

ATTACHMENT 5

THE JOURNEY AHEAD

TE HAERENGA KEI MUA

CONSULTATION DOCUMENT *(Text Version)*

WAITOMO DISTRICT COUNCIL

DRAFT 10 YEAR PLAN 2021-2031

MĀHERE TEKAU TAU 2021-2031



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Timeline: draft 10 Year Plan 2021 -2031

Council approve draft 10 Year Plan for public consultation
16 April 2021

Consultation opens
21 April 2021

Consultation closes
21 May 2021

Hearings (An opportunity for you to talk directly to Elected Members)
27-28 May 2021

Deliberations (when Elected Members discuss your feedback)
9 June 2021

10 Year Plan adopted by Council
29 June 2021

SHARE YOUR VIEWS

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

The Consultation Document (CD) and the supporting information can be accessed online on our website waitomo.govt.nz/10YP

You can also pick up a physical copy of the CD and view the Supporting Information at any of the following locations:

- PGG Wrightson, 58 Moa Street, Piopio
- Mokau Museum and Gallery, 33 North Street, Mokau
- Café Kai and Bar, 15 Waitomo Village Road, Waitomo
- Benneydale Foodmarket Ltd, 34 Ellis Road, Maniaiti/Benneydale
- Marokopa Transfer Station, Marokopa Road (approx. 400m east of village)
- Waitomo District Council Main Office, 15 Queen Street, Te Kuiti
- Waitomo District Library, 28 Taupiri Street, Te Kuiti
- Te Kuiti i-SITE Visitor Information Centre, 160 Rora Street, Te Kuiti

Sharing your opinion is easy

We have several ways for you to have your say:

- You can submit online on our website: waitomo.govt.nz/10YP
- You can email your Submission: haveyoursay@waitomo.govt.nz
- You can drop off your Submission Form to our Office at 15 Queen Street, Te Kuiti, or
- FREEPOST 112498, Waitomo District Council, PO Box 404, Te Kuiti 3941

You can also complete the Submission Form at the back of this Consultation Document and return it to us by mail, email or drop it into our Office.

You can also attend one of our Drop-in Sessions or Public Meetings

Te Kuiti – Drop-in Session
Railway Building 3, Rora Street, Te Kuiti
Friday 30 April
12pm - 2pm
Wednesday 5 May
5pm - 6:30pm

Piopio – Drop-in Session
Fat Pigeon Café, Piopio.
Monday 17 May
2:30pm – 3:30pm

Waitomo – Public Meeting
Waitomo Museum
Wednesday 28 April
6pm – 7:30pm

Mokau – Drop-in Session
Mokau Hall
Saturday 1 May
1pm - 3pm

Maniaiti/Benneydale – Public Meeting
Benneydale School
Monday 10 May
7pm

OUR FUTURE BEGINS WITH YOU

Tēnā koutou katoa, greetings

On behalf of the Elected Members of the Waitomo District Council, I am pleased to present this draft 10 Year Plan for your consideration.

This draft 10 Year Plan sets out our aspirational and financial goals for the Council through to 2031.

We have formed the Plan in a climate of uncertainty; a time when the COVID-19 pandemic continues to hurt the economic fabric of parts of our community, the housing market is under stress, and Central Government is considering significant reform of Council operations.

It is important to keep in mind that while the first two to three years of the financial part of this draft 10 Year Plan will be reasonably reliable, the forecasts for later years are likely to be revised as we work through the Three Waters Reform Programme.

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

Over the life of this draft 10 Year Plan, we expect rate increases to be low. Next year, the total rates we collect will be less than what we collected in this current year – meaning a slight rate decrease overall.

This draft 10 Year Plan forecasts debt dropping by \$8.9 million to \$30.7 million in 2027 and dropping further to \$15.1 million in 2031. Dividends from Inframax Construction Limited (which is wholly owned by Council) have not been factored into this forecast. Should dividends be received they will be used to reduce debt further.

We will continue to invest in our core infrastructure. A well-maintained road network is especially important to our rural economy. Looking after all community assets and ensuring that they are well maintained, and fit-for-purpose, is a priority under this draft 10 Year Plan.

Our 10-year forecasts will be revisited by the next Council in preparation for the 10 Year Plan 2024-34. By then, there should be more certainty around Central Government's Three Waters Reform Programme as well as the effects of COVID-19. We will also know better where borrowing costs and pressures on the cost of capital works are heading.

Finally, I want to make a plea to all residents about a matter that I am passionate about. The costs to Council of waste disposal are increasing. These include emissions charges imposed by Central Government. We can and must look at ways to reduce waste through recycling and composting.

Please help reduce the waste that goes into our Landfill. In the second year of this draft 10 Year Plan, we will be reviewing Council's 'Waste Minimisation Plan'. We will consult with you and seek your ideas as we undertake that review.

Elected Members are keen to hear your feedback on this draft 10 Year Plan. I invite you to share your thoughts by submitting online, in writing or in person at our hearings and at public meetings across the District.

Help us shape the journey ahead for our District.

John Robertson, QSO

Mayor of Waitomo District

OUR JOURNEY

Past to Present

2018 to 2020

- Adopted Town Concept Plans for Te Kuiti, Maniaiti/Benneydale, Piopio, Mokau and Waitomo Caves Village.
- Completed Elections 2019.
- Developed and adopted Annual Plans (2019/2020, 2020/2021) and Annual Reports (2018/2019, 2019/2020).
- Adopted and implemented the Vibrant Safe Waitomo Action Plan with 36 actions.
- Distribution of Community Grants.
- Support to the Youth Council.
- Continued support of District Promotion via Hamilton & Waikato Regional Tourism Limited.
- Promotion of Economic Development in collaboration with the Regional Economic Development Agency, Te Waka.
- Continuing the review of the District Plan.
- Supported Te Kuiti Menzshed to use a hall for community projects.
- Technology upgrades and building renovations completed at the Waitomo District Library.
- Continued delivery of events like the Great NZ Muster and the Waitomo District Christmas Parade.
- Continued promotion and support of an active and healthy community in partnership with Sport Waikato.
- Delivery of Waste Minimisation Workshops.
- Repaired a 1.4km long section of Totoro Road.
- 970m of previously narrow footpaths widened and 610 metres of new footpaths constructed.
- Renewed 1,110 metres of drainage and culverts and 193 metres of kerbs.
- Maintained urban roads (50km sealed, 3km of unsealed).
- Re-metalled 51km of unsealed roads and resurfaced 25.7km of sealed roads.
- Maintained 162 bridges.
- Maintained and/or replaced 323 road signs/markers and 345 posts.
- Started the construction of the new Te Kuiti Pedestrian Railway Overbridge (Te Ara Tika).
- Completed upgrades to the Les Munro Centre.
- Upgraded the Senior Citizens Hall and Piopio Memorial Hall.
- Sold and removed the Historic Society Building in Queen Street, Te Kuiti.
- Upgraded the Te Kuiti Domain building.
- Upgraded CCTV Cameras in the Te Kuiti CBD.
- Installed improved safety features at Transfer Stations.
- Renewed the road seal at Waitomo District Landfill Kiosk and improved site security.
- Set up temporary portable toilets in Mokau for the peak summer season.
- Demolished two unsafe buildings at the Te Kuiti Aerodrome.
- Repaired the Te Maika and Mokau jetties.
- Upgraded Motakiora/Brook Park and retrofitted Marokopa Holiday Park with KiwiCash booking technology.
- Upgraded public toilets in Te Kuiti, Piopio, Mokau and Maniaiti/Benneydale.
- Refurbished the Marokopa Reserve Playground.
- Completed a redesign of Redwood Park Playground.
- New playground equipment installed in Maniaiti/Benneydale.
- Basketball area installed in Eketone Street, Te Kuiti.
- Native planting at Motakiora/Brook Park.
- Te Kuiti New Cemetery extension progressed with the gifted land.
- Several upgrades of the Te Kuiti Stormwater Network, including the completion of an Asset Criticality Assessment.
- Completed the Te Kuiti Water Treatment Plant Upgrade and other capital works at the Piopio Water Treatment Plant and Maniaiti/Benneydale Water Supply Scheme.
- Continued improvement to technology across all Treatment Plants.
- Completed upgrades and minor works of the Wastewater System Networks in Te Kuiti, Maniaiti/Benneydale, Te Waitere and Piopio.
- Installed additional monitoring at the Mokau and Piopio Water Treatment Plants to gather compliance data to be assessed against the NZ Drinking Water Standards.
- Completed repairs to the Lower Water Storage Dam at Mokau.
- Completed Phase 1 of an investigation into an alternative water supply (bore) for Te Kuiti.

