

TAUJIRA RAUTAKI HANGANGA TŪROA

DRAFT LONG TERM PLAN

2024
2034



te kaunihera ā-rohe o
matamata-piako
district council

RAUTAKI Ā-HANGANGA INFRASTRUCTURE STRATEGY

WĀHANGA
SECTION

4

NGĀ HUA – WĀHANGA 4 | CONTENTS - SECTION 4

Rautaki ā-hanganga | Infrastructure strategy

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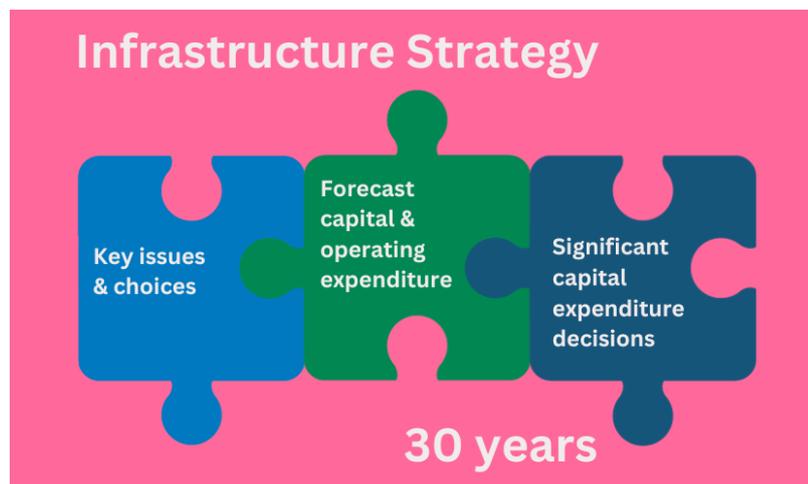
Tirohanga Whānui | Overview

About the Infrastructure Strategy

The Infrastructure Strategy (Strategy) is a key part of the Long Term Plan and sets out the requirements for long term management of our assets to ensure that they continue to deliver on levels of service over the next 30 years.

The Infrastructure Strategy identifies:

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



Key principles

In the shorter term we are keeping **affordability front and centre** to keep costs as low as possible for our community. That means we are

- Looking after what we've got
- Focusing on the must dos: complying with legislative requirements
- Including only a few should dos
- Taking some risks by smoothing our renewal costs and reducing some of our roading renewals

Community wellbeing and Community outcomes

Community wellbeing

Council’s infrastructure asset management and service delivery play key roles in fulfilling the core purpose of councils, as defined in the Local Government Act 2002:

- To promote the social, economic, environmental and cultural wellbeing of communities in the present and for the future.



Community outcomes

In 2023 Council refreshed its strategic direction, vision and community outcomes. The way we manage our infrastructure plays an important part in how effectively we can achieve our vision and goals.

The specific ways in which Council’s infrastructure promotes community wellbeing and contributes to our community outcomes is outlined in more detail in LTP Section 5 What We Do.

Matamata-Piako District is vibrant, passionate, progressive, where opportunity abounds

The heart of our community is our people, and the people are the heart of our community

A white line-art icon on a blue background showing two hands cupping each other to form a heart shape.

A place with people at its heart



A place to thrive



A place that embraces our environment



A place to belong and create

Our district

Matamata Piako district is located within the **Waikato** region, with **Matamata, Te Aroha and Morrinsville** its three main urban centres. The district lies to the southern end of the **Hauraki Plains** and is bounded in the east by the **Kaimai Ranges**.

The district's **three main rivers**, Waihou, Waitoa and Piako, have moved back and forth across the Hauraki Plains, depositing shingle and silt, creating wetland areas, and helping to create the present landscape of flat alluvial plains and peat swamp.

In general, the different **soil types** present in the district have only a minor impact on our infrastructure. A small percentage of our roading network is built on peat soils which requires specialised road treatment and design. In addition, soil soakage across the district ranges from very good to poor which has some impact on stormwater management.

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

The local economy is based on **primary industry**. A number of primary industries are located on rural roads within the district and these create additional loadings and traffic on our roads. We also have agreements with some large primary industries (meat and dairy processing) to supply water and take wastewater, which help support the growth of our services.

Our district is experiencing **high population growth**, which is forecast to continue over the next 30 years. This growth has implications for our infrastructure services, including the capacity of our assets to deliver services to the community and the timing of capital projects. We maintain detailed Asset Management Plans (AMPs) for all our infrastructure assets to ensure our asset management is robust and sustainable.

In addition to population growth and environmental requirements, the **demographic profile** of our district is changing with a shift towards an older population. This has flow on effects for the affordability of rates. Combined with higher inflation and interest rates, the result is real **pressure on the ability of our community as a whole to pay** for infrastructure and other services.



This means that in the short term Council needs to prioritise its spend and **focus primarily on the must dos only.**

A snapshot of our assets

We have approximately \$821 million invested in infrastructure assets in our district.

Infrastructure accounts for around 60% of our annual operating expenditure such as repairs, maintenance and depreciation. Overall our assets are in average to good condition, and continue to deliver the expected levels of service to our communities.

We continue to invest in the ongoing maintenance and replacement of assets to ensure the provision of services to our residents and businesses is maintained. We currently spend over \$20 million annually on the maintenance and operations of our assets, to deliver services to our communities.

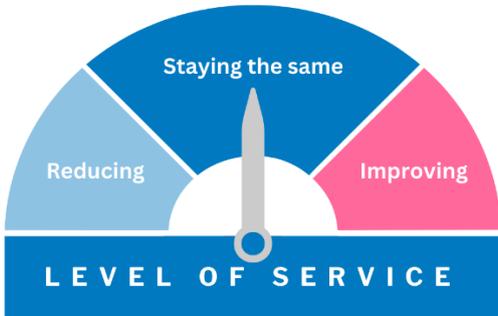
Over the past 10 years we have spent on average \$13 million on renewal of assets each year across our network infrastructure (water supply, wastewater/sewer treatment and disposal, stormwater, roads and footpaths and community facilities and waste management).

This Strategy covers water supply, wastewater treatment and disposal, stormwater, roads and footpaths, parks and community facilities, and waste management assets.

| Our infrastructure assets | |
|---|---|
| <p>Roading 967km of sealed Roads (excluding State Highways) 50k of unsealed Roads 224km Footpaths 377 Bridges and Underpasses 35k Cycle Ways (Independently managed) Streetlights, signage, drainage assets, railings, structures, berms and vegetation</p>  | <p>Parks and Open Spaces 16 Sport & Recreation parks 24 Amenity parks (beautification/landscape purposes) 19 Community Parks 9 Natural parks (protect and enhance natural areas) 1 Outdoor adventure parks 4 Heritage Parks 80 Linkage parks (open space linkages and corridors) 21km walking and tramping tracks 46km Mountain Bike Trails</p>  |
| <p>Water 9 Water Treatment Plants 10 Water Pump Stations 410km Reticulated Water Supply</p>  | <p>Stormwater 166km Stormwater Drains, Pipes 18 Stormwater Ponds</p>  |
| <p>Wastewater 5 Wastewater Treatment Plants 268km Reticulated Wastewater Network 37 Pump Stations</p>  | <p>Rubbish and Recycling 3 transfer stations and associated buildings and plant at the site 3 closed landfills</p>  |
| <p>Community Facilities and Buildings 3 Swimming pool complexes 1 Spa facility 4 Civic and Events Centres 109 Elderly Persons Housing Units Corporate buildings & property includes: Utility buildings, transfer stations, community halls, public toilets, aerodrome, information centres, cemeteries</p>  | |

Customer levels of service

The levels of service framework provides alignment and strategic linkages between our Vision and Community Outcomes, Infrastructure Strategy, Activity / Asset Management Plans (AMP) and activities. See Section 5 of this Long Term Plan for more detail.



The levels of service are based on the mandatory levels of service as set by the Department of Internal Affairs, meeting regulatory requirements (Taumata Arowai and Regional Council) and good industry practice. The relevant AMPs provide supporting detail and technical levels of service for each activity, performance measures and past results against targets.



Proposed changes to levels of service

The service areas where Council wishes to improve its actual performance and / or changes to the levels of service are described in the table below.

| Activity | Proposed changes to levels of service |
|--|--|
| <p>Roading</p> <p>Some small changes to level of service</p> | <ul style="list-style-type: none"> The land transport sector is introducing a new framework called differential levels of service. This will enable better connection between levels of service, risk and cost. Four road renewals options were identified as part of balancing community affordability against asset risk and levels of service. Refer to the next section for the roading renewal options. |
| <p>Wastewater, Water and Stormwater</p> <p>Keep the same</p> | <ul style="list-style-type: none"> There are no proposed changes to the levels of service for the three water activities as it has been assumed that the mandatory levels of service will remain unchanged. There has been an increase in reporting to the new water regulator, but this does not result in a level of service change. |
| <p>Parks and open spaces</p> <p>Keep the same</p> | <ul style="list-style-type: none"> None identified at this stage. |
| <p>Community facilities and buildings</p> <p>Keep the same</p> | <ul style="list-style-type: none"> It is proposed to add a new level of service on building safety aligned to Council's Seismic Policy (once adopted). |
| <p>Rubbish and recycling</p> <p>Increasing level of service</p> | <ul style="list-style-type: none"> Significant change in levels of service proposed with Government's standardised kerbside collection with the addition of food scrap collection. New Waste Services Contract started on 1 September 2023. |

Prioritisation of capital projects

Water, wastewater and stormwater

The Water, Wastewater and Stormwater capital projects have been prioritised as part of the Council wide process to balance overall community affordability against constrained funding, asset risk and levels of service. This table sets out the priorities.

| Priority | Capital driver (new works) | Consequences for level of service and asset risks |
|----------|---------------------------------------|---|
| 1 | Drinking water and consent compliance | <p>Very high risk</p> <p>The highest priority is to maintain the agreed level of service so as to meet compliance requirements. Noting that the performance measure targets may not always be achieved. This approach satisfies regulatory requirements ie Taumata Arowai and Waikato Regional Council.</p> <p>The compliance capital works are a must do.</p> |
| 2 | Supporting growth plans | <p>High risk</p> <p>Responding to growth in a timely manner is important so as to plan and deliver a coherent infrastructure network and provide certainty to developers, therefore safeguarding the economic benefits of development to the district.</p> <p>The growth capital works are a mix of must dos and should dos.</p> |
| 3 | Strengthening resilience | <p>Managed risk</p> <p>Key projects are new/upgraded reservoirs to provide greater levels of service for adapting to climate change impacts and improving the water pressure to meet fire flows throughout our urban townships. These resilience initiatives can be implemented across a longer timeframe.</p> <p>The resilience capital works are a mix of should dos and could dos.</p> |

Due to constrained funding, the focus for the LTP 2024-2034 is on the Priority 1 capital driver. The waters network will need to be monitored closely and an operational response, such as water tanks, provided in the event of interrupted supply.

Roading

The Roading capital projects have also been prioritised as part of the Council wide process to balance overall community affordability against constrained funding, asset risk and levels of service. This table sets out the priorities.

| | Capital driver (new works) | Consequences for level of service and asset risks |
|---|----------------------------|--|
| 1 | Co-funded by Waka Kotahi | <p>Very high risk</p> <p>Ensuring co-funding for our projects are achieved and that they are supported and aligned with the Government Policy Statement for co-funding.</p> <p>The compliance capital works are a must do.</p> |
| 2 | Supporting growth plans | <p>High risk</p> <p>Responding to growth in a timely manner is important so as to plan and deliver a coherent infrastructure network and provide certainty to developers, therefore safeguarding the economic benefits of development to the district.</p> <p>The growth capital works are a mix of must dos and should dos.</p> |

Prioritisation of asset renewals

Asset renewals are based on the following criteria (in descending order)

| Prioritisation framework for asset renewals | |
|---|--|
| 1 | Public safety |
| 2 | Compliance |
| 3 | Critical assets |
| 4 | Noncritical assets based on water outages / service failures |
| 5 | Replacing poor quality materials |
| 6 | Asset / equipment age |

Risk management

Our risk management approach

Council takes a comprehensive approach to risk management which includes:

- Risk Management Policy (2022)
- Risk and Assurance Committee with an independent chairperson
- Risk Management Framework (2022)
- Dedicated Risk Manager role

The approach to managing infrastructure assets balances risk and performance while providing cost effective services. At an activity level, these infrastructure risks need to be considered holistically as part of the asset management planning approach including considering criticality in decision making.

Capital works delivery

Overview

We are planning for the projects we MUST do to comply with government regulations – but there is a risk that we might not be able to deliver on that plan.

We have reduced our work programme where possible to enhance capacity for these must do projects. Our work programme is based on our actual expenditure in 2022/23 and 2023/24, with the addition of the Matamata Wastewater Treatment Plant upgrade in years 1 and 2, and the Morrinsville and Te Aroha Wastewater Treatment Plant upgrades in year 3. These upgrades are required as part of our discharge consents due in 2024/25.

The estimated cost over the 10-year period amounts to \$333 million and we may not be able to deliver 10-25% (\$33 million to \$83 million) of the proposed programme. Most of these projects are in the three waters space (water, wastewater or stormwater), having to invest significant funds in upgrading these assets to meet tougher requirements.

External pressures

It is unlikely that the infrastructure industry will be able to meet the demand from local government in the coming years. We will do what we can to plan ahead and deliver on our projects as planned in order to comply with the regulations.

Other factors that may put pressure on our ability to deliver the capital programme are staff losses, changes in supplier and contractor markets and delays with sourcing materials or goods.

Our response

In support of achieving our delivery targets, the projects and delivery team continue to bolster our internal project management resources, and make use of external subject matters experts where appropriate. We also have procurement strategies in place to provide efficiencies in the delivery of projects or programmes of work.

We plan our projects well ahead of time to help ensure we can be as attractive as possible to suppliers and engage with the market early. In addition, we are exploring opportunities for partnerships, and the option of design build contracts, whilst ensuring we can obtain best value for money.

Implications if we can't deliver our programme

Should we not deliver on our capital programme our expectation is that:

- Council will need to extend the capital programme beyond the ten-year timeframe and project costs will probably increase.
- Borrowing could be less over the 10-year period.
- We will reprioritise our programme to respond to any asset failures.
- Council will not be able to undertake the level of improvement/resilience that it wants to undertake.
- Our levels of service may be affected.
- The level of improvement or additional resilience we are seeking will probably not be achieved.



Critical assets

A key element in Council’s asset management planning approach is to define critical and non-critical assets. This helps with both day-to-day operations and the renewal strategies. An overarching principle is to avoid any unforeseen critical asset failures.

Council’s risk-based approach to renewing assets gives priority to public health and safety issues first, then critical assets. This ensures there is resilient infrastructure. We are still evolving in using criticality in our investment decision making.

Critical assets are those assets in our network that are key to maintaining our levels of service and that need to be managed to prevent failure due to the potential consequences of such a failure. The most critical assets are shown below at activity level.

| Critical assets | |
|------------------------------------|---|
| Activity | Assets |
| Roading | <ul style="list-style-type: none"> • Bridge structures • Assets along lifeline routes and other critical assets • Arterial and collector roads |
| Water supply | <ul style="list-style-type: none"> • Major water mains (250mm in diameter and greater) • Treatment plants • Pump stations • Raw water inlets • SCADA |
| Wastewater | <ul style="list-style-type: none"> • Treatment plants and outlets • Pump stations • Wastewater mains directly to treatment ponds • Rising mains • SCADA |
| Stormwater | <ul style="list-style-type: none"> • Large stormwater mains (900mm greater in diameter) • Outlets / flap gates • Stormwater storage and treatment ponds • Matamata Overland flow path |
| Parks and open spaces | <ul style="list-style-type: none"> • Some of our key walkway and cycleway bridges |
| Community facilities and buildings | <ul style="list-style-type: none"> • Emergency Operations Centre • Public toilets |
| Rubbish and recycling | <ul style="list-style-type: none"> • Closed landfills • Refuse Transfer Stations |

Natural hazards and climate change

Natural hazards pose a significant threat to amenities, buildings and infrastructure. Matamata-Piako is a landlocked district so sea level rise and coastal erosion are not applicable. However, the district is particularly at risk from geological and meteorological based natural hazards including earthquakes, river flooding, forest fires, drought, erosion, and landslides.

The Piako and Waihou rivers are the two major river systems that flow through populated areas and prime agricultural land. Flooding is the most significant and frequent natural hazard that affects the Matamata Piako district. There is heavier rainfall on the eastern side of the district due to the Kaimai Ranges. The Kerepehi fault line runs in a southeast-northwest direction through the Hauraki Plains and into the Firth of Thames.

Council is preparing and adapting for the impact of natural hazards with a multi-faceted approach. This includes our District Plan with objectives to ensure that development is discouraged in potentially hazardous areas such as low-lying areas close to major rivers. Minor areas of liquefaction are recorded in our District Plan maps.

Council's response to climate change is focused on gathering information to inform the development of an overarching Climate Change Strategy and Action Plan (or similar). Our specific proposed actions are outlined in the table below at activity level with further detail in each Activity / Asset Management Plan and in LTP Section 1 – Our Story. See also our Climate change river map in Section 1 and the climate change assumption in Section 2.

| Natural hazard and climate change risks and responses | | |
|---|--|---|
| Activity | Issue / Risk | Council's strategic response / proposed actions |
| Roads and footpaths | <ul style="list-style-type: none"> Road slips / under slips Erosion undermining road sections and bridges No / limited access to communities with single roads | <ul style="list-style-type: none"> Identify critical bridges and culverts and develop renewal management strategies Increase frequency of inspection / maintenance of road drainage systems Identify road corridors vulnerable to water erosion, slips, undermining |
| Water supply | <ul style="list-style-type: none"> Prolonged droughts may result in restrictive consent conditions for water takes from streams and waterways Vulnerability of critical pipelines to earthquake land slips | <ul style="list-style-type: none"> We are developing master plans for our major supply schemes which include upgrades to treatment plants / reconfiguring supply areas to address reduction in demand due to restrictive consent conditions for water takes from rivers and streams Increase bulk and consumer metering in network Use seismically resistant materials for critical assets |
| Wastewater | <ul style="list-style-type: none"> Inflow and infiltration increase and pipeline capacity reduction during storm events resulting in more frequent wet weather overflows | <ul style="list-style-type: none"> We developed an Inflow and Infiltration Reduction Strategy and continue to implement the targeted infiltration and inflow programme to continue to prioritise the catchments for remedial works. |

| Natural hazard and climate change risks and responses | | |
|---|---|--|
| Activity | Issue / Risk | Council's strategic response / proposed actions |
| | <ul style="list-style-type: none"> Pump station vulnerability due to flooding inundation | |
| Stormwater | <ul style="list-style-type: none"> Increased flooding due to reticulation pipe capacity issues Inability to discharge stormwater flows to the Piako and Waihou rivers if the river levels are higher than the discharge point Erosion of drains and stream banks | <ul style="list-style-type: none"> Allow for increase in rainfall intensity when designing new infrastructure / upgrades Monitor the existing discharge points against forecast river level rises due to climate change Monitor and stabilise weak spots Work with community groups to encourage planting projects along identified waterways at greatest risk |
| Parks and open spaces | <ul style="list-style-type: none"> Existing parks designed to legacy standards that have not considered climate change impacts such as higher intensity and more frequent rainfall events Parks and tracks are vulnerable to slips, fallen trees and wash outs | <ul style="list-style-type: none"> Work towards a risk-based renewals and investment strategy Build resilience into the repairs to tracks and structures Plant trees on reserves Acquire esplanade reserves |
| Community facilities and buildings | <ul style="list-style-type: none"> Existing facilities designed to legacy standards that have not considered climate change impacts such as higher intensity and more frequent rainfall events, warmer temperatures. | <ul style="list-style-type: none"> Work towards a risk-based renewals and investment strategy New builds are sustainable and follow green build standards |
| Rubbish and Recycling | <ul style="list-style-type: none"> Erosion risk of closed landfills increases Transfer Stations are vulnerable to flooding and high winds, impacting the operation of the facilities | <ul style="list-style-type: none"> The closed landfills are regularly monitored, and rock protection is used to mitigate the erosion risk where necessary. Develop a new resource recovery centre that will provide for a greater range of materials to be diverted from landfill, meets legislative requirements and will be a more resilient facility |

E haere ana tātou ki whea? | Where are we going?

