differential factor of 3. This differential factor may be reviewed during the 2025/26 annual plan development.

### ACTIVITY ANALYSIS AND FUNDING MECHANISMS

Council has chosen to differentiate the District Roothing Rate into two categories and will use the 'use to which the land is put' (Schedule 2 (1) of

LGRA 2002) to define the land liable for these rates. The TR will be assessed as a rate per \$100 of capital value to part fund the Roads and Footpaths activity. Council has chosen to primarily use valuation data to determine the allocation of rating units to differential rate categories.

The following land use categories and differential factors will apply to the District Roding Rate:

Differential Category	Definition	Differential Factor
a) District Roding Rate - General	All rating units in the district excluding those properties categorised as differential b) below.	1.0
b) District Roding Rate - Forestry Exotic	<p>Rating units that have been assigned the FE category code (Forestry Exotic) by Council's Valuation Service Provider and/or properties that are partially used for exotic forestry.</p> <p><b>Properties with a mixed use</b> Where rating units have a mixed use (eg; pastoral and exotic forestry), and the area of exotic forestry is 20 hectares or more, the rating unit will be apportioned to enable the district roding rate to be charged correctly. The portion used for exotic forestry will be charged the differential of 3.0 and the remaining portion will be charged the differential of 1.0.</p>	3.0

## SUBSIDISED ROADING

Waka Kotahi the national road funding authority, provides a subsidy for works that meet the criteria for subsidy. The Activities currently subsidised by Waka Kotahi are:

- Sealed Pavement Maintenance
- Unsealed Pavement Maintenance
- Footpath Maintenance
- Footpath Renewals
- Routine Drainage Maintenance
- Structures Maintenance
- Environmental Maintenance
- Traffic Services Maintenance
- Level Crossing Warning Devices
- Emergency Reinstatement
- Network and Asset Management
- Professional Services
- Road repairs for damage to local roads from forestry harvesting

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
National Benefit	50%	71%	Subsidy
District Benefit	45%	27%	Differentiated Targeted Rates for 2 categories (rate per \$100 of capital value)
Exacerbator	5%	1%	Differentiated Targeted Rates for 2 categories (rate per \$100 of capital value)
		1%	Fees and charges (Petroleum Tax Rebates and Contributions)

### (a) Distribution of Benefits

**National Benefit:** The District's roding network is part of the national and regional transport network. Efficient and sustainable development of the network within the District contributes to the economic and social well-being of the entire nation and region, as it is used by travellers, goods transporters and others who may or may not live in the District. Transport facilities are maintained and developed to provide safe and comfortable travel within and through the District.

**District Benefit:** All residents and businesses within the District can be identified as direct beneficiaries of the service as provision of roads enables access and transport to people and organisations within the District. The economic benefits of maintaining efficient transport facilities accrue to all residents of the District in one way or another.

**Exacerbator:** Extensive damage may occur to local roads from heavy vehicle movements during the forest harvest resulting in increased costs for repairing roads during and after the harvest period. The forestry traffic, at times of harvest, creates significant damage beyond that of other users to roads. The frequency of heavy traffic use during the harvest is believed to also accelerate damage compared to if the same volume was spread over a much longer period.

The implementation of forestry differential to recover part of the direct cost of exotic forest harvesting on local roads is seen to

be a prudent way to balance the economic benefits derived by the district from forestry operations with the increased costs of maintaining local roads during harvest. The incremental annual average cost of maintaining a forestry road over the forest lifecycle is well in excess of the cost to maintain other roads and therefore an additional contribution from ratepayers who own exotic forests is considered appropriate.

In the case of mixed-use properties with less than 20 hectares of forestry, it was considered that these blocks may be too small to make a material impact on roading during harvest. This land may be steep or in small plantings that may have taken place to aid with erosion and may not be harvested.

(b) Funding

National Allocation: The National benefit portion is funded through the NZTA Waka Kotahi subsidy.

The amount of subsidy is decided by NZTA Waka Kotahi and is based on assessing costs and benefits therefore, Council resolved that the remainder of this allocation be transferred to District Allocation.

District Allocation: Council resolved that a combination of differentiated targeted rates (rate per \$100 of capital value) assessed on the two categories defined above, Petroleum Tax Rebates and contributions to works would be the most efficient and transparently lawful method of funding this allocation.

Exacerbator Allocation: Council resolved that differentiated targeted rates (per \$100 of capital value) assessed on the two categories defined above would be the most efficient method of funding this allocation. Council will continue to work with forestry parties to establish agreements whereby the parties assume all or part of the funding and/or management of the road repairs or reconstruction for roads directly and significantly impacted when forest harvesting takes place.

**UNSUBSIDISED ROADING**

These are activities carried out to ensure the safe and efficient travel within and through the District and are necessary for road or pedestrian safety and convenience but are not subsidised by NZTA Waka Kotahi and for which Council has sole financial responsibility.

These include:

- Amenity Lights

- Unsubsidised Miscellaneous work including road legalisation and road stopping and support services for unsubsidised road projects
- Street Cleaning and Litter Bins
- Carpark maintenance (other than kerbside parking)

Attributable Benefit		Funding	
Benefit Group	% of Benefit	%	Method
District Benefit	100%	83%	Differentiated Targeted Rates for 2 categories (rate per \$100 of capital value)
		17%	Fees and Charges

(a) Distribution of Benefits

District Benefit: Maintenance of transport services to provide for pedestrian safety and convenience has a District wide benefit in that all residents use or visit the urban centres.

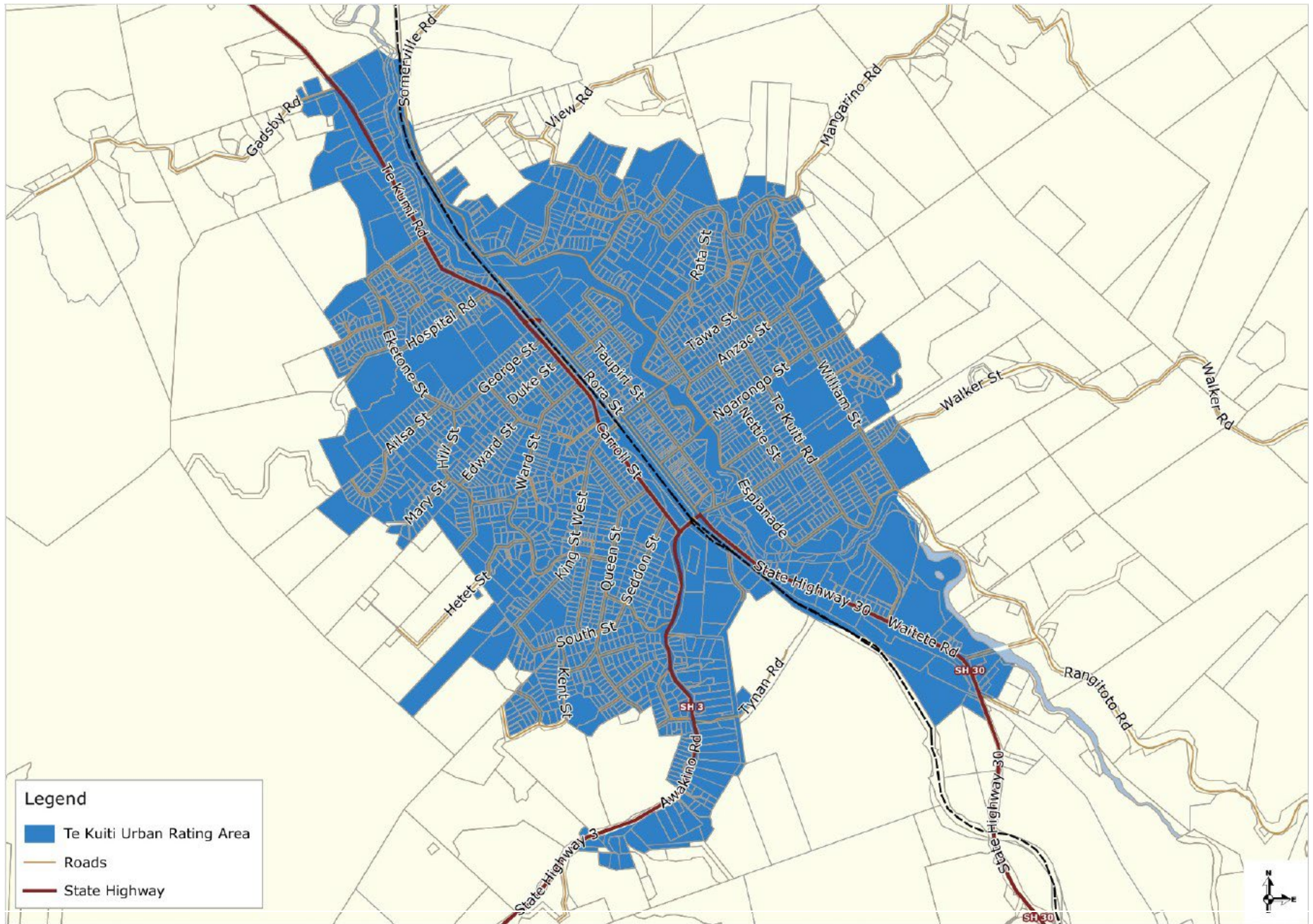
(b) Funding

District Allocation: Council resolved that a combination of differentiated targeted rates (per \$100 of capital value) assessed on the two categories defined above and fees and charges would be the most efficient method of funding this allocation.

Fees and charges include receipts from road closures, overweight permits, etc. together with a long-standing contribution from identified parties towards maintenance of the District’s roads based on annual production or capitation.



APPENDIX ONE: TE KŪITI URBAN RATING AREA







HE WHAKARĀPOPOTO I TŌ MĀTOU  
HIRAHIRATANGA ME TE KAUPAPA HERE KI TE  
KATOA

# SUMMARY OF OUR SIGNIFICANCE AND ENGAGEMENT POLICY



## WHAT IS A SIGNIFICANCE AND ENGAGEMENT POLICY?

The Local Government Act 2002 (LGA 2002) requires us to have a Significance and Engagement Policy \* (the policy). This policy provides clear guidance for the community about:

- how we decide if a decision or proposal is significant
- when, and to what degree, the community can expect to be engaged on a decision or proposal.

\* the full policy can be found on our website.

## WHEN AND HOW DOES THIS POLICY APPLY?

Every formal decision we make will take this policy into account. The policy is applied in a two-step process:

1. identify the level of significance
2. decide the level of engagement and approach to be taken (if any).

## HOW IS SIGNIFICANCE ASSESSED?

The level of significance of a proposal or decision is identified by assessing the impact of the decision against the following considerations.

- The level of financial consequences of the proposal or decision.
- Whether the proposal or decision will affect a large portion of the community.
- Whether the impact or consequences of the decision or proposal on the affected persons (being a number of persons) will, in Council's view, be substantial.
- The likely impact on present and future interests of the community.
- The likely impact on Māori cultural values and their relationship to land and water.
- Whether the proposal affects the level of service of a significant activity.
- Whether community interest is high.
- Whether the likely consequences are controversial.
- Whether community views are already known, including the community's preferences about the form of engagement.
- The form of engagement used in the past for similar proposals and decisions.
- There is a legal requirement to engage with the community.

If the financial consequences of the proposal or decision exceed the following thresholds the proposal or decision will be considered significant. A possible increase in funding requirement in excess of:

- 20% of total Council operating budget costs, or
- Capital expenditure in excess of 2.5% of the total value of Council's assets

### Notes

1. *Emergencies and emergency works of Council are excluded from these thresholds, as by their very nature, they are unplanned and must be responded to immediately.*
2. *The threshold for capital expenditure relates to new or development expenditure only. Asset renewal is an important and integral aspect of owning and managing assets.*
3. *The thresholds above are not mutually exclusive. Capital expenditure is likely to result in associated operating costs, which must also be tested for materiality.*
4. *The thresholds are calculated including current and non-current assets, gross FAR funding, interest and total depreciation expense (including non-funded depreciation).*

## HOW DO WE DECIDE THE LEVEL OF ENGAGEMENT TO BE CARRIED OUT?

The level of engagement on a proposal or decision is guided by the level of significance.

If a proposal or decision is affected by a number of the above considerations, it is more likely to have a higher degree of significance. In general, the more significant an issue, the greater the need for community engagement.

At any time, we may choose to engage at a higher level than required by the policy but not at a lower level.

We will apply the Principles of Consultation (s82 of the LGA 2002) and consider the communities preferences when deciding the engagement approach.

## CAN WE MAKE A DECISION THAT IS INCONSISTENT WITH THIS POLICY?

If we choose to make a decision significantly inconsistent with the policy, we are obligated by section 80 of the Local Government Act 2002 to:

- make the inconsistency clear
- explain the reasons for the inconsistency
- explain how we plan to address the discrepancy.

# TE RAUTAKI HANGARAU A TE KAUNIHERA INFRASTRUCTURE STRATEGY



## SECTION 1 | PURPOSE

The purpose of this Infrastructure Strategy (IS) is:

- (a) To identify significant infrastructure issues for Waitomo District Council (WDC) over the period covered by the strategy, and
- (b) To identify the principal options for managing those issues and the implications of those options.

The IS addresses the above purpose by outlining how WDC intends to manage its infrastructural assets for the 30 year period 2024 - 2054, within the following four groups of activities:

- i. Water Supply
- ii. Wastewater (Sewerage)
- iii. Stormwater
- iv. Roads and Footpaths

The key issues impacting on future management of WDC's infrastructure assets have been highlighted taking account of asset renewal or replacement needs, impacts of changes in demand for services reliant on those assets, changes to levels of service (e.g. as a result of new resource consents), consideration of public health and environmental outcomes, and managing risks impacting on the resilience of the assets to natural hazards.

This strategy represents an accumulation of the corresponding asset management planning underpinning WDC's Long Term Plan 2024 -2034 (LTP).

## SECTION 2 | BACKGROUND

Clause 101B of the Local Government Act 2002 (LGA) requires Council to prepare and adopt an infrastructure strategy as part of its Long Term Plan.

WDC's first Infrastructure Strategy was prepared and adopted in 2015.

This updated IS forms part of the LTP 2024-2034 in accordance with Section 101B(1) and Schedule 10 of the LGA.

The strategy is required to provide an outline of "the most likely scenario" of how WDC intends to manage its infrastructure assets, taking account of the need to:

- renew and replace existing assets
- respond to growth or decline in demand for services reliant on those assets
- allow for planned increases or decreases in levels of service provided through those assets

- maintain or improve public health and environmental outcomes or mitigate adverse effects on them
- provide for resilience of infrastructure assets by identifying and managing risks relating to natural hazards and by making appropriate financial provision for those risks.

## SECTION 3 | STRATEGIC CONTEXT

### CENTRAL GOVERNMENT POLICY

The following, updated, strategic environment has been taken into account in the 2024-2054 Infrastructure Strategy.

### Three Waters -Local Water Done Well

There have been recent changes to the legislation for three waters with the repeal of the Water Services Bill which puts the water, wastewater and stormwater assets back under control of local authorities.

The new government's approach to ensure water, wastewater and stormwater is delivered effectively gives control to local councils while using regulators to enforce rules around investment and compliance. This is outlined in the policy 'Local Water Done Well'.

The expectation is that three waters service delivery will be self-sustaining and paid for by users through revenue, rates or a combination of both. This will need to cover cost of maintenance required to meet compliance and expected levels of service. An Infrastructure Regulator will also ensure that sufficient investment is made to meet minimum standards and to allow for growth.

The option to form Regional Council Controlled Organisations comprised of the water, wastewater, stormwater, service delivery and assets will be available which is likely to offer economies of scale and long-term borrowing separated from council's balance sheet.

This IS does not assume that WDC join a Regional CCO, the investment in 3 waters has been based on the available information at the time. The level of investment is prioritised to the most critical issues that could impact public health and safety and resilience for the future. WDC has a stable population base and projections indicated a small amount of growth in the first 10 years followed by a decline to return to current population numbers in 30 years. Infrastructure investment is not a limiting factor to the expected growth at the projected rate.

## RMA - Management

The new government have repealed the Natural and Built Environments and Spatial planning Acts which means that the RMA 1991 is the current legislation. The Climate Change Adaptation Act was the third part of reforming the RMA. This bill is currently being developed by the Ministry. It will address how communities adapt to climate change and the process around managed retreat. Planning and infrastructure investment decisions will be governed by this legislation to ensure infrastructure is climate resilient and decisions have considered the relevant risks relating to climate change.

Infrastructure investment and planning decisions will be made in accordance with current legislation and in line with our current Operative District Plan.

## National Policy Statement for Freshwater Management

In addition to the changes for the RMA legislation the National Policy for Freshwater Management 2020 will be replaced. The requirement for councils to implement a freshwater management plan by the end of 2024 has been removed by Cabinet. The new NPS-FM will take about 2 years to complete. Council's freshwater plan changes to align with this are due to be notified by the end of 2027.

Any future investment or upgrades in the management of freshwater and environmental discharges will need to consider these changes.

## Government Policy Statement (GPS) for Land Transport

The Draft Government Policy Statement on Land Transport 2024-33 (GPS 2024) is due to come into effect in July 2024. GPS 2024 defines four new strategic priorities which are:

1. Economic Growth and Productivity
2. Increased Maintenance and Resilience
3. Safety
4. Value for Money

The 2024-27 National Land Transport Programme and Regional Land Transport Programmes are expected to prioritise projects and activities that progress the GPS 2024 priorities. The focus should be on achieving the following impacts in the short to medium-term:

### Economic growth and increased productivity

- reduced journey times and increased travel time reliability

- less congestion and increased patronage on public transport
- improved access to markets, employment and areas that contribute to economic growth
- more efficient supply chains for freight
- Unlocked access to greenfield land for housing development and supporting greater intensification.

### Increased maintenance and resilience

- more kilometres of the road network resealed and rehabilitated each year
- fewer potholes
- a more resilient network.

### Improved safety

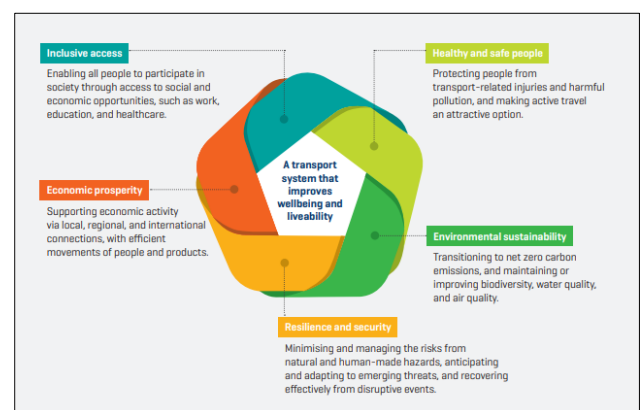
- reduction in deaths and serious injuries
- increased enforcement.

### Value for money

- better use of existing capacity
- less expenditure on temporary traffic management.

The priorities of GPS 2024 have changed, but the five pillars of the Transport Outcomes Framework (2021) have remained:

1. Healthy and safe people
2. Environmental Sustainability
3. Resilience and security
4. Economic Prosperity
5. Inclusive Access



Framework



**Table 1: Summary of changes between GPS 2021 and GPS 2024 for Land Transport**

GPS 2021 Priorities	GPS 2024 Priorities	Notes
<b>Safety</b> Develop a transport system where no-one is killed or seriously injured.	<b>Economic Growth and Productivity</b> Efficient investment in our land transport system connects people and freight quickly and safely, supporting economic growth and creating social and economic opportunities including access to land for housing growth.	<i>Safety remains a priority, however, GPS 2024 indicates that the core principal of upgrading roading infrastructure plays a pivotal role in safety.</i>
<b>Better Travel Options</b> Provide people with better travel options to access places for earning, learning, and participating in society.	<b>Increased maintenance and resilience</b> Increasing maintenance levels and improving resilience on our local and rural roads is critically important in achieving the Government's overall objective of supporting economic growth and productivity.	<i>Improving access remains a priority, the resilience of our transport networks needs improvement to support growth and productivity.</i>
<b>Improving freight connections</b> Improve freight connections to support economic development.	<b>Safety</b> Upgrading road infrastructure to higher safety standards will have a significant impact on improving road safety.	<i>Freight and logistics is still a priority in GPS 2024, slight increase in priority.</i>
<b>Climate Change</b> Transform to low carbon transport system that supports emissions reductions, aligned with national commitments, while improving safety and inclusive access.	<b>Value for money</b> Ensure investment is focussed on efficient changes, which make improvements to the roading network at the lowest cost.	<i>Value for money is a new priority driving efficient investment approach.</i>

## POPULATION PROJECTIONS

Infometrics was engaged by WDC to review and develop growth projections for the Waitomo District in September 2022. The purpose of the review was to provide population projections for long-term planning activities. The projections start with a base of the estimated residential population and then consider elements such as employment, migration, fertility, mortality, and household formation. Demographics and labour market are incorporated to the districtwide trend while sub-district considers household growth capacity and historical trends.

In 2013 Waitomo hit its lowest point having been in decline since the mid-1980s. Waitomo's population grew steadily from 2013, to reach 9,663 in 2021. Waitomo is projected to continue growing to reach a peak of 10,035 in 2039, thereafter easing back to 9,640 in 2054. This means that although growth is forecast over the next 20 years, by the end of the 30-year horizon, Waitomo is expected to have a similar population level to what it has today.

This correlates to a high to medium growth projection scenario which will be used for planning assessment purposes in this Infrastructure Strategy.

### High to Medium Growth Scenario

**Population** - Waitomo's population growth has been relatively weak over the past 25 years,

although stronger net migration gain in recent years has increased growth. Waitomo's population average growth rate over the past 25 years was -0.1%pa, improving to 0.1% for the past 10 years. Looking out to 2054, most of Waitomo's growth is expected over the next ten years, as stronger net migration is expected to replace retiring workers. Waitomo's population is projected to grow by 0.3%p.a. between 2021 and 2031, reducing to 0.1%p.a. between 2031 and 2041, and -0.3%p.a. between 2041 and 2054.

**Households** - The number of households and average household size are estimated based on projected changes in the sex and age structure of the population (such as a growing older-age population) and trends in household formation (such as women deferring childbirth). This provides a theoretical estimate of the number of households; however, the actual number of households will depend on a sufficient number of dwellings being available. If fewer dwellings are made available, for example due to lower levels of new dwelling construction, then fewer households will be able to form, and the average household size may be higher.

Waitomo's average household size is projected to continue falling over the next decade, from 2.61 in 2021 to 2.55 in 2031. This is driven by smaller families and an increasing proportion of older persons forming couple-without-children or one-person households. By the 2030s, average household size is projected to stabilise at around

2.55, remaining around that level for the remainder of the projection period.

The decline in household size means that the household number is projected to grow faster than the population due to more households forming within the existing population, and additional households from population growth.

Households are projected to grow around 0.5% per annum over the next decade, with growth steadily falling thereafter. Household growth is projected to turn negative from 2039 onwards, following the district’s trend for population decline.

**Rating Units** - Population and dwelling growth flows through to rating units. The district’s rating units are predominantly Residential and Residential Lifestyle, with nearly two thirds of the total rating units falling under these two categories.

Therefore, any rating unit growth will be heavily dependent on dwelling growth.

The number of households in the Waitomo District is estimated to have risen from 3,608 in 2018 to 3,656 in 2021. Households are projected to grow steadily to 3,907 in 2039, before easing back to 3,757 in 2054.

The number of rating units is currently 5,950 as at 31 January 2024. Rating units are trending at 0.5% per year with the dwelling growth and new households on the same trajectory.

The average trend of 0.5% per year will be applied over the first 10 years, after this point population growth is expected to slow and then go backwards. The rating units are also expected to follow this stagnating trend however it is unlikely rating units will reduce and there may still be land development changes that create some increases therefore years 11-30 a small increase of 0.1% per year has been applied.