We have achieved a lot

CONTINUING OUR JOURNEY

Over the last 10 years, Council has invested heavily in core infrastructure (roads, water supply, wastewater, stormwater) to ensure we deliver health and wellbeing outcomes for our residents as well as complying with legislation. Council has worked hard to invest in our District in a way which is affordable for ratepayers, while still ensuring we have a great place to live, work and play.

Water Supply and Wastewater

Councils across many parts of New Zealand are struggling to provide safe and cost-effective drinking water to their districts. In the last few years there have been instances where a lack of robust regulation, inconsistent enforcement and under-investment in water infrastructure has had a serious impact on local communities.

This is not the case for Waitomo District Council. In the last decade, Council has invested proactively in core infrastructure, committing \$78.4 million into the Capital Works Programme. Government funding has been used to invest in water supply and wastewater infrastructure. Those decisions have reduced the costs to ratepayers and means we do not have to keep investing the same amount of funding in the future.

We are confident our three waters (water supply, wastewater and stormwater) networks are resilient, robust and infrastructure is in good shape.

Finances

In the last three years Council has significantly improved its financial position, doing better than what it had forecast. Because of this, Council will require lower rates than previously envisaged.

We know ratepayers are concerned about debt, so Council has also been very careful in the way it has used debt to help spread the costs of operations.

Reducing our debt is a key focus of our Financial Strategy. Our forecasts predict that we can reduce debt by \$24 million (a 62% reduction over the 10-year period).

This Plan is about continuing our journey

We are continuing what we started – Council has made significant investment in core infrastructure over the last 10 years, there are no new critical items in which Council needs to invest in the near future. Our focus is on continuing the major projects outlined in our Long Term Plan 2018-2028. Many of those projects are already underway.

Managing affordability – The cost of doing business is increasing and as a result there is a lot of pressure on Council's budget.

We know that paying rates is challenging, especially for those on fixed or low incomes. We do our best to keep rates as low as possible, while still providing services and facilities the community expects and enjoys. However, while Council can (and does) fund some activities in other ways, rates are a reality that cannot be avoided. In some circumstances, we can help (see Council's Rates Remission Policy on our website).

We have recognised the ongoing impact of COVID-19, especially on local businesses and employment, and have made a conscious effort to keep proposed rates as low as possible for Years 1 and 2 of this draft 10 Year Plan. The total amount of rates required to operate Council business for Year 1 is \$109,000 less than this year (equivalent to a rates reduction of 0.53%.) The rates increase required for Years 2 and 3 are 2.04% and 4.38% respectively.

The proposed rates in Year 3 reflects the increased operating costs of water supply and wastewater services and the development cost of the next 10 Year Plan. We will review this when more information about the Government's Three Waters Reform Programme is available.

Council has proposed an average rate increase of 2.3% in Years 4-10, but this may change when the 10 Year Plan is reviewed and updated for 2024-2034.

Waitomo – A vibrant district – This draft 10 Year Plan maps out the next steps on our journey, a journey we are excited to be on with our community.

OUR VISION, COMMUNITY OUTCOMES AND PRIORITIES

Our vision is 'Waitomo – A vibrant district'.

Our Community Outcomes / What we want for our community

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

Our Priorities / Our focus for the next three years

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

OUR PLAN FOR THE JOURNEY AHEAD

The year 2020 was challenging in ways many of us could never have imagined. When the COVID-19 global pandemic reached New Zealand, none of us knew what the impact would be.

The COVID-19 Level 4 lockdown reinforced the important role Council plays in residents' day-to-day lives. It helped us gain a better understanding of where investment is most needed to continue to make Waitomo District a vibrant district.

Over the past three years we have kept rate increases to a minimum. We know paying rates is challenging for some ratepayers in our District.

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

Our proposed plan for the next 10 years is to:

- Focus on renewing and maintaining critical, core infrastructure.
- Deliver on work programmes that address priorities including important community spaces and facilities, roads and footpaths, water supply, wastewater, stormwater and regulatory services.

- Keep rates affordable.
- Continue preparing our District for the next 30 years.

ON THE HORIZON

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. This can mean increased costs and can sometimes mean expensive infrastructure upgrades.

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

- New Drinking Water Standards for New Zealand.
- Earthquake-prone Building Standards; a national framework for identifying and remediating high-risk, earthquake-prone buildings.
- National Policy Statement on Freshwater Management; provides direction to councils on managing the activities that affect the health (and) quality of freshwater.
- More stringent consent requirements, for the management of resources, for example, discharge consents for wastewater.

Additionally, we have further impending regulatory changes coming through such as the introduction of a new Water Services Regulator, Taumata Arowai, which comes into effect in the second half of 2021.

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

Three Waters Reform

Over the past three years, Central and Local Government have been considering how best to regulate the delivery of the three water services (water supply, wastewater and stormwater). New legislation has created a new Water Services Regulator, Taumata Arowai. This Regulator will oversee and enforce new drinking water regulations and oversee wastewater and stormwater networks.

Options for new service delivery arrangements are still being considered. The Government's preference is for a considerably reduced number of new, larger water entities. Those entities would replace 67 separate councils (or their agencies) which currently manage their district three waters services independently.

A three-year reform programme for three waters service delivery has been developed by Central Government. All Councils, including Waitomo District Council, are part of this, and as a result, Waitomo District Council has received Government funding of \$3.5 million to support water supply and wastewater projects in the District.

A decision on whether our Council opts into the new waters entity model proposed by Central Government will be made towards the end of 2021. This will involve a public consultation process. If Council does opt in, it would mean ownership, management and delivery of its water supply and wastewater services, and possibly stormwater, would transfer to a new larger water entity.