Our most likely scenario for Matamata Piako in 2054

The Infrastructure Strategy has a 30-year timeframe to ensure we plan for both the current and future needs of our community. Below we outline what we think is the most likely scenario for our district in 30 years' time – for our people, assets, environment and economy. The key is to ensure we **look after the assets we have** and **prioritise our capital expenditure to ensure it is affordable and sustainable**.

Our People 2054

In 2054 our district **population has increased** from 38,000 to 48,500 and is continuing to age. The average household size has decreased slightly from 2.6 in 2024 to 2.5 2050. This means that we require more dwellings to house our people. The geographical distribution of our people has **shifted towards the urban centres** of Matamata, Morrinsville and Te Aroha, leading to increased demand on our services. More drinking water is required, more waste needs to be treated and discharged, and more stormwater infrastructure is required.

Our community expects **town centres** that prioritise accessible cycling and walking. More people work and learn remotely changing the focus of town centres toward socialising and community gatherings. This also places a greater importance on our green spaces in the urban areas. Car ownership has decreased with autonomous and car sharing services on the rise. **Changes in transport behaviour** means a change in the way road safety is approached.

Our response: Footpaths and shared paths budgeted for in later years of Strategy.

Our community expects **a consistent level of service**. As our population grows, additional pressure will be placed on our existing services, necessitating increased investment. We must ensure that our water and wastewater reticulation network has the capacity to meet the additional demand. Additionally, our treatment plants need to handle more waste and process a greater volume of water.

Our response: Funding to service growth is included in our budgets.

Our Assets 2054

Network infrastructure generally has an **expected life of between 50 and 100 years**. Infrastructure installed in the post war era, when our district experienced exponential growth, is coming up for renewal during the life of this Strategy.

Our response: Replace and renew assets as required, to the modern equivalent standards, so that our infrastructure assets in 2054 are in average to good condition. Take a risk assessment approach including assessing how our assets perform during extreme weather events, and monitoring condition and performance of critical assets to enable timely replacement before failure.

The ways that people use our services, and what they expect from them is changing over time. Our response: Use a process for assessing whether or not to replace certain assets, along with an ongoing assessment of new requirements prompted by new legislation.

Green buildings have become the norm – self-sustaining in respect to water use: rainwater collection, use of grey water, and electricity: better insulation, better ventilation, solar panels etc Our response: The operating budget has been increased to reflect this.

Our Environment 2054

In 2054 we experience **increased frequency and severity of extreme weather events**, such as drought and flooding. This means that our rural communities have to adjust to how they manage their land in terms of stock density, crop selection, soil nutrients and effluent management.

In 2054 there are **stringent environmental conditions** regulating how we can treat and discharge our wastewater, how much drinking water we can extract and supply, and increasing requirements to divert and reduce waste at our transfer stations. There is an increased awareness of how our behaviour and activities impact the environment long term.

Our community expect us to take a pro-active approach to **managing demand for drinking water**, including using residential water meters, investing in leak detection and preventative interventions, and use of rain water/grey water for public gardens and vegetation.

Our community expect an increased focus on **stormwater management**. Our response: Increased use of rain gardens and grass swales to improve the quality of stormwater being discharged. Use of carparks and roads as short term ponding areas during extreme rainfall.

In 2054 **central government has a strong focus on minimising and reducing the impacts of climate change**. This is reflected in new and amended legislation adding more stringent requirements for asset owners and service providers in how services are delivered to communities. This has implications across every asset.

Our response: Ongoing asset management planning ensures that any new projects or changes to operations adhere to the legislative framework of the day.

Our Economy 2054

Our Economy is continuing to grow over the longer period, however our **ageing population** means that the median household income is decreasing and therefore households are less able to pay rates.

Our response: We partner with stakeholders, other service providers or councils which can provide Council with ways to achieve infrastructure development that we can't manage on our own. See also the Financial Strategy, Section 3 of this Long Term Plan.

There is increasing community expectation that we support **economic development** by investing in community infrastructure that attracts visitors to our district and supports growth in the local economy.

Our response: We have identified growth areas in the District Plan and we have assessed water and wastewater infrastructure requirements to service the growth. We will develop the infrastructure when the areas are developed.

Ngā whakapātaritari a-mua | The challenges ahead

Key drivers and our responses for 2024-2054

We have identified **four key drivers – growth and demand, climate change and resilience, compliance, and affordability** - that will have a significant impact on our planning and delivery of services, and on our ability to achieve our community outcomes over the next 30 years.

Below we have outlined each of these drivers, the impacts they have on our infrastructure and the ways that we will respond to manage these impacts.

It's all about balance

Responding to our key drivers is about finding a balance. On the one hand we need to invest to respond to growth and demand, compliance, and climate change and resilience. On the other, we need to have a focus on affordability – keeping costs down so that rates are affordable for our community.



Balancing our key drivers

Growth and demand

We are forecasting that our population will increase over time with the majority of this increase happening amongst older adults and within urban areas.

The challenge



Population growth and land intensification

Growth increases demand for infrastructure services in urban centres.



An ageing population

Our ageing population increases demand for accessibility and changes the way infrastructure assets and services are used.



Tourism recovery

Our Tourism industry is continuing to recover, with the district home to key visitor destinations, attracting regional, national and international tourists. It is anticipated that there be further growth in tourism during the term of the strategy.

Our response

The following measures will allow Council to plan for and fund growth effectively.

Planning

We are committed to sustainable growth and effective demand management. Our strategy involves investing in infrastructure strategically, ensuring it aligns with the right timing and location. The master plans for the Morrinsville and Matamata water schemes have significantly informed our capital expenditure program. These plans identify areas where we need to upsize existing infrastructure and explore options to meet demand over the next 30 years. While the master plans for the wastewater schemes in Morrinsville and Matamata are still in development, they will play a crucial role in ensuring we can plan appropriately. Additionally, our planned flood modelling for the Stormwater network will guide future land zoning decisions.

Additional roads, footpaths and shared pathways are guided by transport studies, accessibility audits and the objective to provide appropriate and safe linkages to our schools, hospitals and town centres.

Additional expenditure

Over the next 30 years, we will allocate additional capital and operational expenditure to accommodate growth and meet demand. Our plan includes over \$99 million for growth-related investments. As we invest in capital, and as additional assets are vested through subdivisions, we anticipate an increase in maintenance requirements. Accordingly, we have allowed for an increase in operating budgets.

Climate change and resilience

The primary climate change impacts for Matamata Piako are projected to be more frequent and severe weather events like storms and droughts.

The challenge



Pressure on infrastructure

Climate change increases the pressure on our infrastructure, and the need to improve capacity and capability to cope with severe weather events.



Road connections

Roads can be closed and communities cut off with slips

Our response

Responding to climate change means we will focus on the following areas.

Risk assessment

We are embarking on a best-practice risk assessment of Council assets as a foundation for enhancing resilience. Our Operational Resilience Strategy has already evaluated the risks associated with our existing Water and Wastewater services. Our primary focus is safeguarding and strategically planning for critical assets. The Renewal program will prioritize asset replacement based on criticality, ensuring timely replacements before or at the end of their useful lives.

Levels of service

We will sustain our existing assets while enhancing service levels. Additional funding has been allocated for road drainage maintenance and renewals, aiming to safeguard our pavement against damage during severe weather events.

Planning

In our strategic planning, we aim to create resilient assets that not only meet current capacity requirements but also anticipate future needs. The upgrades to our wastewater treatments in our budgets are an example of this.

Calibrated hydraulic models for water and wastewater in Matamata and Morrinsville have been developed, which will be used in our planning. The Water and Wastewater Master Plans are currently under development, assessing requirements and exploring options for achieving our outcomes. Additionally, we are conducting stormwater flood modelling to evaluate the impact of climate change and identify opportunities for community protection through engineering upgrades or future zoning adjustments. Funding for the modelling and some improvements has been factored into the plan.

Compliance

We have seen an increase in the level of central and regional government direction particularly with changes to the Drinking Water Standards, the National Policy Statements for Freshwater, new legislative mandates for rubbish and recycling and the Resource Management Act (1991).

The challenge



Increasing regulation

Increasing regulation impacts how we manage our infrastructure to ensure we meet requirements.

Our response

Responding to our compliance obligations means we will take the following approach.

Meeting consent requirements

We will meet our consent requirements for closed landfills, wastewater discharge consents, water take consents and stormwater discharge consents. Our plan includes budgets to complete upgrades to our plants or network when our consents are required to be renewed. We have also included funding to reduce our inflow and infiltration of stormwater into our wastewater network to reduce sanitary sewer overflows.

Road safety

We are committed to reducing serious and fatal injuries on our roads. Additionally, we are continuing implementing the speed limit bylaw to align with the Government's timeline.

Public Health

Our water supplies must comply with drinking water regulations. Water Safety Plans have identified the necessary requirements, and our budgets include funding to ensure timely action and adherence to these standards. Our Master Plans also address long-term compliance risk reduction. Funding has been allocated for upgrades to our supplies and continued funding for toilet upgrades has also been included to ensure we follow recommendations of our sanitary services assessment.

Resource recovery

We are planning for a resource recovery centre to ensure we can meet legislation and provide for greater separation of different waste streams, including farm waste.

Other legislative requirements

Meeting requirements of the Building Act (2004) and Building Regulations (1992) will be considered as part of our building renewal works as works are completed.

Affordability

The median household income for our district is \$32,400 (2018), with around 72.2% of our population holding a formal qualification (2018 census). With the increase in the ageing population, we are also forecasting that the average household size will decrease from 2.6 in 2024 to 2.5 in 2054, with a higher proportion of single income or fixed income households

The challenge



Affordability

The ageing population, high inflation and interest rates places a cap on the ability of our community to pay for infrastructure assets and services.



High costs

Affordability is compounded by the increasing high costs associated with compliance for the water, wastewater and stormwater activities.



Choosing where to invest

In the short term focus is on investment for the compliance driven water, wastewater, stormwater and rubbish and recycling projects. This means there is limited investment in community related assets such as parks.

Our response

Responding to affordability means Council will take the following approach.

Prioritisation and planning

We will strategically optimise our investments, applying robust asset management practices to our planning. This involves taking calculated risks with renewal investments while prioritising capital expenditure. Additionally, we are closely monitoring a road pavement renewal strategy that seeks to limit funding increases. Continuing to invest in data improvements is also key, enabling us to monitor our asset performance and levels of service.

Our Water and Wastewater Master Plans ensure cost considerations guide our decision-making process for service improvements.

Smoothing costs

We will smooth our costs where possible over time, this includes staging some of the upgrade works and smoothing our renewals. Non-critical assets will be run to failure and only be replaced if there is still a demand and requirement for the asset.

Key assumptions

To prepare the Strategy, we've had to make some assumptions about what might happen in the future. For more detail on the assumptions cited below please see Section 2 Key Assumptions. The key assumptions underpinning this Strategy include:

- That our assets will be replaced at the end of their useful lives, and that our forecasts will align with these lifecycles (See Section 2 Asset lifecycles and depreciation)
- That our district will continue to grow, (with our population, household and location of growth assumptions based on the high growth projections set out by Te Ngira). (See Section 2 Growth and demand assumptions)
- That the levels of service Council currently deliver will continue, except where clearly outlined in this Strategy (eg proposed reduction in the roading renewals programme).(See Section 2 Service delivery and levels of service)
- That the capital programme will be delivered as outlined in the Long Term Plan. (See Section 2 Capital programme delivery)

Section 2 of this Long Term Plan outlines all of the assumptions that we have applied in developing this Strategy and the rest of the Long Term Plan, and highlights some of the uncertainties and risks around these assumptions. This Strategy should be read in conjunction with Section 2 and the Financial Strategy in Section 3.

Our six key challenges for 2024-2054

So far in the strategy we have identified the following:

- Our approach to **risk management**
- Our approach to **prioritisation** of capital and renewal work
- Where we expect our district to be in 30 years' time: **our most likely scenario**
- The key factors that will impact and influence our delivery of services: **our key drivers**

Taking all these factors into account, we have developed an approach and a work programme for the 2024 to 2054 period that we believe will best serve the wellbeing of our community for now and for the long term.



For the short and medium term we are prioritising **affordability**

In the longer term, we need to find a **balance** between all four of our key drivers

Our **capacity** to deliver projects is also a key consideration in developing our work programme

We will need to make some key decisions over the duration of our strategy.

Below we highlight the key Challenges that we are facing over the next 30 years

- **Investment in roading renewal**
- **Meeting water demand**
- **Prioritising capital projects**
- **Responding to climate change**
- **Servicing growth**
- **Meeting our waste minimisation targets**

For each challenge there are multiple options for how to respond. For each, we outline the decision that needs to be made, the principle options and by when the decision will be required:

Investment in Roothing Renewals

Maintaining our current assets

Council has prioritised work across the activities in the short term to ensure overall community affordability. There is a focus on meeting compliance and looking after existing assets while accepting some risks with levels of service and informing our community on this strategic approach. This has resulted in reducing the annual road pavement renewal budget in the short term as shown conceptually in the figure below. The base preservation level (\$6.5m) is the investment level over time that allows the current levels of service to be maintained with a low level of risk. The figure indicates that we are proposing to invest a lesser amount over ten years (\$5.7m) and Council accept that this will result in a higher level of risk to service levels.



Four roading renewal budget options with associated service levels and asset risks were tested as part of developing the Long Term Plan. The current annual budget of \$5 million was found to not be adequate due to significant cost increases in the last three years, resulting in less work completed.

The options considered to balance community affordability against asset risks and service levels are summarised in the table below. Option 1 (in pink) with an adjusted budget of \$5.7m was identified as the preferred option in the short and medium term. It is proposed that after 10 years we will need an additional \$1.1 million per annum to maintain levels of service.

Objective

We will continue to provide a road network that is safe, accessible, resilient, good quality and cost efficient.

Significant land transport issue

The significant land transport issue is finding an optimal renewal budget with an acceptable risk.

Principal options

The principal options to manage this land transport issue are shown below with the preferred option shaded pink.

| Principal options | Implications of options – What are the benefits? What are the risks? | Cost estimate, timing | Expenditure type |
|--|---|--------------------------|------------------|
| Adjusted budget Mainly reseals with some targeted pavement renewals | Benefits – The cost increases are minimised. Managed risk – A balanced approach. We aim to maintain the network at its current level, but there is a possibility of deterioration on some specific roads. We may observe increased rutting and shoving in certain areas. | \$5.7 million per annum | Renewal |
| Lower budget (2023/24 budget figure) Mainly reseals with very minimal pavement renewals. | Benefits – There is no cost increase on our current budget. High risk - for more cracking, flushing. More maintenance required. Reduction in service levels. More rutting, shoving and potholes on our network. | \$5 million per annum | Renewal |
| Medium budget More balanced pavement renewals and reseals | Benefits – By securing adequate funding in the budget, we can successfully complete road pavement repairs without imposing any additional burden on maintenance budgets. Low risk – Agreed level of service maintained. | \$6.5 million per annum | Renewal |
| Higher budget Higher investment in pavement renewals | Benefits – By allocating sufficient funding in the budget, we can successfully complete road pavement renewals, resulting in less strain on maintenance budgets. Minimal risk – Level of service maintained or even slightly improved. Has potential to slightly reduce maintenance costs in longer term if investment maintained at this level. | \$7 million per annum | Renewal |

Key

| | |
|--|------------------|
| | Preferred option |
| | Other options |

Meeting Water Demand – District wide

Reduce the loss of water in our network and reduce demand so our supply is more resilient

Through the National Policy Statement for Freshwater, we are required to respect, protect and manage our water resources.

We know that water is a limited resource and there are tighter legislative requirements for taking freshwater for potable water supply purposes. On the other hand we know that there are going to have more extreme weather events in our district and that we are going to have to service and provide water to an increased population in the future. This requires us to manage water demand carefully over the term of the Strategy.

The Water Master Plan has been completed for Morrinsville and Matamata which will help us to:

- Assess and inform the level and location of infrastructure to be implemented in Morrinsville and Matamata in accordance with the Growth Plan and District Plans
- Identify a preferred high level strategy for water management for the period to 2053, including the general location and timing of infrastructure requirements,
- Identify the further work necessary to implement the preferred strategy and to monitor its effectiveness over the plan period
- Implement water demand management strategy recommendations for managing water and reducing infrastructure cost demands

We will aim to meet future demand in Te Aroha and other small schemes by implementing water demand management techniques.

We know that we can't totally eliminate water restrictions during summer, however we aim to reduce severe water restrictions.

Objective

Meet resource consent requirements for our "water take consents" from Waikato Regional Council and provide adequate water for our growing community.

Principal options

| Principal options | Implications of options – What are the benefits? What are the risks? | Cost estimate, timing | Expenditure type |
|---|--|--------------------------|-----------------------------|
| Install universal water meters | Water meters have been shown to reduce water usage by approximately 20%. This allows us to delay or even avoid some of our capital investment. There is adequate capital and then ongoing renewal and maintenance costs associated with installing and managing universal water meters. In the long term there are financial and environmental benefits and benefits in respect to compliance with our water take consents. | \$8 million 2027-29 | Growth & Level of Service |
| Continue education around water usage | An emphasis on educating our community on water usage and conservation initiatives will assist with water reduction. Education aids the reduction in water use. This is particularly the case when water restrictions are in place but is difficult to quantify, particularly if relied on as a measure for extensive periods of time. | \$25,000 per annum | Operational |
| Reduce water loss in the network through leak detection, leak repairs and reticulation pipe renewals. | Our team is actively implementing a Leak Detection Program. This program aims to swiftly identify and rectify leaks within our network, ensuring timely notifications to property owners if we are aware of private leaks. Additionally, we are proactively renewing our more vulnerable pipes. While this approach is effective, it is being executed progressively due to cost considerations and resource requirements. However, it's important to note that this method does not directly address leaks on private properties. | \$50,000 per annum | Level of Service |
| No water meters, and pressure management | Reducing the water pressure in the network results in less pipe breaks and fewer water leaks. This can be effective but needs to be managed carefully as it can have an impact on levels of service, particularly for existing industries that are reliant on our current service e.g. for firefighting purposes. | \$25,000 per annum | Operating |
| Major infrastructure investment for additional water sources (new bores or surface water takes) | The benefits of this are that more water would be available for our community. While we anticipate investments over the next 30 years, we face the challenge of balancing costs with the uncertainty of future water availability. Unfortunately, our consent limits are unlikely to be increased due to full allocation of water sources and catchments. Therefore, planning for a large investment is impractical given our current water take limits. | | Level of Service and Growth |

Key

| | |
|--|------------------|
| | Preferred option |
| | Other options |

Prioritising Capital Projects

Managing affordability for our community and prioritising our capital spend to mainly must dos

We have seen an increase in costs in recent years. In the short term we are focusing on affordability to keep costs as low as we can for the community while maintaining our existing levels of service.