**Table 2: Waitomo District Population and Dwelling Forecasts 2022-2054**

Output	2022	2023	2024	2034	Change 2024 to 2034	2054	Change 2034 to 2054
Resident Population	9,340	9,673	9,708	9,985	+277	9,640	-345
Total Households	3,673	3,691	3,712	3,878	+166	3,758	-120
Total Rating Units	5,906	5,938	5,950*	6,273	+323	6400	+127

\*Total rating units as at 31 January 2024

### Population Structure

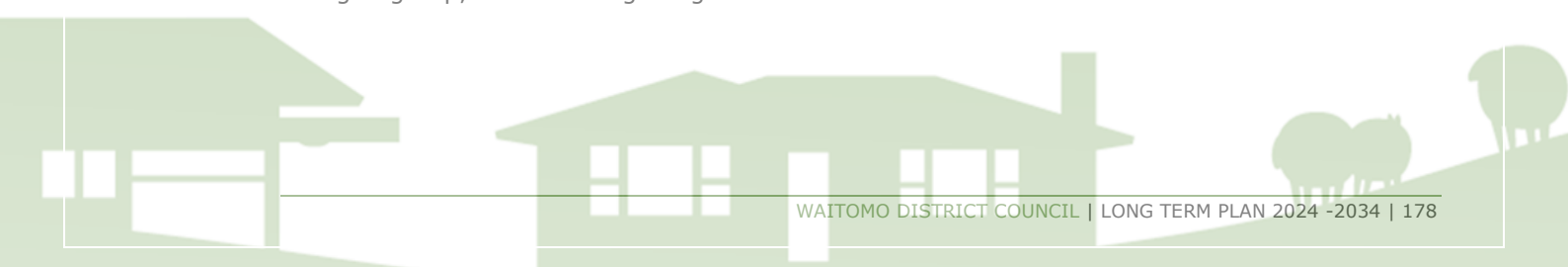
The 65-years-and-older age group has been Waitomo’s fastest growing in the past two decades, growing 42% between 2003 and 2018. It will continue to be the fastest growing age group, projected to grow 53% between 2018 and 2033 as the last of the baby boomer generation transitions into the age group.

The 65-years-and-older age group accounted for 1,480 or 15% of Waitomo’s population in 2018, and this is projected to rise to 2,435 (25%) by 2053 (Graph 2). The 30–64-year-old population is projected to hold steady over the next 30 years at around 4,300 (44%). The 15-29-year-old population is projected to ease from 1,840 (19%) in 2018 to 1,323 (14%) in 2053. The 0-14-year-old population is also projected to ease, from 2,110 (22%) in 2018 to 1,634 (17%) in 2053.

As a result of out-sized growth in the 65-years-and-over age group, the average age of

Waitomo’s population is projected to rise strongly over the next 30 years. Waitomo has historically had a relatively young population, with an average age below the national average. However, decades of net migration outflows have aged the population in Waitomo, as younger cohorts leave the district and older cohorts stay put. This has brought Waitomo’s average age to the same as New Zealand’s, 39 years in 2021.

Over the next 30 years, Waitomo is projected to experience weak net migration losses, at the same time as New Zealand overall experiences steady net migration gains. Net migration typically brings in relatively young population, which is important as the population ages and births are decreasing. Altogether, Waitomo is projected to age more rapidly than New Zealand overall. Waitomo’s average age is projected to be 45 years in 2054, compared to 44 years for New Zealand.



## Projections by sub-district

Population growth is projected to be strongest in Te Kūiti (East and West) over the medium and long term (Table 1). This reflects historic growth patterns and the greater availability of serviced and zoned land within Te Kūiti compared to Waitomo's smaller communities. Employment growth is also likely to be stronger in Te Kūiti. National environmental regulations around greenhouse gas emissions and freshwater will drive deintensification of livestock farming and afforestation, which will adversely affect employment in the district's rural communities more so than in Te Kūiti.

Te Kūiti West had a population of 2,668 in 2021, is projected to grow 0.5%pa over 2021-2034, and 0.1%pa over 2034-2054. Te Kūiti East had a population of 2,066 in 2021, is projected to grow 0.5%pa over 2021-2034, and 0% over 2034-2054.

### Waitomo District population by SA2

Stats NZ estimate, Infometrics projection

	2021	Annual average growth	
		2021-2034	2034-2054
Herangi	1,019	0.0%	-0.5%
Hangatiki	1,324	0.2%	-0.2%
Aria	1,283	0.1%	-0.4%
Te Kuiti West	2,668	0.4%	0.1%
Te Kuiti East	2,066	0.5%	0.0%
Waipa Valley-Tiroa	1,287	0.1%	-0.5%
<b>Waitomo District</b>	<b>9,647</b>	<b>0.3%</b>	<b>-0.2%</b>

## Current Pattern of Building and Subdivisional Development

Population growth for the district is projected to increase on average by 0.3%pa over the next ten years, while the number of dwelling and rating units are projected to grow slightly and then level off as the population declines from 2034-2054.

There has been a recent increase in recent years 2020-2024 of residential and residential infill subdivisions occurring in Te Kūiti along with modest lifestyle development around Te Kūiti, Waitomo Village, Mokau, and Awakino. However, residential building activity has slowed in the 2nd half of 2023 and into 2024, but this is consistent with national trends.

Recent work on WDC's Proposed District Plan has confirmed the availability of land for future residential development, contiguous with existing urban and rural residential settlement areas. In other words, land availability for future growth is not a limiting factor over the term of this Infrastructure Strategy.

## Future Development Activity

From an infrastructure planning perspective, particularly in respect of the three water services provided to the larger residential communities in the district, demographic and development trends will not impact on the demand for these services at the present time or in the foreseeable future.

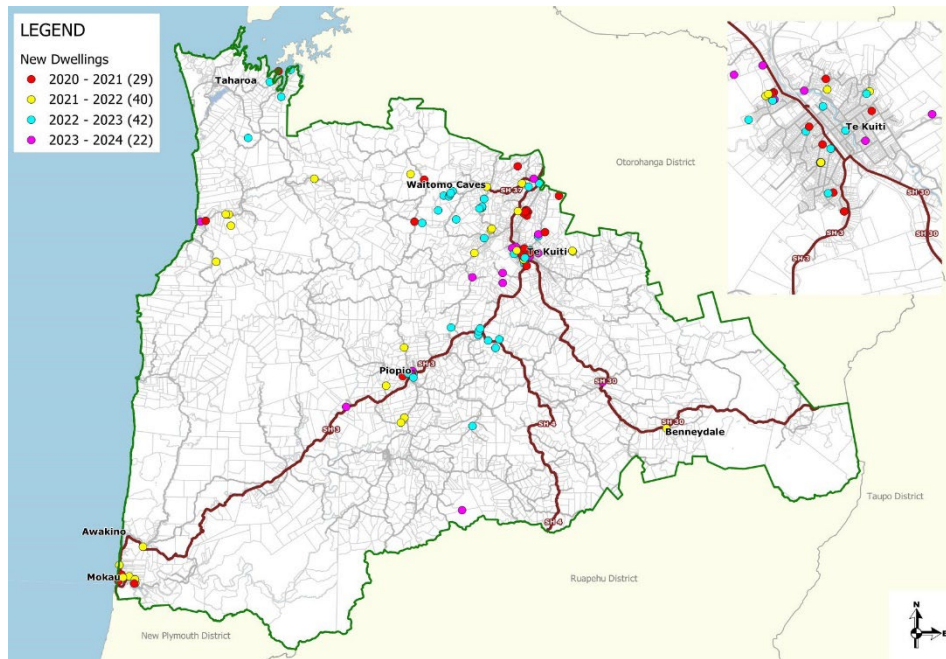
For roads and footpaths, there is a relationship between population and traffic volumes, but not linear due to the impact of age profile, incidence of car ownership and fuel prices. More relevant to roading infrastructure planning will be land use activities, and the numbers of heavy commercial vehicles attaching to that.

From a recent, informal, desktop planning exercise, drawing from development proposals which are known to officers and/or are in the early stages of consent processing, it has been identified that further growth is unlikely to place pressure on the provision of Council services as there is capacity in the reticulated water and wastewater network for additional dwellings, and new dwellings will need to treat stormwater on-site before it can be discharged into the reticulated stormwater network.

Indications are the recent trends of reasonably high growth (2021 and 2022) are likely to drop off in the near future (which is consistent with what is occurring nationally at present). An indication of the recent growth can be seen from the number of building consents issued for new dwellings in the district over the past three years (i.e., since 2020) – a total of 133 (compared to 74 over the 3-year period 2017 –

2020). While the majority of these (approx. 40) were located in and around Te Kūiti , the distribution is otherwise diffuse. Figure 2 below illustrates this.

**Figure 2: Waitomo District Distribution of Building Consents –2020–2023**



## GEORGRAPHY

Waitomo District encompasses 354,649 hectares of predominantly rural land on the west coast of the Central North Island. The western boundary is the Tasman Sea. It is adjacent to the Ōtorohanga District to the north, Taupo District to the east and Ruapehu and New Plymouth Districts to the south.

Te Kūiti is the administrative and main trading centre in the Waitomo district, with approximately 45% of the District population residing in this town. There are several other smaller settlements located throughout the district, including the popular beach settlements of Mokau, Awakino, Marokopa, Te Waitere and Taharoa. The main rural communities are Maniaiti/Benneydale, Piopio and Waitomo Village.

While the district is predominantly contained within the Waikato Region, the south-eastern corner of the District is within the Manawatu-Wanganui (Horizons) Regional Council's jurisdiction.

## INFRASTRUCTURE CONTEXT

Council's asset management strategy over the past 10 years, particularly in respect of WDC's water supply and wastewater infrastructure, has been to focus on improving asset condition and performance in support of the community's public health and environmental outcomes, whilst at the same time taking a prudent approach to financial management. The increasing demographic trend projected for the next 20 years will help to improve pressure on the financial affordability however inflation will keep costs increasing to make it difficult to provide levels of service beyond the minimum required to meet its resource consent and other legislative requirements.

In the 10-year period between 2013/14 and 2023/24, WDC invested approximately \$80 million on various capital projects within the four groups of activities covered by this IS in meeting the infrastructure needs consistent with the above approach. Some of the key projects completed over this period included:

- Construction of raw water storage dam at Mokau
- Mokau Water Treatment plant upgrade.
- Mokau network pipe renewals
- Maniaiti/Benneydale water and wastewater treatment plants upgrade
- Upgraded the treatment processes and systems to comply with Protozoa requirement at Mokau and Maniaiti/Benneydale water supplies

- Te Kūiti water treatment plant upgrade
- Backflow preventors districtwide installation.
- Maniaiti/Benneydale wastewater treatment plants upgrade
- Te Kūiti wastewater treatment plant rebuild
- Rora Street Stormwater and Watermain upgrades
- Structural improvements across both sealed and unsealed roads
- Road safety improvements
- Te Ara Tika – pedestrian bridge
- Footpath replacements districtwide

Whilst a projected increase in population improves investment in terms of affordability, there is little or perhaps no scope to scale up Council's involvement in the provision of core infrastructure. The growth in infrastructure terms is relatively short lived and can be accommodated in improvements being made to the existing networks, such as repairing leaks and widening existing footpaths. The exception to this is the investment in the stormwater network that has been driven by recent flooding events and predicted climate change that this will occur more regularly. Some investment is required for anticipated minimum infrastructure, environmental and public health standards as government reforms progress.

For the three waters, the strategic direction will include minimum investment standards as a result of Central Government's Local Water Done Well Programme, the Taumata Arowai - Water Services Regulator Act 2020, and National Policy Statement for Freshwater Management. For roading, the Government Policy Statement for Land Transport 2024 prioritises operating and maintaining the network and building resilience which are important for our network as we rebuild from recent severe weather events.

In summary, the projected increase in population, and minimal new development, is forecast to have minimal impact on Council's delivery of core infrastructure, over the next 30 years. Within that, however, is the need to focus on managing core infrastructure in a manner that ensures compliance with minimum standards and improvements are delivered that provide some additional capacity.

## SECTION 4 | STRATEGIC RESPONSE TO MANAGING INFRASTRUCTURE ASSETS

Council has taken a strategic approach to sustainable management of its infrastructural assets to ensure, as a minimum, existing service

levels are maintained for the foreseeable future. This approach means that decisions around operation and maintenance, renewal and upgrade, demand and growth, etc. are taken in the context of optimising overall asset lifecycle costs and the provision of services over the lifetime of that asset.

In respect of its three-waters infrastructure, it is important that Council continues to plan and deliver water services to agreed customer and technical levels of service irrespective of the Central Government led review of water service delivery. Any future changes to the current delivery model will be expected to maintain Council's aspirations for those services. This Infrastructure Strategy will be an important mechanism for documenting those current and future expectations and planning needs.

Investment of our Roads, Footpaths and other transport infrastructure has been clearly articulated in the 2024-2027 Activity

Management Plan (AMP). The AMP and strategy are in line with GPS 2024 with a combined effort of investment across both Operational and Capital workstreams building in emphasis on the priority of "Maintaining and operating the system".

### ASSET VALUES

Revaluation of WDC's infrastructure assets included in this IS is completed on a 3-yearly cycle, with roading and solid waste assets revalued a year ahead of the 3-waters to help spread the cost and workload.

The value of roads and footpath assets far outweighs the value of any other asset group, being some 3.9 times the combined value of the 3-waters assets. Wastewater assets have the second highest value. Table below summarises the respective and total asset values of the four asset groups comprising this IS.

**Table 3: Asset values**

Activity	Valuation Date	ORC*	ODRC**	Accumulated Depreciation	Annual Depreciation
Water Supply	30 June 2022	\$44.5M	\$28.6M	\$15.8M	\$851.0
Wastewater	30 June 2022	\$52.0M	\$33.4M	\$18.7M	\$993.2k
Stormwater	30 June 2022	\$22.6M	\$12.2M	\$10.4M	\$250.7k
Roads and Footpaths	30 June 2023	\$671.7M	\$528.9	\$142.8M	\$4.78M
<b>TOTAL</b>		<b>\$790.8M</b>	<b>\$603.1M</b>	<b>\$187.7M</b>	<b>\$6.87M</b>

\* = Optimised Replacement Cost

\*\* = Optimised Depreciated Replacement Cost

Of interest is the comparative value between water supply assets and wastewater assets. While there are four wastewater and four water supply schemes across the district, with similar lengths of pipework, but daily wastewater discharge volumes nominally 70% of water consumption volumes, the wastewater asset value reflects the high level of investment required for treatment and storage of effluent before it is to an acceptable environmental standard before discharge to freshwater streams. Pipe sizes required for gravity wastewater reticulation pipes are also typically larger than for pressurised water supply reticulation.

In all cases, the annual and accumulated depreciation is an indicator of decline in asset condition particularly stormwater, this is offset by annual renewals programmes.

### ASSET RENEWAL STRATEGY

Asset renewal is a key driver in respect of the infrastructural assets within this IS, as the majority of Council's significant infrastructure has been upgraded to minimum service levels required by regulation or resource consents in recent years. Council's approach is largely based on the need for timely and effective asset renewal over time, especially for reticulation assets, to ensure levels of service are maintained.

Asset renewal profiles, particularly for the three water assets, are based on theoretical useful lives, material type, length, age etc. A strictly theoretical approach to developing asset renewal programmes would result in projections for renewal funding fluctuating year to year as assets reach the end of their nominal useful lives and become due for replacement.

This IS takes into account a long-term asset management approach to renewals

programming including sound engineering judgment, actual asset condition where available, the optimisation of lifecycle costs, and community affordability to ensure that renewal programs are prioritised according to onsite asset condition, asset criticality and failure history, over theoretical asset lives. This approach results in financial provision for asset renewals that is not only considered appropriate and affordable but can be refined according to more robust asset condition data as it improves over time.

Asset renewals programmes also take into account asset performance. Where additional capacity is required, asset upgrading work is combined with asset renewals.

### MANAGING GROWTH AND DEMAND

The main drivers of growth and demand for infrastructure assets are:

- Land use activities
- Changes in population and demographics
- Community needs economic and social

Changes in demand over the life of the IS are expected to be no more than minor. Possible exceptions include peak summer demand for services where capacity for certain services is already marginal and where large seasonal variations in population occur. With the exception of addressing specific resilience issues in Te Kūiti, it is expected that any additional demand concerns over the life of this strategy will be addressed through a reduction in usage (either voluntarily or through demand management) in the first instance.

Planning assumptions for growth and demand will be monitored on a regular basis so to ensure that any changes are reflected in the IS as and when they occur.

### LEVELS OF SERVICE

Levels of service for both the current and future are largely dominated by regulatory and technical considerations. Generally, service levels have been improved in recent times, but only to maintain alignment with those considerations and are expected to be continued over the strategy period.

Recent upgrades of WDC's infrastructural assets have been designed to address issues regarding public health and environmental protection. Council's long term approach is to maintain and improve its infrastructural assets as required to ensure compliance with the appropriate standards wherever possible. The minimum standard requirements of a potential new Infrastructure Regulator are currently unknown,

budgets for improvements and compliance have been included however these may need to be adjusted through annual plan process once more information is known.

### RISK AND RESILIENCE

The natural hazards potentially impacting on WDC's infrastructure assets include earthquake, land slippage, inundation, and the effects of climate change. The district is characterised by significant variations in climatic condition, from sub-alpine to coastal. The terrain is dominated by soft volcanic sediments prone to instability in wet conditions. River and coastal environments are sensitive to erosion and rising sea level.

The approach taken to mitigating the risk of asset damage and interruption to the delivery of essential services due to the potential impact of natural hazards, involves identifying and managing risks relating to those hazards and making appropriate financial provision for managing those risks. Council has identified hazard prone assets and this information will be used to inform this strategy. The proposed district plan requires an adaptive management approach to both private property and Council infrastructure in areas prone to coastal erosion and coastal inundation.

### Climate Change

Current predictions of the effects of climate change in Waitomo District are:

- **Extreme rainfall events** Very extreme events higher than 2 year average occurrence are likely to happen more often.
- **Changes in average annual rainfall** In the Waitomo District average annual rainfall is expected to increase, this could be up to 5% in the winter months by 2070.
- **Sea-level rise** The coastline in our district is likely to be impacted by sea level rise which on under a best case and worst-case emissions scenarios is 0.2m to 0.6m by 2070<sup>3</sup>.
- **Storm surges** a high emissions scenario resulting in a 0.5m sea level rise by 2070<sup>4</sup> would cause a high tide storm surge of 3.6m to 3.7m along our coastline.

Relevant examples include the vulnerability of Te Kūiti's single water source to soil instability within the wider catchment, the Mokau storage dam's susceptibility to stratification and algae blooms, and exposure of the roading network to damage and closures due to undersized culvert capacity, bank instability and stream and coastal erosion.

Recent modelling work done on the impacts of natural hazards for the Proposed District Plan has identified that in the Te Kūiti central business district area and in the coastal communities along the West Coast, there is infrastructure that is vulnerable to the effects of climate change. In Te Kūiti, the water treatment plant is located in a high risk flood zone and parts of the wastewater pumping stations and treatment plant are subject to inundation in major flood events. Along the west coast, the district roading network is at risk from storm surge inundation. In Awakino and Te Kūiti there is some risk to the stormwater systems.

In some cases, the risk to Council's infrastructure from natural hazards is known to be at risk of high intensity or duration weather events. For instance, the Te Kūiti piped stormwater network has a nominal design capacity equating to a 1 in 2-year storm event. During an intense rainfall event in October 2023 of only short duration the stormwater network was unable to cope with the sudden high volume. The Te Kūiti water treatment plant and wastewater treatment plant are vulnerable to inundation during storm events such as experienced with a nearly 1 in 250-year event with pumps and intake assets being impacted. The impacts of climate change are likely to exacerbate the intensity and frequency of these types of situations.

Moving forward, Council plans to gain better information regarding the location, age, and condition of its infrastructure in order to address the potential effects of climate change. This may affect capital expenditure forecasts but ultimately be a balance of the level of service Council is prepared to accept and able to fund.

In recent years, the affects from climate change and the resulting adverse weather events have had a significant impact on transport infrastructure. The impacts have presented council with substantial and on-going financial pressures, not only restoring the levels of service but also adopting the philosophy of "Building back better". Table below illustrates the spend to date and forecast expenditure resulting from emergency events and the repairs to our transport infrastructure.

**Expenditure to date and forecast to complete**

Weather event	Date of event	Cost to restore and improve LOS
Cyclone Dovi	February 2022	\$10.5M
Winter 2022	June, July and August 2022	\$5.5M
Pukerimu 5.8	November 2022	\$250K

Auckland Anniversary/Cyclone Gabrielle	January 2023	\$600K
Mangarino Road	September 2023	\$1.5M
Total	2022 – 2024	\$18.4M

Alignment of GPS 2024 and this IS will ensure we are investing in the right places, at the right time to protect our communities and the key routes they rely on. The following GPS 2024 priorities are relevant to climate change and how we prioritise funding to reduce the impacts to our community.

- Maintaining and operating the system,
- Increasing resilience, and
- Reducing emissions.

**Critical Assets**

Critical assets are those having the highest consequence of failure. The strategy identifies mitigation actions including risk assessments, establishing the required level of resilience, and programme implementation of identified risk mitigation to increase the resilience of critical assets to natural hazards.

In general, a pragmatic approach has been taken to risk management in individual asset management plans, with identified risk events grouped into:

- Natural events, where there is no real control over the timing or extent of the event, although probabilities may be understood, e.g. floods, lightning strikes, earthquakes.
- External impacts, where other service providers are providing services which impact on WDC, e.g. power supply failures, material supply failures.
- Physical failure risks, where the condition of the asset or third party damage could lead to failure.
- Operational risks, where maintenance and/or management of the asset or asset management activities may impact adversely on the service.

Part of WDC's asset management practices includes risk management decision making tools used to prioritise long term renewal, upgrade and development expenditure for infrastructure.

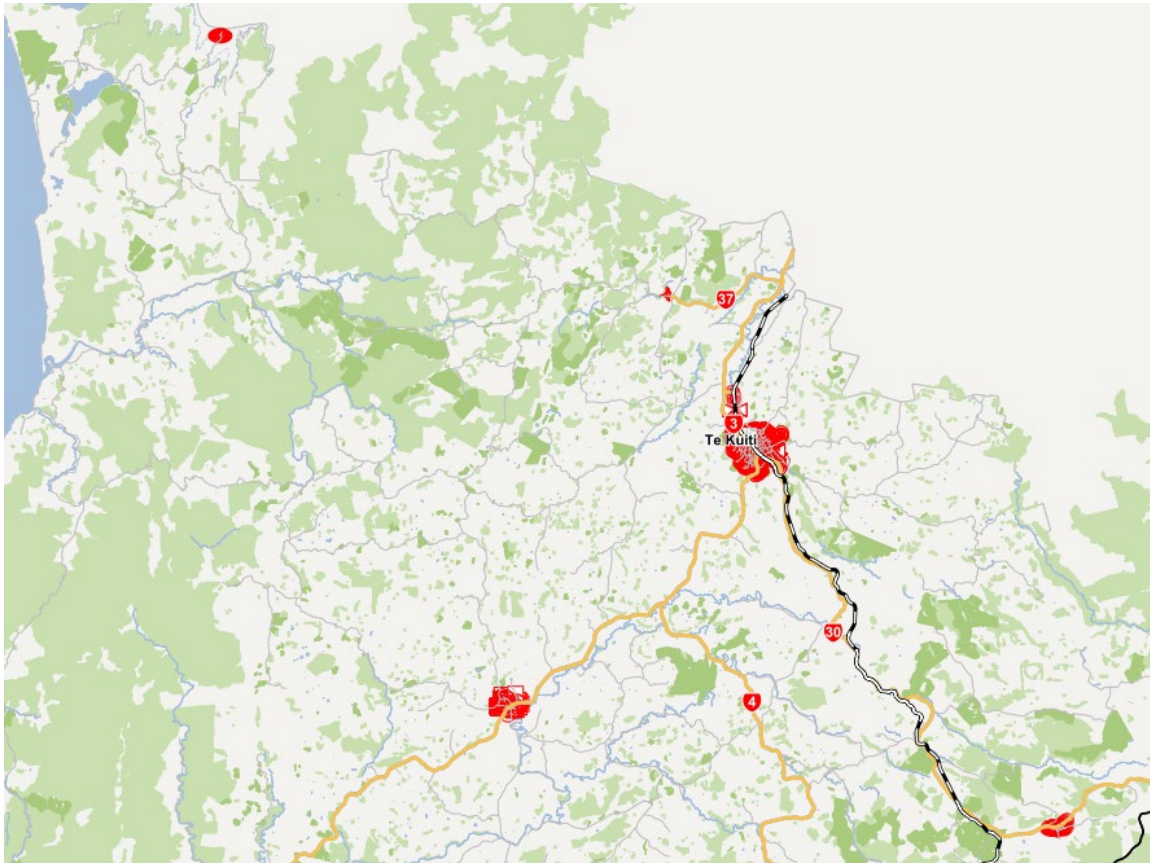


## SECTION 5 | SIGNIFICANT INFRASTRUCTURE ISSUES FOR WAITOMO DISTRICT

The tables on the following pages summarise the significant wastewater, water supply, stormwater drainage and roads and footpaths infrastructure issues facing WDC, the proposed response to those issues, and the implications of taking or not taking the action proposed by the response. In many instances, the same principal response option can address several infrastructure issues.