The Three Waters Reform Programme creates uncertainty around how water supply, wastewater and stormwater services will be delivered to our community in the future. Our 30-year Infrastructure Strategy and our 10-year Financial Strategy assume the status quo (that we could continue to own and deliver services) as no decisions have been made by Central Government. Should this change, Council would have to revisit its position.

Climate Change

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

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

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

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

Challenges:

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

Climate Change – What we are doing

It is not yet certain how climate change will impact our District, so we are considering a range of possible futures for assessing how to respond. 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. These plans focus on structures with a remaining life of 25 years or longer which we will likely have to renew or replace.

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

- **Water Supply:** Options for alternative water sources or raw water storage for Te Kuiti to mitigate the effects of climate change and ensure security of supply.
- **Wastewater:** We are making provision for a temporary coffer dam and causeway to protect the Piopio Wastewater Treatment Plant from flooding, followed by construction of a new treatment plant when required.
- **Stormwater:** The longer-term consequences of climate change will be considered when our stormwater resource consent is renewed in 2024. Our consent discharge volume may need to be increased to accommodate extreme weather (i.e. more rainfall).
- **Roads and Footpaths:** It is predicted that parts of Kawhia Harbour Road, Marokopa Road, Soundy Road and Te Mahoe Road will be below sea level. Council will consult with affected communities and 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 draft 10 Year Plan forecasts include \$5.89 million over 10 years to meet our obligations relating to landfill emissions (previously budgeted at \$300K per annum). 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.

OUR PROPOSAL

Proposal: Postponing the Harmonisation of Water Rates

Through the development of the Long Term Plan 2018-2028, we reviewed the historical funding of water supply and wastewater schemes across the District. We knew there was an inconsistency in the way these schemes were funded, meaning each community paid a different rate for water supply and wastewater services.

We consulted on harmonising these rates on the basis that communities (specifically Te Kuiti, Te Waitere, Mokau, Piopio and Maniaiti/Benneydale) should pay the same rate, for the same services. We also confirmed that 10% of costs would be funded by the entire District.

We finished harmonising wastewater rates in 2018/2019. In 2018/2019 we began phasing in harmonised rates for water supply over four years. Phasing this change helps keep rates affordable.

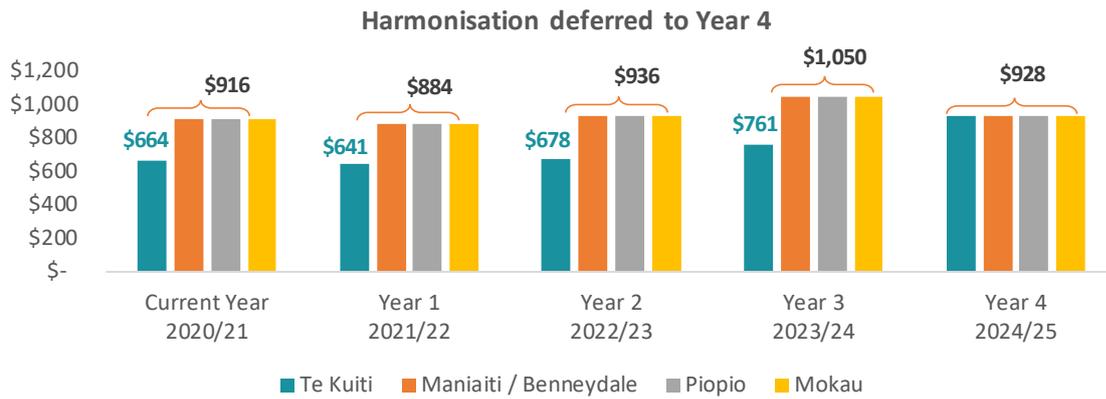
We have now completed the first three years of this change, but are proposing to postpone the last year of harmonising water supply costs until Year 4 of this draft 10 Year Plan. This is because there is uncertainty about the future of water services and postponing the change will also lessen the rating impact on ratepayers in Te Kuiti.

Option 1: Defer the completion of harmonisation of water supply rates until Year 4 (2024/2025) *(preferred option)*

This option means:

- Completion of harmonisation will be delayed to Year 4 of the 10 Year Plan (instead of doing it next year).
- This will lessen the rating impact on Te Kuiti ratepayers and keep their rates more affordable. However other communities will continue to pay more.
- Communities will continue to pay different rates for water supply services for a little bit longer.
- The rate per cubic metre will continue to be different across different communities.
- We will have more certainty around the future of water supply services by Year 4 of the 10 Year Plan.

What will this option mean for your rates?

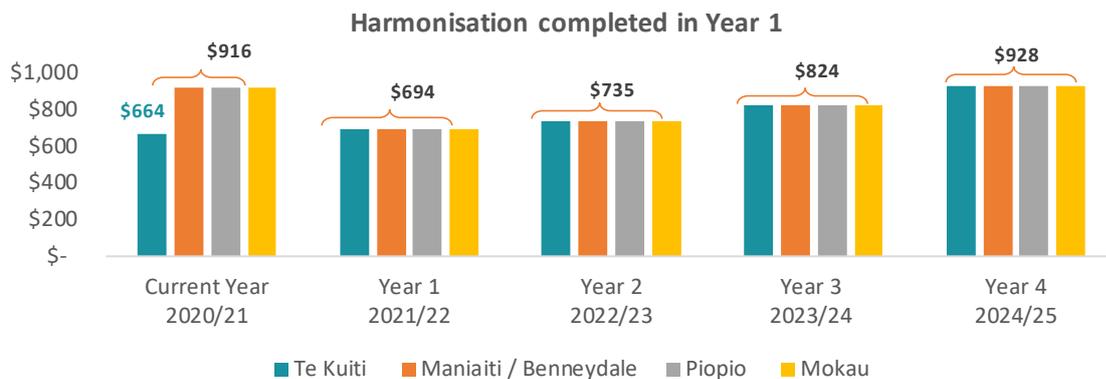


Option 2: Status Quo – Complete harmonisation of the water supply rates in Year 1 as planned

This option means:

- We will complete the harmonisation of water supply rates next year as had been originally planned.
- All communities will pay the same for the same service.
- The rate per cubic metre will be the same across all communities.

What will this option mean for your rates?



Levels of Service Impact

There will be no impact on the levels of service from these options.

Debt Impact

There will be no impact to the debt forecast from these options.

WHAT ELSE ARE WE PLANNING?

District Plan Review

Council is currently reviewing the Waitomo District Plan. A District Plan is hugely influential for place making and place shaping and is a fundamentally important tool for enabling sustainable economic development and achieving the vision for our District. It does this by setting the direction, form and shape of our urban and rural communities, while ensuring that we promote the sustainable

management of natural and physical resources as well as protect our cultural and historic heritage, outstanding landscapes and significant natural features. The District Plan will also ensure that significant risks from natural hazards and contaminated land are appropriately managed.