We have categorised our capital projects into the following:

- Things we **must do**: for example, complying with our wastewater resource consents, meeting drinking water standards or meeting seismic standards for public buildings
- Things we **should do**: for example, upgrades to stormwater systems, or improving walking and cycling connections
- Things we **could do**: for example, a walkway from Waharoa to Matamata, a stage in the Matamata Civic Centre, or extending cycleways

We're proposing to focus on the projects we *must do* and a small number of the *should do* projects, where we think they have a critical long term benefit. We're also proposing to remove a number of *should do* or *could do* projects from our work programme to help reduce the costs.

Objective

To ensure we comply with legislative requirements and promote the social, economic, cultural and environmental wellbeing of our community, taking into account affordability and capacity.

Principal options

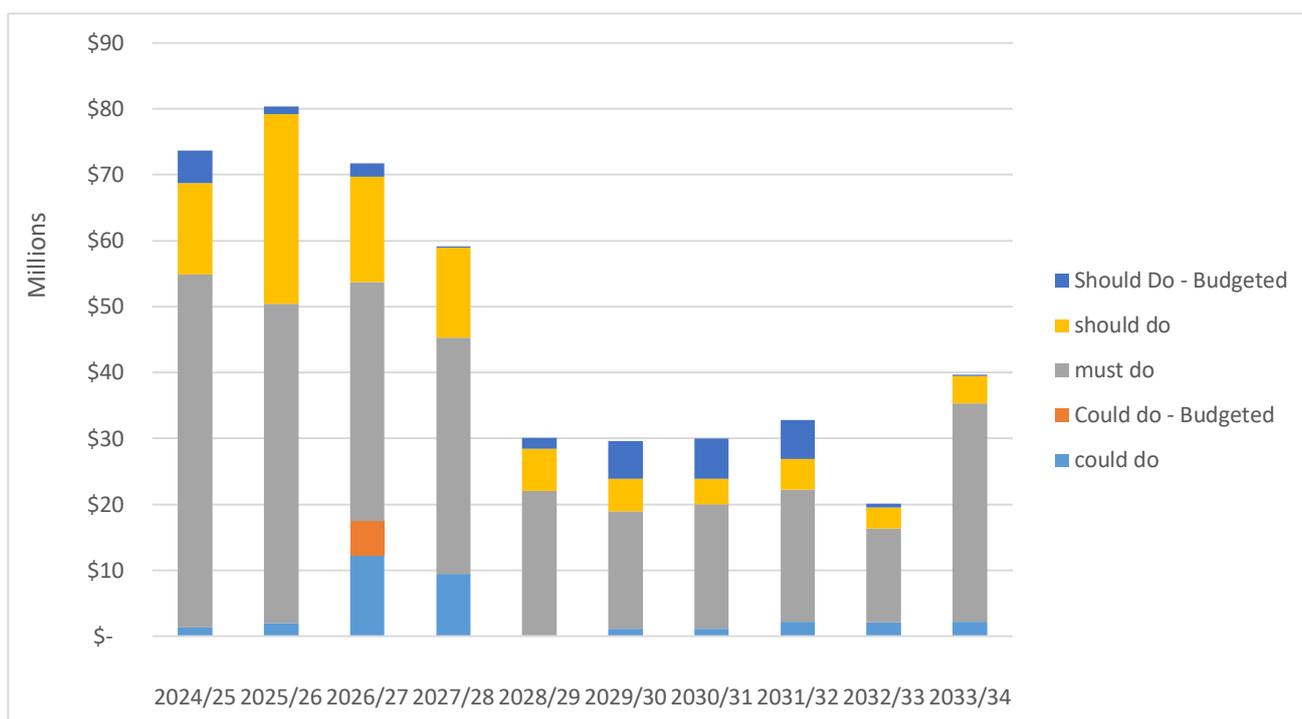
| Principal options | Implications of options – What are the benefits? What are the risks? | Cost estimate, timing | Expenditure type |
|--|---|--|---------------------|
| <p>Funding only what we must do</p> <p>The must dos are projects that are needed to meet legislative requirements across all infrastructure activities</p> | <p>The benefits are that we have a better chance of delivering this work by keeping our programme focused on our must dos.</p> <p>We have minimised the risk of non-compliance with our legislative requirements.</p> <p>We have a high risk of not delivering on our community well beings and outcomes by not including any should do or could do projects.</p> | <p>\$53.5m 2024/25</p> <p>\$48.44m 2025/26</p> <p>\$36.59m 2026/27</p> <p>2027 onwards \$23m avg. per annum</p> | Capital and Renewal |
| <p>Including a few should dos in our budgets</p> <p>Council recognises that there are some key projects that the community would like</p> | <p>We have minimised the risk of non-compliance with our legislative requirements.</p> <p>We have included some projects that contribute to and enhance our community outcomes and community well-beings.</p> | <p>Additional \$4.9m 2024/25</p> <p>\$1.1m 2025/26</p> <p>\$6.9m 2026/27</p> | Capital |

| Principal options | Implications of options – What are the benefits? What are the risks? | Cost estimate, timing | Expenditure type |
|--|--|--|---------------------|
| to see and has included these in the budgets | Our capacity to deliver our program decreases as we increase the programme. | 2027 onwards \$3m avg. per annum | |
| Funding all the must dos and should dos The should dos are projects that have been identified in strategies or policies to meet our community outcomes. | We would allocate funds to meet our infrastructure needs, support our growth and demand, and enhance the resilience of our assets for the future Completing all the projects we have identified is not affordable for our community. By expanding our programme we are not able to deliver all the projects. | \$72.3m 2024/25 \$78.3m 2025/26 \$59.4m 2026/27 2027 onwards \$24m avg. per annum | Capital and renewal |
| Funding all the must dos, should dos and could dos | This program aims to align with our community outcomes and enhance the overall well-being of our residents. We would meet our infrastructure needs, support our growth and demand, and enhance the resilience of our assets for the future Completing all the projects we have identified is not affordable for our community. By expanding our programme we are not able to deliver all the projects. | \$73.7m 2024/25 \$80.3m 2025/26 \$71.7m 2026/27 2027 onwards \$34.5m avg. | Capital and renewal |

Key

| | |
|--|------------------|
| | Preferred option |
| | Other options |

Summary of options



Should do – Budgeted projects

The major **Should do – Budgeted** projects are as follows:

| | |
|--|--------------------------------------|
| Morrinsville Recreation Ground development | Destination Playgrounds |
| Te Aroha Domain Redevelopment | Bulk Funds |
| Morrinsville Pool development | Matamata increased sports facilities |

Should do – not budgeted projects

Some of the Major **Should do – Not budgeted** projects are as follows:

| | |
|--|---|
| Widening of Rural Roads | New Footpaths and Kerb and Channel |
| Matamata Parks and Open Spaces Strategy implementation | New Matamata Playground |
| Te Aroha Open Spaces Strategy implementation | New Paths on reserves |
| Waiorongomai Carpark | Water and Wastewater pipe size upgrades |

| | |
|---|---|
| Te Aroha and Morrinsville UV installation at water treatment plants | Te Aroha Water Treatment Plant capacity upgrade |
| Water Reticulation additional funding – leak detection | Upgrade of Te Aroha Falling main |
| Town Centre revitalisation | School Travel Plan implementation |

Could do – Budgeted projects

The Major **Could do – Budgeted** project is as follows:

| | |
|----------------------|--|
| Te Aroha Spa upgrade | |
|----------------------|--|

Could do – Not budgeted projects

Some of the Major **Could do – not budgeted** projects are as follows:

| | |
|--|--------------------------|
| Waharoa to Matamata new shared pathway | Aerodrome Redevelopment |
| Te Aroha to Morrinsville new cycleway | Howie Park Redevelopment |
| Hinuera to Piarere new cycleway | Skate Park Redevelopment |



Responding to Climate Change

Ensure we plan appropriately so that our assets are able to respond to climate change now and in the future

Some of the reasons that Council needs to play its part in responding to climate change include:

- It's our job to plan for the wellbeing of our communities – both now and for future generations, and to provide leadership
- More frequent and severe weather events are impacting our communities and underlining the importance and urgency of acting now
- Council manages many important assets on behalf of the community and it's our responsibility to look after them for the long term
- Laws and policies at both a national and regional level mean councils are increasingly expected to take climate change into account when planning for the future

Objective

We will plan appropriately for climate change by providing greater resilience for our assets.

Principal options

| Principal options | Implications of options – What are the benefits? What are the risks? | Cost estimate, timing | Expenditure type |
|--|---|--|---------------------------|
| Prioritise completion of critical strategic planning and modelling tasks | This will help us gain a better understanding of our assets and develop a clear plan for future investments We have already completed several plans and strategies that provide useful information. While there is a cost associated with additional modelling and assessments, it will provide a base from which to make our assets more resilient. | 2024/25 \$150,000 2025/26 \$250,000 | Level of Service & growth |
| Enhance our current program to make it more effective | We will ensure our current planning and capital projects include adequate provision for climate change. We will ensure maintenance work considers climate change. While there will be some cost increases, they will be minimised and will ultimately reduce the need to retrofit assets in the future. | \$40,000 per annum Roading minor events | Level of service |
| Take more action and invest more now | We will take measures to make our assets more resilient, such as reducing flooding on some roads, investing in infiltration and ingressions of our wastewater network, and developing additional water sources or improving the resilience of our current water treatment plants. It is very expensive, but it means we are taking measures to minimise the impact of severe weather events on our assets. Detailed modelling of required investment and potential benefits has not been undertaken to date. | Unknown | |

Key

| | |
|--|------------------|
| | Preferred option |
| | Other options |

Servicing Growth

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

Network infrastructure required to facilitate residential growth areas in the next 30 years as identified in the District Plan has been included in the Long Term Plan and this Strategy.

A key project in the past 3 years has been to develop Master Plans. This has involved completing updated water and wastewater network modelling to identify what work is required. It has also investigated what the requirements will be in 30 years based on the latest population projections.

This ensures that we can be more prepared for changes that will come with future growth needs, such as private plan changes and future zoning changes.

Objective

We want to plan for our infrastructure and invest at the right time ensuring we can service our projected growth and maintain our current level of service.

Principal options

| Principal options | Implications of options – What are the benefits? What are the risks? | Cost estimate, timing | Expenditure type |
|---|--|---|----------------------------|
| Upgrade infrastructure to meet projected growth | This requires investment in infrastructure at the right time to ensure services are available as planned. This manages Council's risk in overinvesting or hindering development of residential zoned land. This allows Council to manage the assets in a planned manner. | MM WWTP 2024/25 \$73m | Levels of Service & Growth |
| Take some calculated risk with delaying or staging some upgrades in the short and medium term | This can spread out some of the costs. Examples: <ul style="list-style-type: none"> The MM WWTP is upgraded in 2 stages Spreading the costs some of the road and water reticulation upgrades and moving these out Managing investment is crucial to ensure affordability in the short and medium term. However, it is a delicate balance between delaying work and incurring higher costs in the future or reducing the level of service for our current and new users | MM WWTP Stage 1: \$47m in 2024-26 Stage 2: \$26m in 2039-41 | Levels of Service & Growth |
| Delay all growth related infrastructure upgrades | The budgets can be reduced. This will hinder development and give no certainty to developers to be able to subdivide in the district. This would likely require us to rezone some of the land back to being un serviceable. | No cost | |

Key

| | |
|--|------------------|
| | Preferred option |
| | Other options |

Meeting our Waste Minimisation Targets

Meet legislative requirements and customer expectation with our improvements now and in the future

Our refuse transfer stations were developed over 20-years ago when all waste was sent to landfill. They are aging and require ongoing maintenance which comes at a cost. We are facing increasing legislative requirements particularly in relation to both climate change and environmental protection. We need to consider if three sites are required, and if the existing sites can be upgraded to be 'fit for the future'. We will review our current sites and develop a plan for discussion with our community including the development costs and the number of sites required. This will likely occur over the next couple of years.

Objective

We will meet our legislative requirements for waste minimisation to divert and reduce our waste.

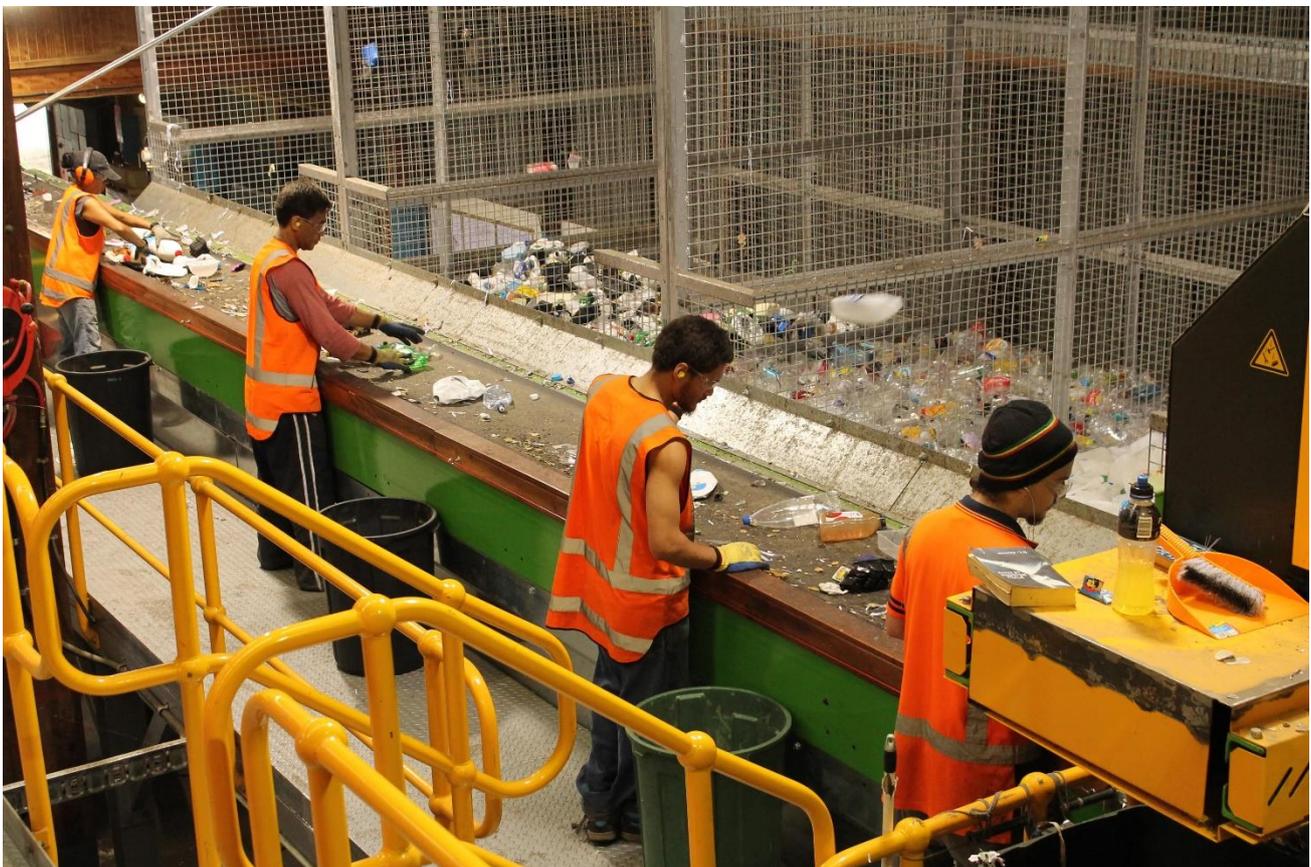
Principal options

| Principal options | Implications of options – What are the benefits? What are the risks? | Cost estimate, timing | Expenditure type |
|---|---|--|---------------------|
| Develop one new Recovery Centre facility for the district and consolidate the existing transfer station functions into the new one. | <p>The new facility, being a greenfield site, would enable a wider range of waste minimisation services, including the ability to divert a greater variety of waste.</p> <p>This would reduce operating costs.</p> <p>The community will have to travel further to use our facility with the risk of reducing customer satisfaction.</p> <p>Producers and brand owners could contribute to both development and service cost over the medium to long term as we would have the facility to cater for waste stream separation.</p> | <p>\$2m to maintain current sites until new facility is in place. 2024-26</p> <p>New facility \$5.9m 2026-29</p> | Levels of Service |
| Retention and redevelopment of our current transfer stations. | <p>This would improve the current transfer stations to operate more effectively and allow for some additional waste diversion.</p> <p>The other benefits are that 3 transfer stations will service our community.</p> <p>This option has a very high capital and ongoing maintenance costs.</p> <p>Available land area is a major constraint for developing these sites to meet future requirements.</p> | \$7.5m million 2024-29 | Levels of Service |
| Rationalisation of the existing transfer station network into one or two | <p>The new facility, being a greenfield site, would enable a wider range of waste minimisation services, including the ability to divert a greater variety of waste.</p> | New facility \$5.9m 2026-29 | Levels of Service |

| Principal options | Implications of options – What are the benefits? What are the risks? | Cost estimate, timing | Expenditure type |
|--|--|---------------------------------|---------------------|
| satelite sites, and developing a new facility | The existing site/s would function more as a satellite facility, providing essential waste diversion only. This option has a very high cost as it requires a new facility and some upgrades to our current facilities. The ongoing operating cost would be very high as well. | \$2million Existing facility | |

Key

| | |
|--|------------------|
| | Preferred option |
| | Other options |



He tino tirohanga | A detailed look

Our infrastructure assets and projects for 2024-2054

Below we discuss each of our infrastructure asset groups:

- Water
- Wastewater
- Stormwater
- Roothing
- Community facilities and Parks and open spaces
- Rubbish and Recycling

For each, we give some background, context and asset condition information. We then outline the projects we have planned for this asset, and which of the key drivers the projects are related to.



Water

Background

Our water service provides clean, safe drinking water to our community, contributing to the health and wellbeing of our residents. Our key levels of service for the water assets are described in Section 5. Our water service consists of seven water supply schemes, including nine water treatment plans, 10 pump stations and 410km of reticulated water supply to our towns and some of our rural settlements.

Context

Water is a precious resource, and there is increasing demand for water from both residential and industrial users. With stricter environmental standards and conditions on our water take resource consents, and increased frequency and severity of droughts as a result of higher temperatures and less rainfall, we need to look for new ways to save and conserve water as there is a limit on how much water we can take from bores or surface water sources for our community. While water restrictions cannot be completely avoided, we aim to limit severe water restrictions in summer by reducing water demand and improving systems.