### WDC WASTEWATER SCHEMES

WDC owns and manages four separate wastewater schemes in the district: at Te Kūiti , Piopio, Maniaiti/Benneydale, and Te Waitere. The largest of these is at Te Kūiti . All schemes have been upgraded over the past nine years and re-consented. The Piopio wastewater scheme is the most recently constructed, commissioned in 2012. Waitomo Village wastewater scheme is not owned by WDC so does not form part of this IS.



**Waitomo distribution of wastewater schemes**

A snapshot of the key design parameters for each scheme is shown in the table below:

#### WDC Wastewater Schemes - Key Features

Scheme	Pipe length (km)	Consented discharge volume (m <sup>3</sup> /d)	Avg. DWF (m <sup>3</sup> /d)	Max. WWF (m <sup>3</sup> /d)	Discharge consent expiry date
Te Kūiti	55.67	7,000.0	2,395.0	6,951	18-Dec-2039
Piopio	10.9	135.4	92.2	127	30-Jun-2028
Maniaiti/Benneydale	3.73	85.0	48.0	122	11-May-2025
Te Waitere	0.89	10.3	3.0	-	31-Jul-2042
<b>Total</b>	<b>71.19</b>	<b>7,230.7</b>	<b>2,538.2</b>		

## Te Kūiti Wastewater Scheme

The Te Kūiti wastewater scheme comprises approximately 56km of reticulation of varying pipe diameters and materials, four secondary pump stations, a main pump station and a tertiary treatment plant. The treatment plant was subject to a major upgrade, completed in 2014. Features of the treatment plant include a stormwater bypass, activated sludge reactor, clarifier, oxidation pond, sludge processing, sand filtration and UV disinfection. The final treated effluent is discharged to Mangaokewa Stream upstream of Te Kūiti airfield.

The upgraded treatment plant capacity is limited by the design flow of the activated sludge (A/S) reactor and clarifier of 4,000 and 4,500 m<sup>3</sup> per day respectively. The A/S reactor can cope with flow volume of up to 5,000m<sup>3</sup>/day. Flows exceeding 5,000m<sup>3</sup>/day is bypass directly to the oxidation pond and return to plant inlet when inlet flow volume is down to 4,000m<sup>3</sup>. The plant discharge consent allows for 7,000 m<sup>3</sup> per day.

Work to remove the sludge build up inside the sludge pond (#3) that has been accumulating for the last 20 years commenced in 2023/24 and will continue for the next 10 years.

The Te Kūiti wastewater scheme is somewhat unique in that there are two major wet industries (in this case, abattoirs) discharging to the system. The total load on the WWTP is significantly impacted by the discharge from these two industries, even after the on-site pre-treatment that is in place at both premises (approx. 20% of total inflow, 45% BOD, 50% phosphorous, and 40 % total nitrogen).

Infrastructure management issues include:

### Te Kūiti Wastewater infrastructure issues

Description	Principal options for response	Implications
<b>ISSUE: Asset renewal or replacements</b>		
<p>A significant portion of the pipe network is now old, even though the rates of infiltration into the system are comparatively low. Direct inflow poses a more substantial problem, affecting the peak inflow at the Wastewater Treatment Plant (WWTP) SCADA and electrical assets due for renewal at least once every 15 years.</p> <p>Certain treatment plant mechanical and material components will require renewal/replacement within the 30 year period.</p> <p>Several pump stations are due for renewal over the period, including the terminal pump station. The latter is a critical asset.</p> <p>The existing sand filter at the Te Kūiti WWTP is generating additional wear and tear on the downstream UV plant.</p>	<p>Condition assessment of pipe network followed by prioritised repair and renewal programme.</p> <p>Replacement expenditure "smoothed" to avoid significant variations in expenditure from one year to the next.</p> <p>Pump station renewal work includes pump, valve and guide rail replacements, and upgrading of switchboards.</p> <p>Options for either replacing or operating it more effectively and efficiently for the current sand filter at the WWTP are to be explored. Alternatively, the UV plant renewal will need to be brought forward to Year 10.</p>	<p>The financial impacts of deferred maintenance and renewals have been balanced against levels of service, consent compliance and ratepayer affordability. High inflow during storm events can result in surcharge of raw sewage onto residential property, with potential for serious public health impacts.</p> <p>Reticulation renewals programme of \$236k on average per year identified for Years 1-3 of LTP, reducing to \$208k on average per year from Year 4.</p> <p>From Year 4 of LTP, a mechanical and electrical replacement budget of \$43k on average per year has been allowed.</p> <p>Electrical assets scheduled for replacement 2035-39 (\$3.1M).</p> <p>Treatment plant reactor liner scheduled for replacement in 2034/35 (\$331k)</p> <p>Routine pump station renewals totalling \$354k over the first 10 years have been scheduled, with \$64k per year thereafter.</p> <p>The two UV units at the WWTP will require replacement by Year 7 of the LTP at an estimated cost of \$162k.</p>

Description	Principal options for response	Implications
<p>Addressing the issue concerning an aging mechanical step screen within a facility, which has undergone repairs twice over the past decade. This equipment is crucial for wastewater treatment processes, ensuring that solids are effectively removed to prevent damage and clogging in subsequent stages of treatment.</p> <p>Improve/extend main building, with a specific focus on creating separate areas for the laboratory, office, and electrical/SCADA control systems. This restructuring aims to enhance operational efficiency and safety by segregating functions that have different requirements and risks associated with them.</p> <p>Improve chemical storage shed to separate chemicals, aiming to meet Health, Safety, and Environmental (HSNO) compliance and WorkSafe regulations. The primary goal is to mitigate the risk of accidents that could result from improper storage, thereby safeguarding both personnel and facilities.</p> <p>Supply and Install surface aerators in oxidation ponds to combat algae blooms, specifically targeting Cyanobacteria, and to enhance oxygen levels for bacteriological processes. This strategic upgrade is essential for maintaining the ecological balance within the ponds and ensuring efficient wastewater treatment.</p>	<p>Replace the old step screen with a newer, more efficient model.</p> <p>Implement the project in phases, focusing first on the most critical areas. This could involve prioritizing the separation of the laboratory due to safety or operational needs, followed by the office and electrical/SCADA control spaces in subsequent phases.</p> <p>Implement modular storage solutions within the existing shed that can be customized to safely separate chemicals based on their properties and risks.</p> <p>Avoid Algae bloom (Cyanobacteria) and provide oxygen for bacteriological activities.</p>	<p>Invest in a new Mechanical Step Screen. \$304k* set aside for 2042-2043.</p> <p>Financial commitment for this work is estimated at \$94k*, with the budget spread over two years: \$27k* allocated for the Year 13 and an additional \$67k* for the Year 14.</p> <p>\$38k* for the fiscal year 2034-2035. This investment is directed towards creating a safer work environment by adhering to stringent safety standards and preventing potential accidents, which could have far-reaching consequences both financially and in terms of staff safety.</p> <p>Two-year financial plan, with an allocation of \$126k* for fiscal year 2034-2035 and an additional \$129k* for fiscal year 2035-2036. This investment underscores the commitment to enhancing the wastewater treatment infrastructure and addressing environmental concerns proactively.</p> <p>*Inflated figures</p>
<b>ISSUE: Response to demand</b>		
<p>Recent treatment (2014) upgrade provides for up to 4,500m<sup>3</sup>/day average, peak 7,000m<sup>3</sup>/day. Current average flow is 2,910m<sup>3</sup>/day, with average DWF of 2,395m<sup>3</sup>/d and WWF of 3,740 m<sup>3</sup>/d. Peak inflow was 6,951m<sup>3</sup>/day in July 2019. Includes inflow from two major wet industries.</p> <p>The population projection for Te Kūiti is for a decline over the term of this IS.</p>	<p>On-going I &amp; I investigation and prevention programmes targeted to worst areas of reticulation will affect reduction to peak inflow and average wet weather flows.</p> <p>Future, modest, capacity increase could be achieved through a dedicated, on-site monitoring and control regime. Larger scale capacity increases would require significant additional capital investment at the WWTP.</p> <p>Control of industrial discharges is critical to managing capacity and performance of WWTP. Regular monitoring and enforcement of trade waste discharges is key to that.</p> <p>Larger scale treatment plant capacity can be achieved by increasing power supply and duplication of the</p>	<p>Deferring further investment aimed at increasing plant capacity can be realised by reducing unnecessary inflow sourced from groundwater infiltration and direct inflow.</p> <p>Duplication of clarifier/reactor is scheduled over two years from 2035-36 and 2036-37 at an estimated cost of \$2.6M.</p>

Description	Principal options for response	Implications
	clarifier/reactor process stream. It will also increase the resilience and operational contingency for this critical asset.	
<b>ISSUE: Levels of service (LoS)</b>		
LoS is dominated by resource consent compliance for all discharges from treatment plant – air, water, groundwater etc. Customer LoS principally relate to sewer blockages, overflows, odour, and responsiveness to service requests. 2023 resident satisfaction survey identifies that 89% of respondents were satisfied with current LoS.	Continuation of current LoS achieves an effective balance between regulatory compliance, resident satisfaction, and cost. Modest increases in technical LoS are necessary to improve effectiveness of sludge handling and chemical dosing at the treatment plant.	Increasing current technical LoS will improve consent compliance and operational performance of treatment plant.
<b>ISSUE: Public Health and Environment</b>		
<p>The upgraded treatment plant (circa 2014) has improved the effects of the activity on the receiving environment.</p> <p>Mitigating adverse effects on the environment is achieved through effective operation of the WWTP.</p>	<p>Routine monitoring and analysis of plant operation and performance, followed by timely interventions, will ensure public health and environmental outcomes are maintained. The effects of the activity on the environment are controlled through the resource consent. Consent renewal is due in 2040.</p> <p>Effective WWTP performance relies on timely, routine maintenance and operation of mechanical and electrical equipment.</p>	<p>Managing the complete wastewater system from reticulation to disposal is fundamental to mitigation of adverse effects on public health and environmental outcomes.</p> <p>The resource consent provides the legal right to operate the Te Kūiti WW treatment plant. The estimated cost of the 2039 renewal process is \$2.0M.</p>
<b>ISSUE: Risk and Resilience<sup>5</sup></b>		
<p>Wastewater service continuity and public health is threatened by the poor condition of sections of the wastewater network. Older pipes are brittle and prone to breakages and infiltration with natural ground movement, or in the event of ground movement caused by a seismic event.</p> <p>Most of the Te Kūiti CBD and parts of the residential area adjoining and to the west of Mangaokewa Stream are located within the 100-year flood plain. Climate change impacts will exacerbate the extent of flooding. Direct inflow to the wastewater network and inundation of parts of the WWTP will overload the hydraulic capacity of the reticulation and treatment plant, leading to widespread wastewater overflows.</p>	<p>Rolling replacement of wastewater pipes in poor condition and at the end of their effective life with new, flexible, pipe materials.</p> <p>Routine property inspections to identify and remove illegal stormwater connections/stormwater runoff to the wastewater system.</p> <p>Raised pond embankments, effluent storage and elevated manhole risers at the WWTP, bypass pipework and high stormwater dilution during flood conditions are mitigating factors.</p>	<p>Failure to complete this work will increase the risk of overloading the treatment plant during flood events, and the risk of pipe failure due to end of lifecycle or following an earthquake event. Such failures have the potential to breach the discharge consent and contaminate surrounding groundwater with untreated waste. The probability of this risk occurring is considered to be low to moderate within the term of this strategy, but the consequences are high.</p> <p>Wastewater overflow during a severe, 1 in 100 year, rainfall event is unavoidable due to the inundation of property gully traps and parts of the WWTP.</p> <p>Funding for enhancements to the Pump Station has been allocated in the Long-Term Plan (LTP) from Year</p>

<sup>5</sup> Note: The risk management processes used by the Waitomo District Council are consistent with Australian/New Zealand Standard AS/NZ 4360 which defines risk assessment and management. A fuller description of the risks identified in the tables can be found in Waitomo District Council asset management plans for each activity area.

Description	Principal options for response	Implications
The five pump stations servicing the reticulation rely on continuity of energy supply to avoid wastewater overflow.		1 to Year 10, with a total budget of \$499k over this decade.

### Piopio Wastewater Scheme

The Piopio wastewater scheme was installed in 2012 and comprises approximately 10.9km of reticulation of varying pipe diameters, 182 domestic pumps, one community pump station, and a packed-bed reactor treatment plant. A feature of the scheme is the use of small diameter, MDPE pipes to collect effluent from individual septic tanks from where it is pumped to the treatment plant. The final treated effluent is discharged to Mokau Stream via a rock filter.

Infrastructure management issues include:

### Piopio Wastewater Infrastructure Issues

Description	Principal options for response	Implications
<b>ISSUE: Asset Renewal or Replacements</b>		
<p>The infiltration rates entering the pipe network are low, corresponding to the recent construction of the scheme (in 2012).</p> <p>Inflow during heavy rain occurs due to surface flooding entering through tank access covers.</p> <p>SCADA and electrical assets due for renewal at least once every 15 years.</p> <p>Septic tank and pump maintenance costs escalating.</p> <p>Supply and install Plant building to ensure safety of worker and proper storage.</p>	<p>Condition monitoring of pipe network followed by prioritised repair and renewal programme.</p> <p>Replacement expenditure "smoothed" to avoid significant variations in expenditure from one year to the next.</p> <p>Increased routine maintenance of the scheme and monitoring of plant operation and performance will ensure public health and environmental outcomes are maintained.</p> <p>Higher routine maintenance required. To house Telemetry/SCADA, Monitoring Instruments, Chemical Storage and Equipment.</p>	<p>Scheme capacity and consent compliance relies on condition of network. The current scheme has been operating for only 9 years so remaining life of assets is high. Routine condition assessments are an effective method of monitoring the rate of condition decay, and to inform planning processes.</p> <p>A budget of \$76k* is allocated for the 2034-2035 fiscal year. *uninflated figures</p>
<b>ISSUE: Response to demand</b>		
<p>Scheme is designed for 250 residential units equivalent. Residual capacity is approximately 20 residential units.</p> <p>Consent discharge limit is 135.4 m3 /d.</p> <p>Current average discharge measured over 2021-2022 period was 73 m3/d. Peak discharge was 111.3 m3/d.</p> <p>Residential population projection for Piopio is for a decline in the medium to long term.</p>	<p>Increased capacity could be achieved by adding the maximum number of treatment modules to the existing plant to accommodate an additional 50 residential units or construct an additional treatment plant on a separate site to give capacity for a further 180 residential units. Monitoring of plant load and performance over time will provide earliest indication of the need for additional capacity.</p> <p>Monitoring and enforcement of trade waste discharges is critical to managing capacity and performance of WWTP.</p>	<p>The cost of increasing capacity by 50 residential units would be in the order of \$2.7M.</p> <p>The cost of increasing capacity by 180 residential units would be in the order of \$5M, including land purchase.</p> <p>There is no projected need for either option at the present time but will form part of the consent renewal considerations in 2028.</p> <p>Control of industrial discharges.</p>
<b>ISSUE: Levels of service</b>		
LoS is dominated by resource consent compliance for all discharges from	The need for increased routine maintenance of individual tanks	Increased levels of service in the form of increased routine

Description	Principal options for response	Implications
treatment plant – air, water, groundwater etc. Customer LoS principally relate to sewer blockages, overflows, odour, and responsiveness to service requests. Customer service requests indicate dissatisfaction with the frequency of system blockages.	and the treatment plant has been identified. Also, regular education of scheme users to encourage avoidance of disposal of fats and other wastes that have been a contributing factor to pipe blockages.	maintenance of the scheme has been necessary to achieve improved customer satisfaction and consent compliance.
<b>ISSUE: Public Health and Environment</b>		
<p>The Piopio WW scheme has addressed previous public health and environmental issues associated with high groundwater during winter months adversely impacting on ground soakage of effluent from the original private septic tanks.</p> <p>Prolonged heavy rain events can result in non-compliance as there is no additional storage capacity available to manage the discharge rate within consent conditions.</p>	<p>The effects of the activity on the environment are controlled through the resource consent. Consent renewal is due in 2028.</p> <p>Increased maintenance of septic tank units may help reduce peak discharge flow rates. In addition, buffer storage is required to accommodate peak discharge during heavy rain events.</p>	<p>Failure to achieve improved scheme performance could compromise the 2028 consent renewal.</p> <p>The resource consent provides the legal right to operate the Piopio WW treatment plant.</p> <p>Funding for renewal of discharge consent has been allowed in years 2,3 and 4 at a total cost of \$137k.</p> <p>Provision for additional buffer storage has been made in Year 4 at an estimated cost of \$151k.</p>
<b>ISSUE: Risk and Resilience</b>		
<p>Wastewater service continuity and community health is protected from seismic damage modern and type of construction of the network.</p> <p>The treatment plant is located within the outer limits of a high risk, 1 in 100 year, flood zone under a climate change scenario (RCP 8.5). Majority of reticulated residential area unaffected but would not be able to be serviced while WWTP inundated and discharge flow-path contaminating southern end of township. WWTP would not be accessible by road.</p>	<p>The network is already designed to provide high resilience to natural hazards through the use of small diameter, flexible pipes.</p> <p>Site contours and flood depth at WWTP to be confirmed. Stop banking may be practicable, or relocation of the WWTP to higher ground. The latter timed to coincide with renewal of existing WWTP in approx. 40 years' time. Affected properties would require evacuation during flood event.</p> <p>Mokau River will burst its banks during storm event. High dilution factor will help mitigate health risk.</p>	<p>The probability of system failure occurring due to natural hazards is considered to be low within the term of this strategy.</p> <p>Timing of WWTP replacement will fall outside this IS planning period, in 2060. The preliminary cost estimate to relocate the WWTP is \$2.5M.</p>

### Maniaiti/Benneydale Wastewater Scheme

The Maniaiti/Benneydale scheme comprises approximately 3.73km of reticulation, predominantly AC pipe, and one pump station. The treatment plant consists of an old Imhoff tank and trickling filter, followed by a small, constructed wetlands from where the final effluent discharges to a soakage field during November – April, and the Mangapehi Stream during the wetter months of the year.

Infrastructure management issues include:

## Maniaiti/Benneydale Wastewater infrastructure issues

Description	Principal options for response	Implications
<b>ISSUE: Asset Renewal or Replacements</b>		
<p>Approximately 50% of the reticulation has reached its theoretical design life. Condition assessment of the pipes comprising this portion of the network indicates that there is approximately 15 years of effective life remaining.</p> <p>The treatment plant was last upgraded in 2009. A small wetland system was added for winter discharge.</p> <p>Some components now require replacement, namely the trickling filter and Imhoff tank</p> <p>SCADA and electrical assets due for renewal at least once every 15 years.</p>	<p>Condition assessment of pipe network followed by prioritised repair and renewal programme.</p> <p>Replacement expenditure "smoothed" to avoid significant variations in expenditure from one year to the next.</p> <p>Align treatment plant replacement programme with outcome of consent renewal in May 2025. Replacement components to be consistent with new discharge quality standards.</p>	<p>The financial impacts of renewals have been balanced against condition assessment, levels of service, consent compliance and ratepayer affordability. Current LoS will be maintained.</p> <p>\$158k has been allowed for in year 3 and a further \$170k in year 6 for pipe replacements.</p> <p>Tank and filter replacements have been allowed for in Year 4 at an estimated cost of \$486k.</p>
<p>Replace out of date &amp; dying old Plantings inside the wetland.</p>	<p>Replace old and dying plants. To ensure biological activity is active and ensure compliance with discharge consents requirements.</p>	<p>An allocation of \$71k* has been made for the fiscal year 2035/2036. *Inflated figures</p>
<p>Supply and install new disinfection system. (Maybe UV and chlorination system)</p>	<p>Ensure compliance with Resource Consent requirements.</p>	<p>An allocation of \$203k* has been made for the fiscal year 2037/2038.</p>
<b>ISSUE: Response to demand</b>		
<p>Average plant inflow is 51 m<sup>3</sup> per day. Average DWF is currently 48 m<sup>3</sup> per day. The consented discharge volume is up to 85 m<sup>3</sup>/day. Treatment plant capacity is nominally 165 m<sup>3</sup>/day. The scheme has spare capacity for an additional 27 residential connections, or the equivalent thereof. The population projection for Maniaiti/Benneydale is for a decline in the medium to long term.</p>	<p>Monitoring of actual demand on the Maniaiti/Benneydale scheme over time will provide the basis for future capacity upgrade decisions. In the meantime, current capacity is expected to be sufficient over term of this IS.</p> <p>Monitoring and enforcement of trade waste discharges.</p>	<p>While there are no apparent demand related implications for the Maniaiti/Benneydale wastewater scheme in the foreseeable future, routine monitoring of actual demand will provide early indication of the need to respond to any change to that assumption.</p> <p>Control of industrial discharges is critical to managing capacity and performance of WWTP.</p>
<b>ISSUE: Levels of service</b>		
<p>Level of Service (LoS) is primarily influenced by adherence to resource consent for all emissions from the treatment plant, which includes air, water, groundwater, etc. Customer LoS mainly pertains to issues like sewer blockages, overflows, odour, and the promptness in addressing service requests. According to the 2020 resident satisfaction survey, 93% of participants expressed satisfaction with the current LoS. However, this satisfaction level has slightly dropped to 89% in 2023.</p>	<p>Maintaining the current Level of Service (LoS) continues to provide a viable equilibrium between meeting regulatory requirements, ensuring resident satisfaction, and managing costs. However, it's crucial to regularly evaluate and adapt our strategies to accommodate evolving regulations, community expectations, and financial constraints.</p>	<p>Maintaining current levels of service will achieve high customer satisfaction and consent compliance. The scheme is sensitive to increased expenditure.</p>
<b>ISSUE: Public Health and Environment</b>		
<p>The upgraded treatment plant (circa 2009) has improved the effects of the activity on the</p>	<p>Continuation of routine maintenance of the scheme and monitoring of plant operation and</p>	<p>Failure to continue current routine maintenance levels could result in consent non-compliance.</p>

Description	Principal options for response	Implications
receiving environment. The next consent is likely to require additional environmental protection standards in light of the Governments NPS for Freshwater Management and the new Water Services Regulator – Taumata Arowai.	<p>performance will ensure public health and environmental outcomes are maintained.</p> <p>The effects of the activity on the environment are controlled through the resource consent.</p> <p>Consent renewal is due in May 2025.</p>	The resource consent provides the legal right to operate the Maniaiti/Benneydale WW treatment plant. A budget of \$112k has been provided over Years 1 and 2 (2024/25 and 2025/26) to prepare and submit the next consent application, followed by \$486k in Year 4 (2027/28) for treatment plant upgrade works (see renewals section above).
<b>ISSUE: Risk and Resilience</b>		
Wastewater service continuity and community health is threatened by the poor condition of sections of the wastewater network. Older pipes are brittle and prone to breakages and leaks with natural ground movement or in the event of ground movement caused by a seismic event.	<p>Rolling replacement of wastewater pipes in poor condition and at the end of their effective life with new plastic pipes and flexible joints.</p> <p>Replacement of the trickling filter and Imhoff Tank will improve resilience of the WWTP.</p>	Failure to complete this work will increase the risk of overloading the treatment plant during flood events, and the risk of pipe failure due to end of lifecycle or following an earthquake event. Such failures have the potential to breach the discharge consent and contaminate surrounding groundwater with untreated waste. The probability of this risk occurring is considered to be low to moderate within the term of this strategy, but the consequences are high.