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

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

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

Te Kuiti Alternative Source of Water

The Te Kuiti Water Supply Scheme takes water from Mangaokewa Stream which is then treated and purified. Treated water is then pumped to five storage reservoirs and the reticulation network.

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

We want to future-proof the water supply for Te Kuiti. In 2020/2021 we will complete investigations into the availability of a suitable alternative water source. Then we will need to reassess our future supply arrangements to mitigate risks and improve resilience for our community. We will also consider whether further treated water storage is needed.

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

Leadership, Community and Partnerships

- Improvements and renewals in **Information Services capacity** [\$309,000] in Year 1, and a similar average spend across the remaining years. This includes renewals of hardware and end user devices along with updates to our **aerial photography** data.
- Complete a Quarry Assessment and commence safety improvements for Quarries from Year 2 at an average cost of \$46,000 per year based on the outcome of the Quarry Assessment project. *It is anticipated that this work will be funded by a contribution from the Lessees.*
- Renewal of the **vehicle fleet and mower equipment** [\$278,000] in Year 1, and an average cost of \$325,000 forecast expenditure required in each of the remaining years.
- Deliver Phase 2 of the **Digitisation Project**. The continued development of our digital environment and electronic provision to enhance customer service delivery.
- Development of a Marketing Strategy for the District.
- Integrate customer services delivery with local i-SITE services.

Recreation and Property

- **Parks and Recreation:** Replace damaged bollards at Centennial Park in Year 1 [\$25,000] and establish a Motakiora/Brook Park Development Plan in Year 3 [\$50,000].
- Investigate options for the **Marokopa Holiday Park**.
- **Improve our playgrounds** with \$33,000 included for Year 4 for the Mokau Playground.
- Ongoing minor renewals at the **Waitomo District Library Building, Waitomo District Aquatic Centre and Te Kuiti Aerodrome**.

- Improve accessibility for the **Surfer's Track** at Mokau.
- Replace the **Les Munro Centre** air conditioning unit in Year 1 [\$160,000].
- Replace the boiler at the **Waitomo District Aquatic Centre** and undertake pool resurfacing in Year 3 [\$58,000].
- Ongoing minor renewals for **Public Toilets**.
- Ongoing minor renewals for **CCTV Cameras**.
- **Public Facilities:** Construct the accessway for the Te Kuiti Cemetery extension in 2021/2022 [\$40,000].
- Investigate **public access** to toilet **facilities** at **Waitomo Caves Village**.
- Development of a **Walking and Cycling Strategy**.
- **Housing and Property:** Provision for the Lawrence Street land subdivision in Te Kuiti in 2021/2022 [\$200,000].
- Review of **Council-owned Land and Leases**.

Solid Waste

- Continue the development at **Waitomo District Landfill** [\$1.7 million] over four years starting in Year 1.
- Install licence plate recognition technology at the Te Kuiti Transfer Station in Year 2 [\$40,000]. Minor ongoing renewal is also planned for the next 10 years.
- Deliver waste minimisation **Education Awareness Programmes**.
- Review our **Waste Minimisation Management Plan**.

UPCOMING INFRASTRUCTURE PROJECTS

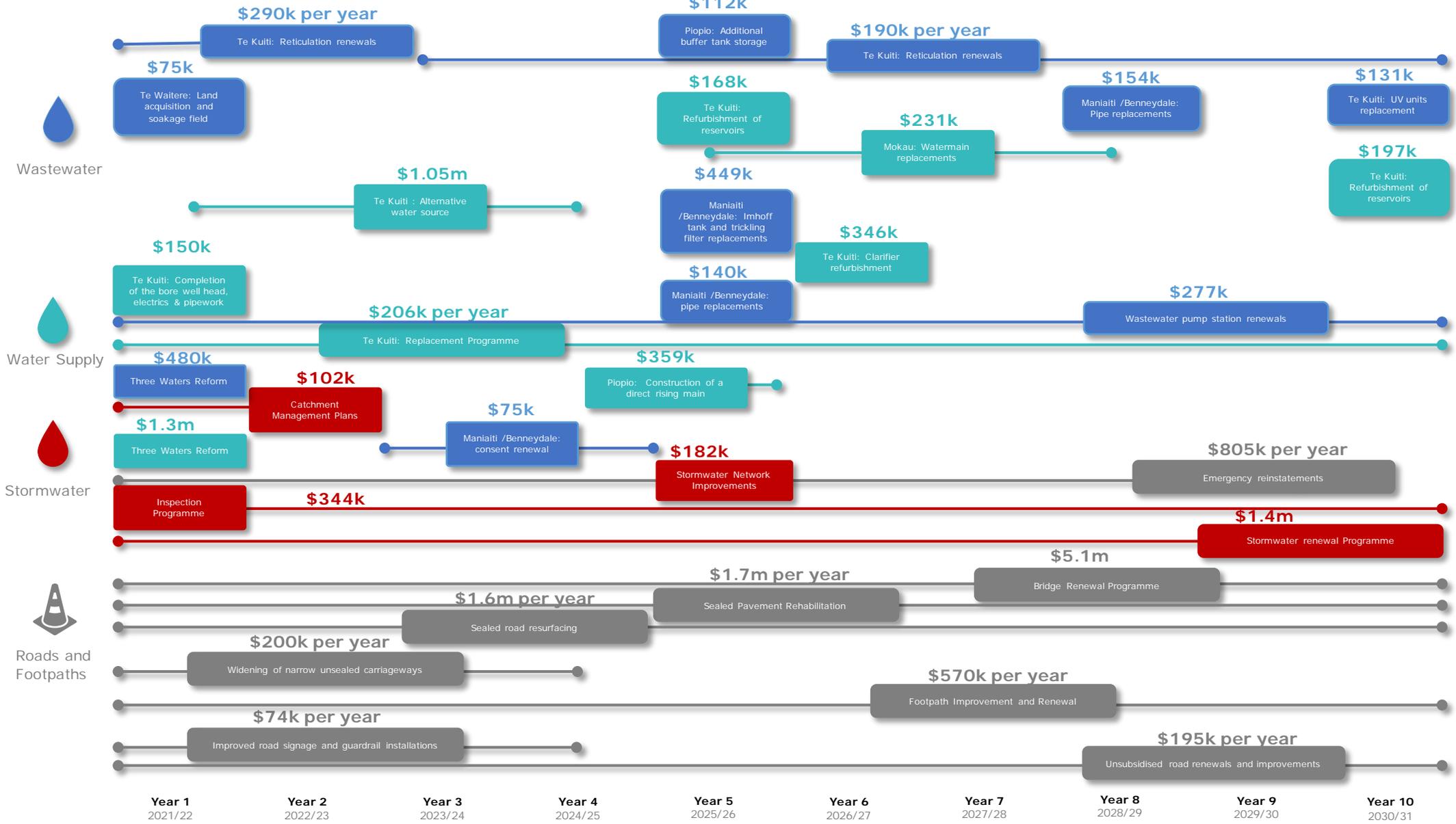
Our Infrastructure Strategy outlines our key infrastructure challenges for our water supply, wastewater, stormwater and roads and footpaths over the next 30 years. Detailed planning is contained in our Asset Management Plans (AMPs).