Our priority is ensuring we comply with the new national drinking water standards and our regional council's consents for taking water, and ensuring we can service new growth.

We have developed a master plan for Morrinsville and Matamata water supplies. The purpose of the master plan is to:

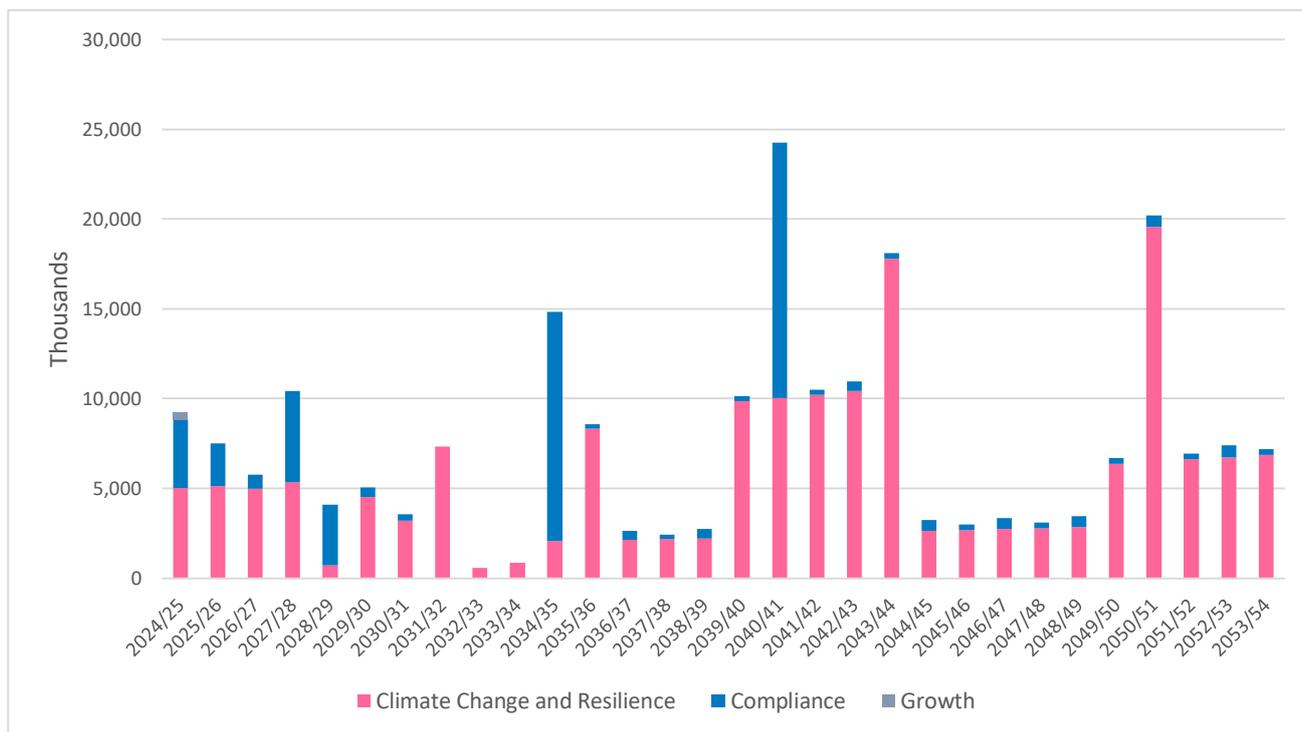
- Identify risks and opportunities
- Analyse high level options
- Recommend short, medium and long term options for meeting agreed and achievable levels of service, growth projections and resilience

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

Strategic Overview

| Problem statement | Key driver |
|---|---|
| New assets are needed to comply with current and upcoming regulations | Compliance → Level of service |
| Under-capacity assets hinder plant functionality and can't support current or forecasted demand | Growth and demand → Growth |
| Some assets need replacing to withstand disruption, improve effectiveness during crisis, and adapt to changing conditions | Climate change and resilience → Renewals → Level of service |

Capital and Renewal Expenditure



Compliance capital projects

Our forecasting budgets include funding for continuous district-wide improvements to our water treatment plants and processes to meet compliance. This includes some of our smaller plants as well to ensure we can have compliant drinking water and enough barriers to meet the standards consistently. Some of our water consents are due for renewal which will be funded from the renewals budget but will require some upgrade works as well.

Water metering is also included in the programme, with universal water meter in 2027-29.

Funding for servicing Waitoa village is not currently included in the budgets. Consultation with the community will be undertaken as part of the planning process. Some key projects include:

| Project | 2024/25 (000) | 2025/26 (000) | 2026/27 (000) | 2027-2034 (000) | 2034-2054 (000) |
|---|------------------|------------------|------------------|--------------------|--------------------|
| Consumer water meter installation | 600 | | | 7,420 | |
| HSNO Upgrades – Misc | 200 | 204 | | | 2,898 |
| Implement Water conservation strategy | 200 | 204 | 209 | 214 | 5,848 |
| Raw Water Intake RC Compliance | 250 | 255 | | | |
| Hinuera WTP upgrade | 100 | 1,022 | | | |
| Matamata Tills Road – Sludge and UV upgrades | 50 | 460 | | 802 | |
| Morrinsville WTP Compliance Upgrades (Water works and Scott Road) | | 255 | | 267 | |
| Tahuna WTP Compliance Upgrades | | | 523 | | |
| Te Aroha WTP consent and intake upgrade* | 2,000 | 255 | | | |
| New Water Source in Matamata | | | | | 7,206 |
| New Water Source in Morrinsville | | | | | 13,064 |

*Part of this project is renewal funded.

Growth and demand capital projects

Our improvements also include upgrade works to ensure the zoning in our District Plan can be developed, with the appropriate water and reticulation networks in place. With water meters and water demand measures planned, the growth projects have been deferred. The new water sources planned in Matamata and Morrinsville will be split between compliance and growth budgets. Growth and demand projects include:

| Project | 2024/25 (000) | 2025/26 (000) | 2026/27 (000) | 2027-2034 (000) | 2034-2054 (000) |
|----------------------------------|------------------|------------------|------------------|--------------------|--------------------|
| Morrinsville Water Retic Upgrade | 400 | | | | |

Climate change and resilience capital projects

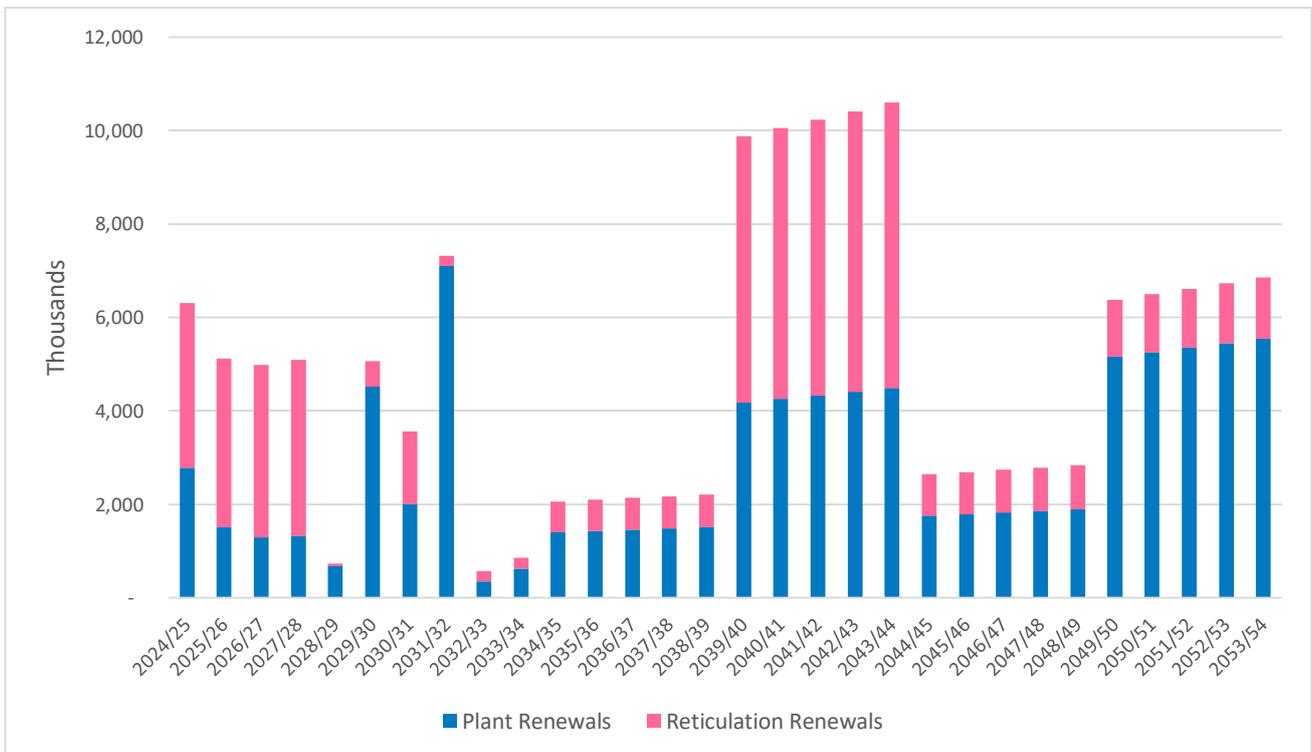
Projects to increase network and supply resilience include the installation or upgrade of our reservoirs. This ensures our community has a more water supply that is more resilient to the anticipated increase in major weather events.

| Project | 2024/25 (000) | 2025/26 (000) | 2026/27 (000) | 2027-2034 (000) | 2034-2054 (000) |
|----------------------------|------------------|------------------|------------------|--------------------|--------------------|
| Morrinsville new reservoir | | | | | 6,248 |
| Matamata new reservoirs | | | | | 25,937 |

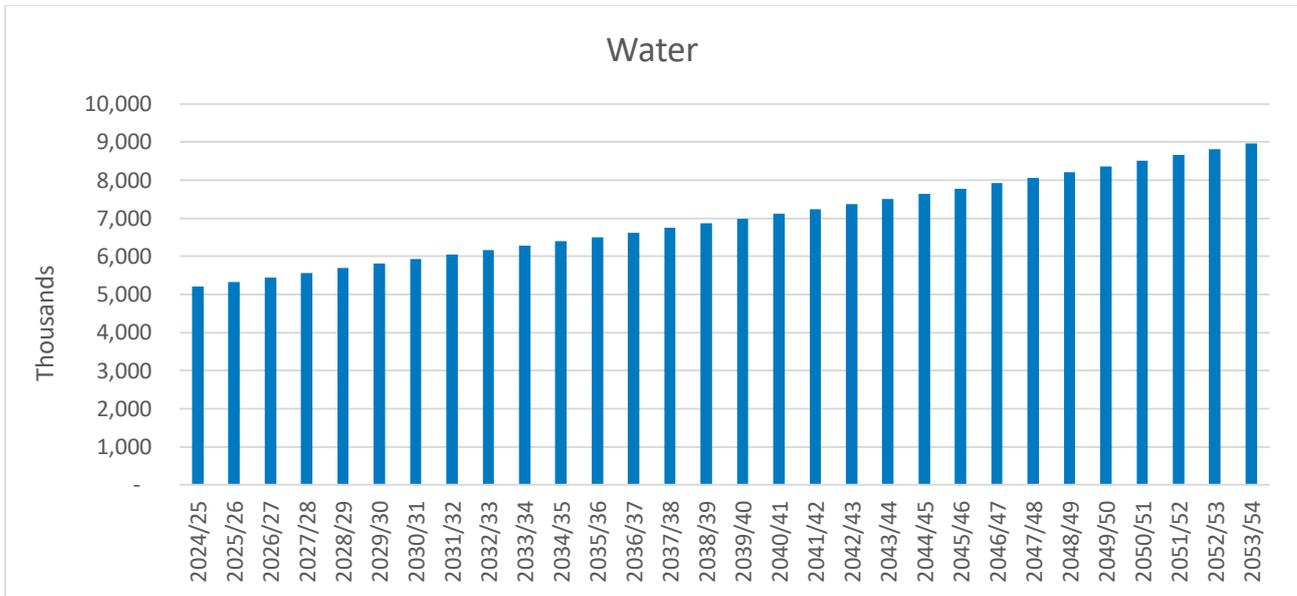
Renewals expenditure

Plant and reticulation renewals make up the bulk of our business as usual projects. Renewal profiles have been averaged over five years to allow for smoothing of the budget. This helps us manage the replacement of assets based on their criticality - potentially deferring the replacement of non-critical assets (depending on condition) and bringing forward the replacement of critical assets. This smoothing allows us to manage the work programme in a sustainable manner over the term of the strategy. The backlog is not significant and can be managed going forward with this renewal strategy. Another focus of the renewal programme is to replace all steel pipes.

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



Operating Expenditure



We have assumed that there will continue to be cost increases for both operation and maintenance within the water activity. It is our assumption that our levels of service will not change. We have undertaken a number of upgrades in recent years and more are planned over the life of the strategy to meet drinking water standards. The new national drinking water standards and the requirements of our new water take consents both require additional monitoring and reporting. We have also budgeted for some additional costs due to increases in the stock of assets we hold through new subdivisions.

Asset Condition

The water infrastructure assets' condition and reliability of data are described in the Water Asset Management Plan 2024-25. Our water treatment plants (WTP) and reticulated water supplies are generally in good condition, delivering the agreed level of service to our community. The majority of water pipes have a working life of between 30 and 100 years, depending on material. We have a fairly good understanding of the type of pipes we have. There is approximately 5% of the length of pipes for which we do not have this information, mainly service lines and not our critical assets. These pipes are categorised as having the shortest asset life pipe material. We are working through identifying the material types when there are service requests or repairs. The age of the assets is more difficult to ascertain exactly. We carry out periodic condition assessments which inform our renewal programmes. Water loss (unaccounted for water) has been identified as an issue and we have been undertaking a leak detection programme to identify the cause. One source of losses is from old steel pipes and in particular spiral riveted steel. The replacement of these is being treated as a priority due to the compliance requirements to reduce our water loss.

Work has been done on assessing criticality for all reticulation and plant data, this has been updated in our asset management register and the information is used when we are planning and prioritising renewals and capitals works. Assets identified as critical are those which supply essential services, critical customers and that service a larger network.

Wastewater

Background

Our wastewater network consists of five wastewater treatment plants, 37 pump stations and 268km of wastewater pipes. The wastewater service ensures that wastewater (the sewage and grey water that goes down your drains) is collected, treated and disposed of appropriately for the health and wellbeing of our community and environment. Our key levels of service for the wastewater assets are described in Section 5.

Context

With the projected increase in the frequency of severe weather events, the resilience of our wastewater network is under pressure. Overflows from the network as a result of heavy rain pose a risk to the environment and the public health of our community. The National Policy Statement for Freshwater Management 2020 is also likely to result in increased requirements for treatment, and restrict disposal to waterways. We have been working on a district-wide discharge consent and expect conditions to be approved during 2024.

We are developing a wastewater master plan for Morrinsville and Matamata townships. The purpose of the master plan is to:

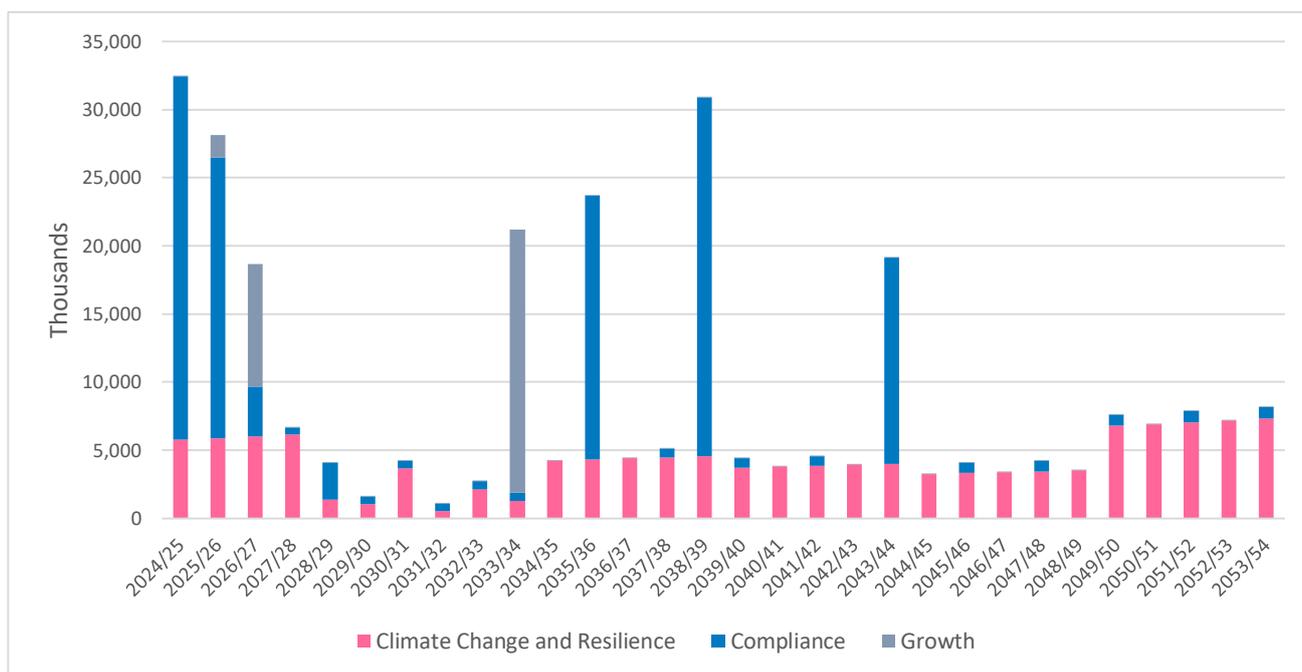
- Identify risks and opportunities
- Analyse high level options
- Recommend short, medium and long term options for meeting agreed and achievable levels of service, growth projections and resilience

Our priority is ensuring we comply with our resource consents for our discharges, by having our plants compliant and ensuring our pump stations and overflows in the network can be managed appropriately during wet weather events.

Strategic Overview

| Problem statement | Key driver |
|---|---|
| New assets are needed to comply with current and upcoming regulations | Compliance ➔ Level of service |
| Under-capacity assets hinder plant functionality and can't support current or forecasted demand | Growth and demand ➔ Growth |
| Some assets need replacing to withstand disruption, improve effectiveness during weather events, and adapt to changing conditions | Climate change and resilience ➔ Renewals ➔ Level of service |

Capital and Renewal Expenditure



Compliance capital projects

Our forecasting budgets include major investment in upgrading our three main plants. The Matamata plant requires a major upgrade and a change in treatment to ensure we can meet the tighter consent requirements for our discharge into the Mangawhero and then Waihou Stream. Morrinsville and Te Aroha will also require an upgrade but it is anticipated that these plants won't require the same level of investment as they are meeting current consent conditions and the upgrade work is less significant.