## Te Waitere Wastewater Scheme

The scheme involves collection of septic tank effluent from approximately 11 properties through a reticulated system comprising approximately 800m of small diameter pipe, from where it is pumped to a community soakage field located on private land. The rising main from terminal pumping station was recently renewed. The Te Waitere Village sewage system was designed in the late 1970s/early 1980s by a developer and approved by the Council, with each section in the development required to have a septic tank that feeds grey water to a holding station, which is then pumped to a discharge field on private farming property. After completion of the required work, maintenance of the system was accepted by the Council in 1988, and the system became vested in Council. Since then, additional residential properties, the Te Waitere Boat Club, and public toilets have been added to the system, while nine Te Waitere properties are not yet connected.

Infrastructure management issues include:

### Te Waitere Wastewater Infrastructure Issue

Description	Principal options for response	Implications
<b>ISSUE: Asset Renewal or Replacements</b>		
<p>The community soakage field theoretically overloaded.</p> <p>Most of the reticulation has been replaced over the past 4-years, including the rising main. The pump station was refurbished in 2018.</p> <p>SCADA and electrical assets due for renewal at least once every 15 years.</p>	Replacement or refurbishment of the soakage field with an expanded facility is required.	All existing fields have been renewed to meet current requirements. However, to accommodate future growth and ensure sustainability, a budget provision of \$216k has been made in Year 4 (2027-2028) of the LTP 2024-2034 for land acquisition and soakage field development.
<b>ISSUE: Response to Demand</b>		



Description	Principal options for response	Implications
Current capacity of the disposal field is designed for 13 properties. While the population projection for Te Waitere is for static growth, the wastewater discharge from the current population already takes up most of the capacity of the existing soakage field.	Replacement or refurbishment of the soakage field to include an upgraded and extended facility with capacity for modest additional demand.	See above.
<b>ISSUE: Levels of Service</b>		
Levels of service focus on reliability of service, capacity, public health and environmental protection.	Environmental and public health protection consistent with the operative resource consent.	Current levels of service relating to system capacity and environmental protection will potentially need to be enhanced early in the strategy period.
<b>ISSUE: Public Health and Environment</b>		
The extended reticulation has addressed previous public health and environmental concerns associated with the scheme.	Replacement or refurbishment of the soakage field with an upgraded facility is required.  Renewal of the resource consent for the Te Waitere discharge was completed in 2017. Consent renewal is due in 2042.	The resource consent is fundamental to the legal right to operate the Te Waitere WW treatment plant.
<b>ISSUE: Risk and Resilience</b>		
Wastewater service continuity and protection of the environment is threatened by the condition and capacity of the current soakage field.	Replacement or refurbishment of the soakage field with an upgraded facility is required.	Failure to complete this work will increase the risk of overloading the soakage field during normal operating conditions. Such system failure has the potential to breach the discharge consent and contaminate the surrounding environment with treated waste. The probability of this risk occurring is medium to high in the long term.
Land Acquisition for Expansion	This involves procuring additional land to extend the soakage field. While this could significantly enhance the system's capacity, it might involve substantial costs and potential environmental impact assessments. Moreover, there could be challenges related to zoning regulations and community acceptance.	See Asset Renewals above

### Waitomo Village Wastewater Scheme

The wastewater infrastructure at Waitomo Village is privately owned and operated. WDC has extensively investigated options for future WDC ownership/management of the Village wastewater (and water supply) services. Discussions with representatives of the two ownership trusts and private owners of this infrastructure have been inconclusive. The potential for a possible pathway forward is unknown at the present time, due to land tenure, asset ownership and funding issues remaining unresolved.

Given the level of uncertainty around the timing of resolution of these issues, this IS does not

include any financial provision for WDC assuming responsibility for ownership or management of these assets.

### WDC WATER SUPPLY SCHEMES

WDC owns and manages four water supply schemes, at Te Kūiti, Piopio, Maniaiti/Benneydale and Mokau. The largest supply is at Te Kūiti and the smallest at Maniaiti/Benneydale.

Over the last five to ten years, enhancing service levels and ensuring the security of water supply have been central priorities across all water schemes. This focus has been significantly influenced by the Public Health (Drinking Water)

Amendment Act and the introduction of the Drinking Water Quality Assurance Rules 2022. The legal foundation for securing the necessary water volumes for both domestic and commercial/industrial purposes is provided through resource consents.

The immediate and upcoming emphasis is on maintaining drinking water quality and meeting the systems' compliance requirements. The Drinking Water Quality Assurance Rules 2022, along with the compliance and service delivery strategies under development as part of the

three waters reform program, are expected to present challenges and changes in the next two to three years.

Nonetheless, these developments do not alleviate the responsibilities of WDC to continue overseeing, planning, and ensuring the provision of safe drinking water within its four service areas.

Table below summarises current consent expiry dates and key asset data:

### WDC Water Supply Schemes

WATER SUPPLY SCHEME	Pipe Length (km)	Storage (m <sup>3</sup> )	Pumping Stations	Consented Take (m <sup>3</sup> /d)	Average Demand (m <sup>3</sup> /d)	Take Consent Expiry Date
Te Kūiti	61.1	3,296	3	4,800 (4,200 when stream flow <0.7 cumecs)	3,336 (Peak 4,320)	30-Sep-40
Piopia	9.0	450	1	450	309	01-Aug-23
Maniaiti/ Benneydale	5.7	100	2	180	100	07-Apr-31
Mokau	14.0	20,000	1	1,000	120	15-Sep-26
<b>Total</b>	<b>89.9</b>	<b>23,846</b>	<b>7</b>	<b>6,610</b>	<b>3,885</b>	

### Te Kūiti Water Supply Scheme

The Te Kūiti water supply scheme comprises a surface take from the Mangaokewa Stream from where raw water is treated and disinfected following a process of coagulation/flocculation, carbon dosing, sand filtration, pH correction and chlorine disinfection. Treated water is simultaneously pumped to five storage reservoirs and the reticulation network, i.e. there is no separate rising main to the reservoir, resulting in pressure surges within the network. The network totals some 58.4km of pipework of varying diameters and is predominantly older asbestos cement and PVC material type. There are three pumping stations – at Tonga Street, Rata Street and Awakino Road.

Over the past three years, the focus has been on completing the water intake and treatment plant to mitigate the risks of contamination from pathogenic organisms commonly found in stream water sourced from an open catchment where the predominant land use is agricultural.

With the current supply relying on a single stream source, its vulnerability to declining minimum stream flows due to climate change, the consequential increasingly adverse effects of the take on stream habitat, and an unstable upstream catchment, are high. Additionally, the intake is located downstream of an industrial

zone and wastewater pumping station. The next phase will therefore address the resilience of the supply, with a significant resilience project for Te Kūiti including a dedicated rising main and refurbishment of the existing storage reservoirs and increased treated water capacity, all form part of this strategy.

Recent work completed on flood hazard modelling in parts of the district, including Te Kūiti, has identified an additional consideration adding to the importance of locating and securing alternative water source. It has shown that the Te Kūiti water treatment plant maybe be subject to inundation, at least 0.5m deep, under a 1 in 250-year rainfall event. However, during the recent 1 in 250-year rainfall event, the water treatment intake structure was underwater and river water level came up almost the treatment plant area. That hazard will be further exacerbated by the effects of climate change, in terms of scale, frequency and intensity. Further, while the water treatment plant will become inoperable during inundation conditions, the majority of the Te Kūiti residential area will remain elevated above flood level and reliant on limited treated water storage for supply.

\$50k for year 1 and year 2 has been allocated for monitoring of non-revenue water within the reticulation network. This will involve installing

zone valves, flow meters and sensor to assist in determining water loss throughout the network.

All properties with old gate valves and tobies will have them replaced with a backflow prevention device and water meter in year 4 costing \$1.28m and year 5 with cost of \$1.31m. This will provide

a more reliable data to manage non-revenue water and prevent water loss with the reticulation.

Specific infrastructure management issues for Te Kūiti water supply are summarised in the table below.

### Te Kūiti water supply infrastructure issues

Description	Principal options for response	Implications
<b>ISSUE: Asset Renewal or Replacements</b>		
Large parts of reticulation are near the end of their useful lives. Increasing incidence of mains failure, leaks, etc.	Accelerated mains replacement programme based on actual pipe condition.	Replacement programme of \$307k per year average.  Delaying the pipe replacement programme would leave the network vulnerable to failure or complete severance in the event of earthquakes or other ground movement. The probability of this risk occurring is considered to be low to moderate within the term of this strategy but the severity of the consequences are expected to be high.
SCADA and electrical assets are due for renewal at least once every 15 years.	Programmed renewal of electrical and control equipment on 15-year cycle.	An initial investment in the first two years of \$101k , followed by consistent annual allocations of \$7k aimed at supporting ongoing renewals and upgrades to the Telemetry/Scada systems.
Four storage reservoirs each approximately 70 years old will become due for replacement within the next 30 years.	Undertake condition assessment of oldest reservoir to ascertain best practicable option – refurbish or replace. If replace, increase reservoir storage capacity to improve supply resilience during flood hazards.	The TK Water Resilience project will oversee the refurbishment of all tanks.
<b>ISSUE: Response to demand</b>		
Treatment plant design capacity has been increased to 6,600m <sup>3</sup> /day. Average demand is 3,336 m <sup>3</sup> /day. Peak demand is 4,320 m <sup>3</sup> /day. New (2015) consent limit is 4,800 m <sup>3</sup> /day. The long term population projection for Te Kūiti is for decline.	Monitoring of actual demand on the Te Kūiti scheme over time will provide the basis for future capacity upgrade decisions. In the meantime, current capacity is expected to be sufficient over the term of this IS. Demand management techniques can be applied to curb peak summer demand. On-going leak detection and mains replacement programmes will help reduce water losses.	While there are no apparent demand related implications for the Te Kūiti water supply in the foreseeable future, routine monitoring of actual demand will provide early indication of the need to respond to any change to that assumption. Failure to monitor and plan could lead to consent non-compliance and/or imposition of water restrictions.  All properties with old gate valves and tobies will have them replaced with a backflow prevention device and water meter in Year 4 costing \$1.28m and Year 5 with cost of \$1.31m. This will provide a more reliable data to manage non-revenue water and prevent water loss with the reticulation.
Improve the workspace within the main control building by separating laboratory from toilet and Instrumentation area. Building another chemical storage shed	Health and Safety and HSNO requirements	Budget provision of \$252k* in (Y11) 2034-2035. *inflated figures
<b>ISSUE: Levels of Service</b>		
Colour, taste and odour are due to presence of residual iron and manganese in reticulation and algal	Regular flushing of dead end mains.	The additional costs of water treatment to improve the taste and odour

Description	Principal options for response	Implications
growth on rocks during low flow stream conditions. Iron and manganese concentrations are in part due to corrosion inside old steel pipes in the reticulation. Protection of public health remains a higher priority over taste and odour issues.	Upgrade of treatment plant to include a flow proportional, carbon dosing system to remove "taste" from source water (completed)	characteristics of the supply are included in LTP budget forecasts.
Direct pumping to the reticulation results in pressure fluctuations, leading to premature mains failure and damage to water fittings, particularly in the low lying commercial area of Te Kūiti .	Construction of a dedicated rising main from the treatment plant to reservoirs would eliminate pressure fluctuations.	The budget provision has been made for construction of a dedicated rising main and is included in the Te Kūiti Water Resilience Project ( Year 1 and Year 2 with an overall budget of \$8.55M).
<b>ISSUE: Public Health &amp; Environment</b>		
The Te Kūiti supply is fully compliant with NZ Drinking Water Standards for protection against potentially pathogenic giardia and protozoa.	Implementation of a 3-stage upgrade of the water treatment plant including sterilisation, relocation and reconfiguration of the raw water intake, and a new clarifier, was completed in 2018/19, with additional treated water storage to come later. This has addressed previous deficiencies in public health risk management for the supply.  The current backflow prevention programme will be extended through to 2051 to remove the risk of cross-contamination of the potable supply from household appliances.	The potential risks to public health from pathogenic organisms in the raw water supply has been mitigated following completion of the current improvements to the Te Kūiti water treatment plant.  Clarifier refurbishment is scheduled for years 4 and 5 to ensure effective and efficient operation estimated budget of \$1.05m.  Completion of the backflow prevention programme will provide a further level of public health risk prevention.
The current take represents nearly 25 % of stream flow during low flow conditions, with potential impacts on in-stream habitats. This is significant. The effects of the take on Mangaokewa Stream are allowed for in the resource consent.	Renewal of the resource consent is due in 2040.	Renewal of the resource consent is fundamental to the legal right to take water for the Te Kūiti community supply.
Supply and Monitoring instruments (pH, Chlorine and Turbidity) on Reticulation and reservoir	Compliance with Drinking Water requirements	Budget provision of \$323k* is made for 2035-2036 (Y12) *inflated figures
Implement improvement actions from Water Safety Plans	Compliance with Drinking Water requirements	Budget Provision of \$105k* is made over 5 years in the period 2034 – 2039 *inflated figures
<b>ISSUE: Risk and Resilience Issues</b>		
The supply relies on a single source that is currently under pressure during low flow conditions, when demand is typically greatest. Climate change predictions suggest a worsening of these conditions. Also, parts of catchment have been shown to be unstable, with risk of supply being cut-off due to slips, and the water supply intake is located downstream of an industrial zone and wastewater pumping station.	Raw water storage, involving harvesting of winter stream flows, has been identified as a potential means of mitigating these risks, but at an estimated cost of \$30-40M is likely to be cost prohibitive.  Construction of a new treated water reservoir to improve storage capacity across the network.	Construction of a large storage reservoir has been provisionally programmed for Year 1 and Year 2 (2024/25 and 25/26) at an estimated budget of \$8.55M.
The four water storage reservoirs are critical assets, each approximately 70-years old. Resilience of these reservoirs to a	Refer to Asset Renewal or Replacements section above.	Refer to Asset Renewal section above.

Description	Principal options for response	Implications
major seismic event is key to the security of the treated water supply.		

### Piopio Water Supply Scheme

The Piopio water supply is sourced from the Kurutahi Stream, to the west of SH3. During 2012/13, the treatment plant was rebuilt. It now consists of the floating intake that pumps into a horizontal flow concrete clarifier from where it is gravitationally piped through two 400 micron roughing filters. The settled water is then forced through a membrane ultra-filtration filter to five 25,000 litre plastic tanks. The treated water is chlorinated and pumped to the existing reservoir.

\$10k for years 1 and 2 has been allocated for monitoring of non-revenue water within the reticulation network. This will involve installing zone valves, flow meters and sensor to assist in determining water loss throughout the network.

All properties with old gate valves and tobies will have them replaced with a backflow prevention device and water meter in year 4 costing \$270k. This will provide a more reliable data to manage non-revenue water and prevent water loss with the reticulation.

The reticulation comprises some 9km of various diameters and is predominantly asbestos cement. Water is pumped to a new 450m<sup>3</sup> reservoir located above the treatment plant via the reticulation i.e. there is no separate rising main to the reservoir, resulting in pressure surges within the network.

Infrastructure management issues include:

**Table: Piopio Water Supply Infrastructure Issues**

Description	Principal options for response	Implications
<b>ISSUE: Asset Renewal or Replacements</b>		
Large sections of the reticulation is nearing the end of its useful life. The age-based renewal profile is misleading, suggesting a longer residual life than has been evidenced by actual operational experience, the latter indicative of poor pipe condition.	Accelerated mains replacement programme based on actual pipe condition, using modern pipe materials with flexible joints, with expenditure "smoothed" to avoid significant variations in expenditure from one year to the next. Average renewal forecast aggregated into 3-yearly instalments.	Regular annual mains replacement programme continued over the next 30 years comprising total of \$658k. In addition, provision has been made for minor treatment plant renewals and mechanical and electrical renewals totalling \$35k* per year.  A reduced renewal programme would result in reduced levels of service due to increased mains failure, loss of water pressure and potential loss of supply, with associated higher maintenance costs.
SCADA and electrical assets are due for renewal at least once every 15 years.	Programmed renewal of electrical and control equipment on 15-year cycle.	SCADA and electrical assets replacement programmed for renewal on 15-year cycle of the IS (included in renewals budgets).  *inflated figures
Supply and Install Sludge treatment to manage sludge generated from process	Comply with Resource Consent Conditions	A budget provision of \$397k* has been allocated for the fiscal year 2036-2037. *inflated figures
Supply & Install another Membrane Skid	For redundancy and to ensure compliance	A budget provision of \$669k* has been allocated for the fiscal year 2041-2042. *inflated figures
<b>ISSUE: Response to Demand</b>		

Description	Principal options for response	Implications
<p>The treatment plant has a design capacity of 600m<sup>3</sup>/d.</p> <p>Current demand is approx. 309m<sup>3</sup>/d.</p> <p>Peak demand is 527m<sup>3</sup>/d.</p> <p>Consented take is 450m<sup>3</sup>/d.</p> <p>The long term population projection for Piopio is for decline.</p>	<p>Monitoring of actual demand on the Piopio scheme over time will provide the basis for future capacity upgrade decisions. In the meantime, current capacity is expected to be sufficient over the term of this IS. Demand management techniques can be applied to curb peak summer demand. On-going leak detection and mains replacement programmes will help reduce water losses.</p>	<p>Close match between current demand and consent limit reinforces need for efficient use of water.</p> <p>All properties with old gate valves and tobies will have them replaced with a backflow prevention device and water meter in year 4 costing \$270k. This will provide a more reliable data to manage non-revenue water and prevent water loss with the reticulation.</p>
<b>ISSUE: Levels of Service</b>		
<p>Rising main to reservoir also feeds town reticulation causing pressure fluctuations in lower lying areas and is a cause of pipe failure.</p> <p>Levels of service for colour, taste and odour are acceptable to most residents.</p>	<p>Construction of a dedicated rising main from treatment plant to town reservoir is scheduled for 2032-2033 and 2033-2034.</p>	<p>A dedicated rising main will address water pressure spikes and help protect ageing pipes from premature failure. Budget provision of \$960k included in Year 9 (2032/33) and year 10 (2033/34).</p>
<b>ISSUE: Public Health &amp; Environment</b>		
<p>The absence of back-flow preventers is a potential health risk for Piopio water supply consumers. It exposes water consumers to the risk of cross contamination between the water supply and "greywater" from automatic household appliances.</p> <p>Effects of take on Kurutahi Stream are allowed for in resource consent.</p>	<p>Provision of back-flow prevention devices scheduled as an annual programme.</p> <p>Underground water take resource consent expired in August 2023. Application to renew the resource Consent for underground water take was submitted in July 2023 to Waikato Regional Council. Still waiting for approval from WRC.</p>	<p>Provision of a back-flow prevention programme, at an average of \$9k* per year for the next 12 years.</p> <p>Renewal of the water take consent will provide legal rights to take water from underground water source.</p> <p>*inflated figures</p>
<p>Reduce exposure to harmful contaminants and pathogens in the drinking water, thereby mitigating some of the health risks associated with environmental pollutants.</p>	<p>Supply and Install 2 x UV units, as security to membrane failing and compliance with Protozoa</p>	<p>Reduce exposure to harmful contaminants and pathogens in the drinking water, thereby mitigating some of the health risks associated with environmental pollutants.</p>
<p>Meet or exceed regulatory standards for drinking water quality</p>	<p>Implement Improvement Actions from water Safety Plans Gain Compliance with Drinking Water Requirements</p>	<p>Meet or exceed regulatory standards for drinking water quality.</p>
<b>ISSUE: Risk and Resilience Issues</b>		
<p>In Piopio, asbestos cement reticulation are at risk of damage from a major seismic event</p>	<p>Use of flexible pipes and joints for mains replacements will reduce the risk of pipe failure in the event of earthquakes or other ground movement. The probability of this risk occurring is considered to be low to moderate within the term of this strategy, but the severity of the consequences would be high.</p>	<p>Provision for increased resilience of the Piopio water supply reticulation has been built into LTP replacement programmes.</p>

### Maniaiti/Benneydale Water Supply Scheme

The Maniaiti/Benneydale water supply treatment plant is located to the east of Maniaiti/Benneydale township. The whole system was replaced in 2008, including an upgrade of the intake and treatment plant and the addition of automation. Maniaiti/Benneydale now has a modern water supply system which

meets the requirements of the Drinking Water Standards for New Zealand 2005 (Revised 2018).

The supply is sourced from a surface take and a groundwater bore. The latter can be used as a back-up during dry stream conditions.

The head works for the surface take comprise a weir across an unnamed tributary of Mangapehi Stream and a new overflow. Water feeds through a uPVC gravity main 100m long to the water treatment plant. The water then gravitates through coarse settling tanks to an adsorption clarifier and on into a concrete sump from where it is pumped by a submersible pump through a diatomaceous earth (DE) filter to a contact tank. From the contact tank it is pumped to a 100m<sup>3</sup> reservoir at the top of a nearby hill, from where it is gravity fed to the reticulation. Disinfection is by hypochlorite solution which is injected into the pump line between the DE filter and the contact tank.

The reticulation was totally replaced in 2008 apart from about 800m of MDPE installed in 2003. It consists of 5.7km of uPVC, PE and MDPE materials with an expected remaining life of 100 plus years. All connections have backflow preventers and are metered.

A SCADA and telemetry system allows remote monitoring and limited control to further improve the service at this comparatively remote location.