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

However, it will be important to continue to look after the assets we already have, and we have ring-fenced budget to do that. Some updates and investigations have been programmed in the 2021-2031 period to improve resilience of our infrastructure and to mitigate risk to our communities.

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

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



What we will deliver beyond 10 years

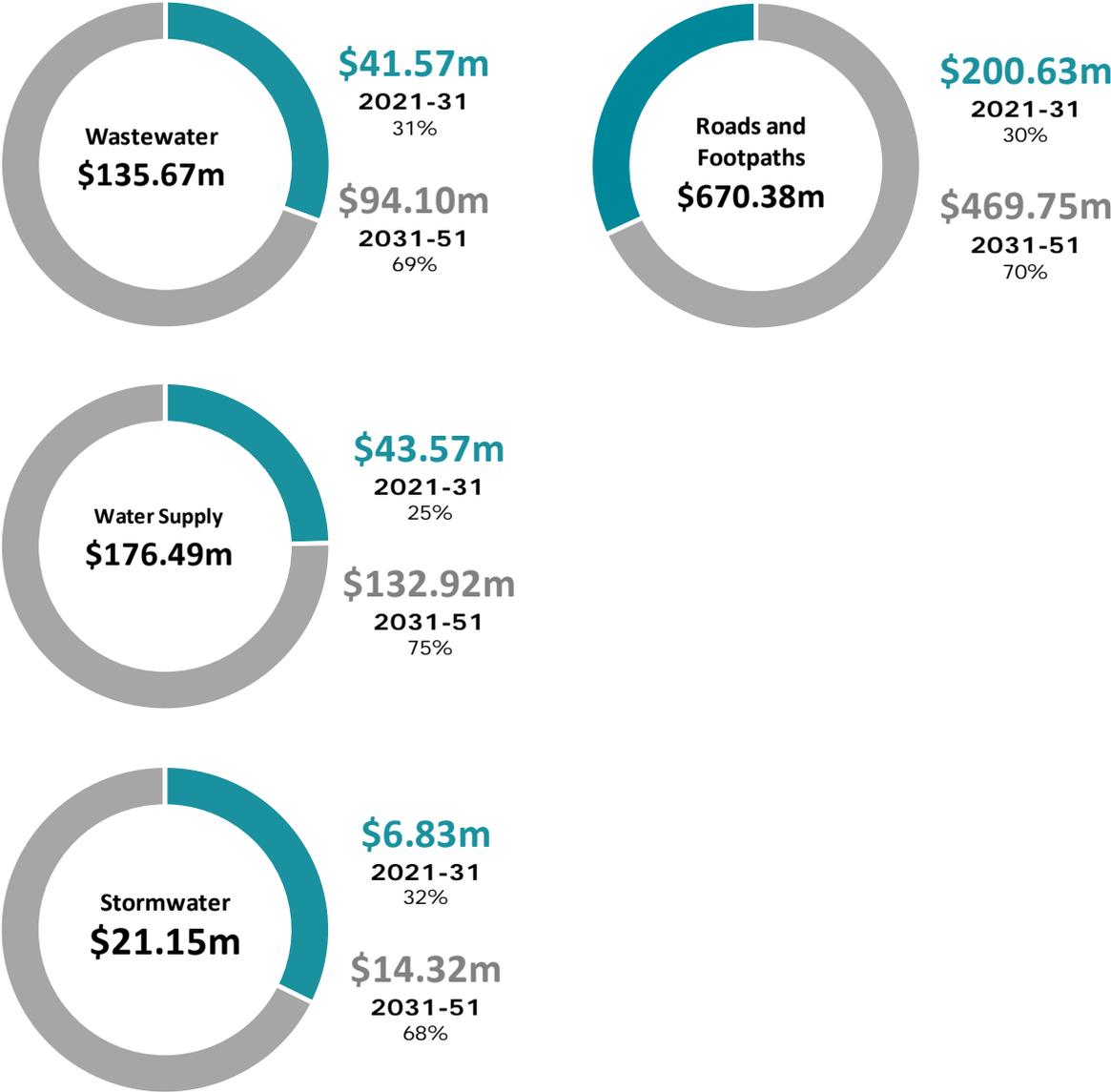
We are preparing for the future by taking note of population trends, climate change and improved technology and asset management practices. We want to ensure our infrastructure continues to be up to standard and meets the needs of our community.

Council's asset management strategy over the past 10 years, particularly around water supply and wastewater infrastructure, has been focused on ensuring we can support sound public health and environmental outcomes. We have taken a prudent approach to financial management in this respect.

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

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

Forecasting to invest and operate our infrastructure



OUR FINANCIAL STRATEGY

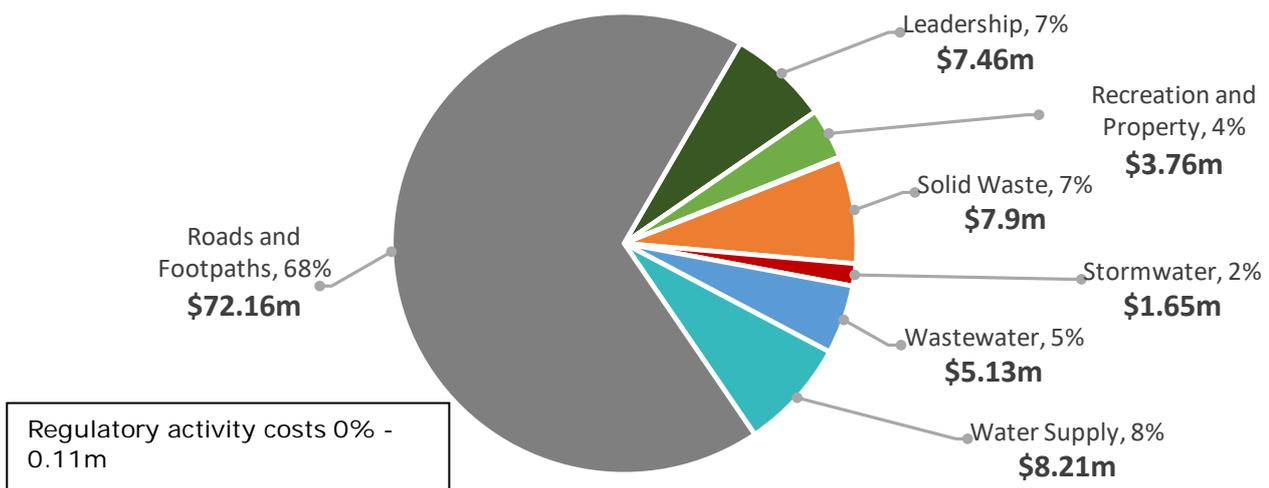
What will it cost?