Infiltration and ingress reduction in our reticulation network is also a key project that requires annual investment to ensure we can make some progress and manage wet weather more effectively in our network. This is particularly the case in Te Aroha and Morrinsville. Some individual projects include:

| Project | 2024/25 (000) | 2025/26 (000) | 2026/27 (000) | 2027-2034 (000) | 2034-2054 (000) |
|------------------------------|---------------|---------------|---------------|-----------------|-----------------|
| Districtwide I & I Reduction | 200 | 204 | 523 | 3,982 | 7,375 |
| Tahuna WWTP RC Renewal | | | | 2,185 | |
| Te Aroha WWTP RC Upgrades | | | 3,138 | | 33,157 |
| Matamata WWTP Upgrade | 26,500 | 20,430 | | | 26,366 |

Growth and demand capital projects

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

When upgrading our wastewater treatment plants to meet new consent conditions it is also important that the upgrades take growth requirements into account. Some network upgrades are also required to improve the network's ability to manage increased flow, particularly in wet weather conditions. Some growth and demand projects include:

| Project | 2024/25 (000) | 2025/26 (000) | 2026/27 (000) | 2027-2034 (000) | 2034-2054 (000) |
|---|------------------|------------------|------------------|--------------------|--------------------|
| Morrinsville WWTP | | | 7,321 | 19,293 | |
| Tower Road Pump Station and Rising Main | | 1,634 | 1,673 | | |

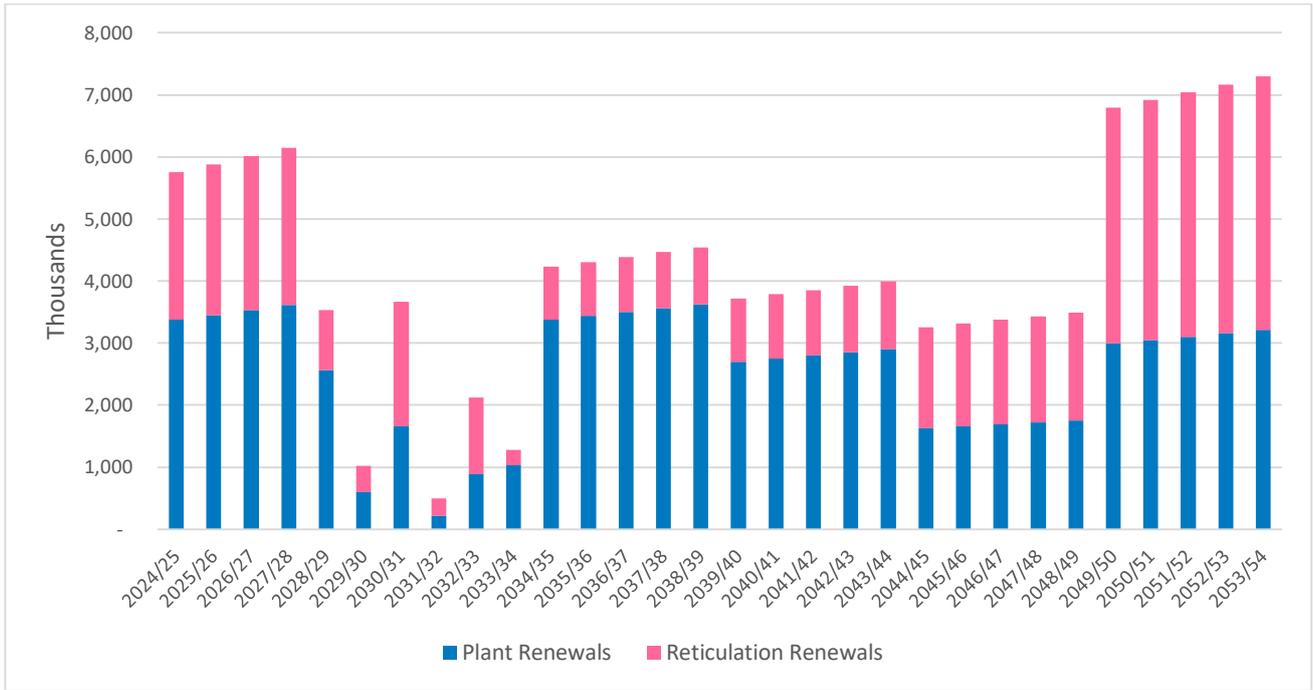
Climate change and resilience capital projects

There are no projects identified that are linked directly to resilience but when completing planned upgrades resilience is considered within scope.

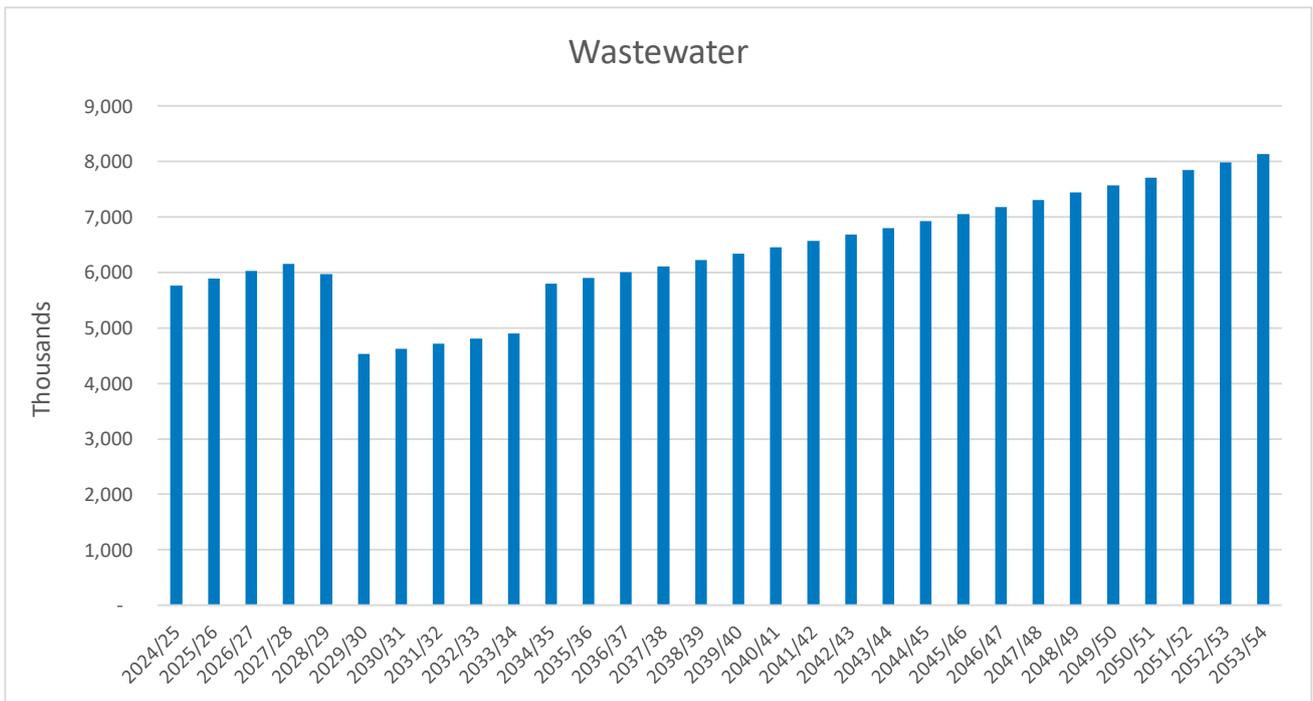
Renewals expenditure

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

We are planning to upgrade our main plants so renewals won't be substantial but some plant assets such as membranes require replacement over relatively short time frames. There is also a significant amount of electronic equipment that requires replacement every five years. As mentioned above, the Morrinsville, Matamata and Te Aroha discharge consent are required to be renewed before the end of the 2024/25 year which will set our new conditions.



Operating Expenditure



It is assumed that there will be an increase in operation and maintenance costs in the wastewater activity due to inflation. It is our assumption that our levels of service will not change but the upgrading of our plants will require additional maintenance and operational budget. There will be an increase in the requirements for chemicals, treatment processes and power costs, and for additional monitoring and reporting.

The desludging of our wastewater ponds are key operating expenditure going forward. The work programme and costs will be smoothed as much as possible. Matamata is the highest priority, followed by the Te Aroha pond. Desludging is required to ensure we can meet our discharge consent conditions and that we can optimise the ponds to treat our waste.

A number of new pump stations and additional network reticulation are being vested with council to maintain going forward, adding to our costs.

Asset Condition

The water infrastructure assets' condition and reliability of data are described in the Wastewater Activity Management Plan 2024-54. We have good knowledge of the wastewater assets, and our forecast confidence for this group is assessed as fairly accurate (confidence rating B). Overall our water assets are in average to good condition, with a programme of regular asset condition assessments which informs our renewal profile and priorities.

There is approximately 4% of assets for which we do not have information on the construction material. This is not considered to be a significant risk as the life of "unknown" pipes are categorised as the same as the lowest rated pipe. The condition of the reticulation system varies with the various schemes. Te Aroha is subject to higher infiltration rates which could indicate a poor condition. The modelling of the Morrinsville reticulation for dry and wet weather flows indicates that the catchment is generally in poor condition. It is believed that much of the inflow and infiltration originates within private properties from defective pipes and low gully traps, and a programme of testing is addressing this issue. We are undertaking condition assessments of our reticulation network using closed circuit television (CCTV), with a focus on assets that are approaching scheduled renewal. This is resulting in some renewals being deferred and the pipes given an extended life. We also have a program of inspections using smoke testing and other means to identify faults and to prioritise them for renewal.

Work has been done on assessing criticality for all of the reticulation and plant data, this has been updated in our Asset Management Register and the information is used when we are planning and prioritising renewals and capitals works. Critical assets have been assessed as those that supply essential services and schools. We have also included high risk assets that could cause environmental concerns or issues if they fail.

Stormwater

Background

Stormwater systems safely and efficiently drain surface water to minimise flooding in our communities. Stormwater is drained from our urban areas and discharged into streams, rivers, open drains, retention ponds or detention ponds. Our key levels of service for our stormwater assets are described in Section 5. We aim to ensure stormwater is well managed, and we work with property owners to improve stormwater drainage and reduce flooding.

The network consists of 18 stormwater ponds, 166km of stormwater pipes, manholes, catchpit leads, channels, culverts, open drains, soakage trenches and subsolid drains.

Context

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

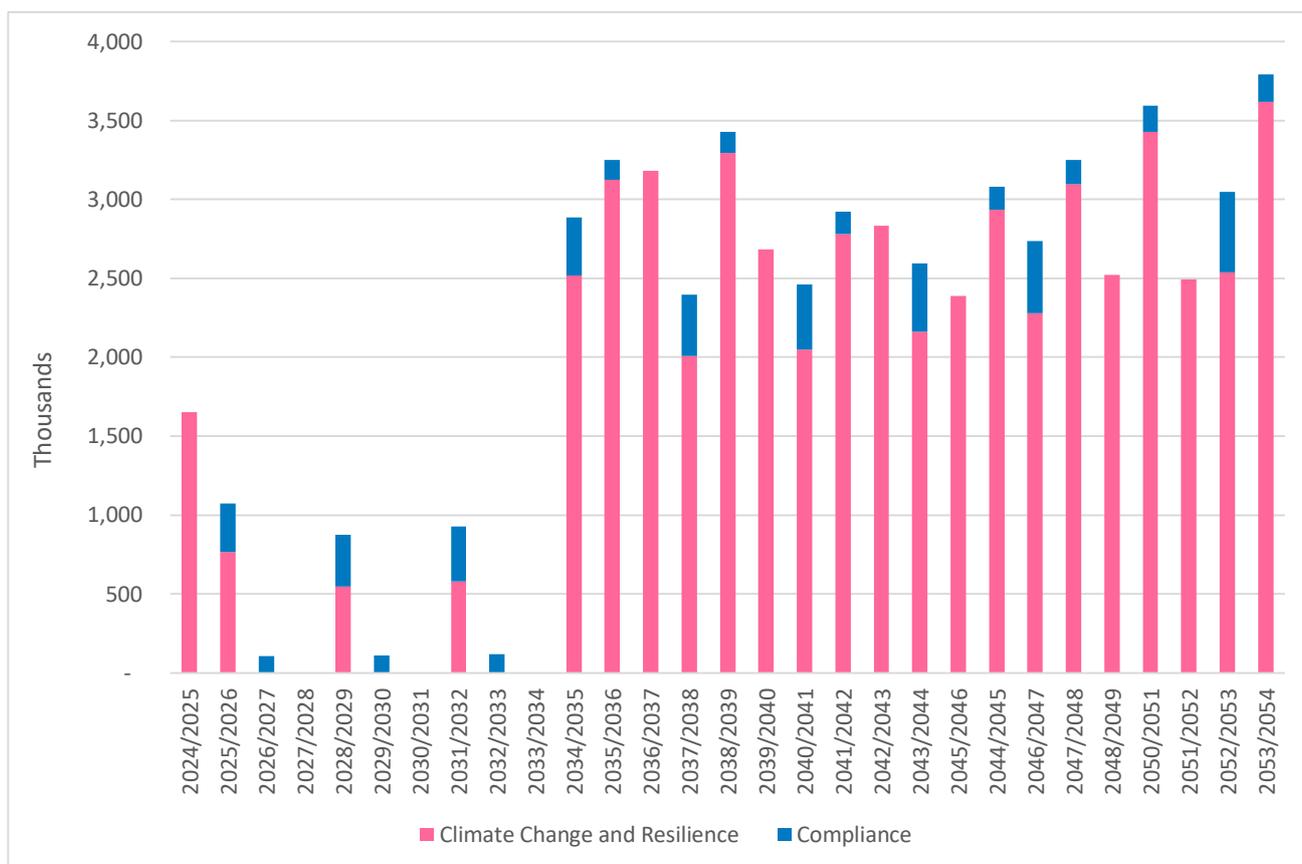
We are currently working through the renewal of our comprehensive discharge consents, and expect that some treatment of stormwater may be required in future due to requirements under the National Policy Statement for Freshwater Management 2020. At the time of writing, the detailed consent conditions and work that we will be required to complete is not known.

We are planning to complete current modelling work and undertake additional modelling to inform future planning of upgrade work.

Strategic Overview

| Problem statement | Key driver |
|---|---|
| New assets are needed to comply with current and upcoming regulations | Compliance → Level of service |
| Some assets need replacing to withstand disruption, improve effectiveness during crisis, and adapt to changing conditions | Climate change and resilience → Renewals → Level of service |

Capital and Renewal Expenditure



Compliance capital projects

Our forecasting budgets include funding for continuous district-wide improvements to our Stormwater network to meet compliance. This is based on the anticipated conditions of our new discharge consent.

| Project | 2024/25 (000) | 2025/26 (000) | 2026/27 (000) | 2027-2034 (000) | 2034-2054 (000) |
|--|------------------|------------------|------------------|--------------------|--------------------|
| District-wide stormwater treatment upgrades related to our resource consents | | 306 | | 665 | 2,976 |

Growth and Demand capital projects

For growth and demand funded projects, our approach is to require the developer to manage stormwater on site through soakage. There are no major capital projects planned. Some of the stormwater modelling is also partially growth funded as it will guide future development.

Climate change and resilience capital projects

Some modelling and upgrade work that improves the network’s resilience during flooding events has been included in this budget.

| Project | 2024/25 (000) | 2025/26 (000) | 2026/27 (000) | 2027-2034 (000) | 2034-2054 (000) |
|-----------------------------------|------------------|------------------|------------------|--------------------|--------------------|
| Stormwater upgrades | 1,500 | | | | 6,575 |
| Stormwater modelling and planning | 150 | 255 | | | 3,907 |

Renewals expenditure

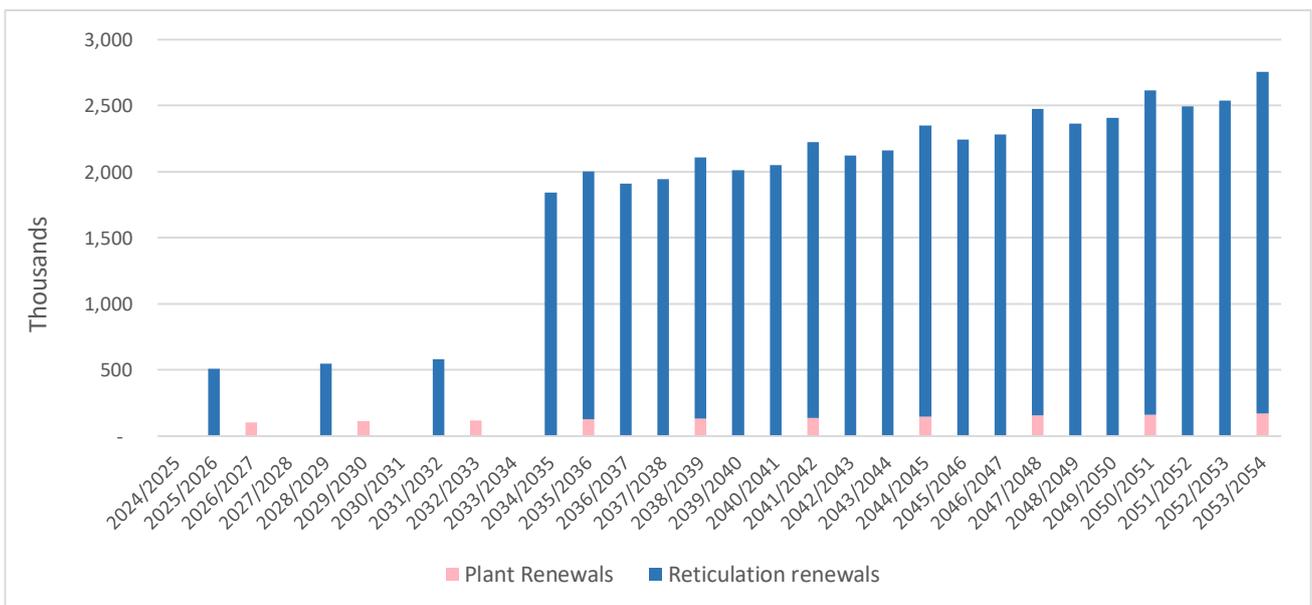
Plant and reticulation renewals are the main business as usual projects.

Only minimal replacement of stormwater pipes is expected over the next 10 years. There is a spike in 40 years’ time which is due to the assumed date of installation of about 50% of the pipes and it is anticipated that condition rating these pipes closer to this date will spread the actual replacement dates and cost.