Infrastructure management issues include:

**Table 4: Maniaiti/Benneydale Water Supply Infrastructure Issues**

Description	Principal options for response	Implications
<b>ISSUE: Asset renewal and replacement</b>		
The treatment plant and reticulation has been renewed and upgraded since 2008.	Future replacement expenditure "smoothed" to avoid significant variations in expenditure from one year to the next.	Apart from normal operation and maintenance and renewal of mechanical and electrical components, this scheme should not require further capital investment over the next 10-15 years. Beyond that, an increased requirement for pipe renewals can be expected.
SCADA and electrical assets due for renewal at least once every 15 years.	Programmed renewal of electrical and control equipment on 15 year cycle.	SCADA and electrical assets replacements included in renewals budgets.
Sand filters, essential for removing particulates from water, need renewal or replacement over time due to wear, damage, or outdated technology.	Proceed with the planned replacement in Year 12, ensuring that the facility remains compliant with drinking water standards. This option prioritizes public health and regulatory compliance but requires significant upfront capital investment.	The immediate replacement requires a substantial capital outlay of \$388k* in 2035-2036, impacting the facility's budget. Alternative options like phased upgrades or exploring new technologies might offer cost savings or spread the financial load over time.  *inflated figures
Scheduled replacement of sand media within a water treatment facility's sand filter system, is critical to maintaining filtrate turbidity within regulatory compliance standards. Sand media plays a pivotal role in the filtration process, capturing particulate matter as water passes through the sand filter. Over time, the effectiveness of sand media diminishes due to the accumulation of particles and potential degradation of the media itself, necessitating periodic replacement to ensure the quality of the treated water remains within acceptable standards.	Replacement of Sand media to ensure Filtrate Turbidity is compliant with Standards.	The financial planning for this asset renewal and replacement has been forecasted at \$49k* in Year 22 and an identical expenditure of \$59k* in Year 30.  *inflated figures
<b>ISSUE: Response to Demand</b>		
The water treatment plant has a design capacity of 140m <sup>3</sup> /day. The recent average demand was 120 m <sup>3</sup> /day. Peak demand was 245 m <sup>3</sup> /day. Recent investigations have located and repaired a number of leaks, reducing the short term average demand to 50 m <sup>3</sup> /day.	Monitoring of actual demand on the Maniaiti/Benneydale scheme over time will provide the basis for future capacity upgrade decisions. In the meantime, current capacity is expected to be sufficient over the term of this IS.	The close match between current peak demand and the surface water consent limit reinforces need for efficient use of water.

Description	Principal options for response	Implications
<p>Consent limit is 360m<sup>3</sup> per day split equally between the bore and surface takes.</p> <p>The long term population projection for Maniaiti/Benneydale is for decline.</p>	<p>Demand management techniques can be applied to curb peak summer demand.</p> <p>On-going leak detection and mains replacement programmes will help reduce water losses.</p>	
<b>ISSUE: Levels of Service</b>		
<p>Levels of service for colour, taste and odour are acceptable to most residents.</p> <p>Automated control allows remote monitoring of treatment plant 24x7.</p> <p>Current supply copes with demand. Water supply safety protection measures are in place and maintained.</p>	<p>Continuation of routine monitoring and maintenance plan.</p>	<p>Regular monitoring and routine preventative maintenance is key to the on-going success of the Maniaiti/Benneydale scheme.</p>
<b>ISSUE: Public Health &amp; Environment</b>		
<p>Effects of take on the stream and groundwater are allowed for in resource consents.</p>	<p>Back-flow prevention devices are in place.</p> <p>Groundwater bore consent application has been logged and currently being assessed by WRC.</p> <p>Surface take consent expires in 7 April 2031.</p>	<p>The existence of back-flow prevention units safe-guards water consumers from the risk of cross contamination between the water supply and "greywater" from automatic household appliances.</p> <p>Renewal of resource consents is fundamental to the legal right to take water for Maniaiti/Benneydale community supply. Budget provision has been made for \$58k in Year 7 (2030/2031).</p>
<p>Meet or exceed regulatory standards for drinking water quality</p>	<p>Implement Improvement Actions from water Safety Plans Gain Compliance with Drinking Water Requirements</p>	<p>The provision of \$65k* per year from Year 11 to Year 14 to fund improvement actions stemming from the Water Safety Plan (WSP) is a strategic financial commitment towards ensuring the long-term safety and quality of drinking water. This allocation demonstrates a proactive approach to water management, recognizing that maintaining and enhancing water safety is an ongoing process that requires regular investment. *inflated figures</p>
<b>ISSUE: Risk and Resilience Issues</b>		
<p>The Maniaiti/Benneydale water supply scheme has been upgraded since 2008. The issues regarding security of supply, health protection, reticulation condition i.e. loss of water and cross-contamination, have been addressed.</p>	<p>Maintain monitoring and routine maintenance and inspections of assets.</p> <p>Strengthening of the old concrete reservoir.</p>	<p>Seismic strengthening of the old concrete reservoir has been scheduled for 2037/2038 at an estimated cost of \$533k*. *inflated figures</p>
<p>The existing treatment plant includes a single UV disinfection unit. Operational failure of that unit would pose a reasonable significant public health risk to the Maniaiti/Benneydale community, requiring boil water protection before the supply was safe for drinking purposes.</p>	<p>Installation of a second UV unit would provide operational protection to ensure continuity of safe water supply delivery.</p>	<p>Provision of \$108k has been made in Year 4 (2027/28) for alteration of the existing pipework at the Maniaiti/Benneydale water treatment plant to accommodate installation of a second UV unit.</p>

## Mokau Water Supply Scheme

The Mokau urban water supply collects water from two earth dams located on an escarpment



above the township fed by two small springs. One is within the front dam basin itself and one at the top end of the catchment. This is supplemented by local runoff off from private farmland property. Storage was doubled to 20,000m<sup>3</sup> when an 11,000m<sup>3</sup> raw water storage reservoir was completed in early 2014. The water is treated by an absorption clarifier, sand filter and UV disinfection, built in 2003/04. In 1996/97 a timber reservoir was added to the system and installed in town with a booster pump station to maintain pressure at about 650kPa, but has since been removed and substituted by three elevated storage tanks located above the treatment plant.

The reticulation comprises approximately 14km's of pipe work of various sizes and materials. The predominant pipe material in the urban area was originally asbestos cement pipe, most of which was laid in circa 1972. Most of this has been replaced over the last three – six years. There is also a MDPE (Alkathene) pipe to Awakino supplying water to some of the properties along the way, including the Marae and a few properties in Awakino.

Infrastructure management issues for the Mokau water supply scheme include:

**Table: Mokau water supply infrastructure issues**

Description	Principal options for response	Implications
<b>ISSUE: Asset renewal or Replacements</b>		
<p>Most (90%) of the Mokau water supply reticulation has been replaced since 2015 due to a high incidence of mains failures in recent times, in part due to the increased hydraulic pressure now available following construction of elevated treated water reservoirs, and the then predominance of brittle AC pipes.</p> <p>The existing treatment plant building will require targeted maintenance treatments within the next 10 years due to its deteriorating structural condition.</p> <p>New SCADA and electrical assets due for renewal at least once every 15 years.</p>	<p>Replacement of rider mains has been scheduled.</p> <p>Programmed renewal of electrical and control equipment on 15-year cycle.</p>	<p>Mokau Watermain Renewals \$107K has been included in Year 1 and 2 (2024/26).</p> <p>Reticulation extension renewals at \$122k included in year 4 for southern network.</p> <p>The financial strategy for water treatment plant renewals includes allocating an average of \$20k annually for minor renewals during the initial two years (Year 1 to Year 2). Following this period, there will be a gradual reduction in the budget by \$15k each year over the subsequent six years. This approach aims to address immediate maintenance needs while gradually decreasing expenditure as the facility potentially stabilizes or optimizes its operations.</p> <p>An average of \$6k per year has been allowed over the 30-year term for Telemetry/Scada Renewals.</p>
<b>ISSUE: Response to demand</b>		
<p>Treatment plant design capacity is 400m<sup>3</sup>/day.</p> <p>Current average demand is 121 m<sup>3</sup>/day.</p> <p>Peak demand is 350m<sup>3</sup>/day.</p> <p>The consented take is up to 1,000m<sup>3</sup>/day.</p> <p>The long term population projection for Mokau is for decline.</p>	<p>Current supply capacity meets and exceeds average and peak demand, with future population projected to decline in the long term. The 11,000m<sup>3</sup> lower raw water storage pond allows variations between average and peak demand to be buffered.</p> <p>Principal option is to routinely monitor the supply/demand balance to ensure early detection and intervention if that ratio changes. Demand management measures would be the first response over additional capital investment in supply capacity.</p>	<p>No immediate implications. Previous investment in water storage in 2014 will endure over the term of this strategy.</p>
<b>ISSUE: Levels of service</b>		

Description	Principal options for response	Implications
<p>Levels of service for colour, taste and odour are acceptable to most residents.</p> <p>Distance factor negatively impacts on response times and servicing costs.</p>	<p>Continuation of routine monitoring and maintenance plan.</p> <p>Service level agreements in place with contractors.</p>	<p>Regular monitoring and routine preventative maintenance are key to the on-going success of the Mokau scheme.</p>
<b>ISSUE: Public Health and Environment</b>		
<p>Effects of take on the natural resource are allowed for in resource consents.</p> <p>The absence of back-flow preventers is a potential health risk for Mokau water supply consumers.</p>	<p>Resource consent to take water expires in 2026. Allowable take will be addressed then.</p> <p>Annual programme for installation of back-flow prevention devices has been scheduled to continue.</p>	<p>Back-flow preventers will remove the risk of cross contamination between the water supply and "greywater" from automatic household appliances. An annual installation programme at an average of \$13k per year over the 2024-54 planning period has been included.</p> <p>Renewal of the resource consent is fundamental to legal right to take water for Mokau community supply. Consent renewal is scheduled for 2025/26 at an estimated cost of \$61k with \$32k allowance in 2026/2027 for any Resource Consent improvement actions.</p>
<p>Green sand is utilised within the sand filter systems to capture particulate matter, ensuring that the filtrate turbidity remains within regulatory compliance standards. This is now due for replacement.</p>	<p>Replacement of Green sand, to ensure the filter is performing well and filtrate Turbidity is in compliance with requirement.</p>	<p>The budget allocations are set at \$38k* in Year 11, \$62k* in Year 20, and \$98k* in Year 30. This phased investment strategy demonstrates a commitment to maintaining water quality over time while also addressing the anticipated wear and operational demands on the filtration system.</p> <p>*inflated figures</p>
<p>Meet or exceed regulatory standards for drinking water quality</p>	<p>Implement Improvement Actions from water Safety Plans Gain Compliance with Drinking Water Requirements</p>	<p>The provision of \$65k* per year from Year 11 to Year 14 to fund improvement actions stemming from the Water Safety Plan (WSP) is a strategic financial commitment towards ensuring the long-term safety and quality of drinking water. This allocation demonstrates a proactive approach to water management, recognizing that maintaining and enhancing water safety is an ongoing process that requires regular investment.</p> <p>*inflated figures</p>
<b>ISSUE: Risk and Resilience Issues</b>		
<p>Asbestos water mains are vulnerable to breakage or complete severance in the event of earthquakes or other ground movement.</p>	<p>Continue to replace remaining water mains with flexible pipe materials and pipe joints.</p>	<p>The probability of this risk occurring is considered to be low to moderate within the term of this strategy but the severity of the consequences are expected to be high.</p>
<p>The past issues of water shortage and quality during summer drought conditions, have largely been addressed. The construction of additional raw water storage in 2014 and treatment plant improvements, have improved security of the supply and water quality since 2015. Seismic strengthening required.</p>	<p>Increased raw water storage was completed during 2015/16.</p> <p>Seismic strengthening of the reservoir.</p>	<p>The risk of water shortage during drought conditions has been addressed.</p> <p>Seismic strengthening of the reservoir has been scheduled for 2037/38 at a cost of \$533k*.</p> <p>*inflated figures</p>

## Waitomo Village Water Supply

Refer to section on Waitomo Village Wastewater Scheme (page 193)

### WDC STORMWATER DRAINAGE

WDC's stormwater (SW) infrastructure is divided into two distinct parts. The primary component, mainly located in urban areas like Te Kūiti, includes SW pipes, open drains, and discharge structures. Conversely, the secondary component primarily involves overland flow paths, a significant part of which integrates the roading network.

Unfortunately, the information on the assets that make up this stormwater network is sparse. The primary components reach extends to the SW networks, which include approximately 36.34km of pipes, open drains, manholes, and discharge structures, culminating in a comprehensive drainage network of 45.87km. On the other hand, overland flow paths, a substantial part of which incorporates the roading network, form the secondary component.

The multiple (19) Te Kūiti SW discharges are consented through a district wide comprehensive consent. The consent expires 1 July 2024.

Table includes all stormwater assets in the district and Table 15 summarises the stormwater issues.

**Table: Urban Stormwater Assets Districtwide**

Asset Type	Quantity
Manholes	532
Pump stations	Nil
Catchpits	601
Stormwater piped reticulation	36,340 m
Open channels	9,530 m
Outlet structures	22

**Table: WDC stormwater infrastructure issues**

Description	Principal options for response	Implications
<b>ISSUE: Asset renewal or Replacements</b>		
Ageing pipe assets some of which are in poor condition. Information on pipe condition is mostly anecdotal. Approx. 4km of pipe has been inspected. A large section of pipe network in Te Kūiti is partially silted up.	<p>Implement stormwater pipe condition assessment programme.</p> <p>Undertake renewals on a prioritised basis, "smoothed" across the 30 year planning period to avoid peaks and troughs in expenditure.</p> <p>Use findings from criticality assessment and network inspection programme to prioritise repairs/replacement programmes and optimise pipe replacement sizes taking account of catchment management plans.</p>	<p>Continued stormwater renewal and rehabilitation programme at an average of \$240k per year.</p> <p>Inspection programme at an average of \$16k per year over Years 1 – 10.</p>
<b>ISSUE: Response to demand</b>		
<p>The current network provides a modest response to SW drainage requirements, and principally in the Te Kūiti urban area. The nominal design capacity of the piped SW network is sized for a 1 in 2 year rainfall event. Parts of the piped network do not even achieve that.</p> <p>Roofwater drainage in the Te Kūiti residential area is required to discharge to on-site ground soakage or tank storage. If that was to change because of localised</p>	<p>The current level of service for the SW activity is designed for a modest rainfall event occurring on average, once every two years.</p> <p>Future planning of SW services is required to understand and prioritise future demand, available capacity, and impact on required service levels.</p> <p>Preparation of catchment management plans, initially for Te Kūiti, are required to develop a</p>	<p>Any future increase in demand will be met by maintaining current LoS. While population growth is projected to decline in the medium term, climate change might increase the frequency and intensity of a 1 in 2 year rainstorm event.</p>

Description	Principal options for response	Implications
<p>flooding, or if more intensive, residential land development was allowed to occur in future, greater pressure would be imposed on the existing limited SW drainage capacity, particularly the downstream sections of the network.</p> <p>The long term population and land subdivision projection for the district is for decline.</p>	<p>better understanding of catchment flow rates and primary and secondary flow paths.</p> <p>Apply investigative techniques such as, visual inspection, CCTV inspection, and peak flow calculations to gather information regarding the stormwater reticulation.</p>	
<b>ISSUE: Levels of Service</b>		
<p>The SW reticulation has been designed to cope with a very modest, 1 in 2 year storm event. Beyond that, the SW system relies on secondary, overland flow paths to drain excess surface water.</p> <p>Current LoS include reducing the threat of stormwater flooding of property, responsiveness to customer services during flood events and managing the adverse effects of SW on the quality of the receiving water.</p>	<p>Council’s preferred option is to maintain current levels of service, except for potential requirement for higher environmental standards post the new resource consent.</p> <p>It will achieve that by ensuring that secondary flow paths are identified and protected (through catchment management plans), and that the existing SW infrastructure performs to capacity, by continuation of CCTV inspection and repair programmes to identify the condition of the existing network and to prioritise work programmes to restore capacity of damaged or blocked sections.</p> <p>Alternative options involving increased drainage capacity would entail significant investment due to extensive lengths of pipe replacements at increased pipe diameters.</p>	<p>Budget provision (\$1.3M per year over the next 5 years to implement short, medium, and long-term stormwater improvement plans and actions. This involves in installations of wingwalls and grates on open channels, increase size of catch pits on the roadside kerbs, installing scruffy domes on low lying areas, identifying open areas to purchase land, design and construct retention dams. Council will also carry out detail stormwater 1D and 2D modelling.</p> <p>Budget provision of \$182k in overs Years 1 and 2 for preparation of catchment management plans (see Public Health and Environment, below) followed by an additional \$142k for Year 3.</p>
<b>ISSUE: Public Health and Environment</b>		
<p>Public health issues can arise in residential areas of Te Kūiti where there is no reticulated SW network. The impact of that can result in overloading of the sewerage network due to surface run-off.</p> <p>WDC holds a comprehensive SW Discharge Consent to capture the numerous SW point discharges. There is no SW treatment provided.</p>	<p>Extension of drainage network to unserviced urban areas to mitigate the risk of SW inflow to sewerage network.</p> <p>Effects of SW discharge on the natural environment are controlled via resource consents.</p> <p>The application to renew the current SW discharge consent will be made 2048/2049.</p> <p>Conduct environmental assessment of each stormwater drain and receiving water to identify and assess any ecological sensitivity and determine the appropriate form of environmental amenity of such streams and/or drains.</p>	<p>The current SW discharge consent expired on 1 July 2024 A budget of \$50k has been allowed in Year 1 (2024/25) with \$5k for each of the two years Year 2 and Year 3 in anticipation of additional consent monitoring and reporting requirements.</p> <p>Renewal of the resource consent is fundamental to the legal right to discharge urban SW to the environment.</p>
<p>Resource Consent Renewal in Y25 for Te Kūiti (Comply with Legislative Requirement).</p>	<p>The application to renew the current SW discharge consent will be made 2048/2049.</p>	<p>Provision of \$140k in Y25 for Te Kūiti Resource Consent renewal.</p>
<p>Stormwater Legislative compliance and environmental stewardship for Rural Towns</p>	<p>The application to renew the current SW discharge consent will be made 2048/2049</p>	<p>The allocation of \$70k for the resource consent renewal for six rural sites in Year 25 underscores a strategic approach to ensuring these</p>

Description	Principal options for response	Implications
		sites comply with legislative requirements.
<b>ISSUE: Risk and Resilience Issues</b>		
<p>Current risks include pipe failure, flooding of property due to impaired stormwater capacity and blocked secondary flow paths. A major flood event could overtop the banks of Mangaokewa Stream with consequential flooding of property.</p> <p>The increased frequency of high rainfall events, over time, exacerbated by the very limited capacity of the existing network, will potentially increase resident expectations for an effective stormwater drainage system. There is an overlap between SW and wastewater services. It is not unusual for roofwater downpipes to be connected to sewer laterals, or gully traps to be used as sumps on residential properties, especially where ponding is a problem.</p> <p>Rising sea level could impact negatively on the district's beach communities, mainly through impeded stormwater drainage due to rising sea levels and surcharging of stormwater outlets.</p>	<p>Identification and protection of secondary flow paths through catchment management plans. A prioritised programme of works to address any identified capacity/protection shortfall, including protection of secondary flow paths and environmental protection works to mitigate adverse effects at the points of discharge, would be derived from this work</p> <p>Repair and replacement of damaged stormwater pipes using seismic resistant pipe materials and flexible joints, sized for future demand projections.</p> <p>Extension of drainage network to unserved urban areas to mitigate the risk of SW inflow to sewerage network.</p>	<p>Failure to complete catchment management plans will increase the risk of flooding and damage to property.</p> <p>See above Level of Service.</p>

## TOWNSHIPS CURRENTLY NOT SERVICED WITH WATER SERVICES

A high level review of demand for additional water services across the district has been planned for Year 25 (2046/47). This review will be coordinated with the then Water and Sanitary Services Assessment, as required from time to time under section 125 of the Local Government Act 2002. The budget estimate is \$160,000.

For example, there is currently no wastewater scheme at Mokau, with individual properties fitted with privately owned and maintained septic tanks. The risk of cross-contamination between septic tanks and groundwater used for drinking water is alleviated through the existence of WDC's reticulated water supply. The impact of increased hydraulic loading consequential to the impact of the reticulated water supply on the performance of individual septic tanks may, however, need to be addressed in the future through the provision of a reticulated wastewater scheme for Mokau/Awakino. Protection of public health and the environment are the main drivers for this proposal.

The preliminary estimated total cost of the project is in the order of \$20 – 25M. No provision has been made in the Infrastructure Strategy for this specific project proposal, pending completion of the district wide review of demand for additional water services, scheduled for 2046/47.

The findings from the assessment will be used to inform the Infrastructure Strategy review in 2047.

## ROADS AND FOOTPATHS

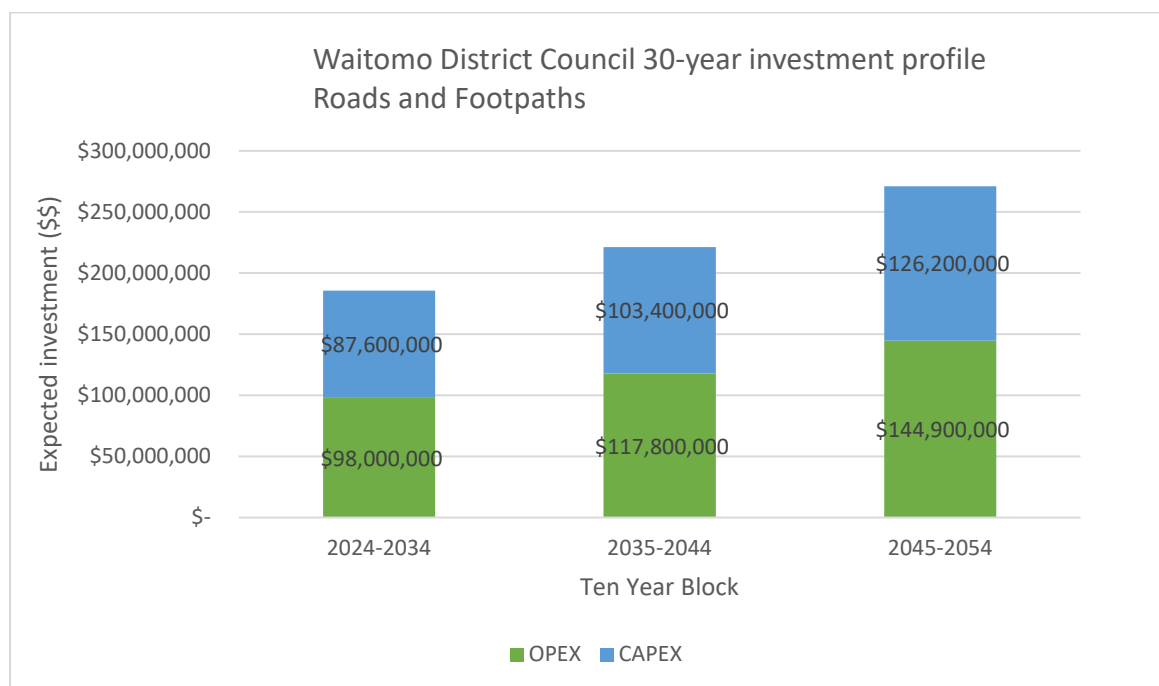
### Roading Assets

Our transport network integrates different modes of transport including heavy vehicles, cars, biking, and walking. We maintain, operate, renew, and invest in new to ensure the appropriate levels of service are met. We currently maintain 459.6km of sealed roads and 546.2km of unsealed roads. We maintain and renew associated assets such as bridges, culverts, kerb and channel, carparking, road signage, retaining structures, and street lighting.

It is expected that due to the stable regional growth, GPS 2024 objective of Maintain and Operate will be more relevant than ever. Maintaining the current levels of service will require upwards of \$586M over the next 30-years – illustrated in table 18 and figure 10 below.

**30-year investment profile across OPEX and CAPEX**

Investment Portfolio	Ten year block			Totals - 30 year
	2024-2034	2035-2044	2045-2054	
OPEX	\$ 98,000,000	\$ 117,800,000	\$ 144,900,000	\$ 360,700,000
CAPEX	\$ 87,600,000	\$ 103,400,000	\$ 126,200,000	\$ 317,200,000
<b>Totals</b>	<b>\$ 185,600,000</b>	<b>\$ 221,200,000</b>	<b>\$ 271,100,000</b>	<b>\$ 677,900,000</b>



The next 10-years will focus on investing in four key areas, in line with the 2024-2027 Activity Management Plan (AMP).

Focus Area **one**: Investing in the ageing bridge stock, maintaining, and investing in these assets to ensure our network remains prosperous and connected.