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

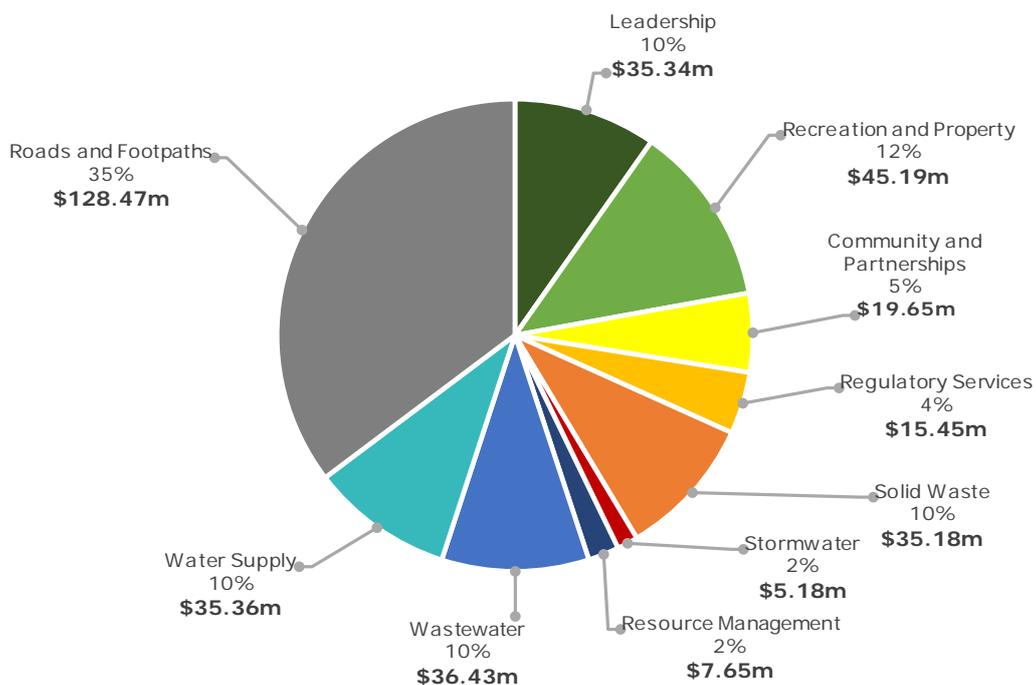
We also undertake the massive task of managing, regulating and monitoring all the activities that contribute to where and how you live, work and play in our District. That includes things like playgrounds, dog control, community halls, libraries, swimming pool and more.

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

Forecast Capital Expenditure by Activity 2021 - 2031 **\$106.4m**



Forecast Operating Expenditure 2021 - 2031 **\$363.9m**



Where will the money come from?

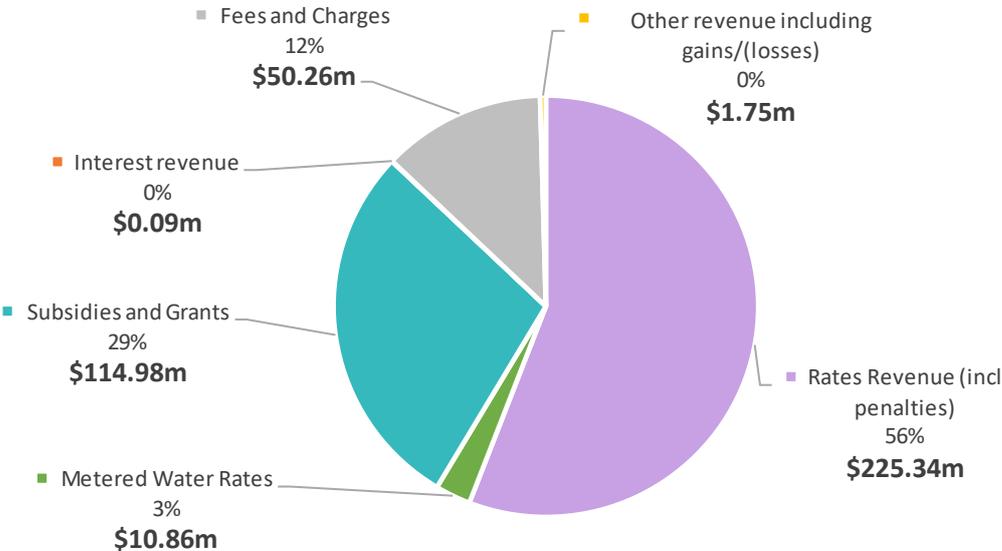
The amount we ask our community to contribute towards our mahi needs to be reasonable. We know some people in our District struggle to afford to pay rates. That is always top of mind.

The income we receive from rates is not enough to cover the costs to complete all the work we propose to deliver in this draft 10 Year Plan, 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% of our forecast revenue. Fees and charges are the third largest source at 12%. Interest revenue and other revenue make up the remainder of forecast revenue.

Forecast Total Revenue 2021 - 2031 **\$403.28m**



Debt

Council's financial performance has improved significantly over the last 10 years. In the five years since July 2015, Council has reduced debt by \$8.9 million from \$46.1 million to \$37.2 million as at June 2020.

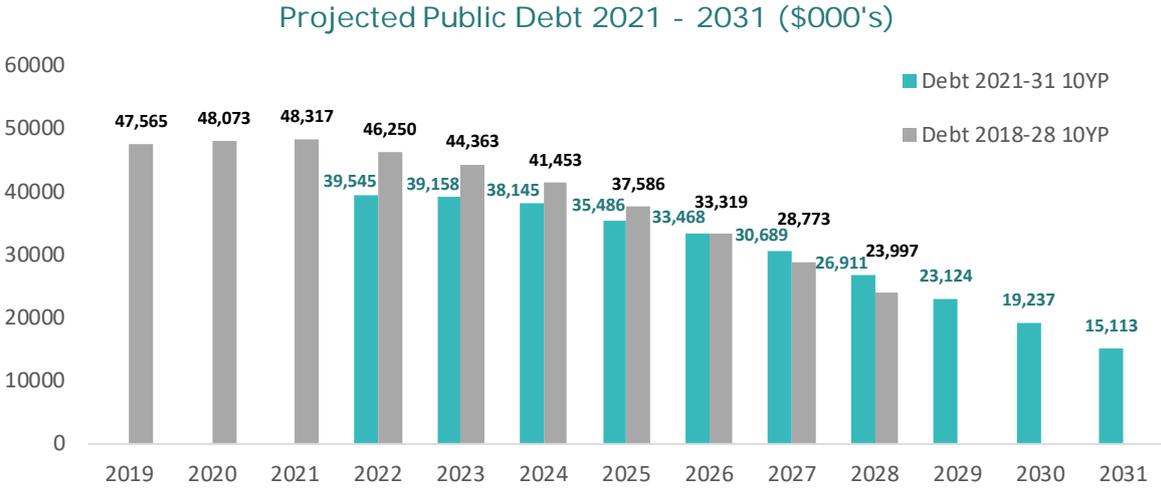
This is despite a significant investment (and the need to borrow \$20.5 million) to upgrade our water supply and wastewater network components.

External debt is the money borrowed to pay for the construction of infrastructure assets (like upgrading a water or wastewater treatment plant). Debt can also help pay for some operational expenditure with long-term benefits, such as the District Plan review.

The repayment of this debt spreads the cost over many years – meaning that all residents who receive benefit from the investment help pay for it. This is fair because it means that the cost of major infrastructure does not fall solely on current ratepayers.