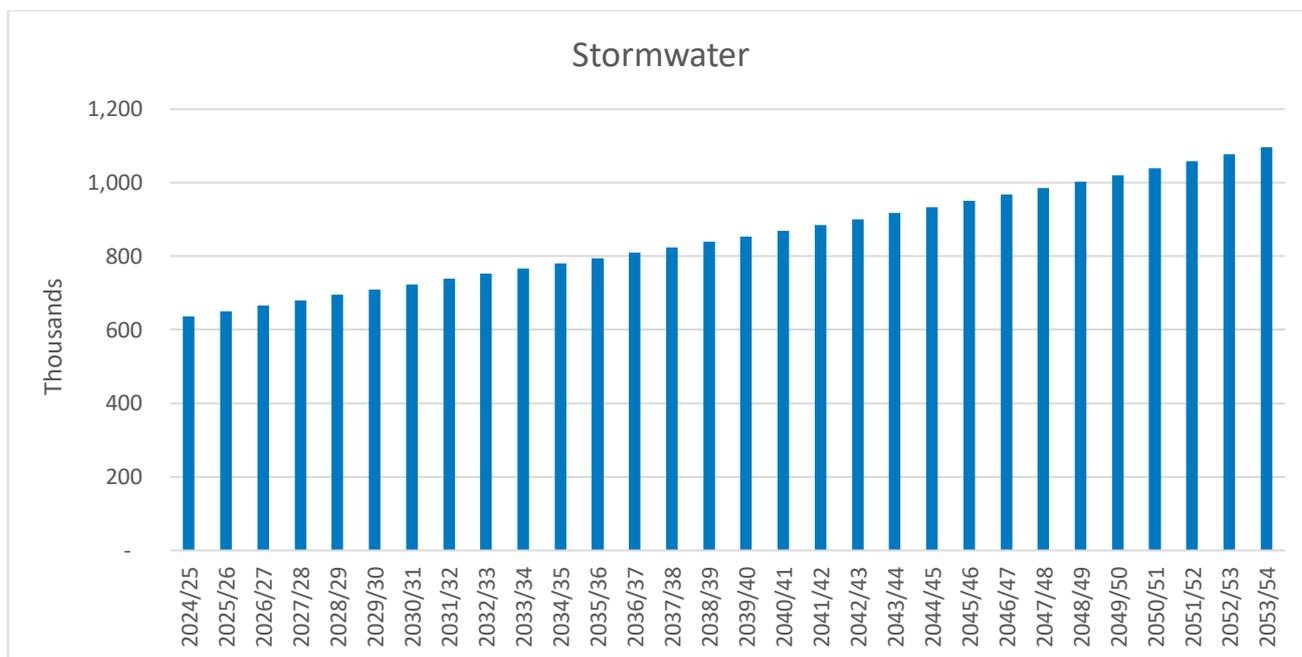
The peaks in the renewal profile are the replacement of the majority of our Matamata pipes in 2047 and Te Aroha in 2052. There have been no issues with the pipe condition to date. It is planned to complete some assessments of their condition and to verify the asset age.

The high number of retention ponds and other structures vested in Council will have an impact on renewals, as these are quite expensive items to renew and will impact our budgets.

| Project | 2024/25 (000) | 2025/26 (000) | 2026/27 (000) | 2027-2034 (000) | 2034-2054 (000) |
|---------------------|------------------|------------------|------------------|--------------------|--------------------|
| Stormwater renewals | | 511 | | 1,127 | 43,857 |



Operating Expenditure



It is assumed that the operating costs for the stormwater assets will increase as there are additional stormwater retention and detention ponds resulting from subdivisions which need to be maintained. We have also seen a significant increase in material and labour costs over the past 3 years. Our new discharge consent may require additional monitoring and reporting.

Our assumption is that our levels of service will not change. We are completing some improvements to our network as we are aware that climate change will increase the number and intensity of flooding in the future. This will also require an increase in operating responses to manage any flooding events.

Asset Condition

The stormwater infrastructure assets' condition and reliability of data are described in the Stormwater Asset Management Plan 2024-54. We are unsure of the materials of 19% of assets, which makes up about 31 kilometres of the piped network. These pipes have been given the same life as the shortest life pipe material so that the renewal funding is not at risk in this area. Our overall forecast confidence for the stormwater infrastructure is assessed as fairly accurate (confidence rating B).

Through the proposed modelling we are obtaining some better data about our assets, mainly related to updated invert levels for our manholes and pipes.

Roading

Background

Our transport network consists of 967km of sealed roads and 50km of unsealed roads. It also includes 377 bridges, street lights, road markings and signs, and road drainage assets.

Roads provide for a wide variety of users with diverse needs, including private and commercial car drivers and passengers, freight operators, dairy tankers, stock trucks, quarry trucks/machinery, public transport, harvesting contractors/ farm machinery, cyclists and pedestrians. They also support and enable economic growth and, when designed appropriately, enhance living environments and amenity. In addition to providing access to properties, the road corridor is also where utilities are usually located (e.g. gas, power, telecommunications, water, sewer and stormwater). Our key levels of service for the roads and footpaths assets are described in Section 5.

Context

We have national, regional and local drivers that need to be aligned and prioritised to ensure our investment is appropriate.

The Waikato Regional Land Transport Plan has a vision of an integrated, safe and resilient regional transport system that delivers on the well-beings of our diverse Waikato communities.

The key strategic objectives are:

- Strategic corridors & economic development
- Road Safety
- Access and mobility

The priority over the short and medium term is maintaining our assets and our existing level of service. The roading network performs reasonably well. Wet weather events causing road damage, and increased costs due to inflation have both put pressure on our ability to deliver our work programme.

We are continuing to monitor our network so that we can understand the condition of our network and the investment options. In the short term our approach is to minimise our road renewal investment while ensuring we monitor our network and intervene as required.

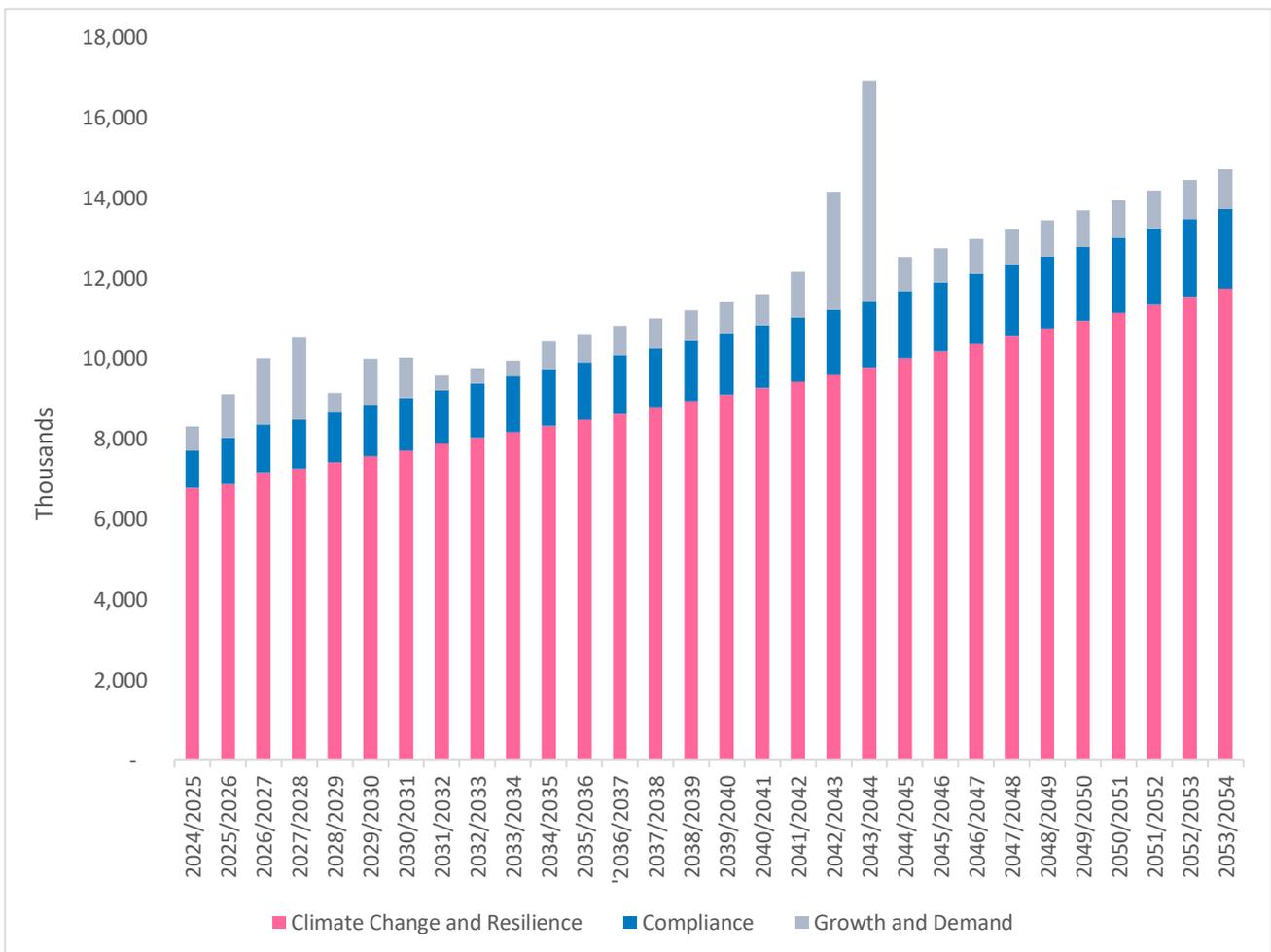
There are a number of growth projects that we have to fund to ensure our roads are safe and can manage the increase in road users created through new subdivisions. Our aim is to ensure we can maximise our co-funding from Waka Kotahi, which contributes 51% of our approved programme.

We would like to also focus on walking and micro mobility investment to reduce emissions and connect our neighbourhoods but with affordability such a key priority, particularly in the shorter term, we have had to reduce the investment in this area. This is similar with some of our Road Safety initiatives, where our focus is on meeting legislative requirements.

Strategic Overview

| Problem statement | Key driver |
|---|--|
| Several road related incidents on our road network have led to fatal and serious injuries | Compliance ➔ Level of service |
| Current investment levels are inadequate for maintaining our current level of service | Climate change and resilience ➔ Renewals and Level of service |
| Our road network doesn't adapt to new transport trends and meet higher performance expectations | Demand management ➔ Level of service |
| More users on our road network will affect road assets' maintenance and management | Growth and productivity ➔ Growth |

Capital and Renewal Expenditure



Compliance capital projects

Our forecasting budgets include funding for an improvement in road safety within the district. The focus is on a couple of key sites where we have seen fatalities in recent years. The other key priority is implementing our speed management plan and ensuring the speed limits at our schools are compliant with the new speed management rule. Some key compliance (road safety) projects include:

| Project | 2024/25 (000) | 2025/26 (000) | 2026/27 (000) | 2027-2034 (000) | 2034-2054 (000) |
|---|------------------|------------------|------------------|--------------------|--------------------|
| NZTA funded – Low Cost Low Risk Projects – Road to Zero | 435 | 664 | 680 | 5,177 | 19,005 |
| NZTA funded – Low Cost Low Risk Projects – Speed Management | 495 | 506 | 518 | 3,942 | 14,473 |

Growth and demand capital projects

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

| Project | 2024/25 (000) | 2025/26 (000) | 2026/27 (000) | 2027-2034 (000) | 2034-2054 (000) |
|--|------------------|------------------|------------------|--------------------|--------------------|
| Low Cost Low Risk Local Improvements – Street Lighting - Capital | 130 | 133 | 136 | 1,035 | 3,801 |
| NZTA Funded – Low Cost Low Risk Projects – New Footpath/shared pathway | 150 | 153 | 157 | 1,194 | 4,386 |
| Matamata urban upgrades | 280 | 756 | 1,080 | 1,949 | |
| Morrinsville-Tahuna/ Hangawera/ Taukoro Road | | | 105 | 1,069 | |
| Hangawera Road to Snell Road | | | 125 | 259 | |

Climate change and resilience capital projects

There are no projects identified in the short and medium term that are linked directly to resilience but resilience is considered within the scope of the works when existing pavements are renewed. This includes completing additional drainage or raising road levels to improve current and future flooding or ponding issues.

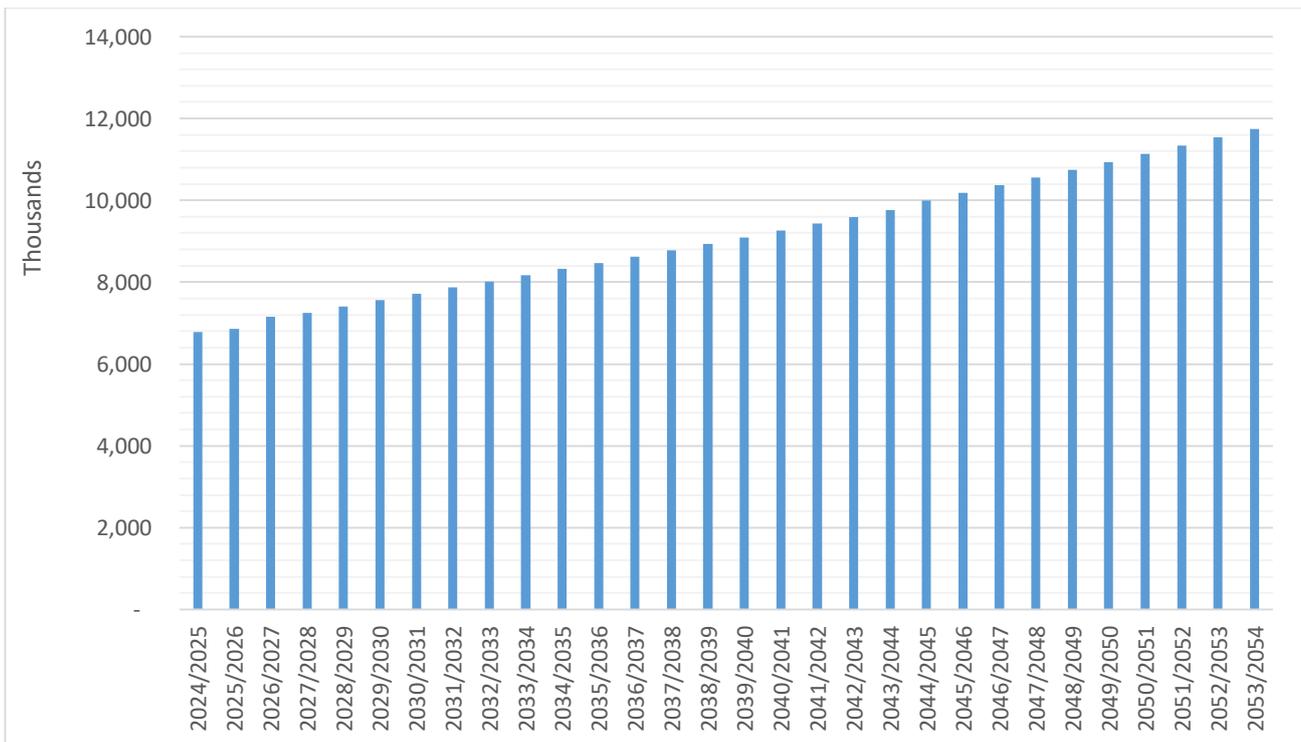
| Project | 2024/25 (000) | 2025/26 (000) | 2026/27 (000) | 2027-2034 (000) | 2034-2054 (000) |
|------------------------------------|------------------|------------------|------------------|--------------------|--------------------|
| School Travel Plan implementations | | | | | 7,310 |
| Cycleway developments | | | | | 7,156 |

Renewals expenditure

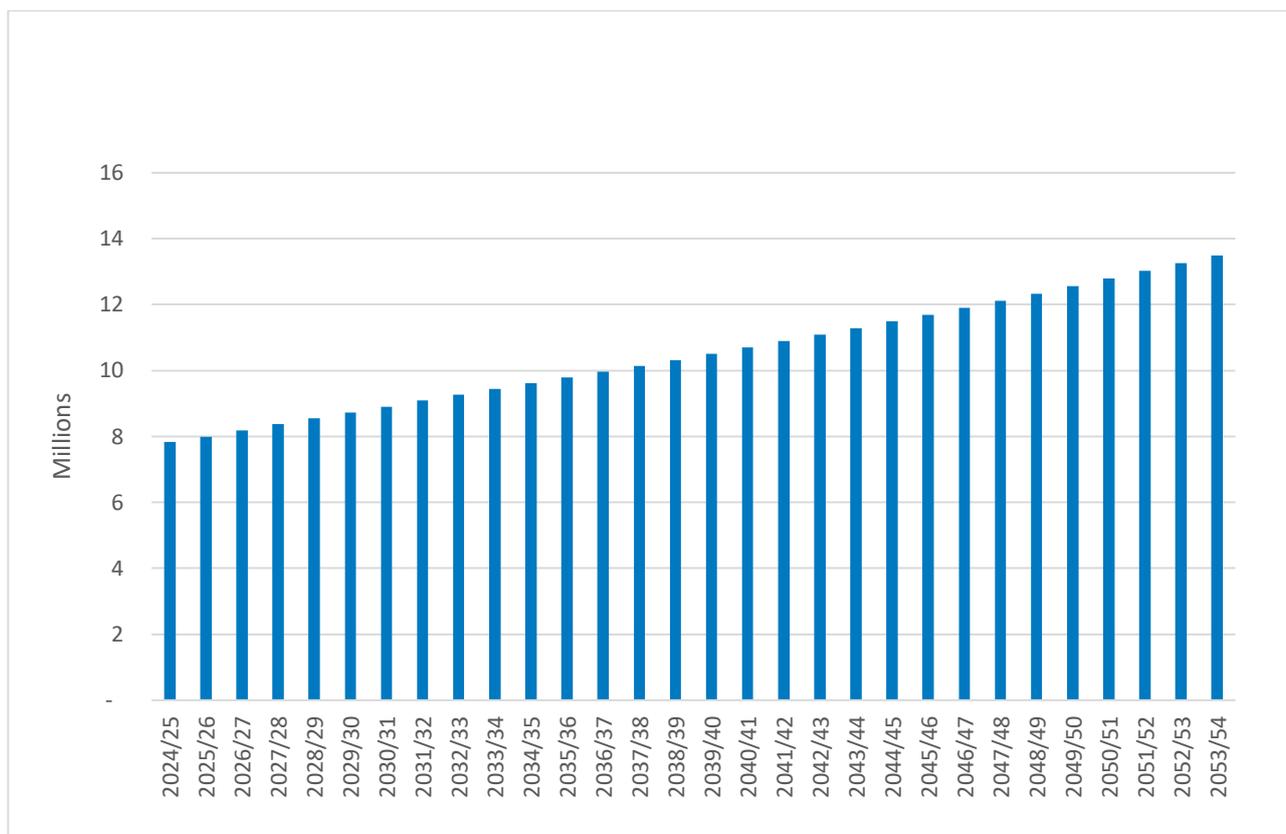
Our business as usual projects include pavement, signage, marking, drainage and footpath renewals. Modelling has been completed that has identified the most economical and sustainable renewal strategy for our pavements. Pavements make up 80% of the renewal costs so are critical to a cost effective approach to their long term management.

In the short term we are taking a risk with our pavement renewals, investing less than the optimal level. This means our focus will be on resealing our roads with some targeted pavement renewals.

Renewal costs have increased in some asset classes due to the increase in vested assets over the past few years, this particularly applies to rain gardens and other stormwater assets. There has been an increase in streetlights, footpaths and electronic signage that requires a bigger renewal investment when assets are at the end of their lives.