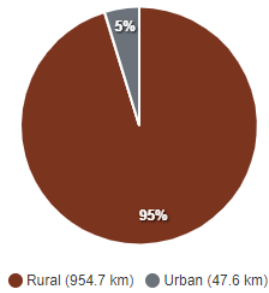
Focus Area **two**: Investing in resilience to cope with the increased frequency and scale of weather events.

Focus Areas **three and four**: Promoting smarter and more efficient investment decisions to cope with unprecedented inflation and cost increases. Higher costs will ultimately result in the same value of money being invested but with a reduced ability to maintain levels of service.

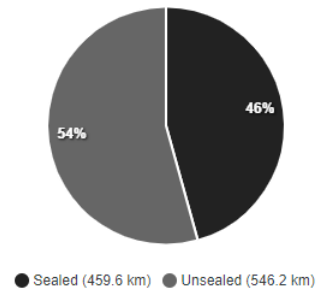
The management, monitoring, and delivery of the Roding and Footpath programmes requires specialist knowledge and expertise. WDC is currently working towards in-house delivery of some roading aspects resulting less reliance on external contractors.

## Road Length by Type -Km (Total length 1,006km)

Rural vs Urban



Sealed vs Unsealed



## Classification of transport network

The One Network Framework (ONF) is the new national classification system for roads and streets. It replaces the One Network Road Classification (ONRC) which has been in use since 2012.

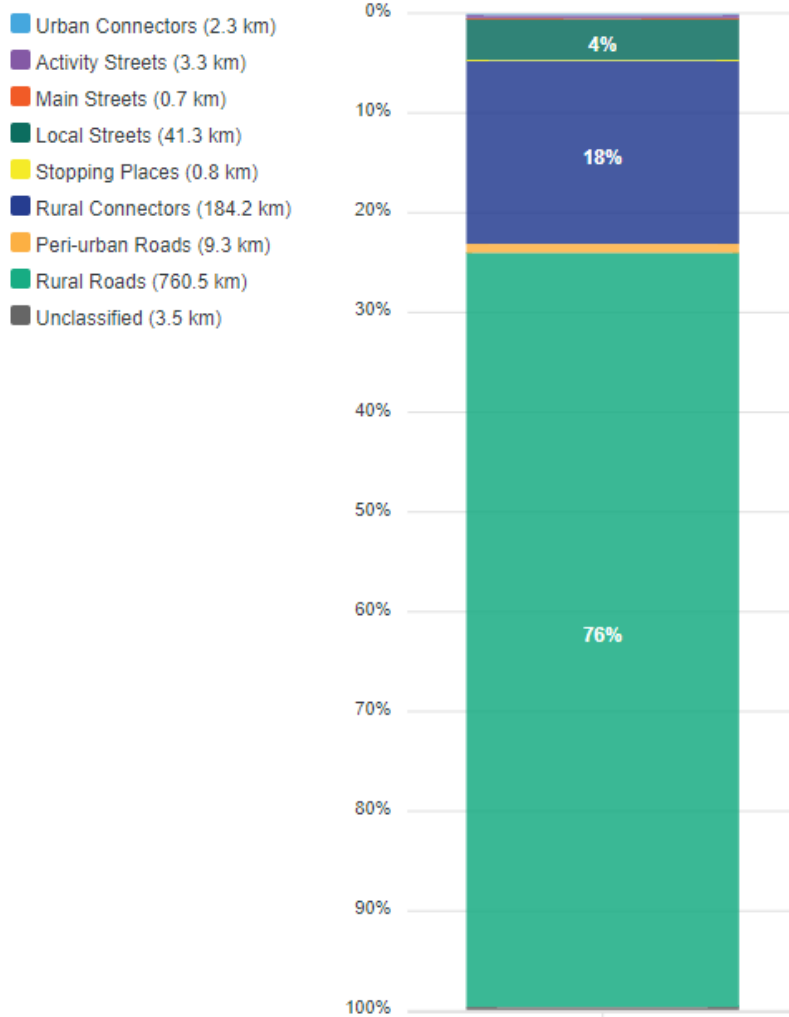
The ONF uses the movement and place framework to determine the function of all roads and streets, acknowledging that roads and streets perform two functions – they help move people and goods and are places where people spend time.

When fully implemented, the ONF can be used to benchmark performance and align performance measures and outcomes. In 2021, Council completed the desktop review of all roads and reclassified them in conjunction with the ONF guidelines.

Lengths for the ONF within the district and each classification as a percentage of the total network length are included in the figures below.

## One Network Framework (ONF)

### Length by Category



### Bridge Assets

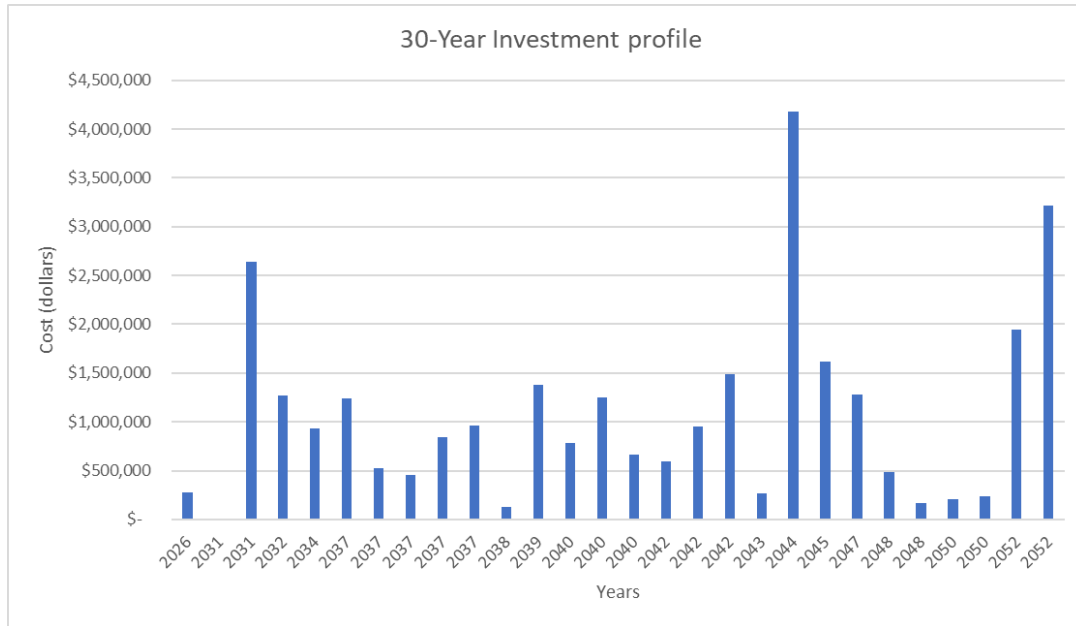
There are 162 bridges and large culverts (cross sectional area greater than 3.4m<sup>2</sup>) throughout the district. 96 of these are one lane structures – mainly on low volume roads. Some bridges are small structures providing access to one or more rural properties; others are large, catering for up to 1,000 vehicle movements per day.

There are 14 stock underpasses providing farm access under the road and improving safety for road users and the landowner. These underpasses belong to the property but are included in Council's data base to ensure they are inspected and maintained regularly. There are good records of the age and construction details for bridges and most large culverts held in the RAMM database.

Bridges are the second highest value asset in roading, with a replacement value of \$35M. Due to the large network and the nature of the terrain serviced by the roading network, all bridges are considered critical, as the loss of any bridge would result in unacceptably lengthy detours, where available. In many cases, there is no alternative route available.



**30-Year Bridge Replacement Programme (2024-2054)**



Forecasted investment needs over the next 30-years is illustrated below. High level analysis indicates that the initial 10-year requirements are within the realms of \$6M, which is less than the forecasted need of \$11M through the second 10-year period of 2035-2044. This bow wave of investment will require ongoing and proactive financial management to ensure the structural assets throughout the district are maintained and renewed when they are required.

**30-year investment blocks (uninflated figures)**

10 – Year Block	Investment need
2024 - 2034	\$ 6,000,000.00
2035 - 2044	\$ 18,000,000.00
2045 - 2054	\$ 11,000,000.00

Paraheka bridge #254 – illustrated below is third priority and due for renewal in 2031. It is the only suspension cable bridge within the district and will likely be replaced with a modern equivalent, expecting to cost in the realms of \$2-4M.

**Paraheka Bridge #254**



## Maintaining and Improving Resilience

The Waitomo District has a history of significant weather events which have become much more frequent over the last two-three years which has had adverse effects on transport infrastructure. The impacts have presented council with substantial and on-going financial pressures, not only restoring the levels of service but also adopting the philosophy of "Building back better". Table 19 below illustrates the spend to date over the past two years and forecast expenditure resulting from emergency events and the repairs to our transport infrastructure.

### Expenditure to date and forecast to complete.

Weather event	Date of event	Cost to restore and improve LOS
Cyclone Dovi	February 2022	\$10.5M
Winter 2022	June, July and August 2022	\$5.5M
Pukerimu 5.8	November 2022	\$250K
Auckland Anniversary/Cyclone Gabrielle	January 2023	\$600K
Mangarino Road	September 2023	\$1.5M
Total	2022 – 2024	\$18.4M

Alignment of GPS 2024 and this Strategy will ensure we are investing in the right places, at the right time to protect our communities and the key routes they rely on. The following GPS 2024 priorities are relevant to climate change and how we prioritise funding to reduce the impacts to our community.

- Maintaining and operating the system,
- Increasing resilience, and
- Reducing emissions.

Maintaining and improving resilience will be undertaken by:

- Key route dependency analysis to help council identify which routes are vital to ensuring communities remain connected.
- Substantial investment in drainage, improvements
- Increased inspection frequency of drainage assets to better inform vulnerable assets which require maintenance and renewal.
- Increased funding into corridor improvements in and around high risk areas consisting of unstable geology, around streams and rivers, single route dependency and alternative routes.
- Maintained funding into alternative methods of transport such as investment into walking and cycling, reducing the dependency of motor vehicles in our urban centres.

### Taumatotara West Road, one of the worst effected roads resulting from Cyclone Dovi (2022)

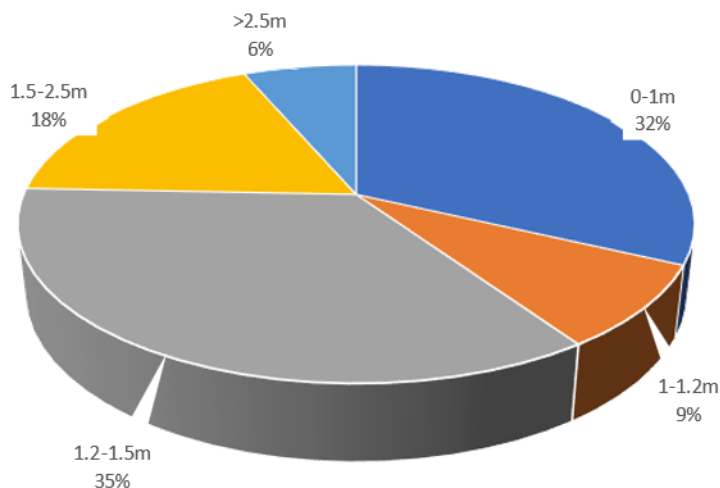


## Footpath Assets

The Waitomo District has roughly 51 kilometres of footpath ranging in width from less than 1 metre to over 2.5 metres wide.

The standard minimum footpath width for urban areas is 1.5 metres, wider footpaths are required in high pedestrian areas i.e. CBD areas and outside schools. The majority (76%) of footpaths in the district have a width of less than 1.5 metres which may reflect the age of existing footpaths (i.e. constructed when standard footpath widths were narrower).

### Footpath Lengths by Widths



Council is in the process of adopting the "Walking and Cycling Strategy 2023 – 2053) which places emphasis on four overarching objectives which in turn, provide six-focus areas within these objectives. The four objectives are:

### Improve the existing footpath network

Improving the existing footpath network by widening existing narrow footpaths and providing strategically placed safe road crossing points for existing footpaths.

### Healthy Communities

Providing accessible, safe and improved connectivity of the walking and cycling network in the District, to make walking and cycling a more desirable transport mode for all users.

### Promotion of walking and cycling

Enhance promotion of walking and cycling options in the District targeting residents and tourism.

### Enhance access and connectivity

Improve access to existing attractions, focal points, reserves, CBD's by providing more footpaths and cycleways to maximise the benefit for existing and current footpath and cycleway users.

It is expected that we will invest upwards of \$17.5M into walking and cycling over the next 30-year period, enabling members of our community to move around freely, utilising the multi-modal transport methods as opposed to traditional motor-vehicles.

### Work Activity - Forecast Summary

The following tables represent the forecasted investment by activity across both Operational and Capital portfolios.

**Operational forecast split across the three, ten-year blocks and associated risks (the figures represented have been rounded up to the nearest \$100k and inflated)**

Work Category	Name	2024 - 2034	2035 - 2044	2045 - 2054	2024 - 2054 30-Years	Risk Assessment
111	Sealed Pavement Maintenance	\$21.1M	\$25.2M	\$31.0M	\$77.3M	Medium Risk – Cost inflation will result in reduced LOS
112	Unsealed Pavement Maintenance	\$9.9M	\$12.2M	\$14.9M	\$37.0M	Medium Risk – Cost inflation will result in reduced LOS
113	Drainage Maintenance	\$5.5M	\$6.8M	\$8.3M	\$20.6M	High Risk – LOS difficult to manage
114	Structures Maintenance	\$3.0M	\$3.6M	\$4.4M	\$11.0M	High Risk – LOS difficult to manage – ongoing structural improvements and maintenance required
121	Environmental Maintenance	\$9.1M	\$11.0M	\$13.6M	\$33.7M	High Risk – LOS difficult to manage, hazardous trees coming to end of life requiring removal
122	Network Maintenance	\$7.1M	\$8.6M	\$10.7M	\$26.4M	Medium Risk – Cost inflation will result in reduced LOS
125	Footpath Maintenance	\$0.6M	\$0.7M	\$0.9M	\$2.2M	Low Risk – focus on multimodal transport
131	Level crossing maintenance	\$0.5M	\$0.6M	\$0.7M	\$1.8M	High Risk – Kiwirail costs largely unknown and lack of FWP visibility
140	Minor events	\$7.7M	\$9.5M	\$11.6M	\$28.8M	High Risk – largely unknown, this budget is used for emergency response
151	Professional Services and Asset Management	\$32.5M	\$38.4M	\$47.3M	\$118.2M	Low Risk – Stable demand, impacted by inflation
432	Community Road Safety Promotion	\$1.0M	\$1.2M	\$1.5M	\$3.7M	
<b>OPEX Total</b>		<b>\$98.0M</b>	<b>\$117.8M</b>	<b>\$144.9M</b>	<b>\$360.7M</b>	<b>High risk – will struggle to maintain LOS with inflation and stable population growth</b>

**Capital forecast split across the three, ten-year blocks and associated risks (the figures represented have been rounded up to the nearest \$100k and inflated)**

Work Category	Name	2024 - 2034	2035 - 2044	2045 - 2054	2024 - 2054 30-Years	Risk Assessment
211	Unsealed road renewals	\$9.7M	\$9.5M	\$11.6M	\$30.8M	Medium Risk – Will struggle to maintain LOS with reduced funding and inflation
212	Sealed road resurfacing	\$30.6M	\$28.7M	\$35.2M	\$94.5M	High Risk – Will struggle to maintain LOS with reduced funding and inflation
213	Drainage renewals	\$3.9M	\$4.7M	\$5.8M	\$14.4M	Medium Risk – Will struggle to maintain LOS with reduced funding and inflation
214	Sealed pavement rehabilitation	\$17.2M	\$17.3M	\$21.3M	\$55.8M	High Risk – Will struggle to maintain LOS with reduced funding and inflation
215	Structural component replacement	\$2.8M	\$3.3M	\$4.0M	\$10.1M	High Risk – Will struggle to maintain LOS with reduced funding and inflation, bridge replacement demand will increase in this 30-year period
216	Structural Renewal	\$4.3M	\$19.8M	\$23.4M	\$47.5M	High Risk – Will struggle to maintain LOS with reduced funding and inflation, bridge replacement demand will increase in this 30-year period

222	Traffic services renewals	\$0.9M	\$1.1M	\$1.3M	\$3.3M	Low risk
225	Footpath Renewals	\$0.6M	\$0.7M	\$0.8M	\$2.1M	Low risk
341	Low Cost Low Risk improvements	\$10.0M	\$9.1M	\$11.0M	\$30.1M	High Risk - Approved funding may differ from that requested
141	Associated Emergency Reinstatement Renewals	\$7.6M	\$9.2M	\$11.8M	\$28.6M	High Risk - A provision amount for emergency works
<b>CAPEX Total</b>		<b>\$87.6M</b>	<b>\$103.4M</b>	<b>\$126.2M</b>	<b>\$317.2M</b>	

### Summary of Strategy Considerations

The table below identifies and summarises road and footpath infrastructure considerations resulting from this Infrastructure Strategy.

#### WDC Roads and Footpath Infrastructure Issues

Description	Principal options for response	Implications
<b>ISSUE: Asset Renewal or Replacements</b>		
Bridge stock is in generally good condition. There are 28 bridges identified for renewal in next 30-year period with a replacement value of \$35M. Four of those bridges fall in the 2024 – 2034 period (value \$6M).	Monitoring of bridge condition and programme renewal of structural components.	Bridges are a critical roading asset. Regular inspections, maintenance and structural repair/renewal is vital to protecting public safety.
Seven bridges have weight restrictions prohibiting their use by 45/46 tonne vehicles that are now permitted “as of right” use over the network. A further seven bridges are unsuitable for HPMV vehicles resulting in parts of the District being inaccessible to these vehicles.	Determining what is required to upgrade bridge structures to HPMV standards. A priority list will be developed and one structure per year analysed.	Budget allowance of an additional full-service analysis over Years 1 to 10 from the Network and Asset Management category. Resulting capital works will be programmed from year 4 onwards.
Additional rehabilitation and resurfacing required to achieve sustainable asset condition.  Pavement condition, surface condition and smooth travel are stable and compare well with national values.	On low traffic roads a combination of heavy maintenance and reseals might be more economic than a full rehabilitation treatment. The sealed roads carrying the lowest traffic volume will be trialled for this option.	Reduced affordability for sealed pavement resurfacing and rehabilitations resulting from stable budgets but increased costs.  Resurfacing target reduced to 5% of the network being resealed annually.
Average annual resurfacing length of approximately 32 km required to maintain a current seal life of 12 years and avoid backlog occurring.	Maintain length of road resurfaced with seal and asphaltic concrete to an average of 32 km each year, consistent with a seal life of 12 years.	Road surfacing maintain water proofing and skid resistance. Reseals budget to increase to maintain LOS.

Description	Principal options for response	Implications
<b>ISSUE: Response to Demand</b>		
A recent survey of forestry owners in the district has identified an intense period of forest harvest operations scheduled to take place over the 2024-29. That together with the increasing incidence of 50MAX vehicles now accessing the network, suggests a consequential increased demand for expenditure on road maintenance and strengthening/rehabilitation programmes.	<p>Planning and prioritising of road rehabilitation projects to ensure construction works are aligned with demand.</p> <p>In parallel, sealed and unsealed road maintenance activities will be increased to offset increased wear and tear from logging trucks. Unsealed road maintenance will include increased frequency of metalling for roads with increased logging traffic.</p>	<p>Additional demand in the form of increased numbers of HCVs on specific forestry and mineral extraction haulage routes will shorten pavement lives and advance the need for rehabilitation of some routes. Road widening and geometry will be addressed at the same time. See asset renewals response above.</p> <p>Damages resulting from forestry traffic have not been allowed for in this strategy, this will be an on-going issue which will be managed accordingly.</p>
The maximum legal heavy vehicle gross weight increased from 44 tonnes to 45/46 tonnes from 1 February 2017, and this can be expected to place further stress on already under-strength pavements. The scale of this has yet to be determined.	Establishment of agreements with high impact road users for reimbursement of additional road maintenance and rehabilitation costs associated with road use activity.	Sealed maintenance budgets slightly increased. More heavy maintenance need to counteract reduced rehabilitation spend.
<b>ISSUE: Levels of Service</b>		
Levels of service include road safety, bridge/pavement capacity, reliability and accessibility, responsiveness and smoothness of ride.	GPS 2024 Strategy No.1 promotes maintaining and operating current assets as a priority over building new. This will have a positive impact for WDC and allow investment back into current assets to maintain the levels of service but equally have a consequential impact on assets that don't meet LOS and require capital investment.	
The rugged terrain of large parts of Waitomo district has resulted in a roading network that has significant numbers of tight bends where the road geometry does not meet the dimensional requirements for large truck and trailer configurations (e.g., 50MAX HPMV). There are 226km of the sealed network and 270km of the unsealed network that do not meet these minimum technical levels of service (TLOS).	Improvements to be completed to selected parts of the sealed and unsealed network that do not meet the existing TLOS over time. The first priority, after ensuring network resilience is upheld, will involve curve widening to reduce tight corners in the network. to a level suitable for modern truck configurations while maintaining a reasonable level of safety for other road users.	<p>Improved access for movement of primary sector goods to a level suitable for modern truck configurations and ensuring a reasonable level of safety for other road users.</p> <p>Current levels of service for responsiveness, smoothness, amenity and reliability/resilience will be maintained through the strategy period.</p>

Description	Principal options for response	Implications
<b>ISSUE: Public Health and Environment</b>		
Road maintenance and construction activities can potentially involve discharge of contaminated material to the natural environment.	Controlling roading operations to avoid and mitigate adverse effects including dust and sediment discharge to water ways.	Resource consents will be required for activities that may have an adverse effect(s) on the receiving environment(s).
Traffic accidents involving excessive speed, loss of control and tail end collisions.	Coordinate investigations, response and promotion of road safety through formation of a multi-agency, action group.	A programme of signage and guardrail improvements on selected routes is proposed. Investment of an additional capex over the next three years.
Many of the local roads have a variety of road users such as tourists, heavy vehicles, school buses, young driver, cyclists, farm vehicles and residents, all with conflicting road use purposes and behaviours. Each of these users has different safety needs. The proportion of "Bend/Lost control" crashes occurring on secondary collector roads is high compared to other crash types.	A targeted programme of safety improvements at conflict points will be developed and funded as a part of the Low Cost, Low Risk work category.	
<p>Five of the Waitomo District's urban areas are built along state-highways coincident with principal pedestrian routes:</p> <ul style="list-style-type: none"> <li>○ Te Kūiti (SH3, SH30)</li> <li>○ Piopio (SH3)</li> <li>○ Mokau (SH3)</li> <li>○ Waitomo Caves (SH37)</li> <li>○ Maniaiti/Benneydale (SH30)</li> </ul> <p>Pedestrian danger zones are present due to the high traffic volumes, heavy vehicles and speeding traffic that travel through these areas</p>	<p>WDC's recently developed town centre concept plans involve improvements to pedestrian facilities to improve pedestrian access to destinations alongside the highway. It is proposed to progressively implement these improvements as part of the footpath renewal and upgrade programme.</p> <p>The current footpath capital works programme is in effect improving network condition.</p>	<p>The footpath renewal and upgrade programme includes provision of new footpaths where justified and improving the width of existing paths.</p> <p>Footpaths are currently in good condition; however it is expected that additional maintenance funding increases will be required in future years.</p>