The positive progress is because Council has taken a multi-pronged approach to increasing operating income where possible (particularly from grants and subsidies), improving its reserves balance, efficiency in spending and a focus on reducing cost of borrowing.

Council is still committed to reducing external debt over the duration of this draft 10 Year Plan. This will allow us to reduce the debt servicing burden on ratepayers and also give the option of using future debt to further invest in our District.



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

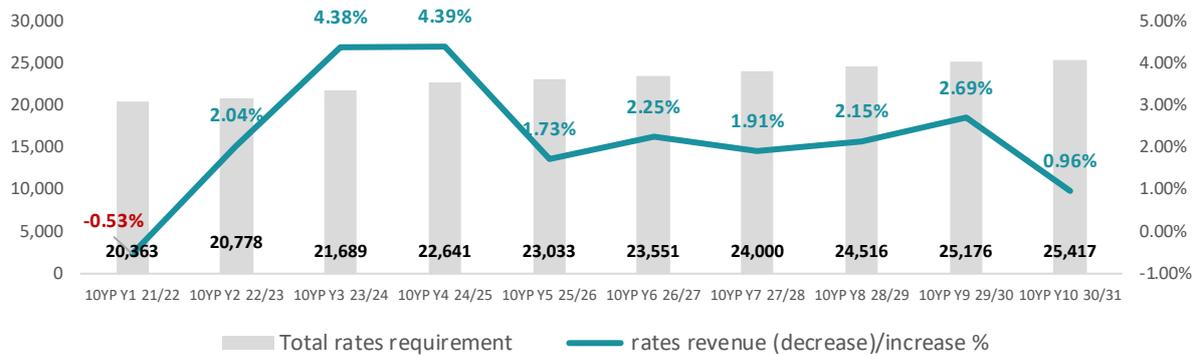
Our direction of travel

- We are 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 funding depreciation fully for newly-built assets (Te Kuiti Water Supply Network and the Te Kuiti Wastewater Network) in the first four years of the draft 10 Year Plan. The shortfall in depreciation funding will be recovered in the remaining years of the draft 10 Year Plan after taking into account rates affordability.
- We will only fund the depreciation of roads and footpaths to the extent of the local share of renewals (25%) and loan repayments.
- We have deferred the funding of the principal repayment for the Solid Waste Activity in the initial years of the draft 10 Year Plan. This will start phasing in from Year 4.
- We have removed accelerated debt repayment from subsidised roads.
- We will be increasing the overall Depreciation Reserve Balance by approximately \$10 million.
- We are projecting to reduce external debt by \$24.4 million.

What does it mean for your rates?

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

It means a change to your rates annually.



The following table shows the forecast rates increases and decreases over the 2021-2031 period and tests these against the rates increase limit set by Council.

	10YP Y1 21/22	10YP Y2 22/23	10YP Y3 23/24	10YP Y4 24/25	10YP Y5 25/26	10YP Y6 26/27	10YP Y7 27/28	10YP Y8 28/29	10YP Y9 29/30	10YP Y10 30/31
Rates increase limit	3.5%	4.9%	4.5%	4.5%	4.6%	4.5%	4.6%	4.7%	4.7%	4.6%
Forecast rates revenue (decrease)/increase %	-0.53%	2.04%	4.38%	4.39%	1.73%	2.25%	1.91%	2.15%	2.69%	0.96%

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

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

The total forecast rates requirement for 2021/2022 is \$20.36 million, a decrease of \$109,000. The main drivers for a decrease in the rates revenue from the current year are:

Forecast increases to rates requirement = \$2.352 million

- Forecast increase in payments to suppliers of \$747,000
- Forecast depreciation increase \$771,000
- Principal repayment funded by rates \$149,000
- Forecast internal resources cost increase by \$685,000

Forecast reduction to rates requirement = \$2.461 million

- Removal of accelerated debt repayment \$322,000
- Increase in fees and charges \$62,000
- Forecast decrease in cost of funds \$308,000
- Forecast increase in operational subsidy \$527,000
- Not fully funding depreciation from rates \$1.225 million

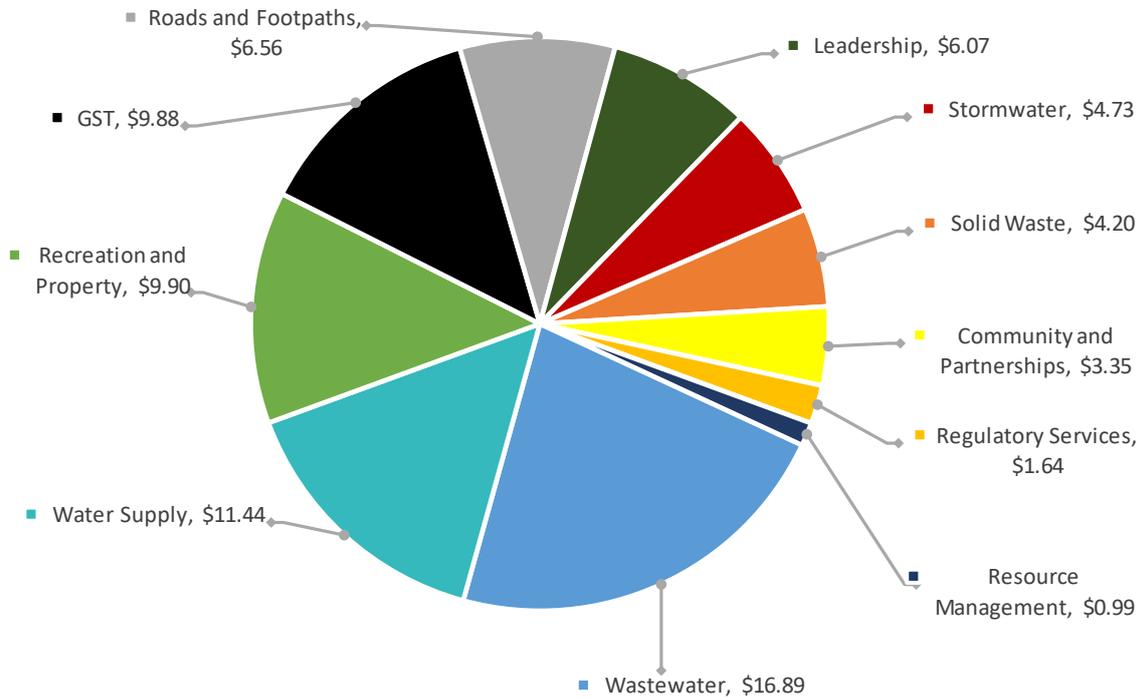
District Valuations

In 2018, property valuations were completed for all properties in the District. These valuations take into account market trends and provide Council with the capital values that some of your rates are based on.