Operating Expenditure



The increase in maintenance costs has been limited as much as possible however the roading activity has seen a very significant increase in inflation driven costs for materials and labour over the past few years. The roading work programme has been developed to try and reduce this impact. Some of the key aspects of the programme are as following:

- The cost of maintaining our unsealed network has been slightly reduced.
- The addition of signage and markings for road safety purposes has increased the operating costs slightly. This includes the additional maintenance requirements for electronic speed or safety signs that have been installed over recent years.
- Drainage has increased as there are now additional water treatment devices for the road water which have been vested in Council and that we are now required to maintain. These include rain gardens, other treatment devices and additional soakage systems and structures.
- Increases in drainage maintenance on our rural roads to protect our pavement from failure due to water getting into our pavements. This mainly includes more high edge removal and ensuring the culverts and drains are inspected and maintained.

Asset Condition

The roads and footpaths infrastructure assets' condition and reliability of data are described in the Land Transport Activity Management Plan 2024-27. The current asset condition of our roads (both sealed and unsealed) is acceptable by national standards and maintenance and renewal programmes are conducted in accordance with national standards. Our forecast confidence level is assessed as fairly accurate (confidence Level B).

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

We have identified some of our key roads as critical assets based on accessibility and previous lifelines mapping.



Rubbish and Recycling

Background

The rubbish and recycling activity includes the provision of kerbside rubbish and recycling collections to approximately 9,600 households in the district, and the ownership and operation of the districts three refuse transfer stations (RTS). Council also conducts additional waste activities detailed further under the activity description. Our key levels of service for rubbish and recycling assets are described in Section 5.

The assets held for the rubbish and recycling activity are primarily buildings and land, including three known closed landfills. The closed landfills are included in the rubbish and recycling asset portfolio as the Council is required to monitor and maintain these sites and mitigate any environmental effects that may cause non-compliance with the resource consents held for each location.

Context

The Waste Minimisation Act 2008 requires Council to adopt a waste management and minimisation plan (WMMP) that provides objectives, policies, and methods for achieving effective and efficient waste management and minimisation in our district. As part of fulfilling these responsibilities, Council provides a range of waste management and minimisation facilities and services to its residents.

There are also a number of National plans and strategies that are drivers for efficient waste management and minimisation.

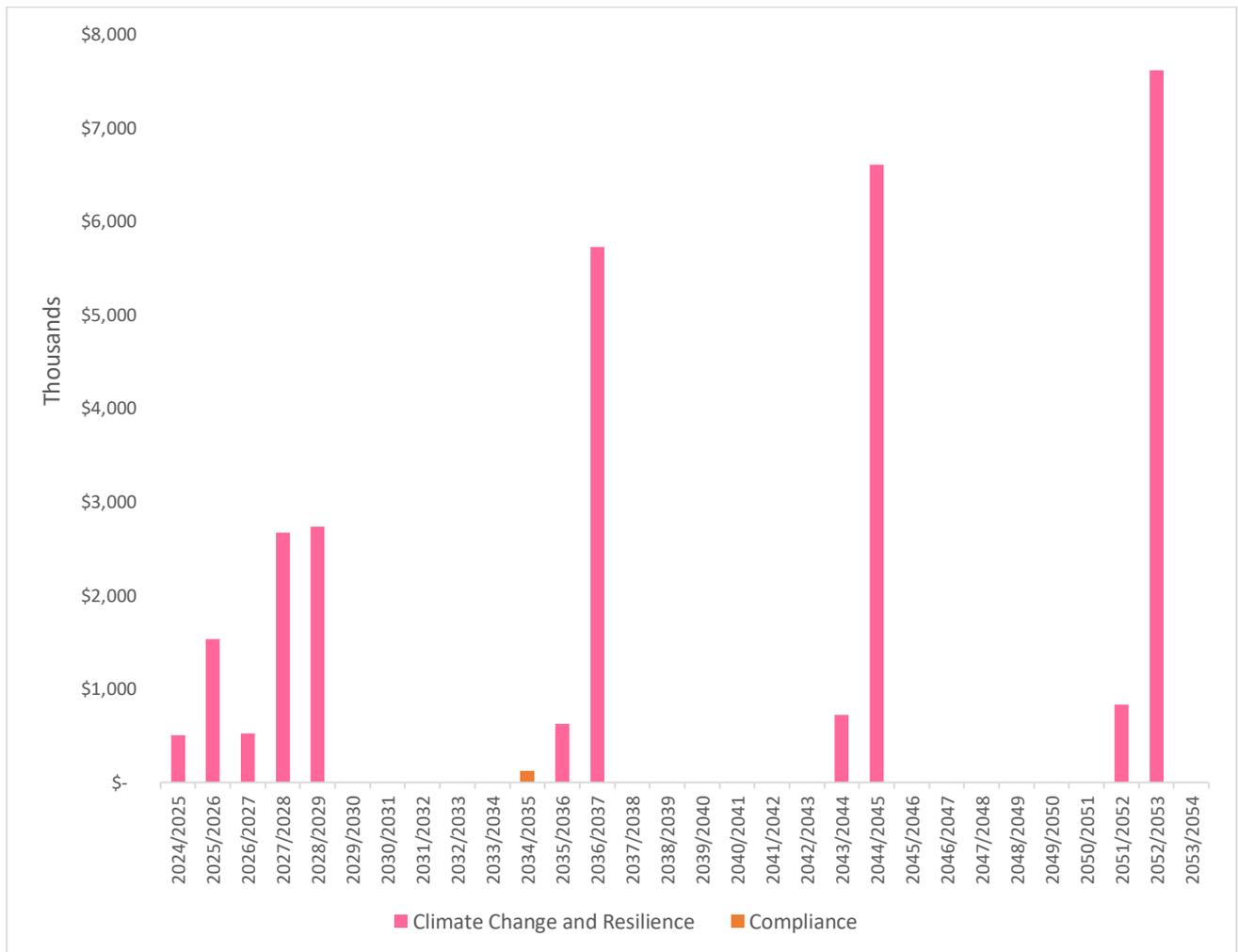
- The Emissions Reduction Plan
- Te rautaki para, The New Zealand Waste Strategy
- The Action and Investment Plan
- Kerbside Standardisation
- The Waste Disposal Levy
- The Emissions Trading Scheme
- Product Stewardship schemes

The 2020 Waste Management and Minimisation Plan has particular targets and objectives. ***“Our vision ‘Zero waste 2038; working towards a low-waste future and a circular economy’*”**

Strategic Overview

| Problem statement | Key driver |
|---|---|
| New assets are needed to comply with current and upcoming regulations | Compliance → Level of service |
| Under-capacity assets hinder plant functionality and can't support current or forecasted demand | Growth and demand → Growth |
| Some assets need replacing to withstand disruption, improve effectiveness during weather events, and adapt to changing conditions | Climate change and resilience → Renewals → Level of service |

Capital and Renewal Expenditure



Compliance capital projects

The budget for the upgrade of our current transfer stations and new recovery centre is split between compliance and climate change and resilience. An additional allowance needs to be made for any remediation work at our closed landfills that will potentially be required when we renew our consents.

| Project | 2024/25 (000) | 2025/26 (000) | 2026/27 (000) | 2027-2034 (000) | 2034-2054 (000) |
|---------|------------------|------------------|------------------|--------------------|--------------------|
|---------|------------------|------------------|------------------|--------------------|--------------------|

| | | | | | |
|----------------------------------|-----|-------|--|--|-----|
| Closed landfill remediation | | | | | 118 |
| Minor Upgrades of existing sites | 500 | 1,532 | | | |
| | | | | | |

Growth and demand projects

There are no growth and demand projects but when renewing existing assets or upgrades are completed for compliance purposes, the future population growth and increased use of the transfer stations are considered as part of the upgrade.

Climate change and resilience capital projects

The programme includes funding for a new recovery centre. This will be staged over the next 30 years and additional waste diversion streams and new product stewards/ brand owners which will likely contribute or provide a funding stream to fund parts of the addition.

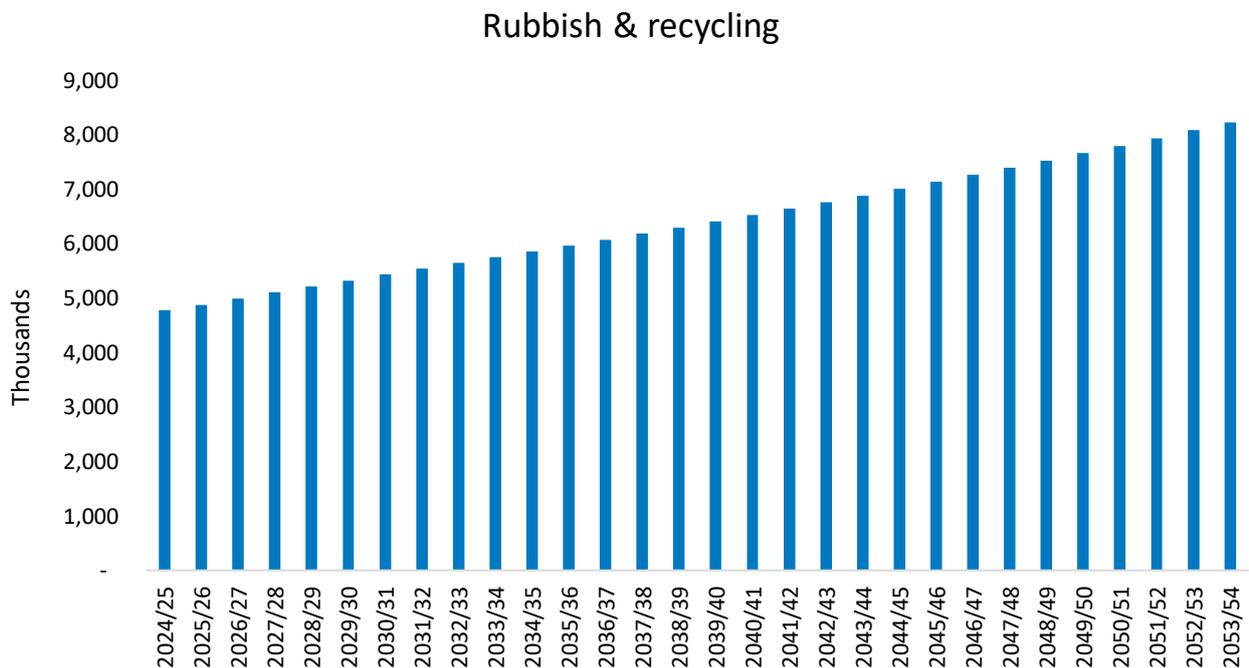
| Project | 2024/25 (000) | 2025/26 (000) | 2026/27 (000) | 2027-2034 (000) | 2034-2054 (000) |
|---------------------|------------------|------------------|------------------|--------------------|--------------------|
| New Recovery Centre | | | 523 | 5,404 | 22,119 |

Renewals expenditure

There are no major renewals planned for our transfer station as there is capital funding in the programme to upgrade these.

Over the 30-year strategy there will be some renewals of assets required. The renewal of our closed landfills will need to be funded.

Operating Expenditure



There is an increase in costs due to a change in the contract we have in place, more stringent waste diversion targets and the work that is required going forward to meet performance measure targets.

Asset Condition

We have a basic asset register of waste management assets. As more upgrades are completed and our sites become more sophisticated, it will be important to complete condition assessments and programme renewals to replace our assets.

Parks and open spaces, Community facilities and property

Background

Parks and Open Spaces and Community Facilities and Property is about providing facilities for play, sport, recreation, cultural, and social activities, affordable housing for elderly people, and buildings and facilities that enable us to provide a range of services to the community. Our key levels of service for the Community Facilities and Property assets are described in Section 5.

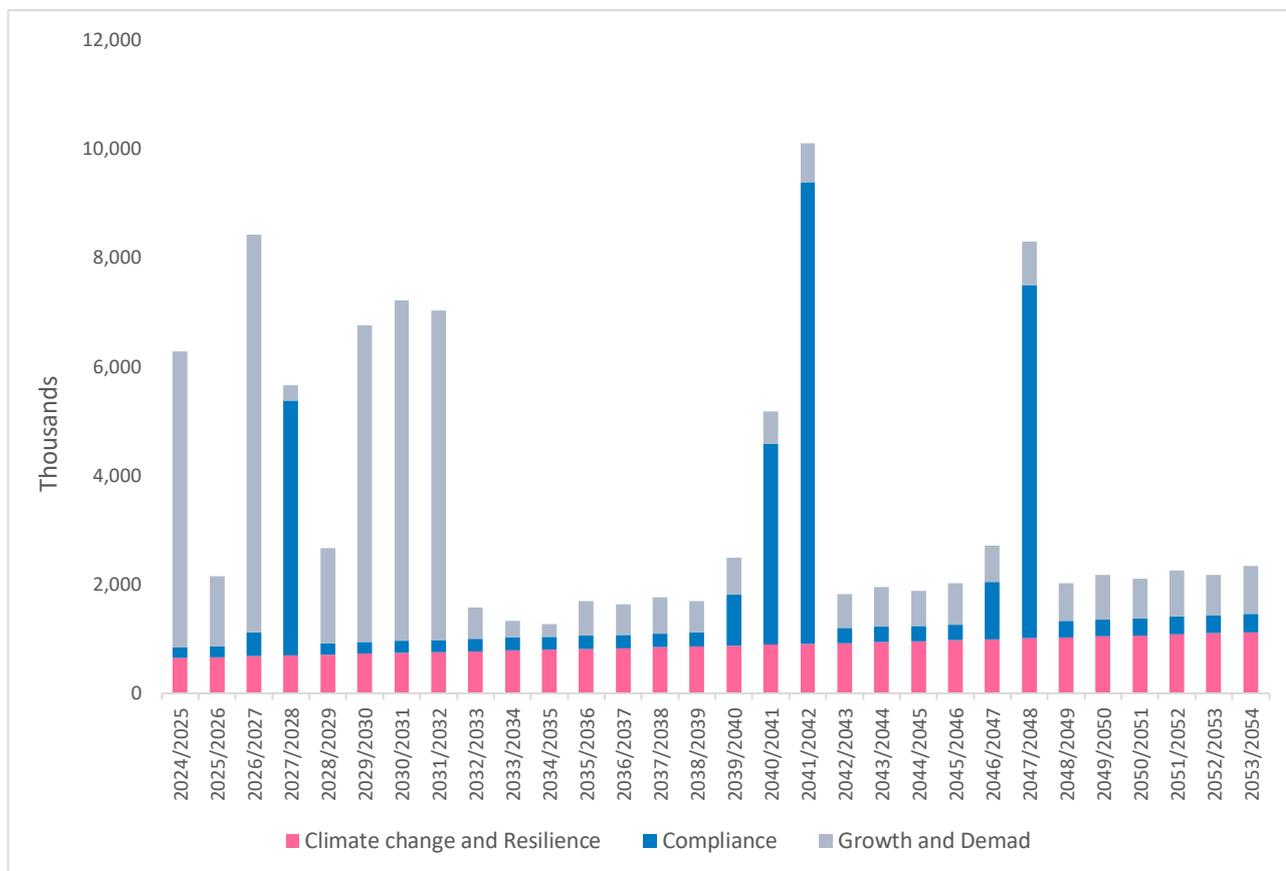
Context

Council owns and administers buildings and land across the district. Many of the buildings are more than 50 years old, and will reach the end of their useful lives in the next 30 years. As these assets come to the end of their lives we will review the demand and requirement for the assets, and decide whether to replace, repurpose or demolish the buildings. Any decision relating to our strategic assets will be subject to community consultation in line with our Significance and Engagement Policy. Any major structural work to buildings may require additional earthquake strengthening in line with the requirements of the Building Act (2004) and Building Regulations (1992). Regulations require that, prior to the demolition of older buildings, an assessment must be made as to the likelihood of asbestos within the structure, and if so how to handle and dispose of it appropriately. These considerations have been included in cost estimates for the purpose of this Strategy

Strategic Overview

| Problem statement | Key driver |
|---|---|
| Our current parks and facilities may not suit our community's needs now or later due to changing demographics & user expectations | Growth and Demand → Growth → Level of service |
| The renewal, replacement or decommissioning strategy of our aging assets is not always clear | Renewals → Renewals |
| Our buildings and facilities need to comply with current and upcoming regulations | Compliance → Level of service |

Capital and Renewal Expenditure



Compliance Capital projects

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

Our improvements also include upgrade works or the vesting and/or development of new assets to meet our strategic policies and objectives. They key strategies and plans are our Parks and Open Spaces Strategy, Regional Sports Facilities Plan, District Sports Facilities Action Plan and Sanitary Services Assessment

| Project | 2024/25 (000) | 2025/26 (000) | 2026/27 (000) | 2027-2034 (000) | 2034-2054 (000) |
|---|------------------|------------------|------------------|--------------------|--------------------|
| Housing & Property Management TA Civic Facilities – Library * | | | 230 | 4,469 | |
| Cemeteries TA Cemetery Extension | | | | | 556 |
| Cemeteries Piako Cemetery | | | | 68 | |

Growth and demand Capital projects

These are projects which relate more to customer expectation and demand. They are not funded through the Development Contributions Policy but are driven by either growth or demand. Some of the key projects in the strategy include:

| Project | 2024/25 (000) | 2025/26 (000) | 2026/27 (000) | 2027-2034 (000) | 2034-2054 (000) |
|---|------------------|------------------|------------------|--------------------|--------------------|
| Parks & Tracks – MV Rec Ground Development | 300 | | 312 | 1,024 | |
| Cemeteries and Additional Ashes Walls | 60 | 73 | | 328 | 1,062 |
| Parks & Tracks – TA Domain Redevelopment | | 613 | | | |
| Parks and Tracks – Destination Playgrounds | 1,500 | | 1,559 | | |
| Public Toilets – New toilets at Matamata Domain and Davies Park | 380 | | | | |
| Pools & Spas MV Pool Development | | | | 18,099 | |
| Development of Linkage park developments | | | | | 7,003 |
| Te Aroha Spa Redevelopment | | | 5,229 | | |
| New MM Sports Stadium | 3,000 | | | | |
| Bulk Fund | 141 | 144 | 147 | 1,123 | 4,123 |