Description	Principal options for response	Implications
<b>ISSUE: Risk and Resilience</b>		
<p>The district roading network is exposed to severe operating conditions with high incidence of flood damage and localised extremes in climatic conditions. Increasing weather extremes due to climate change are expected to increase maintenance costs and disruptions to the road network.</p> <p>Climate change is predicted to lead to a rise in sea levels that will affect several coastal roads in the District. By 2050 parts of the roads listed below will be below sea level. It will be necessary to either raise the level of these roads or re-route onto higher ground in order to preserve road access to the affected communities.</p> <ul style="list-style-type: none"> <li>○ Kawhia Harbour Rd</li> <li>○ Marokopa Rd</li> <li>○ Soundy Rd</li> <li>○ Te Mahoe Rd</li> <li>○ Taharoa Rd</li> </ul> <p>Critical assets include bridges and large culverts Failure of bluff areas causing slips and dropouts could isolate rural communities.</p>	<p>Bridge inspections are completed every two years.</p> <p>Key route dependency assessments are undertaken to determine which routes are critical for community connections – i.e. lifelines.</p> <p>Years 1 – 3: WDC will continue its programme of culvert improvements to reduce the risk of road closures during extreme rainfall and complete structural maintenance on retaining walls to reduce risk of premature failure. It will develop a fully costed programme of works to raise the level of roads at risk of inundation due to sea level rise for implementation in future LTP.</p> <p>Reduction in emergency reinstatement funding from NZTA will increase the risk of prolonging reinstatement of roads and footpaths post an emergency event.</p>	<p>Current risk mitigation will be maintained through the strategy period.</p> <p>Greater community ownership of appropriate road safety behaviours.</p> <p>budget allowed capital investment on increased resilience of coastal roads to rising sea level under climate change modelling.</p>



## SECTION 6 | INFRASTRUCTURE INVESTMENT PROGRAMME – THE MOST LIKELY SCENARIO

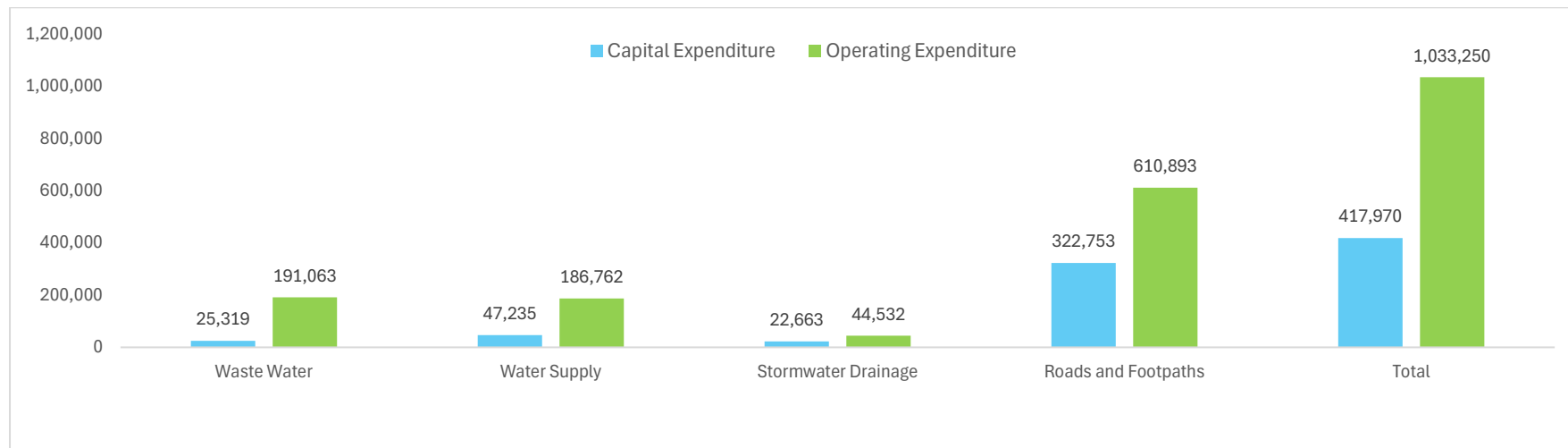
### TOTAL EXPENDITURE

In addressing the issues identified in the previous sections of this strategy, the Waitomo District Council expects to spend \$400.3 million on new or replacement infrastructure between 2024 and 2054. Over the same period, \$802.6 million is expected to be spent on operating costs, labour, depreciation, materials and maintenance. These figures are anticipated to be spread across the four infrastructures asset activity areas as shown below.

Table 24 below shows that expenditure across the four infrastructure activity areas will continue to be dominated by operational and maintenance requirements (operating costs, labour, depreciation, materials, and maintenance) between 2024 and 2054.

Infrastructure Activity	Capital Expenditure (new and replacements)	Operational Expenditure	Total
	Inflated figures \$000's	Inflated figures \$000's	Inflated figures \$000's
Waste Water	25,319	191,063	<b>216,382</b>
Water Supply	47,235	186,762	<b>233,997</b>
Stormwater Drainage	22,663	44,532	<b>67,195</b>
Roads and Footpaths	322,753	610,893	<b>933,646</b>
<b>TOTAL</b>	<b>417,970</b>	<b>1,033,250</b>	<b>1,451,220</b>

**Table: Total Infrastructure Expenditure 2024-54**

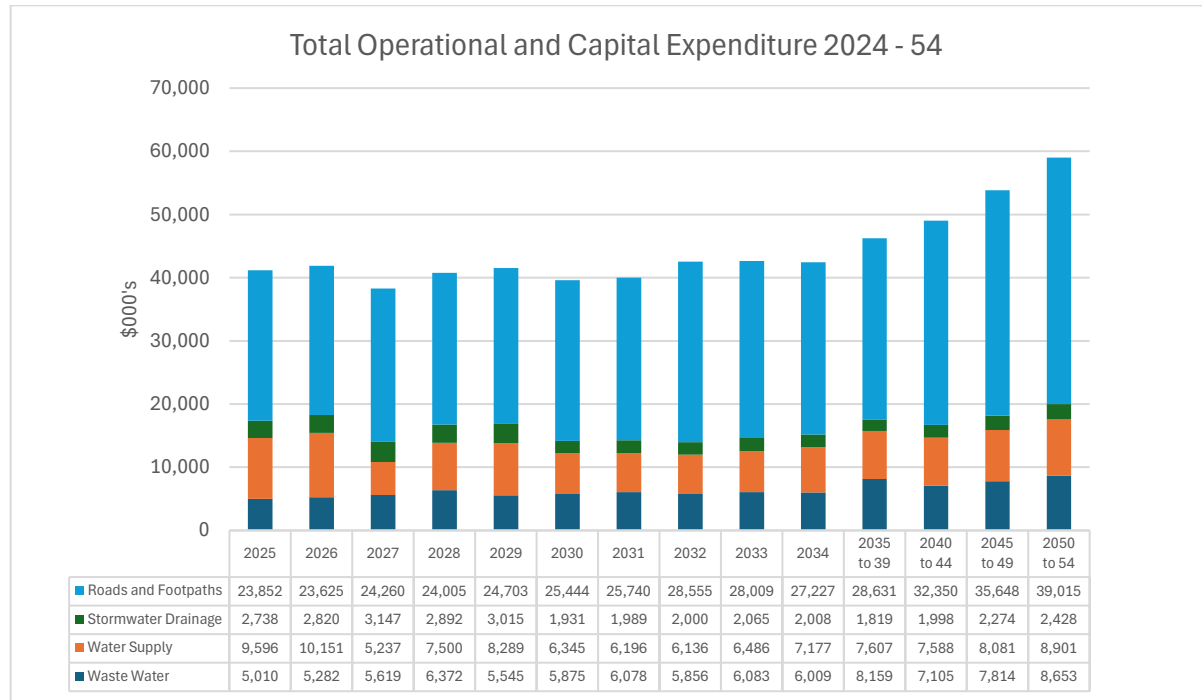


**Figure : Total Capex and Opex 2024 – 54 by Infrastructure Category**

Table and Figure below indicative estimates of total operational and capital expenditure up to 2054, by infrastructure asset type. The estimates are shown on an annual basis for the first 10 years, followed by annual average expenditure for the next 20 years in 5 year blocks.

Operating and Capital Expenditure Forecasts	Year 1 \$000's	Year 2 \$000's	Year 3 \$000's	Year 4 \$000's	Year 5 \$000's	Year 6 \$000's	Year 7 \$000's	Year 8 \$000's	Year 9 \$000's	Year 10 \$000's	Years 11 to 15 Average \$000's	Years 16 to 20 Average \$000's	Years 21 to 25 Average \$000's	Years 26 to 30 Average \$000's
Wastewater	5,010	5,282	5,619	6,372	5,545	5,875	6,078	5,856	6,083	6,009	8,159	7,105	7,814	8,653
Water Supply	9,596	10,151	5,237	7,500	8,289	6,345	6,196	6,136	6,486	7,177	7,607	7,588	8,081	8,901
Stormwater	2,738	2,820	3,147	2,892	3,015	1,931	1,989	2,000	2,065	2,008	1,819	1,998	2,274	2,428
Roads & Footpaths	23,852	23,625	24,260	24,005	24,703	25,444	25,740	28,555	28,009	27,227	28,631	32,350	35,648	39,015
<b>Total</b>	<b>41,196</b>	<b>41,878</b>	<b>38,263</b>	<b>40,769</b>	<b>41,552</b>	<b>39,595</b>	<b>40,003</b>	<b>42,547</b>	<b>42,643</b>	<b>42,421</b>	<b>46,216</b>	<b>49,041</b>	<b>53,817</b>	<b>58,997</b>

**Table: Total Infrastructure Opex & Capex Expenditure 2024-54**



**Figure : Total Operating and Capital Expenditure 2024 – 54**

## OPERATING EXPENDITURE FORECASTS

Operating Expenditure Forecasts	Year 1 \$000's	Year 2 \$000's	Year 3 \$000's	Year 4 \$000's	Year 5 \$000's	Year 6 \$000's	Year 7 \$000's	Year 8 \$000's	Year 9 \$000's	Year 10 \$000's	Years 11 to 15 Average \$000's	Years 16 to 20 Average \$000's	Years 21 to 25 Average \$000's	Years 26 to 30 Average \$000's
<b>Wastewater</b>	4,518	4,687	4,942	5,119	5,130	5,329	5,444	5,448	5,593	5,597	5,952	6,568	7,279	8,052
<b>Water Supply</b>	4,197	4,623	4,618	4,979	5,330	5,424	5,482	5,464	5,541	5,563	5,897	6,434	7,052	7,725
<b>Stormwater</b>	950	1,035	1,204	1,193	1,270	1,303	1,334	1,322	1,383	1,323	1,402	1,529	1,677	1,836
<b>Roads &amp; Footpaths</b>	14,945	15,300	15,430	15,935	16,507	16,842	17,164	17,720	18,092	18,427	18,959	20,974	23,211	25,762
<b>Total</b>	<b>24,610</b>	<b>25,645</b>	<b>26,194</b>	<b>27,226</b>	<b>28,237</b>	<b>28,898</b>	<b>29,424</b>	<b>29,954</b>	<b>30,609</b>	<b>30,910</b>	<b>32,210</b>	<b>35,505</b>	<b>39,219</b>	<b>43,375</b>

Table – Infrastructure Operating Expenditure Forecasts 2024 – 54

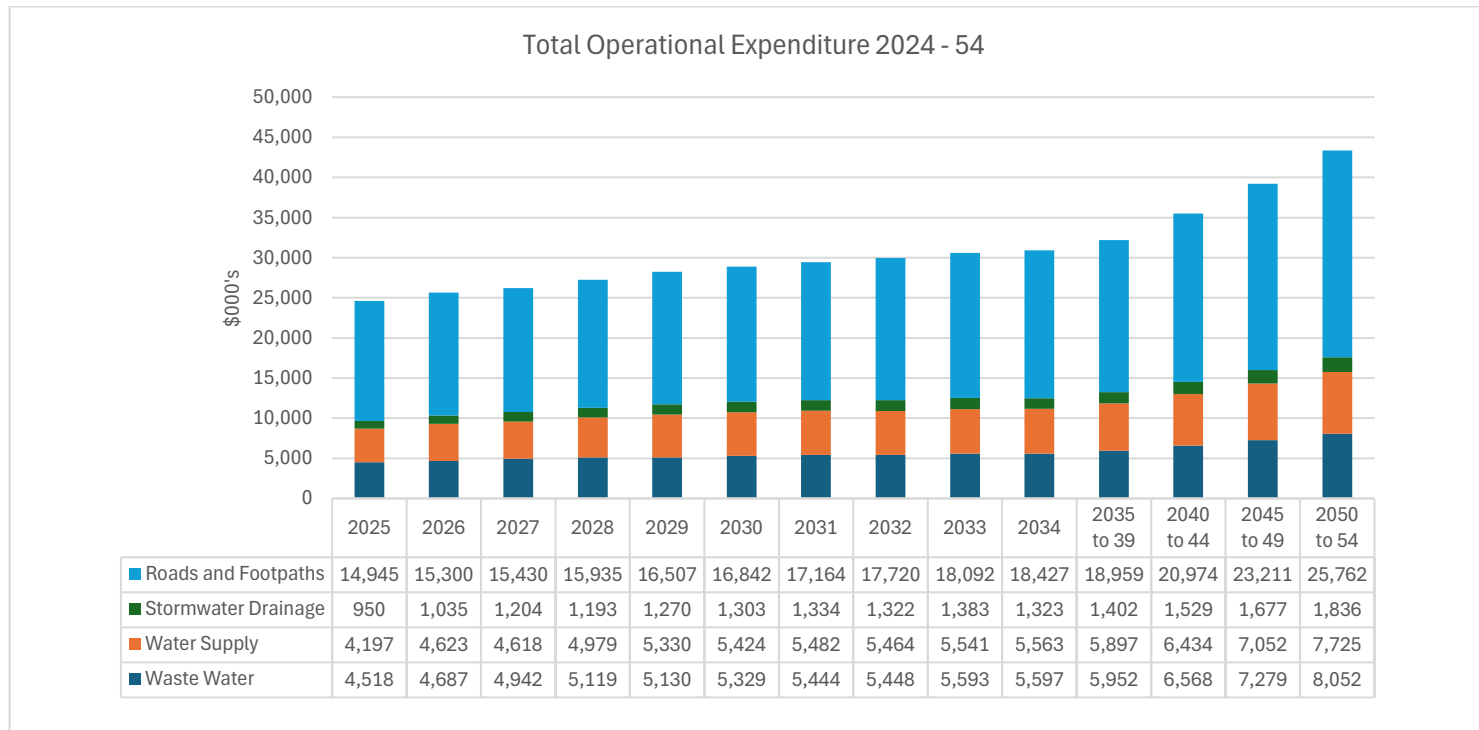
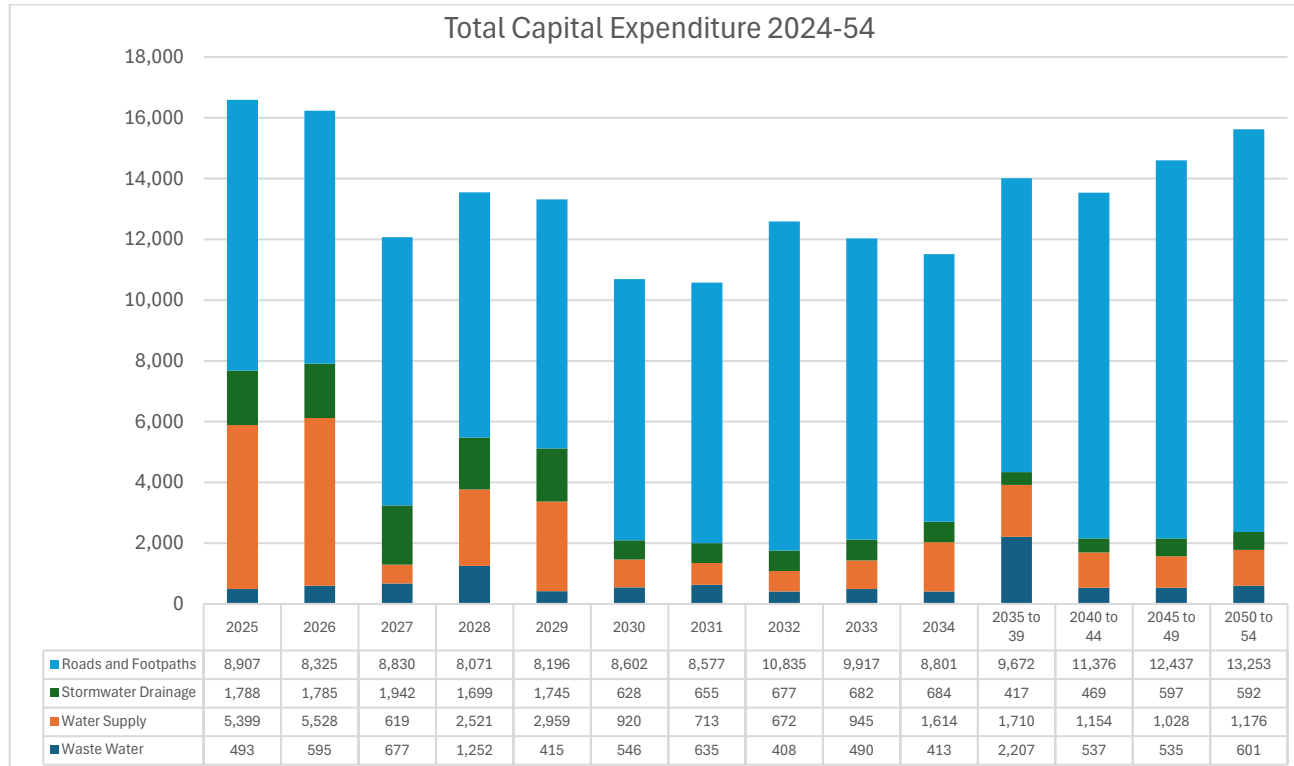


Figure : Operating Expenditure 2024 - 54

### CAPITAL EXPENDITURE FORECASTS

Capital Expenditure Forecasts	Year 1 \$000's	Year 2 \$000's	Year 3 \$000's	Year 4 \$000's	Year 5 \$000's	Year 6 \$000's	Year 7 \$000's	Year 8 \$000's	Year 9 \$000's	Year 10 \$000's	Years 11 to 15 Average \$000's	Years 16 to 20 Average \$000's	Years 21 to 25 Average \$000's	Years 26 to 30 Average \$000's
<b>Wastewater</b>	493	595	677	1,252	415	546	635	408	490	413	2,207	537	535	601
<b>Water Supply</b>	5,399	5,528	619	2,521	2,959	920	713	672	945	1,614	1,710	1,154	1,028	1,176
<b>Stormwater</b>	1,788	1,785	1,942	1,699	1,745	628	655	677	682	684	417	469	597	592
<b>Roads &amp; Footpaths</b>	8,907	8,325	8,830	8,071	8,196	8,602	8,577	10,835	9,917	8,801	9,672	11,376	12,437	13,253
<b>Total</b>	<b>16,587</b>	<b>16,233</b>	<b>12,068</b>	<b>13,543</b>	<b>13,315</b>	<b>10,696</b>	<b>10,580</b>	<b>12,592</b>	<b>12,034</b>	<b>11,512</b>	<b>14,006</b>	<b>13,536</b>	<b>14,597</b>	<b>15,622</b>

**Table – Infrastructure Capital Expenditure (Renewals and Improvements) Forecasts 2024- 54**



**Figure: Capital Expenditure Forecasts 2024-54**

The forecast capital expenditure profile, as indicated by Table 27 above, is relatively static over the life of the Infrastructure Strategy with an emphasis on asset renewal. This is further demonstrated in the series of graphs below that show that spread of renewal and minor improvement capital works (by activity type) over the life of the strategy. The graphs use estimates shown on an annual basis for the first 10 years, followed by annual average expenditure for the next 20 years in 5 year blocks.

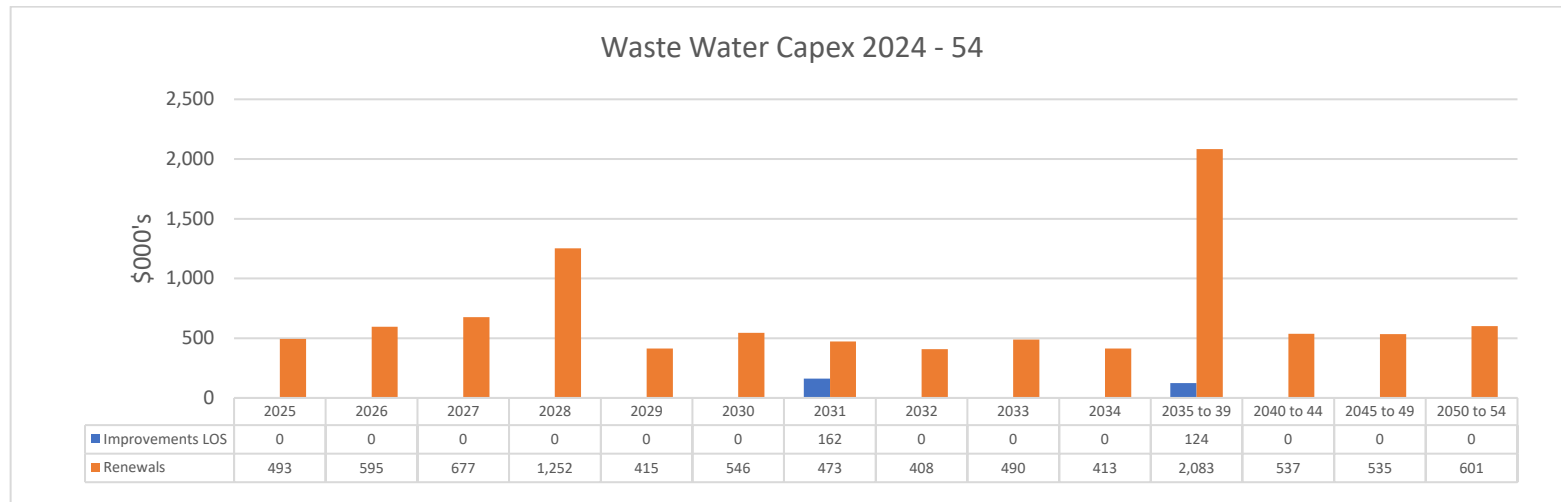
### Wastewater Capex

Capital expenditure on WDC’s wastewater schemes trends upwards over the next four years, with significant spend in capital works at the Te Kūiti wastewater treatment plant during the 30 year planning period. That involves relining of the reactor and augmentation of the existing clarifier.

Additional resilience of the Piopio wastewater treatment plant has also been allowed in 2060 at a preliminary estimated cost of \$2M. The project involves relocating the WWTP to a more elevated site to protect against inundation during a 100-year rainstorm event.