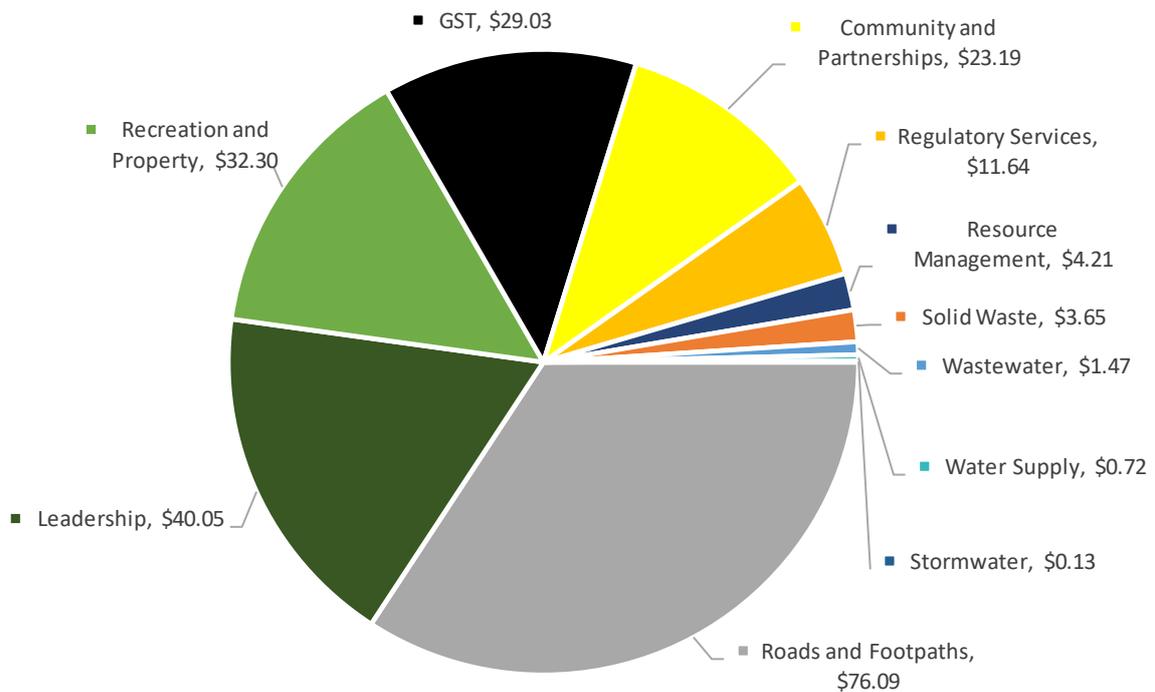
The next valuation will be undertaken in September 2021. Those new property values will be used for rating purposes from 1 July 2022 (Year 2 of the 10 Year Plan). Council uses an independent valuer, Quotable Value, to undertake these valuations on our behalf.

Where your rates go

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



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



RATING IMPACTS ACROSS SAMPLE PROPERTIES

Te Kuiti Residential	
Rates increase 10YP YR1 2021/22	0.4%
Valuation	\$270,000
Actual Rates 2020/21	\$3,920
Proposed Rates 2021/22	\$3,934
You SAVE \$0.²⁷ per week	

Te Kuiti Commercial 3 pans	
Rates decrease 10YP YR1 2021/22	-0.4%
Valuation	\$330,000
Actual Rates 2020/21	\$3,865
Proposed Rates 2021/22	\$3,850
You SAVE \$0.²⁹ per week	

Te Kuiti Wider Rating Area (2 parts)	
Rates decrease 10YP YR1 2021/22	-2.2%
Valuation	\$810,000
Actual Rates 2020/21	\$3,953
Proposed Rates 2021/22	\$3,867
You SAVE \$1.⁶⁵ per week	

Waitomo Commercial	
Rates decrease 10YP YR1 2021/22	-2.2%
Valuation	\$1,590,000
Actual Rates 2020/21	\$8,265
Proposed Rates 2021/22	\$8,084
You SAVE \$3.⁴⁸ per week	

Maniaiti/ Benneydale Residential	
Rates increase 10YP YR1 2021/22	0.8%
Valuation	\$60,000
Actual Rates 2020/21	\$3,040
Proposed Rates 2021/22	\$3,063
An extra \$0.⁴⁴ per week	

Piopio Residential	
Rates increase 10YP YR1 2021/22	0.5%
Valuation	\$205,000
Actual Rates 2020/21	\$3,691
Proposed Rates 2021/22	\$3,709
An extra \$0.³⁵ per week	

Piopio Wider Rating Area	
Rates decrease 10YP YR1 2021/22	-0.9%
Valuation	\$460,000
Actual Rates 2020/21	\$2,613
Proposed Rates 2021/22	\$2,591
You SAVE \$0.⁴² per week	

Mokau Residential	
Rates decrease 10YP YR1 2021/22	-1.1%
Valuation	\$385,000
Actual Rates 2020/21	\$3,391
Proposed Rates 2021/22	\$3,356
You SAVE \$0.⁶⁷ per week	

Drystock Rural	
Rates decrease 10YP YR1 2021/22	-3.3%
Valuation	\$3,130,000
Actual Rates 2020/21	\$11,964
Proposed Rates 2021/22	\$11,568
You SAVE \$7.⁶² per week	

Dairy Farm Rural (4 parts)	
Rates decrease 10YP YR1 2021/22	-2.7%
Valuation	\$5,850,000
Actual Rates 2020/21	\$24,379
Proposed Rates 2021/22	\$23,725
You SAVE \$12.⁵⁸ per week	

Te Waitere Residential	
Rates increase 10YP YR1 2021/22	1.0%
Valuation	\$270,000
Actual Rates 2020/21	\$2,838
Proposed Rates 2021/22	\$2,867
An extra \$0.⁵⁶ per week	

AUDIT OPINION

HAVE YOUR SAY

SUBMISSION FORM

Waitomo District Council draft 10YP 2021-2031 Consultation



Send us your feedback by 5pm 21 May 2021

Sub No.

For office use only

You can share your views by:

- Completing this Submission Form and returning it to us by:
 - Visiting our Office at 15 Queen Street, Te Kuiti
 - Emailing to: haveyoursay@waitomo.govt.nz (scan and pdf or take a photo)
 - Posting to: FREEPOST 112498, Waitomo District Council, PO Box 404, Te Kuiti 3941
- Visiting our Website: waitomo.govt.nz/10YP and completing the Online Form

Full Name:	<input type="text"/>
Organisation: <i>(if responding on behalf of)</i>	<input type="text"/>
Phone: (home/mobile)	<input type="text"/>
Address:	<input type="text"/>
Postcode:	<input type="text"/>
Email:	<input type="text"/>

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

I wish to speak to Council about my submission.

(Hearings are scheduled for 27 and 28 May 2021. We will contact you to arrange a time.)

Yes No

Proposal: Postponing the Harmonisation of Water Supply Rates

Council proposes postponing completion of the harmonisation of water supply rates until Year 4 of the 10 Year Plan. This is because of concerns about rating affordability for Te Kuiti ratepayers and because the future model for the delivery of water services is uncertain.

Option 1: I agree with Council's preferred option to postpone the harmonisation of water supply rates until Year 4 (2024/2025).

Option 2: I would prefer that Council keeps and status quo and complete this work as planned in Year 1 (2021/2022), noting this will largely impact Te Kuiti ratepayers.

My comment on this proposal

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

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

Any other comments?