Climate change and Resilience Capital projects

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

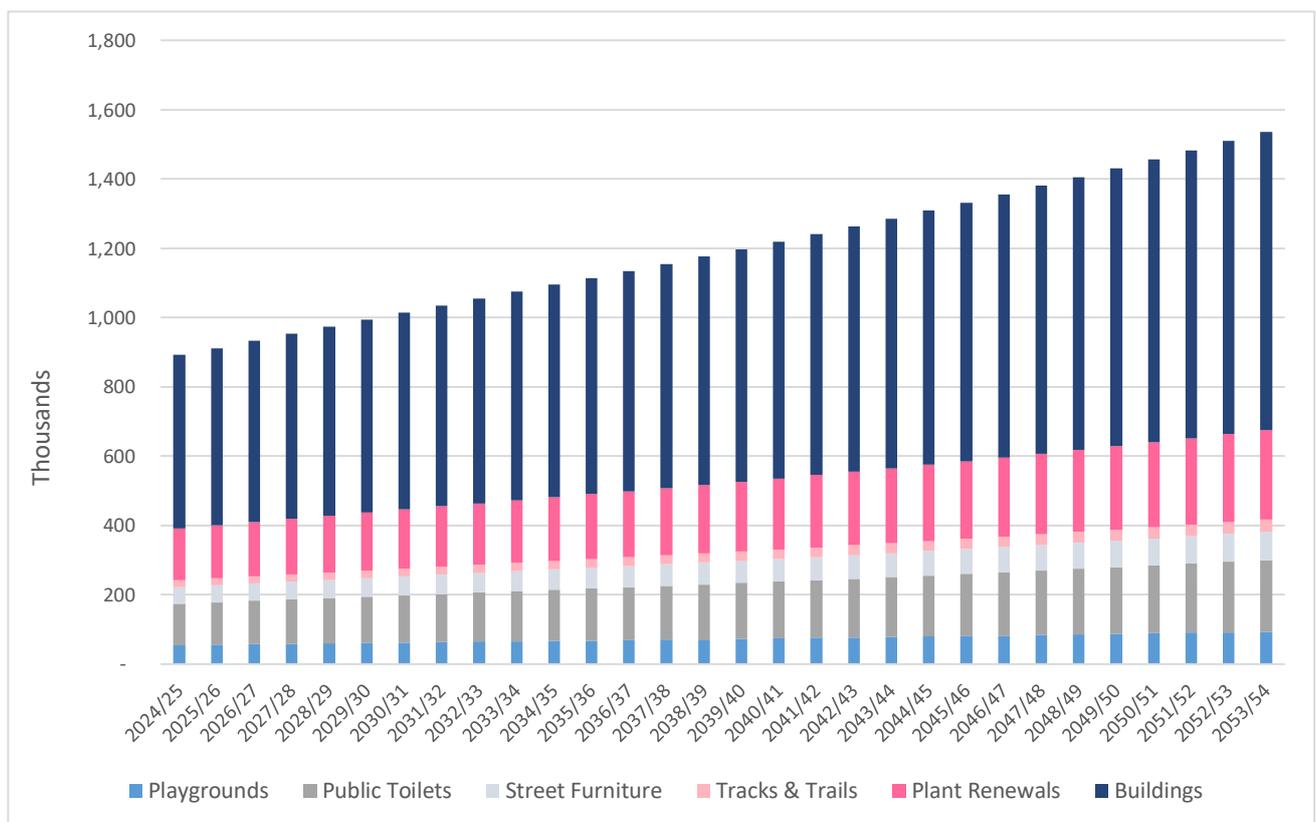
Renewals Expenditure

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

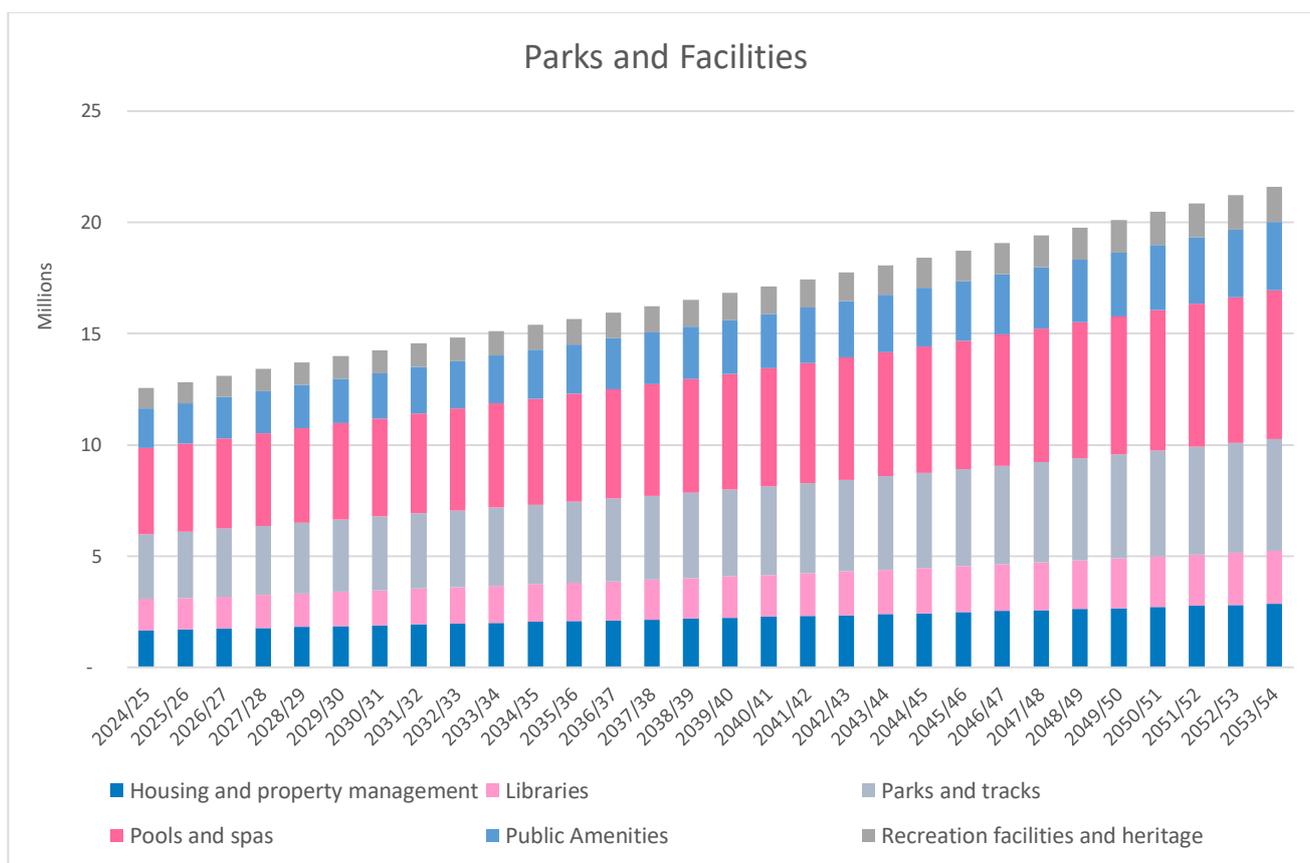
Council has adopted an approach for buildings where the need for major renewals is assessed against the use of the building, the associated costs and benefits, and its strategic purpose. A building with very limited use, high replacement cost and no planned future use will not be renewed. Some allowance has been made in the building maintenance budgets for disposal and/ or demolition of such buildings. As part of the renewal and upgrade considerations, any seismic or asbestos investigations are also completed.

Renewals of our pools and plant assets are also planned and included in our budgets, in order to meet community expectations.

The Health Act requires us to ensure our public toilets are maintained to an adequate standard. We fund the renewals of our public toilets.



Operating Expenditure



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

Additional vested assets also increase the long term maintenance trend as they require maintenance from the time they are vested unlike some other infrastructure assets that take some time to require any maintenance. Also additional assets like new toilets, new playgrounds and new sports stadiums will add to the existing maintenance budget. Inflation has also been included.

Asset Condition

The Community Facilities and Property infrastructure assets' condition and reliability of data are described in the Community Facilities and Buildings Asset Management Plan 2024-54 and the Parks and Open Spaces Asset Management Plan 2024-54.

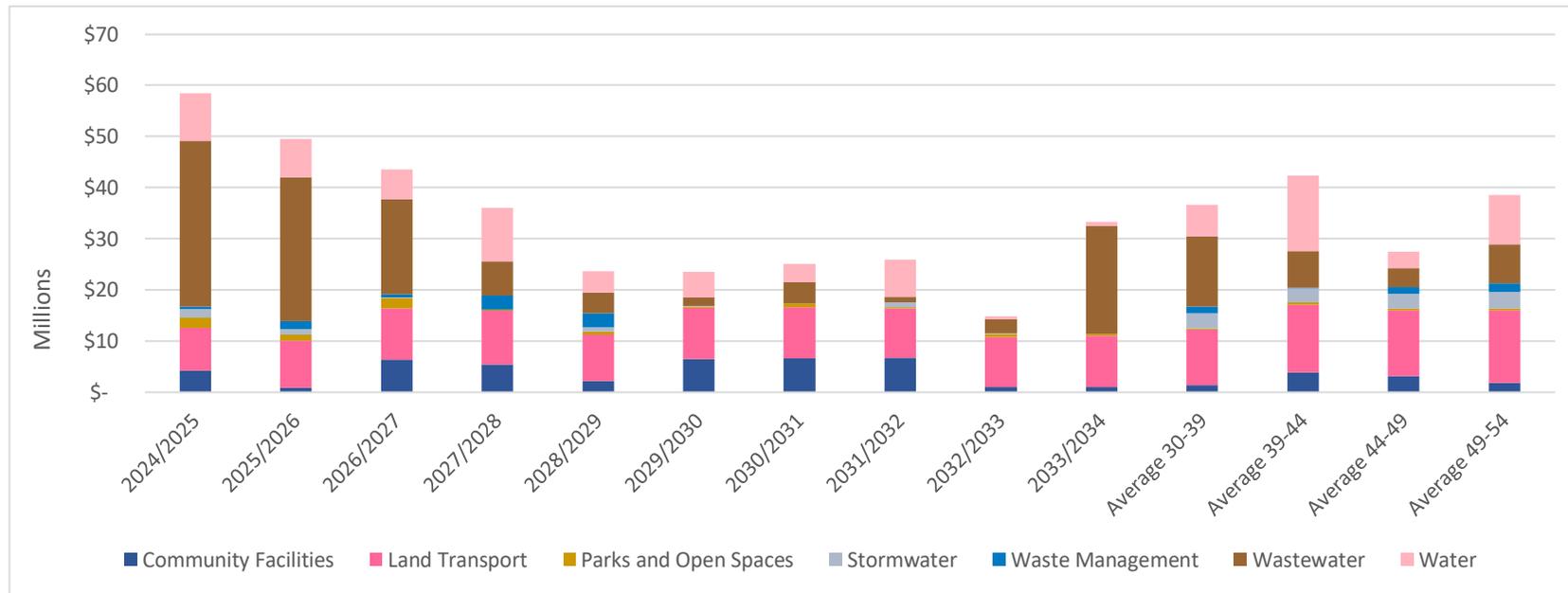
Condition assessments are completed for our buildings and pool assets and a work programme is developed and prioritised based on this assessment.

Te rāpopotonga ā-pūtea | Financial Summary

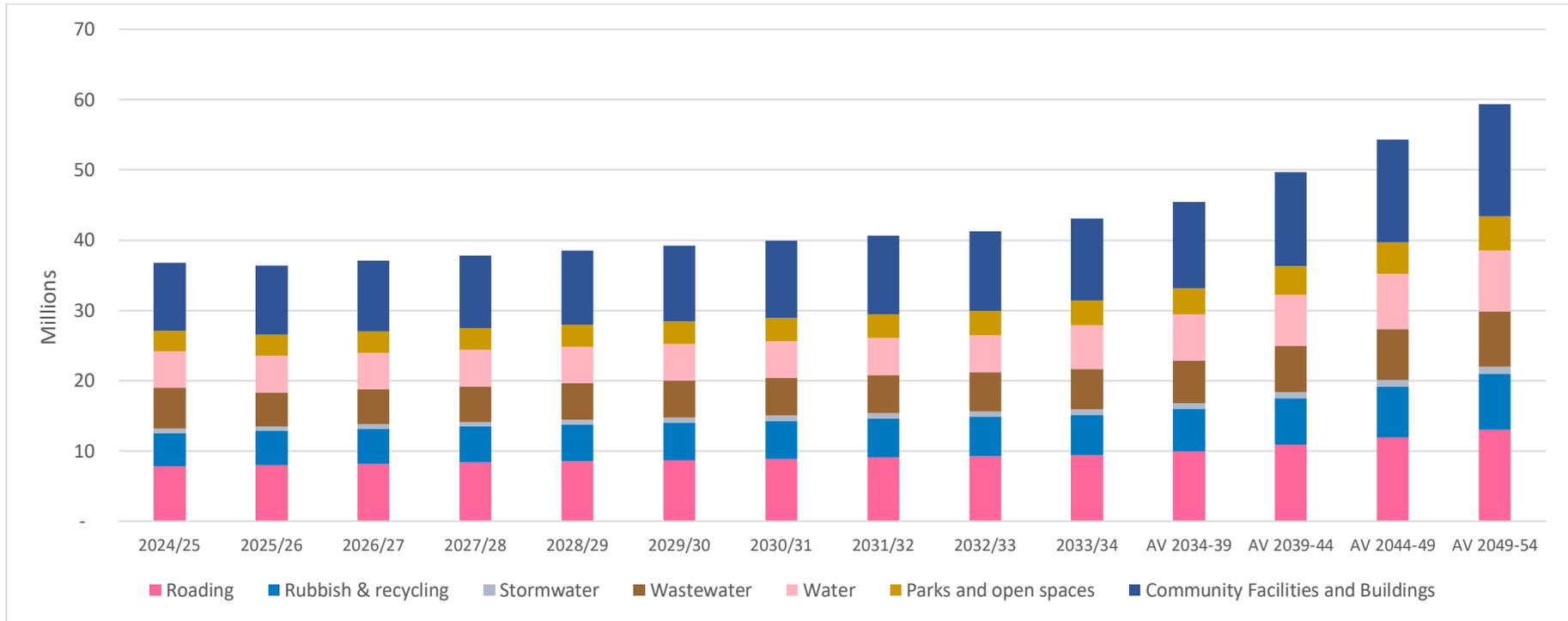
Financial forecasts

The total expected capital and operational expenditure for each infrastructure activity over the 30-year period 2024 to 2054 is summarised in the table below including water, wastewater and stormwater.

30 year capital expenditure per activity (inflated)



30 year Operational expenditure per activity (inflated)



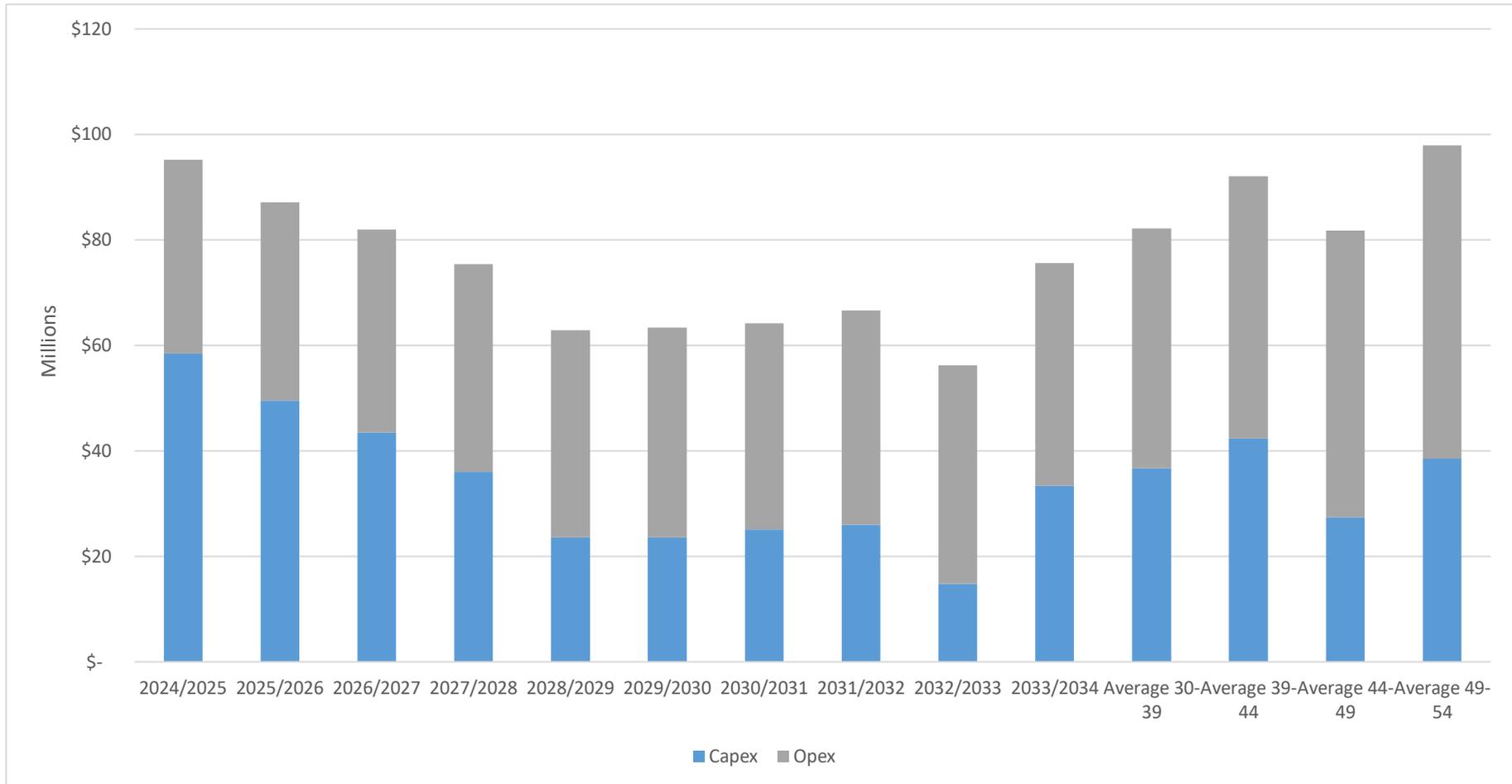
Expected total 30 year operating and capital expenditure (inflated)

| Activity | Capital (incl Renewal) expenditure (\$000) | Operational expenditure (\$000) |
|------------------------------------|--|---------------------------------|
| Roads and Footpaths | \$352,000 | \$311,000 |
| Water | \$224,000 | \$207,000 |
| Wastewater | \$281,000 | \$191,000 |
| Stormwater | \$63,000 | \$25,000 |
| Parks and open spaces | \$16,000 | \$116,000 |
| Community facilities and buildings | \$91,000 | \$383,000 |
| Rubbish and Recycling | \$30,000 | \$190,000 |
| TOTAL | \$1,057,000 | \$ 1,420,000 |

Source: MPDC's LTP budgets (as at Feb 2024)

The most likely scenario for total operating and capital expenditure for combined assets is shown in the figure below (including water, wastewater and stormwater).

Combined capital and operating expenditure



The breakdown by capital categories for each activity over the 30-year period 2024 to 2054 is summarised in the table and figure below. This shows that renewals are 66% of the total capital expenditure followed by levels of service.

Combined capital expenditure by category (inflated)

| Activity | Capital expenditure: Renewals (\$000) | Capital expenditure: Levels of service (\$000) | Capital expenditure Growth (\$000) |
|------------------------------------|---------------------------------------|--|------------------------------------|
| Roads and Footpaths | \$ 273,593 | \$ 74,477 | \$ 4,392 |
| Water | \$ 149,042 | \$ 75,684 | \$ 400 |
| Wastewater | \$ 127,176 | \$77,019 | \$ 77,283 |
| Stormwater | \$ 46,862 | \$ 14,257 | \$ 2,156 |
| Parks and open spaces | \$ 4,912 | \$ 10,467 | \$ 429 |
| Community facilities and buildings | \$ 31,008 | \$ 50,918 | \$ 8,838 |
| Rubbish and Recycling | \$ - | \$ 24,588 | \$ 5,609 |
| TOTAL | \$ 631,596 | \$ 327,411 | \$ 99,108 |

Source: MPDC's LTP budgets (as at Feb 2024)