Wastewater	Year 1 \$000's	Year 2 \$000's	Year 3 \$000's	Year 4 \$000's	Year 5 \$000's	Year 6 \$000's	Year 7 \$000's	Year 8 \$000's	Year 9 \$000's	Year 10 \$000's	Years 11 to 15 Average \$000's	Years 16 to 20 Average \$000's	Years 21 to 25 Average \$000's	Years 26 to 30 Average \$000's
<b>Improvements LOS</b>	0	0	0	0	0	0	162	0	0	0	124	0	0	0
<b>Renewals</b>	493	595	677	1,252	415	546	473	408	490	413	2,083	537	535	601
<b>Total</b>	<b>493</b>	<b>595</b>	<b>677</b>	<b>1,252</b>	<b>415</b>	<b>546</b>	<b>635</b>	<b>408</b>	<b>490</b>	<b>413</b>	<b>2,207</b>	<b>537</b>	<b>535</b>	<b>601</b>

**Table 5: Wastewater Capital Expenditure 2024– 54**



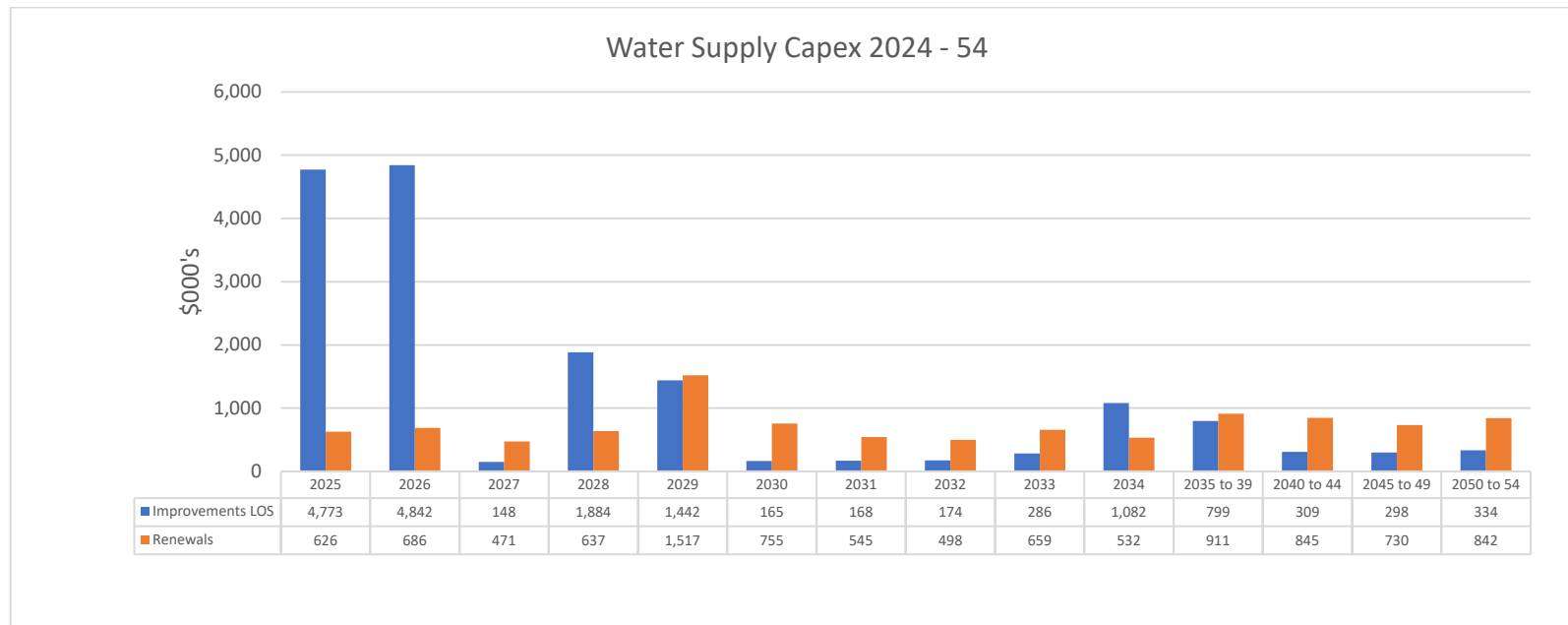
**Figure: Wastewater Capital Expenditure 2024 - 54**

## Water Supply Capex

The water supply improvements are dominated by the resilience project for Te Kūiti. scheme, at a preliminary cost estimate of \$9M, over the period 2024-2026. This project will provide a dedicated rising main and includes the refurbishment of the reservoir tanks.

Water Supply	Year 1 \$000's	Year 2 \$000's	Year 3 \$000's	Year 4 \$000's	Year 5 \$000's	Year 6 \$000's	Year 7 \$000's	Year 8 \$000's	Year 9 \$000's	Year 10 \$000's	Years 11 to 15 Average \$000's	Years 16 to 20 Average \$000's	Years 21 to 25 Average \$000's	Years 26 to 30 Average \$000's
<b>Improvements LOS</b>	4,773	4,842	148	1,884	1,442	165	168	174	286	1,082	799	309	298	334
<b>Renewals</b>	626	686	471	637	1,517	755	545	498	659	532	911	845	730	842
<b>Total</b>	<b>5,399</b>	<b>5,528</b>	<b>619</b>	<b>2,521</b>	<b>2,959</b>	<b>920</b>	<b>713</b>	<b>672</b>	<b>945</b>	<b>1,614</b>	<b>1,710</b>	<b>1,154</b>	<b>1,028</b>	<b>1,176</b>

**Table: WDC Water Supply Capital Expenditure 2024 – 2054**



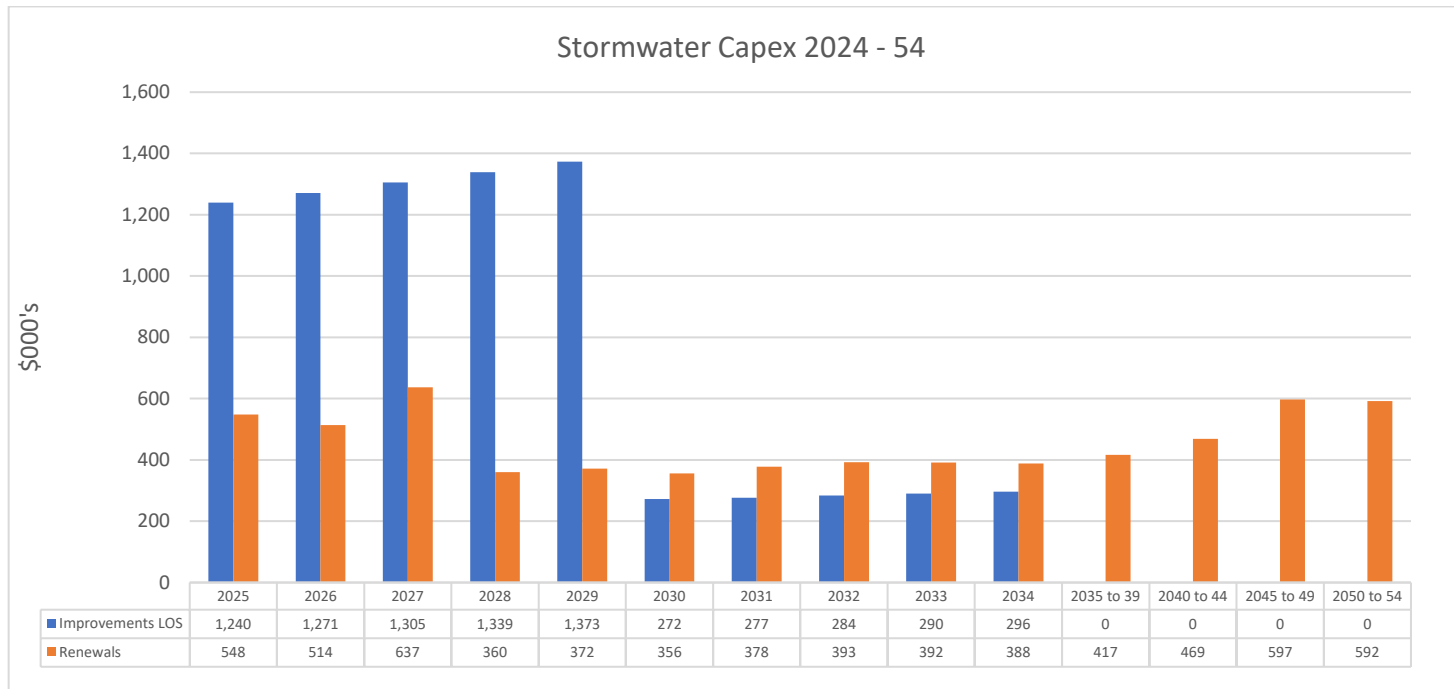
**Figure : Water Supply Capital Expenditure**

## Stormwater Capex

The stormwater capital expenditure profile is dominated by the investment in years 1 to 5 . This requires 1.3M per year over the next 5 years to implement short, medium, and long-term stormwater improvement plans and actions. Investment will then return to a baseline renewal programme.

Stormwater	Year 1 \$000's	Year 2 \$000's	Year 3 \$000's	Year 4 \$000's	Year 5 \$000's	Year 6 \$000's	Year 7 \$000's	Year 8 \$000's	Year 9 \$000's	Year 10 \$000's	Years 11 to 15 Average \$000's	Years 16 to 20 Average \$000's	Years 21 to 25 Average \$000's	Years 26 to 30 Average \$000's
<b>Improvements LOS</b>	1,240	1,271	1,305	1,339	1,373	272	277	284	290	296	0	0	0	0
<b>Renewals</b>	548	514	637	360	372	356	378	393	392	388	417	469	597	592
<b>Total</b>	<b>1,788</b>	<b>1,785</b>	<b>1,942</b>	<b>1,699</b>	<b>1,745</b>	<b>628</b>	<b>655</b>	<b>677</b>	<b>682</b>	<b>684</b>	<b>417</b>	<b>469</b>	<b>597</b>	<b>592</b>

**Table 30: WDC Stormwater Capital Expenditure 2024 – 54**



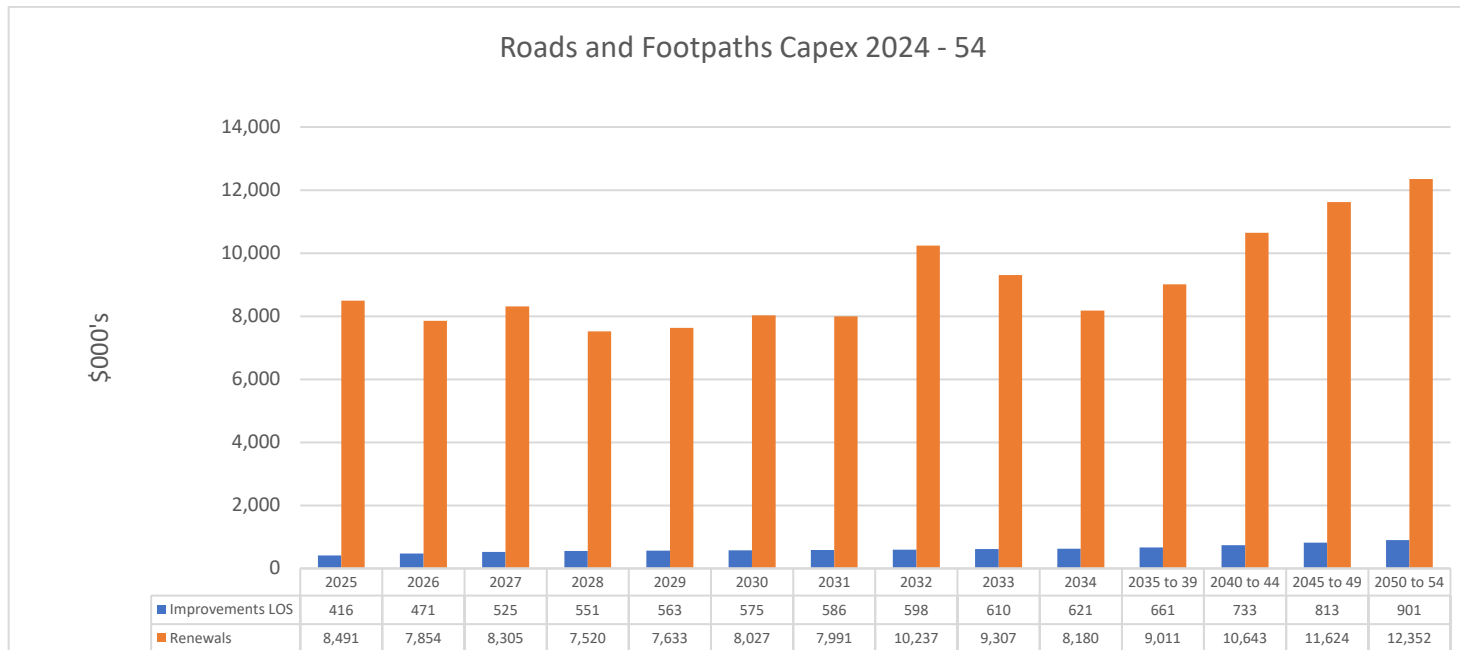
**Figure: Stormwater Capital Expenditure 2024 - 54**

## Roads and Footpaths Capex

The roads and footpaths capital programme is dominated by renewals over new works and reflects a modest reduction to reseals and rehabilitation works to a sustainable level.

Roads and Footpaths	Year 1 \$000's	Year 2 \$000's	Year 3 \$000's	Year 4 \$000's	Year 5 \$000's	Year 6 \$000's	Year 7 \$000's	Year 8 \$000's	Year 9 \$000's	Year 10 \$000's	Years 11 to 15 Average \$000's	Years 16 to 20 Average \$000's	Years 21 to 25 Average \$000's	Years 26 to 30 Average \$000's
<b>Improvements LOS</b>	416	471	525	551	563	575	586	598	610	621	661	733	813	901
<b>Renewals</b>	8,491	7,854	8,305	7,520	7,633	8,027	7,991	10,237	9,307	8,180	9,011	10,643	11,624	12,352
<b>Total</b>	<b>8,907</b>	<b>8,325</b>	<b>8,830</b>	<b>8,071</b>	<b>8,196</b>	<b>8,602</b>	<b>8,577</b>	<b>10,835</b>	<b>9,917</b>	<b>8,801</b>	<b>9,672</b>	<b>11,376</b>	<b>12,437</b>	<b>13,253</b>

**Table: Roads and Footpaths Capital Expenditure 2024 - 54**



**Figure : Roads and footpaths capital expenditure 2024 - 54**



## SECTION 7 | INFRASTRUCTURE STRATEGY – SPECIFIC ASSUMPTIONS

### RELIABILITY OF ASSET CONDITION DATA

Asset condition data is one of several factors impacting on the accuracy of WDC’s financial forecasts for its network infrastructure. Other factors relevant to forecasting maintenance and replacement programmes for asset components include data regarding the type of asset, the material it is made from, its size (e.g., larger pipe diameters tend to have longer effective lives than smaller pipe diameters, for the same type of material), its age, and categorisation/location (e.g., road pavements exposed to heavy traffic will have shorter lives than low traffic volume roads).

Taken together, the above factors are used to assess the remaining useful lives for each asset component, and from that, the forecast financial programmes for each activity. As part of that, an assessment is made of the accuracy of the data, expressed as a confidence grade, summarised below:

Confidence Grade	Label	Description
A	Accurate	Data based on reliable documentation
B	Minor inaccuracies	Data based on some supporting documentation
C	Significant data estimated	Data based on local knowledge
D	All data estimated	Data based on a best estimate of an experienced person

**Table – Data Confidence Grades**

The results of the above assessment process are summarised in the table below:

Activity	Confidence Grade				
	Asset Type	Physical properties	Categorisation	Age	Condition
Wastewater	B	B-	B	B	C+
Water Supply	B	B-	B	B	C+
Urban Stormwater Drainage	B	C+	B	B	C+
Roads and Footpaths	A	A	A	B	A-

**Table 6 – Data Confidence Assessment**

The above confidence gradings are factored in the respective financial forecasts, overlaid with local knowledge of operational performance.

Looking ahead, future asset management improvement programmes reflect the areas where more effort is required to improve knowledge of asset condition. Where more recent asset data suggests different condition ratings from that earlier assumed, adjustments are made to financial forecasts through the three-yearly review of the long term plan.

### SPECIFIC ASSUMPTIONS

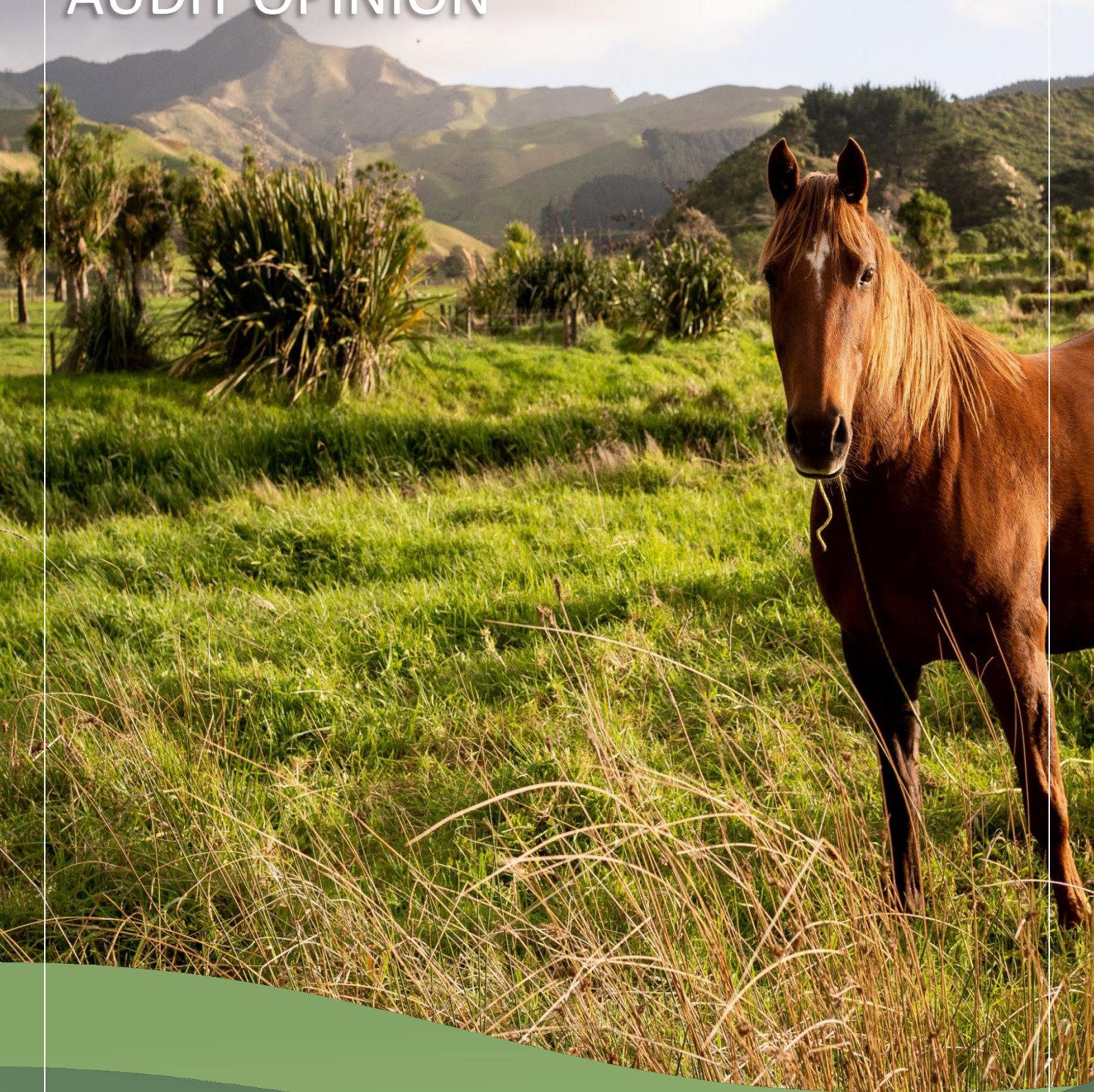
Whilst the LTP 2024 - 2034 provides for global planning assumptions, there are a number of detailed assumptions specifically relevant to the Infrastructure Strategy which are detailed below.

**Table – Infrastructure Strategy Assumptions**

Assumption	Level of Uncertainty	Potential Effects of Uncertainty
<p><b>Construction Costs</b></p> <p>No major changes relative to current cost structure.</p>	<p>Low - medium</p>	<p>Budgets are reassessed each year for the Annual Plan process to mitigate this risk. BERL inflation factors applied to the LTP also incorporate an element of price changes in different activity sectors.</p>
<p><b>Maintenance and Operational Costs</b></p> <p>These are largely based on historical rates and assume similar contract rates throughout the planning period for 3 waters. Roothing includes increases relating to indicated cost increases from recent tendered contracts.</p>	<p>Medium</p>	<p>BERL inflation factors have been applied to the programmes and budgets in the LTP. Budgets for successive years of the Annual Plan will be based on the corresponding year of the LTP.</p>
<p><b>NZ Transport Agency Subsidies</b></p> <p>Subsidy rates will continue at current level of 75%. New government is making significant changes to budgets.</p>	<p>Low - medium</p>	<p>Reduced subsidy would impact on local affordability of WDC’s contribution to road asset maintenance and renewals required to maintain current levels of service.</p>
<p><b>Depreciation</b></p> <p>Average asset lives at a project level for new works have been used to calculate depreciation.</p>	<p>Medium</p>	<p>Actual rate of asset depreciation is condition based and more accurately described as decline in service potential. Depreciation funding may be over or understated.</p>
<p><b>Vested Assets</b></p> <p>On average the same level of assets are gifted to the council as a result of subdivision as has occurred over the last 5 years</p>	<p>Low</p>	<p>Rate of sub divisional activity is low. Financial provision for increased lifecycle costs has been allowed for.</p>
<p>The vesting/transfer of Waitomo Village water and wastewater assets to WDC ownership will not occur during the 2024-2054 planning period</p>	<p>Low</p>	<p>The potential for a possible pathway forward for transfer of the Village water supply and wastewater infrastructure to WDC’s future ownership and management is unlikely, this may be considered through the Regional CCO pathway.</p>
<p><b>Service Potential</b></p> <p>Service potential of the asset is maintained by the renewal programme.</p>	<p>Pipe networks – Medium. Roothing &amp; Footpaths – Low</p>	<p>There is medium risk that the service potential of the pipe network assets will not be maintained by implementation of the renewal programme since the latter is not based on reliable asset condition information.</p>
<p><b>Asset Lives</b></p> <p>Assumed lives for Council’s assets will have minimum impact on financial estimates.</p>	<p>Pipe networks – Medium. Roads &amp; Footpaths – Low</p>	<p>The risk that pipe network asset lives are inaccurate is medium. Lives are based on generally accepted industry values, modified by local knowledge and condition assessment. The condition of large sections of pipe networks has yet to be confirmed. The potential effect is that, for the unconfirmed pipe sections, the effective lives of pipe assets might be overstated, with a consequential impact on depreciation funding and the respective renewals programme.</p>
<p><b>Natural Disasters</b></p> <p>That there are no major natural disasters requiring additional funding for reinstatement of assets.</p>	<p>Medium - high</p>	<p>There is medium to high risk of a natural disaster occurring during the 30-year period requiring additional funds to repair or reinstate assets. Some provision for increasing the resilience of the assets has been built into this strategy but there is still further work to be undertaken to determine the</p>

Assumption	Level of Uncertainty	Potential Effects of Uncertainty
		desired level of resilience and the further asset improvements required to achieve this.
<p><b>Climate Change</b></p> <p>The impacts of climate change will be minimal over the planning period.</p>	Medium	The likely effects of climate change on the region have been documented. The extent to which these will impact on WDC's network infrastructure will be better understood over time and the strategy adapted accordingly.
<p><b>Council Policy</b></p> <p>No significant change to Council policy that impacts on assets and services.</p>	Low	Any significant change will require a full review of the Infrastructure Strategy and implications identified at the time.
<p><b>Growth or Decline in Demand</b></p> <p>No significant change in demand.</p>	Low	Potential changes in demand are not expected to be significant over the period due to the population growth demand being meet by asset improvements and demand management.
<p><b>Changes to Levels of Service</b></p> <p>Except where specifically identified, changes to levels of service are minor.</p>	Wastewater, water and stormwater assets – Medium to high.	Levels of service increases due to increased regulatory requirements introduced by a potential new Infrastructure Regulator for 3 waters have been accommodated in the strategy on a minimal basis however this will need to be reviewed as further information come though. Uncertainty regarding new levels of service in future resource consents is low for WDC's wastewater schemes because of the recent consent renewal processes.
	Roading assets – medium.	NZTA's current nation-wide move towards a common roading classification (One Network Framework – ONF), and review of the associated customer levels of service, could result in a change to the level of funding received from NZTA over time. Prescribed levels of service and in turn the required level of investment will be monitored over time.

HE WHAKĀRO TĀTARI KAUTE  
AUDIT OPINION



# Audit Opinion

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Waitomo District Council

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